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*Co-Counsel for Marc S. Kirschner, as Litigation Trustee  
of The Highland Litigation Sub-Trust*

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

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In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>

Debtor.

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)  
) Chapter 11

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) Case No. 19-34054-sgj11

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**HIGHLAND CAPITAL MANAGEMENT, L.P. AND HIGHLAND CLAIMANT  
TRUST’S OPPOSED MOTION FOR AN EMERGENCY HEARING ON MOTION  
TO QUASH SUBPOENAS SERVED BY PATRICK DAUGHERTY**

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Highland Capital Management, L.P., the reorganized debtor (“Highland”) in the above-captioned chapter 11 case (the “Bankruptcy Case”), and the Highland Claimant Trust (the “Claimant Trust,” and together with Highland, the “Movants”), by and through their undersigned

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<sup>1</sup> Highland’s last four digits of its taxpayer identification number are (8357). The headquarters and service address for Highland is 100 Crescent Court, Suite 1850, Dallas, TX 75201.



counsel, hereby file this **OPPOSED** motion (the “Motion to Expedite”) requesting an emergency hearing on the *Motion to Quash Subpoenas Served by Patrick Daugherty* [Docket No. 4248] (the “Motion to Quash”) through which Movants seek to (a) quash the subpoenas served by Patrick Daugherty (“Daugherty”) directed to (i) James P. Seery, Jr. (the “Seery Subpoena”), (ii) Mark Patrick (the “Patrick Subpoena”), and (iii) Highland’s corporate representative (the “Rule 30(b)(6) Subpoena,” and collectively with the Seery Subpoena and Patrick Subpoena, the “Subpoenas”). In support of the Motion to Expedite, Movants state as follows:

## **I. JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this Motion to Expedite pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested in this Motion to Expedite are section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

## **II. RELEVANT BACKGROUND**

2. On May 19, 2025, Highland, the Claimant Trust, and the Highland Litigation Sub-Trust (the “Litigation Sub-Trust”) filed the *Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith* [Docket No. 4216] (the “9019 Motion”),<sup>2</sup> pursuant to which Highland, the Claimant Trust, the Litigation Sub-Trust, and the Highland Indemnity Trust (the “Indemnity Trust,” and together with Highland, the Claimant Trust, and the Litigation Sub-Trust, the “Highland Entities”) sought approval of a settlement with Hunter Mountain Investment Trust

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<sup>2</sup> Any terms capitalized but not defined herein shall take on the meanings ascribed thereto in the 9019 Motion.

(“HMIT”) and its affiliated entities (the “HMIT Settlement”).

3. Daugherty has no meaningful economic interest in the outcome of the 9019 Motion. His Class 9 Claim has been paid in full, and his Class 8 Claim has been fully reserved in an amount he agreed to and in accordance with the Disputed Claims Reserve requirements in the Plan (Plan, Art. I.B.49, I.B.50, VI.E). Nevertheless, on June 9, 2025, Daugherty filed his *Objection to Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith* [Docket No. 4229] (the “Daugherty Objection”). Pursuant to his Objection, Daugherty lodges a host of extensive, meritless, and unsupported objections to the 9019 Motion, asserting, for instance, that no settlement with HMIT can be reached until his disputed Class 8 claim has been resolved to Daugherty’s satisfaction.

4. Objections to the 9019 Motion were also filed by The Dugaboy Investment Trust (“Dugaboy”), [Docket No. 4230] (the “Dugaboy Objection”), and the Dallas Foundation (on behalf of Empower Dallas Foundation and The Okada Family Foundation) and Crown Global Life Insurance, Ltd., [Docket No. 4231] (the “Crown Obj.,” and together with the Daugherty Objection and the Dugaboy Objection, the “Objections”).

5. In connection with the Dugaboy Objection, Dugaboy timely served reasonable discovery requests and agreed to a two-hour time limit on the four different depositions it sought. In response, Highland has produced over 4,000 documents to Dugaboy, and Highland and HMIT have made (or will make) their witnesses available for deposition.

