

Nos. 22-631 & 22-669

IN THE
Supreme Court of the United States

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Petitioner,

v.

NEXPOINT ADVISORS, L.P. *et al.*,
Respondents.

NEXPOINT ADVISORS, L.P. *et al.*,
Petitioners,

v.

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Respondent.

**On Petitions for Writs of Certiorari to the
United States Court of Appeals
for the Fifth Circuit**

**CONSOLIDATED RESPONSE TO PETITIONS
FOR WRITS OF CERTIORARI**

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QUESTIONS PRESENTED

Collectively, Petitions 22-631 & 22-669 present three issues of federal bankruptcy law on which circuit courts are deeply divided and review is warranted:

1. Whether Bankruptcy Code Section 524(e) prohibits a bankruptcy court from exculpating or enjoining claims against third parties who have not themselves declared bankruptcy.

2. Whether a bankruptcy court may exculpate third parties appointed to act as the debtor's trustee for misconduct that falls short of gross negligence.

3. Whether a bankruptcy court may enjoin parties from pursuing post-confirmation claims against the debtor during a multi-year wind-down of the debtor?

CORPORATE DISCLOSURE STATEMENT

Respondents The Dugaboy Investment Trust and Get Good Trust have no parent corporations, and no publicly-held corporations own 10% or more of their shares.

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RESPONSE TO PETITIONS FOR WRITS OF CERTIORARI

Respondents The Dugaboy Investment Trust and Get Good Trust (collectively, the “Trusts”) file this Consolidated Response to the Petitions for Writs of Certiorari as requested by the Court on March 20, 2023.

STATUTORY PROVISIONS INVOLVED

Section 524(e) of the Bankruptcy Code provides:

Except as provided in subsection (a)(3) of this section, discharge of a debt of the debtor does not affect the liability of any other entity on, or the property of any other entity for, such debt.

INTRODUCTION

The Trusts agree there are well-developed circuit splits regarding the scope of bankruptcy court authority to exculpate third parties that warrant this Court’s review. Both Petitions should be granted to provide much needed clarity on important, recurring issues in Chapter 11 bankruptcy cases.

In this response, the Trusts will address the origin of the circuit split that has developed regarding the bankruptcy court’s ability to exculpate third parties. Prior to the Bankruptcy Code of 1978, the answer was clear. A bankruptcy court did not have the ability to relieve third parties from liability. But even though Section 524(e) of the Bankruptcy Code is a carry-over from the Bankruptcy Act of 1898, several circuit courts reached the unsupported conclusion that the law had changed, and third party exculpation is now allowed. The Fifth Circuit and Tenth Circuit correctly hold that third party exculpation is not allowed. Given the great confusion that has developed on this issue, review is

warranted to restore uniformity to the bankruptcy laws.

Not only does this case present an opportunity to resolve the circuit split on the bankruptcy court's ability to relieve third parties of liability, it also presents an opportunity to resolve a three-way circuit split on the standard of care applicable to trustees. The Fifth Circuit correctly held that the Independent Directors are collectively acting as the trustee for Highland Capital Management, L.P. ("Highland"). But the Fifth Circuit erred in finding that the bankruptcy court had the authority to relieve them of liability for negligence. The First, Second, Ninth, and Eleventh Circuits correctly hold that trustees may be sued for negligence too. If that view is adopted, it will resolve the three-way circuit split on the standard of care.

Also, the Seventh, Eighth, Ninth, and Eleventh Circuits correctly hold that bankruptcy protection does not extend to post-confirmation conduct. Post-confirmation conduct of the debtor is outside the permissible scope of protection. Here, however, the Fifth Circuit acted in conflict with this previously-settled position by entering a permanent injunction against a large number of "enjoined parties," which includes any person or entity "who have held, hold, or may hold" a claim against the debtor. This permanent injunction extends during the continued operation and winding down of debtor's multi-billion dollar operations over the course of several years. This Court should grant review to resolve the scope of bankruptcy court authority to permanently enjoin injured persons from pursuing post-confirmation claims. If allowed, the Fifth Circuit's decision would be a sweeping extension of bankruptcy court authority. This Court should rein in the lower courts on this important issue now.

