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January 22, 2020

VIA CM/ECF FILING

Honorable Sidney A. Fitzwater
United States District Court
1100 Commerce Street, Room 1358
Dallas, Texas 75242-1003

Re: Case No. 3:16-cv-1735-D; *SEC v. Faulkner, et al.*
ECF No. 406, Receiver's Motion to Approve Proposed Plan of Distribution and to
Establish Procedures to Determine and Disallow Final Claims

Dear Judge Fitzwater,

This is in response to the Court's Advisory to Counsel for the Receiver (ECF No. 503) issued today. The Temporary Receiver believes that the above-entitled Motion is ready for hearing, notice having been given and several Objections having been asserted within prescribed time frames.

The procedural history is as follows:

1. On February 25, 2019 the Temporary Receiver filed his Motion to Approve Proposed Plan of Distribution and to Establish Procedures to Determine and Disallow Final Claims (ECF No. 406) ("Plan Motion").
2. On March 26, 2019 this Court entered its Order granting the Receiver's Plan Motion (the "March 26 Order") (ECF No. 419).
3. On March 27, 2019, the Temporary Receiver filed a Motion to Amend the March 26 Order (ECF No. 421). On March 28, 2019, this Court entered its Amended Order granting the Receiver's Plan Motion (the "March 28 Order") (ECF No. 424).
4. Pursuant to the Court's March 28 Order, the Temporary Receiver compiled a list of 1,369 entities and individuals who are potentially affected. Of this number, the Temporary Receiver's personnel were able to retrieve addresses for 1,150 and the Notice of Plan (as defined in the Plan Motion) was served on those individuals and entities. As prescribed by the Court, notices also were published in the Dallas Morning News and national edition of the Wall Street Journal. ECF No. 440 at 4.¹
5. The Temporary Receiver filed his Proof of Service on June 5, 2019 (ECF No. 440). Objections were required to be filed within 21 days after the filing of this proof of

¹ Citations to pages refer to page annotations in the CM/ECF Header.

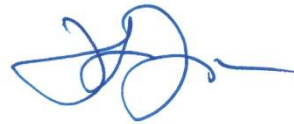
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service. *See* Order Granting Motion for Extension of Time to File Response to Objections to Proposed Plan of Distribution (ECF No. 435) at 1.

6. On June 7, 2019, the Temporary Receiver filed his Unopposed Motion to Hold the Court's March 28 Order in Abeyance (ECF No. 442) until such time as the Court considered and ruled on any timely-filed objections to the Temporary Receiver's Plan Motion. On June 10, 2019, the Court entered its Order Holding in Abeyance Order of March 28, 2019 (ECF No. 444).
7. As of the objection deadline (June 26, 2019) eight Objections had been filed with the Court; two additional objections were filed after the objection deadline. The Temporary Receiver filed an Omnibus Response to all of the Objections on July 17, 2019. (ECF No. 460).²

The Temporary Receiver will be prepared to appear for hearing on the Plan Motion on April 6, 2020, the date proposed by the Court.

Respectfully submitted,



Thomas L. Taylor III
Temporary Receiver

TLT/kc

² After the time for filing objections to the proposed Plan of Distribution had expired, PDM Holding, LLC ("PDM") sought leave to file a motion requesting an order directing the Receiver to treat PDM as a secured creditor of the Receivership Estate. By Order dated November 18, 2019 (ECF No. 491) this Court denied PDM's motion, noting that PDM would have the opportunity to present its arguments under the "conveyance procedures" described in the Receiver's Motion to Approve the Proposed Plan of Distribution. Accordingly, this Court held that the relief PDM sought was "at least premature if not unnecessary." *Id.* at 2.