

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

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
Plaintiff,	§	Case No. 3:16-cv-01735-D
	§	
VS.	§	
	§	
CHRISTOPHER A. FAULKNER, ET	§	
AL.,	§	
Defendants	§	

**RECEIVER’S REPLY TO FROST BANK’S
OBJECTION AND RESPONSE TO RECEIVER’S MOTION TO ORDER FROST
BANK TO TURNOVER ASSETS UNDER THE CONTROL OF FROST BANK**

TO THE HONORABLE U.S. DISTRICT JUDGE:

NOW COMES the Receiver, Thomas L. Taylor (the “Receiver”) and files his Reply to Frost Bank’s Objection and Response to Receiver’s Motion to Order Frost Bank to Turnover Assets Under the Control of Frost Bank (Dkt. 367) (“Frost Bank’s Response”), and would respectfully show the Court the following:

PRELIMINARY STATEMENT

Shortly after his appointment as Receiver on or about August 14, 2018, he became aware of the sale of the Faulkner’s residence at 8216 Inwood Rd. in Dallas, Texas (the “Faulkner Residence”) by the Faulkners, the deposit of the proceeds into an Inwood¹ account at Frost Bank and the issuance in excess of \$900,000 in cashier’s checks (including the \$840,000 in cashier’s checks in issue here) (“Inwood Proceeds”). Law enforcement, including criminal investigators of the Internal Revenue Service, advised the Receiver that they had already contacted Frost Bank in an attempt to enforce a seizure warrant based upon the fact that the Inwood Proceeds were the

¹ Inwood refers to Defendant Inwood Investments, Inc.’s (“Inwood”).

product of the massive securities fraud underpinning the present litigation. On or about September 28, 2017, the Receiver initiated contact with the legal department of Frost Bank. Frost Bank responded--accurately--that Inwood was not an entity within the Receivership Estate. Nonetheless, the Receiver advised Frost Bank that he believed the Inwood Proceeds were properly within the Receivership Estate and that he would take necessary measures to protect the Inwood Proceeds and the cashier's checks as Receivership Assets. The Receiver also served the Order Appointing Receiver on Frost Bank.

Notwithstanding numerous contacts from law enforcement, written and oral communications from the Receiver, and receipt of the Order Appointing Receiver, Frost Bank did nothing to protect the assets. Although Inwood was not at that juncture specifically within the Receivership Estate, no reasonable person could have doubted that the Inwood Proceeds were the product of fraudulent conduct. Nor could any reasonable person have doubted, notwithstanding legal technicalities, that the Inwood Proceeds should have been preserved for the benefit of defrauded investors in the present Securities and Exchange Commission enforcement matter.

Frost bank makes no attempt to explain its failure to take action to protect the Inwood Proceeds, notwithstanding its having been served with the OAR and having been advised on multiple occasions of the fraudulent provenance of those assets. Indeed, two \$20,000 cashier's checks were successfully negotiated long after Frost Bank was on notice of all of the foregoing. Frost Bank clearly had the capability to prevent dissipation of the Inwood Proceeds as demonstrated by a stop payment order with respect to the \$50,000 check presented for payment by a bogus Carole Faulkner controlled entity in Great Britain (see discussion *infra*).²

² At page 7 of its opposition (Dkt. 370), Frost Bank disingenuously refers to the stop payment order as a "flag" but on its face it is in fact a stop payment order in a form which could have prevented the successful negotiation of the two \$20,000 checks referenced.

In its opposition to the present motion, Frost Bank is arrogantly dismissive of the fiduciary duties and responsibilities of the Receiver under the OAR. The opposition is laced with inappropriate – and blatantly misleading -- *ad hominem* attacks on the Receiver. In all respects the Receiver proceeded in compliance with the Order Appointing Receiver and with applicable legal and equitable principles to preserve and marshal significant assets which were manifestly within or traceable to the Receivership Estate with which he was charged.

SUMMARY OF LEGAL POSITIONS

Frost Bank fails to negate that the cash relating to the four (4) cashier's checks payable to the order of "C.A. Faulkner" and four (4) cashier's checks payable to the order of Carole Faulkner in issue (the "Cash") derives directly from Receivership Assets.³ While Frost Bank argues that turning over the Cash would deprive it of the ability to honor a negotiation of the cashier's checks, Frost Bank fails to show how it would be harmed by impleading or placing the Cash into the court's registry so that the Receiver or the Court can maintain the ability to control the disposition of the Cash, with Frost. Frost Bank should be ordered to turn over the Cash, implead the Cash, or at the very least, deposit the Cash into the Court's registry.

The Cash qualifies as Receivership Assets as defined in the First Amended Order Appointing the Temporary Receiver (Dkt. #320) ("Amended OAR") because it is traceable to the Inwood Proceeds.⁴ The Inwood Proceeds are Receivership Assets. (Memorandum Opinion and Order [Dkt. 333, at p. 2] ("October Order")); *SEC v. Faulkner (Faulkner VI)*, 2018 WL 4362729,

³ See Motion and Brief of Receiver to Order Frost Bank to Turnover Assets Under the Control of Frost Bank (Dkt. 341 and 342) ("Receiver's Turnover Motion").

