

John A. Morris (*pro hac vice*) (NY Bar No. 266326)  
Jordan A. Kroop (*pro hac vice*) (NY Bar No. 2680882)  
PACHULSKI STANG ZIEHL & JONES LLP  
10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Email: jmorris@pszjlaw.com

*Attorneys for Debtor Highland Capital Management, LP*

Deborah Deitsch-Perez (TX Bar No. 24036072)  
Michael P. Aigen (TX Bar No. 24012196)  
STINSON LLP  
3102 Oak Lawn Avenue, Suite 777  
Dallas, Texas 75219-4259  
Telephone: (214) 560-2201  
Email: deborah.deitschperez@stinson.com  
michael.aigen@stinson.com

*Attorneys for James Dondero and Nancy Dondero*

Daniel P. Elms (TX Bar No. 24002049)  
GREENBERG TRAUERIG, LLP  
2200 Ross Avenue, Suite 5200  
Dallas, Texas 75201  
(214) 665-3600 telephone  
(214) 665-3601 facsimile  
Email: elmsd@gtlaw.com

*Attorneys for Nancy Dondero*

Douglas S. Draper (La. Bar No. 5073)  
Leslie A. Collins (La. Bar No. 14891)  
Greta M. Brouphy (La. Bar No. 26216)  
HELLER, DRAPER & HORN, L.L.C.  
650 Poydras Street, Suite 2500  
New Orleans, LA 70130  
(504) 299-3300 telephone  
(504) 299-3399 facsimile  
Email: ddraper@hellerdraper.com  
Email: lcollins@hellerdraper.com  
Email: gbrouphy@hellerdraper.com

*Attorneys for The Dugaboy Investment Trust*

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

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Plaintiff,

vs.

JAMES DONDERO, NANCY DONDERO, AND  
THE DUGABOY INVESTMENT TRUST,

Defendants.

Adv. Proc. No. 21-03003

Case No. 3:21-cv-03160-C



HIGHLAND CAPITAL MANAGEMENT, L.P.,  Plaintiff,  vs.  NEXPOINT ADVISORS, L.P., JAMES DONDERO, NANCY DONDERO, AND THE DUGABOY INVESTMENT TRUST,  Defendants.	Adv. Proc. No. 21-03005  Case No. 3:21-cv-03162-K
HIGHLAND CAPITAL MANAGEMENT, L.P.,  Plaintiff,  vs.  HIGHLAND CAPITAL MANAGEMENT SERVICES, INC., JAMES DONDERO, NANCY DONDERO, AND THE DUGABOY INVESTMENT TRUST,  Defendants.	Adv. Proc. No. 21-03006  Case No. 3:21-cv-03179-M
HIGHLAND CAPITAL MANAGEMENT, L.P.,  Plaintiff,  vs.  HCRE PARTNERS, LLC (n/k/a NexPoint Real Estate Partners, LLC), JAMES DONDERO, NANCY DONDERO, AND THE DUGABOY INVESTMENT TRUST,  Defendants.	Adv. Proc. No. 21-03007  Case No. 3:21-cv-03207-S

**STIPULATION CONSOLIDATING AND STAYING BRIEFING ON APPEAL OF  
MOTIONS TO COMPEL ARBITRATION**

This Stipulation is entered into between and among Highland Capital Management, L.P., the plaintiff (the "Plaintiff" or "Appellee") in the above-referenced adversary proceedings (the "Adversary Proceedings"), on the one hand, and James Dondero, Nancy Dondero, and The

Dugaboy Investment Trust ("Dugaboy" and together with James Dondero and Nancy Dondero, the "Defendants" or "Appellants") (Plaintiff and Defendants together, the "Parties"), the defendants in the Adversary Proceedings, on the other hand.

**RECITALS**

WHEREAS, on January 22, 2021, Plaintiff commenced the Adversary Proceedings;

WHEREAS, Plaintiff subsequently amended its pleading to add additional claims and parties (collectively, the "Amended Complaints");

WHEREAS, the Amended Complaints asserted new claims against Defendants James Dondero, Nancy Dondero, and Dugaboy, including declaratory relief (Count V), breach of fiduciary duty (Count VI), and aiding and abetting a breach of fiduciary duty (Count VII) (collectively, the "New Claims");

WHEREAS, on September 1, 2021, Defendants filed Motions to Compel Arbitration and Stay Litigation with respect to the New Claims asserted in the Amended Complaints;