The Trusts agree that, collectively, the Petitions present a clean and clear opportunity to resolve the circuit conflicts detailed herein.

STATEMENT OF THE CASE

1. The bankruptcy court confirmed a plan of reorganization (the “Plan”) for Highland, which is a multibillion-dollar investment management firm. The Plan contemplates that Highland will “continue to manage funds and conduct its business in the same manner” as before, to monetize its assets to pay off creditors and to gradually wind down operations, over a period of several years. *See* App. 117a, 187-188a.¹ “[T]here is no specified time frame by which this process must conclude.” App. 117a. Although the Plan requires the debtor to complete distributions within “three years from the effective date,” it permits the bankruptcy court to extend that period indefinitely. App. 183a-184a.

2. The Petitions in this Court focus on exculpatory provisions in the Plan, which the Fifth Circuit mostly affirmed, but partially reversed on appeal. Highland contends that, following the appeal, the scope of the exculpatory provisions is too narrow. NexPoint Advisors, L.P. and NexPoint Asset Management, L.P. (collectively, “NexPoint”) contend that the exculpatory clauses go much farther than is allowed under the Bankruptcy Code. The issues in dispute are critically important to this case because they address the rights and responsibilities of many parties during Highland’s multi-year wind-down process. The Trusts agree with NexPoint on the merits of the issues presented.

¹ All references to the “App.” refer to the Appendix to NexPoint’s Petition in No. 22-669.

3. The first issue addressed in this response, which is raised by Highland's Petition, is whether the Fifth Circuit correctly limited the scope of the persons exculpated to the debtor Highland, the Unsecured Creditors Committee and its members, and the Independent Directors who were appointed to serve as quasi-trustees of the debtor. App. 3a, 4a, 32a.

The confirmed Plan defined "Exculpated Parties" to include Strand Advisors, Inc. (the debtor's general partner), the debtors' employees, professionals employed in the bankruptcy, Highland's CEO/CRO, and Related Persons. App. 168a (§ 1.B.62). Related Persons was then broadly defined to include the Exculpated Parties' present and former officers, directors, employees, managers, managing members, shareholders, financial advisors, agents, consultants, and many others. App. 170a (§ 1.B.112). The Trusts are expressly excluded from this definition. App. 168a-169a (§ 1.B.62). The Fifth Circuit struck the listed third parties from the confirmed Plan. App. 29a.

4. The second issue, which is raised by NexPoint's Petition, focuses on the scope of protection provided to Exculpated Parties.

The Plan provides for broad exculpation: "to the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and such Exculpated Party is hereby exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for conduct occurring on or after the Petition Date in connection with or arising out of . . ." App. 189a (§ IX.C). The Plan continues by providing protection for a wide range of conduct, which includes the following relevant actions: "(iii) the funding and consummation of the Plan (including the Plan Supplement) or any

related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Plan Distribution of any securities issued or to be issued pursuant to the Plan . . . whether or not such Plan Distribution occur following the Effective Date, (iv) the implementation of the Plan, and (v) any negotiations, transactions, or documentation in connection with the foregoing clause . . .” App. 189a (§ IX.C). Considering that Highland is continuing operations as an investment management firm to fund the Plan, this clause is providing protection for a wide range of ordinary business conduct running the firm and servicing its clients.

The Plan does not provide complete exculpation: “the foregoing will not apply to (a) any acts or omissions of the Exculpated Parties arising out of or related to acts or omissions that constitute bad faith, fraud, gross negligence, criminal misconduct, or willful misconduct or (b) Strand or any Employee other than with respect to actions taken by such Entities from the date of appointment of the Independent Directors through the Effective Date.” App. 189a-190a (§ IX.C). For Exculpated Parties such as the Independent Directors and Highland’s CEO/CRO, there is no time limitation on the exculpation.

