

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

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	)	<b>Case No. 19-34054-sgj-11</b>
In Re:	)	Chapter 11
	)	
HIGHLAND CAPITAL	)	Dallas, Texas
MANAGEMENT, L.P.,	)	June 21, 2021
	)	12:00 p.m. Docket
Debtor.	)	
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HIGHLAND CAPITAL	)	<b>Adversary Proceeding 20-3190-sgj</b>
MANAGEMENT, L.P.,	)	
	)	
Plaintiff,	)	MOTION TO STAY PENDING
	)	APPEAL [196]
v.	)	
	)	
JAMES D. DONDERO,	)	
	)	
Defendant.	)	
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TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,  
UNITED STATES BANKRUPTCY JUDGE.

WEBEX APPEARANCES:

For the Plaintiff: Jeffrey Nathan Pomerantz  
PACHULSKI STANG ZIEHL & JONES, LLP  
10100 Santa Monica Blvd.,  
13th Floor  
Los Angeles, CA 90067-4003  
(310) 277-6910

For the Defendant: John T. Wilson  
BONDS ELLIS EPPICH SCHAFFER  
JONES, LLP  
420 Throckmorton Street,  
Suite 1000  
Fort Worth, TX 76102  
(817) 405-6900

Recorded by: Michael F. Edmond, Sr.  
UNITED STATES BANKRUPTCY COURT  
1100 Commerce Street, 12th Floor  
Dallas, TX 75242  
(214) 753-2062



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Transcribed by:

Kathy Rehling  
311 Paradise Cove  
Shady Shores, TX 76208  
(972) 786-3063

Proceedings recorded by electronic sound recording;  
transcript produced by transcription service.

1                    DALLAS, TEXAS - JUNE 21, 2021 - 12:04 P.M.

2                    THE CLERK: All rise.

3                    THE COURT: All right. Good afternoon. Please be  
4 seated. We have an emergency setting in Highland versus  
5 Dondero, Adversary 20-3190. We have a motion of Mr. Dondero  
6 for a stay pending appeal. Who do we have appearing for Mr.  
7 Dondero?

8                    MR. WILSON: Your Honor, John Wilson with Bonds Ellis  
9 Eppich Schafer Jones for Mr. Dondero.

10                   THE COURT: All right. Mr. Pomerantz, I saw you out  
11 there, I think, for the Debtor.

12                   MR. POMERANTZ: Yes. Good morning, Your Honor. Jeff  
13 Pomerantz; Pachulski Stang Ziehl & Jones; appearing on behalf  
14 of the Debtor.

15                   THE COURT: All right. Well, I know we have lots of  
16 interested observers, but I'll stop with the appearances  
17 there. I think these are the only parties in interest on this  
18 one.

19                   I'll first ask: Mr. Pomerantz, I did not see a responsive  
20 pleading from the Debtor; is that correct?

21                   MR. POMERANTZ: That is correct, Your Honor. We have  
22 been working over the last, you know, 72 hours with Mr.  
23 Dondero's counsel to try to reach a resolution. We believe we  
24 have reached a resolution. We have exchanged drafts of a  
25 stipulation. It's not yet finalized, but we don't see any

1 problems.

2       The Debtor has agreed, although we don't necessarily  
3 believe that there is a stay pending appeal as a right, we  
4 have agreed under these circumstances that we would support or  
5 we would not oppose the stay, provided that Mr. Dondero posted  
6 cash in the Court's registry in the amount of \$600,000. The  
7 \$600,000 would be made up of \$450,000, which was the amount of  
8 Your Honor's contempt order, an additional \$100,000 for the  
9 first level of the appeal, an additional \$50,000 toward  
10 incidental costs that would be incurred in connection with the  
11 appeal, subject to Mr. Dondero's right to challenge whether  
12 the Debtor has incurred those costs.

13       In addition, the order approving the bond would provide  
14 that for every level of appeal or rehearing *en banc* and  
15 *certiorari*, as Your Honor indicated in Your Honor's order, Mr.  
16 Dondero would be required to, contemporaneously with  
17 commencing an appeal or rehearing *en banc* or a *certiorari*  
18 petition, to post an additional \$100,000.

19       And we think those terms are conceptually acceptable, and  
20 we are, as I said, in the process of negotiating a  
21 stipulation. So I would ask Mr. Wilson if he agrees with what  
22 I said, and then I think we would have a resolution of this  
23 motion.

24       THE COURT: All right. Mr. Wilson, do you agree with  
25 everything Mr. Pomerantz announced?

1           MR. WILSON: I think for the most part yes, Your  
2 Honor. We are -- we just got the draft back the Pachulski  
3 firm just a few minutes before we got on this hearing, and we  
4 are looking at the changes. I don't think there's anything  
5 objectionable, but we wanted to confirm. But Mr. Pachulski --  
6 I'm sorry -- Mr. Pomerantz has stated, you know, substantially  
7 the agreement of the parties.

8           THE COURT: All right. So you agree it's going to be  
9 \$600,000 cash in the registry of the Court?

10          MR. WILSON: That is correct, Your Honor.

11          THE COURT: All right. Well, it sounds like, then,  
12 we don't really need any court time for the Court to address  
13 anything on this.

14          I would just urge you all, before you submit the agreed  
15 form of order, to maybe consult with my courtroom deputy and  
16 make sure the order has the bells and whistles that the  
17 Clerk's Office likes to have when money is deposited in the  
18 registry of the Court. She can run it by our finance person  
19 and make sure, if there's anything that needs to be in there  
20 that you don't have in there, you get added. But --

21          MR. POMERANTZ: We will certainly do so, Your Honor.  
22 And we have, obviously, history in this case to having monies  
23 deposited in the Court.

24          THE COURT: True.

25          MR. POMERANTZ: But we do appreciate the reminder,

1 because I'm not sure either of us focused on that. But we  
2 will make sure we go back and make sure, and then also run it  
3 by your calendar clerk, who can then run it up the channel  
4 before it actually gets submitted.

5 THE COURT: Okay. All right. Well, is there  
6 anything else for today? I know you all come back later in  
7 the week on various things.

8 MR. POMERANTZ: Nothing from the Debtor, Your Honor.

9 THE COURT: Mr. Wilson, anything from you?

10 MR. WILSON: I think we are -- I think we are good,  
11 too, Your Honor.

12 THE COURT: All right. Well, that was quick for a  
13 Highland hearing. All right. So we will stand adjourned.  
14 Thank you.

15 THE CLERK: All rise.

16 MR. POMERANTZ: Thank you, Your Honor.

17 (Proceedings concluded at 12:09 p.m.)

18 --oOo--

19

20 CERTIFICATE

21 I certify that the foregoing is a correct transcript from  
22 the electronic sound recording of the proceedings in the  
above-entitled matter.

23 **/s/ Kathy Rehling**

**07/02/2021**

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\_\_\_\_\_  
Kathy Rehling, CETD-444  
Certified Electronic Court Transcriber

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Date

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