⁴ The only known asset of Inwood was Faulkner's Residence at 8216 Inwood Rd., Dallas, TX 75209 (the "Faulkner Residence") (See Status Report at p. 9, n. 2).

at *55 (N.D. Tex. Sept. 12, 2018) (Fitzwater, J.) (“*Faulkner VI*”). Upon the sale of Faulkner’s Residence, Inwood deposited Inwood Proceeds into its Frost Bank account and subsequently disbursed the proceeds in the form of sixteen cashier’s checks (including the cashier’s checks in issue (“the “Cashier’s Checks”)). Since the Cash is traceable to the Inwood Proceeds, the Cash is part of the Receivership Estate.

Pursuant to his duties under the Amended OAR, the Receiver sought to have Frost Bank turn over the Cash, but Frost Bank refused. If the Cash is not turned over, both the Receiver and the Court risk losing the ability to recover and/or control the disposition of the Cash. Frost Bank should be ordered to turn over the Cash to the Receiver, or alternatively, the Cash should be impounded or deposited into the Court’s registry to ensure that the Cash is disbursed properly.

ARGUMENTS AND AUTHORITY

I. Frost Bank Possesses Assets that Should be Under the Receiver’s or Court’s Control.

Frost Bank’s *ad hominem* attacks on the Receiver are misplaced. In responding to the Receiver’s Turnover Motion, Frost Bank unnecessarily attacks the Receiver as “overly aggressive” in his efforts to gain possession of the Cash. *See, e.g.* Dkt. 370, at p. 5 (“Frost Bank’s Brief”). Of course, Frost Bank ignores completely that the Amended OAR provides that receivership assets include “*all assets—in any form or of any kind whatsoever—owned, controlled, managed, or possessed by [the Receivership Defendants and non-parties, including Inwood], directly or indirectly.*” Amended OAR, at p. 1. Frost Bank also ignores that the Receiver is must take custody, control and possession of all Receivership Assets and to “sue for and collect, recover, receive, and take into possession from third parties all Receivership Assets and records relevant thereto...[and] [t]o take such action as necessary and appropriate for the preservation of Receivership Assets or to prevent the dissipation or concealment of Receivership Assets. (*Id.*, §

7.B and G, at p. 3-4). Frost Bank also ignores that the Amended OAR orders all entities “with direct or indirect control over any Receivership Assets...to relinquish such control to the Receiver... [including] Receivership Assets that are...on deposit with financial institutions such as banks, brokerage firms, and mutual funds.” *Id.* ¶ 3, at p. 2. The Amended OAR makes clear that the Receiver is required to seek possession of the Cash because it is traceable to and is an asset of the Receivership Estate.

Section 5 of Frost Bank’s Brief, at p. 16-17, is misleading to say the least in its implication that the Receiver was prepared to submit (and force upon Frost Bank) a bogus “lost check” affidavit. In fact, in September 2018, when the dialog regarding the affidavit occurred, both the Receiver and Frost Bank believed the Cashier’s Checks were lost.⁵ To that end, the Receiver attempted to reasonably resolve this issue by presenting Frost Bank with the option of declaring the Cashier’s Checks as lost. Frost Bank mischaracterizes this as “trying to force,” or to “strong-arm” Frost Bank into accepting a Declaration of Lost Instrument (“Lost Check Declaration”). *See* Frost Bank’s Brief, at p. 16-17. In support of this meritless argument, Frost Bank disingenuously portrays an email dated September 26, 2018, from Receiver’s attorney as an example of the Receiver’s so-called strong-arm tactics, alleging that the email is evidence of the Receiver’s “insistence” that the bank accept a Lost Check Declaration. *Id.* at p. 16. The email, attached as Exhibit F to Frost Bank’s Appendix to Frost Bank’s Brief (Dkt. 369) actually states:

[W]e have been analyzing Texas law to determine a way to resolve problem of the outstanding, missing cashier’s checks that advance the interests of the Receivership and address Frost’s concerns...To that end, the Receiver is prepared to submit a Declaration of Lost Instrument, pursuant to Texas Business and Commerce Code section 3.312. Please let us know the bank’s position regarding whether it would

⁵ In its September 21, 2018, statement to the Court, Frost Bank confirmed that it thought the Cashier’s Checks were lost, representing that “[a]t present, it is unknown as to who is in possession of the Cashier’s Checks.” (Dkt. 321, at ¶ 7.)

honor the Declaration and release funds to the Receiver, as he now controls the entity that is the remitter on the checks (Inwood Investment).