The Fifth Circuit called the use of Independent Directors “nontraditional,” but the bankruptcy court appointed the Independent Directors to serve as the bankruptcy trustee for Highland. App. 3a-4a, 28a. Regardless of their label, whether a “quasi-trustee” (App. 4a) or “like a debtor in possession,” the Fifth Circuit explained that “the Independent Directors are entitled to all the rights and powers of a trustee.” App. 28a. Thus, the Fifth Circuit’s decision squarely presents the issue of the scope to which trustees could

be held liable for their actions during the implementation of a bankruptcy plan.

5. The third issue, which is also presented by NexPoint's Petition, focuses on the bankruptcy court's authority to grant a permanent injunction protecting the debtor, its successor entities, and others against post-confirmation claims. App. 194a-195a (§ IX.C). The injunction applies to a large group of "Enjoined Parties," which is defined to include "all Entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor." App. 168a (§ I.B.56). "Entities" is also broadly defined to include any person or entity of any type, including natural persons. In short, any pre-confirmation creditor or customer of Highland—a multi-billion investment management firm—is subject to the bankruptcy court's post-confirmation injunction during the Plan's multi-year operation and winding down of Highland. The Fifth Circuit did not find this broad injunction to be a problem. App. 30a-32a.

REASONS FOR GRANTING THE PETITIONS

I. There Is a Well-Developed Circuit Split on Whether a Chapter 11 Plan May Exculpate Third Parties.

A. Prior to the Bankruptcy Code of 1978, Third-Party Exculpation Was Not Allowed.

The federal courts uniformly agreed that without enactment of the current Bankruptcy Code, third party exculpatory clauses like the one included in the Plan were not allowed. The Sixth Circuit recently addressed the scope of general equitable powers to bar claims against third parties in the context of a receivership, which is governed by equity, not statute.

See *Digital Media Solutions, LLC v. South Univ. of Ohio, LLC*, 59 F.4th 772 (6th Cir. 2023). After recounting the history of receiverships and their origin in equity, the Court held that the district court did not have equitable power to bar claims against third parties. *Id.* at 777-90. The Court observed that “[i]t is not every day that a court permits two parties to enter into a contract that ‘dispose[s] of the claims of a third party.’” *Id.* at 781 (citations omitted). “Because a receiver lacks the authority to litigate the [third parties’] claims, the receiver ‘equally’ lacks the authority to ‘to settle them’ without the consent of the claims’ owners.” *Id.* at 783 (citations omitted). An order barring or limiting third party claims “conflicts with traditional principles of equity.” *Id.* at 786.

The same result was uniformly reached by the circuit courts under the Bankruptcy Act of 1898—discharging a debtor did not impair the rights of third parties. See *Union Carbide Corp. v. Newboles*, 686 F.2d 593, 595 (7th Cir. 1982) (“the payment which effects a discharge is not consideration for any promise by the creditors, much less for one to release non-party obligors.”). The Seventh Circuit relied, in part, on Section 16 of the Bankruptcy Act of 1898 when reaching that conclusion. *Id.* Section 16 provided:

The liability of a person who is a co-debtor with, or guarantor or in any manner a surety for, a bankrupt shall not be altered by the discharge of such bankrupt.

Id. (quoting former 11 U.S.C. § 34).

Section 16 is nearly identical to current Section 524(e), which provides:

discharge of a debt of the debtor does not affect the liability of any other entity on, or the property of any other entity for, such debt.

11 U.S.C. § 524(e); *see also Underhill v. Royal*, 769 F.2d 1426, 1432 (9th Cir. 1985) (explaining that Section 524(e) was the “reenactment” of former Section 16). Relying on its origins in the Bankruptcy Act of 1898, the Ninth Circuit previously explained that Section 524(e)’s “broad language” meant that “the bankruptcy court has no power to discharge the liabilities of a non-debtor pursuant to the consent of creditors as part of a reorganization plan.” *Id.*; *see also In re American Hardwoods, Inc.*, 885 F.2d 621, 624-26 (9th Cir. 1989) (following *Underhill*).