WHEREAS, on December 3, 2021, the U.S. Bankruptcy Court for the Northern District of Texas (Jernigan, B.J.) (the "Bankruptcy Court") issued a *Memorandum Opinion and Order Denying Arbitration Request and Related Relief* (the "Arbitration Order");

WHEREAS, on December 16, 2021, the Defendants filed Notices of Appeal related to the Arbitration Order in each of the Adversary Proceedings;

WHEREAS, the appeals of the Arbitration Order are currently pending in the above-referenced cases in this Court (the "Appellate Proceedings");

WHEREAS, each Appellate Proceeding is based on the same Arbitration Order, has identical Appellants and Appellee, and presents issues substantively identical to the other three Appellate Proceedings;

WHEREAS, the appeals of other Bankruptcy Court orders from the Adversary Proceedings are currently pending before Judge Brantley Starr;

WHEREAS, on December 17, 2021, Plaintiff moved for partial summary judgment on the first and second claims for relief set forth in the Amended Complaints (the "Summary Judgment Motion"); and

WHEREAS, the Parties have agreed to enter into this Stipulation to consolidate, transfer, and stay the Appellate Proceedings and to stay prosecution of the New Claims in the Bankruptcy Court until final resolution of the Summary Judgment Motion, including appeals;

### **STIPULATION**

NOW, THEREFORE, in consideration of the foregoing, the Parties agree and stipulate as follows:

1. The four Appellate Proceedings shall be consolidated for all purposes and transferred into Judge Brantley Starr's court (the "Consolidated Appellate Proceeding").
2. The Consolidated Appellate Proceeding, including briefing, shall be stayed until final resolution of the Summary Judgment Motion.
3. Specifically, final resolution of the Summary Judgment Motion means a final order on the Summary Judgment Motion by the Bankruptcy Court following any appeals of any Bankruptcy Court order resolving the Summary Judgment Motion ("Final Resolution"). On Final Resolution, the Parties shall immediately notify the District Court and request either a dismissal of, or a briefing schedule for, the Consolidated Appellate Proceeding.
4. This Stipulation (including the fact that the Stipulation was entered into by the Parties) shall not be used in any way to delay any other proceedings in the Bankruptcy Court.

5. The New Claims shall not be prosecuted or pursued in any manner during the duration of this stay.

6. The Parties shall file a Notice of Stipulation in the Adversary Proceedings, notifying the Bankruptcy Court of this Stipulation.

Dated: January 18, 2022

CONSENTED AND AGREED TO BY:

/s/ Jordan A. Kroop  
John A. Morris (*pro hac vice*)  
(NY Bar No. 266326)  
Jordan A. Kroop (*pro hac vice*)  
(NY Bar No. 2680882)  
PACHULSKI STANG ZIEHL & JONES LLP  
10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Email: jmorris@pszjlaw.com

*Attorneys for Debtor Highland Capital  
Management, LP*

/s/ Michael P. Aigen  
Deborah Deitsch-Perez (TX Bar No. 24036072)  
Michael P. Aigen (TX Bar No. 24012196)  
STINSON LLP  
3102 Oak Lawn Avenue, Suite 777  
Dallas, Texas 75219-4259  
Telephone: (214) 560-2201  
Email: deborah.deitschperez@stinson.com  
michael.aigen@stinson.com

*Attorneys for James Dondero  
and Nancy Dondero*

/s/ Daniel P. Elms  
Daniel P. Elms  
(TX Bar No. 24002049)  
GREENBERG TRAUERIG, LLP  
2200 Ross Avenue, Suite 5200  
Dallas, Texas 75201  
(214) 665-3600 telephone  
(214) 665-3601 facsimile  
Email: elmsd@gtlaw.com

*Attorneys for Nancy Dondero*

/s/ Douglas S. Draper  
Douglas S. Draper (La. Bar No. 5073)  
Leslie A. Collins (La. Bar No. 14891)  
Greta M. Brouphy (La. Bar No. 26216)  
HELLER, DRAPER & HORN, L.L.C.  
650 Poydras Street, Suite 2500  
New Orleans, LA 70130  
(504) 299-3300 telephone  
(504) 299-3399 facsimile  
Email: ddraper@hellerdraper.com  
Email: lcollins@hellerdraper.com  
Email: gbrouphy@hellerdraper.com

*Attorneys for The Dugaboy Investment Trust*

**CERTIFICATE OF SERVICE**

I certify that on January 18, 2022, a true and correct copy of the foregoing document was served via the Court's Electronic Case Filing system to the parties that are registered or otherwise entitled to receive electronic notices in this adversary proceeding.

*/s/ Michael P. Aigen* \_\_\_\_\_

Michael P. Aigen