

PACHULSKI STANG ZIEHL & JONES LLP  
 Jeffrey N. Pomerantz (admitted *pro hac vice*)  
 John A. Morris (admitted *pro hac vice*)  
 Gregory V. Demo  
 Jordan A. Kroop (admitted *pro hac vice*)  
 10100 Santa Monica Blvd., 13th Floor  
 Los Angeles, CA 90067  
 Tel: (310) 277-6910

QUINN EMANUEL URQUHART & SULLIVAN LLP  
 Deborah J. Newman (admitted *pro hac vice*)  
 Robert S. Loigman (admitted *pro hac vice*)  
 51 Madison Avenue, 22nd Floor  
 New York, NY 10010  
 Tel: (212) 849-7000

HAYWARD PLLC  
 Zachery Z. Annable (Texas Bar No. 24053075)  
 ZAnnable@HaywardFirm.com  
 10501 N. Central Expy, Ste. 106  
 Dallas, Texas 75231  
 Tel: (972) 755-7100

SIDLEY AUSTIN LLP  
 Penny P. Reid (Texas Bar No. 15402570)  
 Paige Holden Montgomery (Texas Bar No. 24037131)  
 2021 McKinney Avenue  
 Suite 2000  
 Dallas, Texas 75201  
 Tel: (214) 981-3300

*Counsel for Highland Capital Management, L.P. and  
 the Highland Claimant Trust*

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

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

<p>In re:                  HIGHLAND CAPITAL MANAGEMENT, L.P.                  Reorganized Debtor.</p>	<p>Chapter 11                  Case No. 19-34054-sgj11</p>
<p>THE DUGABOY INVESTMENT TRUST,                  Appellant,                  v.                  HIGHLAND CAPITAL MANAGEMENT, L.P.  <i>et al.</i>,                  Appellees.</p>	<p>Case No. 3:25-cv-01876-K</p>
<p>PATRICK DAUGHERTY,                  Appellant,                  v.                  HIGHLAND CAPITAL MANAGEMENT, L.P.  <i>et al.</i>,                  Appellees.</p>	<p>Case No. 3:25-cv-01901-K</p>

**APPELLEES' UNOPPOSED MOTION TO CONSOLIDATE RELATED  
 APPEALS**



Appellees Highland Capital Management, L.P., the Highland Claimant Trust (together “Highland”), and Marc S. Kirschner as Litigation Trustee of the Highland Litigation Sub-Trust (together with Highland, “Appellees”), move to consolidate the above-referenced appeals emanating from the same Bankruptcy Court order. As reflected in the Certificate of Conference, Appellants do not oppose the relief requested.

### **PRELIMINARY STATEMENT<sup>1</sup>**

1. On June 30, 2025, following an evidentiary hearing, the Bankruptcy Court entered the Settlement Order approving a certain settlement between Appellees and the HMIT Entities.

2. Dugaboy and Daugherty each appealed the Settlement Order. Dugaboy’s Appeal was assigned to Judge Kinkeade and Daugherty’s Appeal was initially assigned to Judge Scholer. Since then, Daugherty’s Appeal was reassigned to Judge Kinkeade.

3. For purposes of judicial economy, to save Appellees the cost and expense of litigating two appeals of the same Settlement Order based on the same evidentiary record, and to avoid potentially inconsistent judgments, the Appeals should be consolidated so there is a single appeal of the Settlement Order.

---

<sup>1</sup> Capitalized terms not defined in this Preliminary Statement shall have the meanings ascribed to them below.

## STATEMENT OF FACTS

4. On May 19, 2025, Appellees filed their *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*. Bankr. Docket No. 4216 (the “Settlement Motion”).

5. Patrick Daugherty (“Daugherty”) and The Dugaboy Investment Trust (“Dugaboy” and together with Daugherty, the “Appellants”) each objected to the Settlement Motion. Bankr. Docket Nos. 4229 and 4230, respectively.<sup>2</sup>

6. On June 25, 2025, the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”), held a full-day evidentiary hearing during which four witnesses testified, voluminous documentary evidence was admitted into the record, and the Bankruptcy Court heard extensive argument.

7. On June 30, 2025, the Bankruptcy Court granted the Settlement Motion by entering its *Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith*. Bankr. Docket No. 4216 (the “Settlement Order”).

---

<sup>2</sup> The Dallas Foundation and Crown Global Life Insurance also objected to the Settlement Motion [Bankr. Docket No. 4231] but subsequently withdrew their objection with prejudice. Bankr. Docket No. 4291.

8. On July 14, 2025, Dugaboy filed its *Notice of Appeal* of the Settlement Order. Bankr. Docket No. 4311. Dugaboy's appeal was assigned to Judge Kinkeade and docketed as Case No. 3:25-cv-01876-K ("Dugaboy's Appeal").

9. On July 14, 2025, Daugherty filed his *Notice of Appeal* of the Settlement Order. Bankr. Docket No. 4310.<sup>3</sup> Daugherty's appeal was initially assigned to Judge Scholer and docketed as Case No. 3:25-cv-01901-S ("Daugherty's Appeal"). On August 6, 2025, Judge Kinkeade *sua sponte* issued an order reassigning Daugherty's Appeal to his Court and modified the case number to No. 3:25-cv-01901-K.