B. Since 1978, a Wide and Intractable Circuit Split Has Developed.

From the prior clear rule, the Fifth Circuit and all parties to this case agree that a circuit split on the scope of the bankruptcy court’s authority to exculpate third parties has developed. App. 25a-26a (“there already is a [clear circuit split]”). The circuit split began as a result of the Fourth Circuit’s decision in *In re A.H. Robins Co., Inc.*, 880 F.2d 694, 701-02 (4th Cir. 1989), and continued to grow after other circuits followed the Fourth Circuit, but its reasoning was demonstrably flawed. The Fifth Circuit followed the correct path on this issue.

1. The Fourth Circuit found its authority to approve an injunction of third party claims in the “equitable powers” of the bankruptcy court, and 11 U.S.C. § 105(a). *Id.* at 701. But the Court did not analyze the scope of that equitable authority, which as the Sixth

Circuit recently confirmed, did not include the general power to alter the rights of parties not before the court. *Digital Media Solutions, LLC*, 59 F.4th at 786. The Fourth Circuit declined to follow the decisions of the Seventh and Ninth Circuits, which (as noted in the prior section) had held that “bankruptcy courts [have] no power to discharge liabilities of a nondebtor pursuant to the consent of creditors as part of a reorganization plan.” *In re A.H. Robins*, 880 F.2d at 702. Instead, the Fourth Circuit purported to follow the Fifth Circuit’s decision in *Republic Supply Co. v. Shoaf*, 815 F.2d 1046, 1050 (5th Cir. 1987).

The flaw in the Fourth Circuit’s analysis is revealed in footnote 9 of its decision, which acknowledges that the Fifth Circuit “did not decide the issue.” *In re A.H. Robins*, 880 F.2d at 702 n.9. In *Republic Supply*, the Fifth Circuit addressed an issue about *res judicata*, which was “the sole basis of our decision today.” 815 F.2d at 1051 n. 6.

2. The Fifth Circuit’s reasoning is straightforward and, the Trusts believe, correct: “The bankruptcy court’s injunctive powers exist only to ensure the preservation and fair division of Estate assets.” *In re Vitek, Inc.*, 51 F.3d 530, 536 (5th Cir. 1995). The Fifth Circuit continued: “By definition, the bankruptcy estate does not generally include property that is not owned by the debtor, and non-debtor property thus should not ordinarily be shielded by the powers of the bankruptcy court.” *Id.* at n.27 (citation omitted).

In *In re Zale Corp.*, 62 F.3d 746 (5th Cir. 1995), the Fifth Circuit expressly joined the Ninth Circuit in *American Hardwoods* (cited above), and the Tenth Circuit in *In re Western Real Estate Fund, Inc.*, 922 F.2d 592 (10th Cir. 1990), to hold: “we must overturn a § 105 injunction if it effectively discharges a

nondebtor.” 62 F.3d at 760. The Fifth Circuit declined to adopt the “more lenient approach” used by other courts, including the Fourth Circuit. *In re Pacific Lumber Co.*, 584 F.3d 229, 252 (5th Cir. 2009).

3. Several circuit courts have joined the Fourth Circuit in adopting the more lenient and expansive view of bankruptcy court authority to exculpate third parties. *See, e.g., In re Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285 (2d Cir. 1992) (citing *In re A.H. Robins* as its only supporting authority). But even the Second Circuit recognizes that “a nondebtor release is a device that lends itself to abuse.” *In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 142 (2d Cir. 2005).