6. On June 19, 2025 (a federal holiday), ten days after filing his Objection, and four business days before the hearing on the 9019 Motion, Daugherty served the Subpoenas. The Rule 30(b)(6) Subpoena—served with one business day’s notice—identified nearly 40 separate

deposition topics and nearly 40 separate document requests (certain of the topics and requests appear to concern unrelated litigation).

7. Within an hour of receiving the Subpoenas, counsel for Movants offered to provide Daugherty with *all* documents previously produced to Dugaboy—which includes over 4,000 documents—and to make Mr. Seery and Mr. Patrick available for additional one-hour depositions.<sup>3</sup> Daugherty refused Movants’ offer; without agreeing to accept the documents, Mr. Daugherty insisted that Mr. Seery and Mr. Patrick sit for two hours, rather than one, and that Highland produce a Rule 30(b)(6) witness. In response, Highland agreed to (a) produce all documents to Mr. Daugherty that Highland produced to Dugaboy, and (b) make Mr. Seery and Mr. Patrick available for two-hour depositions (with Mr. Seery even agreeing to appear on Sunday), if Mr. Daugherty withdrew the Rule 30(b)(6) Subpoena. Late in the afternoon on June 20, 2025, Mr. Daugherty rejected Highland’s offer.

8. Based on Mr. Daugherty’s unreasonable discovery demands, Movants filed the Motion to Quash the evening of June 20, 2025. As set forth more fully in the Motion, Movants seek to quash the Subpoenas under Rule 45 because they fail to allow Movants a reasonable amount of time to comply; they are grossly overly broad and unduly burdensome; they seek information entirely irrelevant to the 9019 Motion; and they were served by a party, Mr. Daugherty, who does not have a legitimate economic interest in the outcome of the 9019 Motion.

### **III. ARGUMENT**

9. Pursuant to section 105(a) of the Bankruptcy Code, the Court “may issue any order . . . that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Furthermore, pursuant to Bankruptcy Rule 9006, the Court may, for cause shown,

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<sup>3</sup> Together, Highland and HMIT were willing to make four witnesses available (Mr. Seery twice, once by Dugaboy and once by Mr. Daugherty) *for a total of twelve hours*.

reduce the notice period required prior to a hearing.

10. A prompt hearing on or before Monday, June 23, 2025 on the Motion to Quash is necessary. The Subpoenas are noticed for Monday, June 23, 2025, and the Motion to Quash must be resolved prior to this time in order to potentially save the Movants from expending unnecessary burden, expense, and other resources participating in, and responding to, inappropriate discovery demands.

11. Notice of the proposed emergency hearing will be provided to counsel for Mr. Daugherty by email and the Court's CM/ECF system.

12. Movants are requesting an expedited hearing on the Motion to Quash to occur on or before June 23, 2025. Per the certificate of conference attached below, Mr. Daugherty is assumed to be **OPPOSED** to an expedited hearing on the Motion to Quash.

#### **IV. PRAYER**

WHEREFORE, Movants respectfully request that the Court enter an order (i) granting the Motion to Expedite, (ii) setting an expedited hearing on the Motion to Quash on or before June 23, 2025, and (iii) granting Movants such further and additional relief as the Court deems appropriate.

June 20, 2025

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**CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that, on June 20, 2025, counsel for Movants attempted to correspond with counsel for Mr. Daugherty regarding the relief requested in the foregoing Motion to Expedite. As of the filing of the Motion to Expedite, counsel for Mr. Daugherty had not yet responded regarding Movants' request for an emergency hearing. Due to the need for an immediate hearing on the Motion to Quash, however, Movants are filing this Motion to Expedite. Accordingly, it is assumed Mr. Daugherty is **OPPOSED** to the relief requested in the Motion to Expedite.

/s/ Zachery Z. Annable

Zachery Z. Annable