10. Daugherty's Appeal and Dugaboy's Appeal (together, the "Appeals") (a) are appeals of the same Settlement Order, (b) will be based on the same evidentiary record, and (c) may involve the same, similar, or related arguments.

### **RELIEF REQUESTED**

11. Appellees respectfully request entry of an Order in the form annexed as **Exhibit A** consolidating the Appeals into one action before Judge Kinkeade.

12. Consolidating the Appeals will serve judicial economy, save Appellees the cost and expense of litigating two appeals of the same Settlement Order based on the same evidentiary record, and avoid potentially inconsistent judgments.

---

<sup>3</sup> Daugherty subsequently amended his Notice of Appeal. Bankr. Docket No. 4327.

## CONCLUSION

For the reasons stated above, Appellees respectfully request that the Court enter an order substantially in the form annexed as Exhibit A, consolidate the Appeals, and grant such other and further relief as the Court deems just and proper.

August 8, 2025

### PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (admitted *pro hac vice*)  
John A. Morris (admitted *pro hac vice*)  
Gregory V. Demo  
Jordan A. Kroop (admitted *pro hac vice*)  
10100 Santa Monica Boulevard, 13th Floor  
Los Angeles, CA 90067  
Tel: (310) 277-6910  
Fax: (310) 201-0760  
Email: [jpomerantz@pszjlaw.com](mailto:jpomerantz@pszjlaw.com)  
[jmorris@pszjlaw.com](mailto:jmorris@pszjlaw.com)  
[gdemo@pszjlaw.com](mailto:gdemo@pszjlaw.com)  
[jkroop@pszjlaw.com](mailto:jkroop@pszjlaw.com)

-and-

### HAYWARD PLLC

/s/ Zachery Z. Annable  
Zachery Z. Annable (Texas Bar No. 24053075)  
[ZAnnable@HaywardFirm.com](mailto:ZAnnable@HaywardFirm.com)  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Tel: (972) 755-7100

*Counsel for Highland Capital Management, L.P.  
and the Highland Claimant Trust*

### QUINN EMANUEL URQUHART & SULLIVAN LLP

/s/ Robert S. Loigman  
Deborah J. Newman (admitted *pro hac vice*)  
Robert S. Loigman (admitted *pro hac vice*)  
51 Madison Avenue, 22nd Floor  
New York, NY 10010  
Tel: (212) 849-7000

SIDLEY AUSTIN LLP  
Penny P. Reid (Texas Bar No. 15402570)  
Paige Holden Montgomery (Texas Bar No.  
24037131)  
2021 McKinney Avenue  
Suite 2000  
Dallas, Texas 75201  
Tel: (214) 981-3300

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

## CERTIFICATE OF COMPLIANCE

1. This document complies with the word limit of Fed. R. Bankr. P. 8013(f)(3)(A) because, excluding the portions excluded by Fed. R. Bankr. P. 8015(g), this document contains 615 words.
2. This document complies with the typeface requirements of Fed. R. Bankr. P. 8015(a)(5) and the type-style requirements of Fed. R. Bankr. P. 8015(a)(6) because this document has been prepared in a proportionally spaced typeface using Microsoft Word, typeface Times New Roman, 14-point type (12-point type of footnotes).

/s/ Zachery Z. Annable  
Zachery Z. Annable

### **CERTIFICATE OF CONFERENCE**

I hereby certify that, on August 5 and 6, 2025, John A. Morris, counsel for Highland Capital Management, L.P. and the Highland Claimant Trust, communicated with Appellants' counsel in writing and was informed that Appellants are UNOPPOSED to the relief requested in the Motion.

/s/ Zachery Z. Annable

Zachery Z. Annable

## **EXHIBIT A**

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

In re: HIGHLAND CAPITAL MANAGEMENT, L.P. Reorganized Debtor.	Chapter 11 Case No. 19-34054-sgj11
THE DUGABOY INVESTMENT TRUST, Appellant,  v. HIGHLAND CAPITAL MANAGEMENT, L.P. <i>et al.</i> , Appellees.	Case No. 3:25-cv-01876-K
PATRICK DAUGHERTY, Appellant,  v. HIGHLAND CAPITAL MANAGEMENT, L.P. <i>et al.</i> , Appellees.	Case No. 3:25-cv-01901-K
<b>ORDER GRANTING MOTION TO CONSOLIDATE RELATED APPEALS</b>	

Having considered *Appellees Motion to Consolidate Related Appeals* [Docket No. \_\_\_\_] (the “Motion”)<sup>1</sup> filed by Highland Capital Management, L.P., the Highland Claimant Trust (together “Highland”), and Marc S. Kirschner as Litigation Trustee of the Highland Litigation Sub-Trust (together with Highland, “Appellees”), in which Appellees move to consolidate the Appeals, the Court hereby finds that

<sup>1</sup> Capitalized terms not defined herein shall take on the meanings ascribed to them in the Motion.

consolidation of the Appeals serves the interests of judicial efficiency and consolidation is therefore warranted. Accordingly, it is hereby **ORDERED THAT**:

1. The Motion is **GRANTED**.
2. Daugherty's Appeal and Dugaboy's Appeal are hereby consolidated under Case No. 3:25-cv-01876-K.
3. All future filings related to the Appeals shall be filed on the docket for Case No. 3:25-cv-01876-K.

**IT IS SO ORDERED** this \_\_\_ day of August, 2025.

---

Ed Kinkeade  
United States District Judge