There is no express statutory authorization for third party exculpation (except in limited circumstances not applicable here). *See In re Dow Corning Corp.*, 280 F.3d 648, 656 (6th Cir. 2002). As a result, the courts allowing such exculpation have struggled and disagreed in their explanations of the source of their authority, and “have splintered on the governing standard.” *In re Airadigm Communications, Inc.*, 519 F.3d 640, 656 (7th Cir. 2008).

As noted previously, the Fourth Circuit adopted its position based on equity and Section 105. *In re A.H. Robins*, 880 F.2d at 701. The Seventh Circuit similarly explains that its decision to allow third-party exculpatory clauses comes from its “residual authority’ . . . consistent with a bankruptcy court’s ‘traditionally broad’ equitable powers.” *In re Ingersoll, Inc.*, 562 F.3d 856, 864 (7th Cir. 2009); *see also In re Airadigm*, 519 F.3d at 657 (7th Cir. 2008) (recognizing that a bankruptcy court “applies the principles and rules of

equity jurisprudence”).² The Eleventh Circuit agrees: “§ 105(a) codifies the established law that a bankruptcy court ‘applies the principles and rules of equity jurisprudence.’” *In re Seaside Eng. & Surveying, Inc.*, 780 F.3d 1070, 1076-81 (11th Cir. 2015).

The Sixth Circuit also allows third-party exculpatory clauses, but in doing so, it explains that “the bankruptcy court is not confined to traditional equity jurisprudence.” *In re Dow Corning Corp.*, 280 F.3d at 658. The Sixth Circuit also holds that an order barring or limiting third party claims requires statutory authorization because it “conflicts with traditional principles of equity.” *Digital Media Solutions, LLC*, 59 F.4th at 786.

To round out the confusion on this legal question, the Ninth Circuit recently shifted its view. Many recognized that the Ninth Circuit was squarely in line with the Fifth and Tenth Circuits in rejecting the use of third-party exculpatory clauses. *See, e.g., In re Zale Corp.*, 62 F.3d at 760. But in *Blixseth v. Credit Suisse*, 961 F.3d 1074, 1081-85 (9th 2020), the Ninth Circuit expressly allowed a release of a third-party creditor as part of a reorganization plan.

4. Should the Court grant review, the Trusts ask the Court to follow the Fifth Circuit, which holds that

² In *Airadigm*, the U.S. Department of Justice, Civil Division, representing the Federal Communications Commission, urged the Seventh Circuit to follow the Ninth and Tenth Circuits because “section 524(e) bars the inclusion of plan provisions that effectively discharge a party other than the debtor.” *See* FCC Brief in No. 07-2212, 2007 WL 2216441 (7th Cir. 2007); Reply Brief, 2007 WL 2804328 (C.A.7 Sept. 12, 2007) (“The release of parties other than the debtor from liability on claims that may be asserted against them is inconsistent with section 524(e).”).

traditional equity principles, which apply even when Sections 105(a) and 1123(b)(6) of the Bankruptcy Code are invoked, do not allow bankruptcy courts to exculpate third parties from their own liabilities. As the Ninth Circuit initially held, the broad language of Section 524(e) confirms that “the bankruptcy court has no power to discharge the liabilities of a non-debtor pursuant to the consent of creditors as part of a reorganization plan.” *Underhill v. Royal*, 769 F.2d at 1432.

II. There Is Also a Well-Developed Circuit Split on the Extent to Which Trustees May Be Protected from Liability for Their Conduct.

1. The question of the standard of care applicable to a bankruptcy trustee impacts *every* Chapter 11 case. The “norm” in a Chapter 11 is that the debtor remains in control of the company during the reorganization process as a debtor-in-possession. 7 COLLIER ON BANKRUPTCY § 1107.01 (16th ed. 2023). The bankruptcy court may appoint a trustee for cause, or because it determines a trustee is in the best interest of creditors or other interest holders in the bankrupt’s estate. 11 U.S.C. § 1104(a)(1) & (2). Regardless whether a trustee is appointed or whether a debtor-in-possession remains in control, they have the same powers and are subject to the same standard of care. 11 U.S.C. § 1107(a). With limited exceptions not relevant here, “a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title, and powers, and shall perform all the functions and duties ... of a trustee serving in a case under this chapter.” 11 U.S.C. § 1107(a).

Here, the bankruptcy court approved a corporate governance agreement that was negotiated by the debtor and the unsecured creditors’ committee, under

which three “Independent Directors” were appointed to govern the debtor. App. 3a-4a. Although the Fifth Circuit commented that this approach was “nontraditional,” it recognized that the Independent Directors “were appointed to act together as the bankruptcy trustee for Highland.” App. 28a. Regardless of their name or whether they were treated as traditional directors in charge of the debtor (which would be the case for a debtor-in-possession), “the Independent Directors are entitled to all the rights and powers of a trustee.” App. 28a. Under Fifth Circuit precedent, this also meant the Independent Directors were “entitled to qualified immunity for any actions short of gross negligence.” App. 28a. The Fifth Circuit held that “the bankruptcy court legally exculpated the Independent Directors” for their actions short of gross negligence based on this authority. App. 28a.

2. A trustee may be held personally liable for willful and deliberate conduct. *Mosser v. Darrow*, 351 U.S. 267, 272-73 (1951). By protecting trustees against liability for simple negligence, however, the Fifth Circuit created a three-way circuit split.

Following *Mosser*, the Fourth, Sixth, Seventh, and Tenth Circuits concluded that trustees should not be held personally liable unless their conduct rose to the level of willful or deliberate misconduct. *In re Chicago Pacific Corp.*, 773 F.2d 909, 915 (7th Cir. 1985); *Ford Motor Credit Co. v. Weaver*, 680 F.2d 451, 462 (6th Cir. 1982); *United States v. Sapp*, 641 F.2d 182, 184-85 (4th Cir. 1981); *Sherr v. Winkler*, 552 F.2d 1367, 1375 (10th Cir. 1977).

The First, Second, Ninth, and Eleventh Circuits adopted a lower standard, allowing a trustee to be held liable for acts of simple negligence. *In re Mailman Steam Carpet Cleaning Corp.*, 196 F.3d 1, 7 (1st Cir.

1999); *Bennett v. Williams*, 892 F.2d 822, 823 (9th Cir. 1989); *In re Gorski*, 766 F.2d 723, 727 (2d Cir. 1985); *Red Carpet Corp. v. Miller*, 708 F.2d 1576, 1578 (11th Cir. 1983).

In *In re Smyth*, 207 F.3d 758 (5th Cir. 2000), the Fifth Circuit adopted an intermediate position: “we conclude that trustees should not be subjected to personal liability unless they are found to have acted with gross negligence.” *Id.* at 762.

3. This case presents an excellent vehicle to resolve this entrenched circuit split. The plain language of the Fifth Circuit’s decision shows that this issue was outcome-determinative on the decision to approve the exculpatory clause providing that the Independent Directors were not liable for their own negligence.

III. The Fifth Circuit’s Decision to Approve Post-Confirmation Permanent Injunctive Relief Also Warrants Review.

As correctly explained at pages 30-31 of NexPoint’s Petition, the Seventh, Eighth, Ninth, and Eleventh Circuits each limit the scope of bankruptcy protection to the discharged, pre-confirmation debts of the debtor. See *In re Fairfield Cmty’s, Inc.*, 142 F.3d 1093, 1095 (8th Cir. 1998); *Southwest Marine Inc. v. Danzig*, 217 F.3d 1128, 1140 (9th Cir. 2000); *In re Sure-Snap Corp.*, 983 F.2d 1015, 1017-18 (11th Cir. 1993); *Pettibone Corp. v. Easley*, 935 F.2d 120, 122 (7th Cir. 1991). “The debtor is not entitled to a permanent umbrella shielding it from all law suits . . .” *In re Fairfield*, 142 F.3d at 1095 (quoting *In re Morgan & Morgan, Inc.*, 24 B.R. 518, 520-21 (S.D.N.Y. 1982)); see also *Pettibone*, 935 F.2d at 122 (“Once the bankruptcy court confirms a plan, the debtor . . . is without the *protection* of the bankruptcy court.”) (emphasis in original).

In direct conflict with that authority, the Fifth Circuit approved permanent injunctive relief for the full duration of Highland's remaining life while the company is operating for a multi-year wind-down period. App.30a-32a. This is an umbrella or shield against post-confirmation liability. This Court should grant review to determine whether the Fifth Circuit correctly held that a bankruptcy court has such expansive authority. It does not.

CONCLUSION

The Framers granted Congress the authority to enact "uniform" bankruptcy laws. U.S. CONST. art. I, § 8, cl. 4. The numerous circuit splits above undermine that uniformity. This Court should grant both Petitions to restore bankruptcy law uniformity.

Respectfully submitted,

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Nos. 22-631 & 22-669

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Petitioner,

v.

NEXPOINT ADVISORS, L.P. *et al.*,
Respondents.

NEXPOINT ADVISORS, L.P. *et al.*,
Petitioners,

v.

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Respondent.

AFFIDAVIT OF SERVICE

I HEREBY CERTIFY that on April 19, 2023, three (3) copies of the CONSOLIDATED RESPONSE TO PETITIONS FOR WRITS OF CERTIORARI in the above-captioned case were served, as required by U.S. Supreme Court Rule 29.5(c), on the following:

ROY T. ENGLERT JR.
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Washington, DC 20006
(202) 775-4500

Party name: Highland Capital Management, L.P.

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The Watergate, Suite 500
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Washington, D.C. 20037
(202) 556-2010

Party name: NexPoint Advisors, L.P., et al.

DAVID R. FINE
K&L GATES LLP
17 North Second Street
18th Floor
Harrisburg, PA 17101
(717) 231-4500

*Party name: Highland Income Fund;
NexPoint Strategic Opportunities Fund;
Highland Global Allocation Fund; and
NexPoint Capital, Inc.*

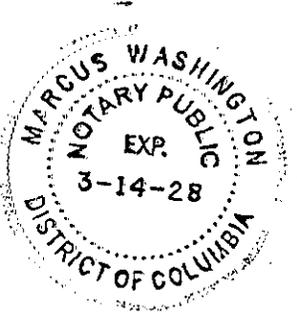
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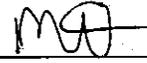
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ALAN JAMES SMITH
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Sworn to and subscribed before me this 19th day of April 2023.





MARCUS WASHINGTON
NOTARY PUBLIC
District of Columbia
My commission expires March 14, 2028.

IN THE
Supreme Court of the United States

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Petitioner,

v.

NEXPOINT ADVISORS, L.P. *et al.*,
Respondents.

NEXPOINT ADVISORS, L.P. *et al.*,
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v.

HIGHLAND CAPITAL MANAGEMENT, L.P.,
Respondent.

**On Petitions for Writs of Certiorari to the
United States Court of Appeals
for the Fifth Circuit**

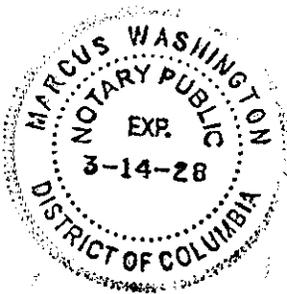
**CONSOLIDATED RESPONSE TO PETITIONS
FOR WRITS OF CERTIORARI**

CERTIFICATE OF COMPLIANCE

As required by Supreme Court Rule 33.1(h), I certify that the document contains 3,903 words, excluding the parts of the document that are exempted by Supreme Court Rule 33.1(d).

I declare under penalty of perjury that the foregoing is true and correct.

Sworn to and subscribed before me this 19th day of April 2023.





MARCUS WASHINGTON
NOTARY PUBLIC
District of Columbia
My commission expires March 14, 2028.