There is nothing in the communications which resembles an attempt to “strong-arm” Frost Bank into accepting a Lost Check Declaration. Indeed, in a subsequent email (notably not attached to Frost Bank’s Opposition) Receiver’s counsel agreed to accommodate Frost Bank’s counsel’s requests for additional time to analyze the legal issues and confer. *See* Email dated September 27, 2017, from Chad Berry, Frost Bank’s counsel, attached as Exhibit 1 to the Receiver’s Declaration.

In October 2018, the Receiver first learned that federal investigators located six of the Cashier’s Checks, and the Receiver so informed Frost Bank. *See* Letter of October 18, 2018, attached as Exhibit K to the Appendix of the Frost Bank’s Brief. (Dkt. 369). The letter informed Frost Bank that Beniammine Kheir, who resides in Lebanon, possessed six Cashier’s Checks. Once the Receiver became aware of Mr. Kheir’s possession of the checks, he terminated his efforts to pursue a Lost Check Declaration because the checks were no longer “lost.”

II. Frost Bank’s Discussion of the Receiver’s Successful Motion to Compel Production of Documents is not Relevant to the Present Motion

Frost Bank digresses in its opposition to the present motion to engage in a gratuitous and misleading assertion that the Receiver failed to comply with the Order of the Magistrate Judge in connection with Receiver’s successful motion to compel production by both Inwood and Frost Bank. As prescribed by statute, the Court ordered the Receiver, as successful moving party, to reimburse Frost Bank its reasonable costs for production of the documents for *in camera* inspection. This translates to the costs of copying and submitting 64 pages of documents. To date, Frost Bank has not presented a statement of its copying costs to the Receiver nor has Frost Bank ever expressed an intent to do so; should an invoice be submitted by Frost Bank it would be promptly paid upon receipt.

III. Court's October 29, 2018, Order is Inapplicable to the Cashier's Checks and Cash

In another exercise in gratuitous insult, Frost Bank wholly misapplies the Court's October 29, 2018, Memorandum Opinion and Order [Dkt. 333] ("Order") and suggests that the Receiver was determined to have engaged in "over-reach." The Order has no application to the issues here. It goes without saying that the Court is familiar with its contents.

The Order relates to the Receiver's effort to impose a constructive trust on Carole Faulkner's residence on Ambleside Court in Colleyville, Texas (the "Ambleside Residence"). Carole Faulkner acquired a \$30,000 cashier's check that had been purchased with the proceeds from the sale of the Faulkner Residence. She used the check to pay down the mortgage on the Ambleside Residence. Significantly, the Court concluded that Carole Faulkner was not the legal owner of the Faulkner Residence. Moreover, she is not a party to this case. Consequently, the Court denied the Receiver's motion, *without prejudice*, to impose a constructive trust on the Ambleside Residence because it required more evidence that Carole Faulkner had wrongfully acquired the \$30,000 check. Order, at p. 9-10.

Here, the Receiver does not seek a constructive trust on the Cash. In addition, unlike Carole Faulkner, Inwood is a defendant. Faulkner, also a Defendant, owned the Faulkner Residence at the time of its sale. Inwood sold the Faulkner Residence and subsequently deposited Inwood Proceeds into a Frost Bank account. Inwood then used those proceeds to purchase the Cashier's Checks. The Cash Frost Bank possesses relates directly, or at the very least indirectly, to the Inwood Proceeds. Consequently, the Cashier's Checks and the Cash clearly are traceable to Receivership Assets. Therefore, the Receiver is entitled to a turnover of the Cash. At the very least, the Cash should be deposited into the Court's registry so that the disposition of the Cash can be controlled by the Court and/or the Receiver.

IV. Frost Bank Acknowledged by its Action that the Cash is an Asset of the Receivership Estate.

Frost Bank argues that the Cash is not an asset of the Receiver. *See* Frost Bank’s Response, at p. 11. However, its action in this case proves otherwise. Paragraph 16.C. of the Amended OAR provides, in pertinent part:

All...financial institutions...that have possession, custody, or control of assets or funds held by, in the name of, or for the benefit of, directly or indirectly and of the Receivership Entities...shall...file with the court and serve on the Receiver and counsel for the SEC a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice...

In paragraph 14 of Frost Bank’s Response, at p. 8, Frost Bank states, “As was required by paragraph 16 of the Amended AOR, on September 21, 2018, Frost Bank filed its Statement of Frost Bank with the Court [Docket No. 321]” (“Statement”). By filing its Statement with the Court Frost Bank acknowledged that it has “possession, custody, or control of assets or funds held by, in the name of, or for the benefit of, directly or indirectly and of the Receivership Entities.” As Frost Bank must realize by now, Inwood purchased the Cashier’s Checks with funds that ultimately were swindled from investors in oil and gas investments sold by companies owned or controlled by Faulkner. *See* October Order, at p. 11. Therefore, the Receiver’s motion seeking a turnover order of the cash held by Frost Bank is proper.

V. Frost Bank’s Stop Payment Order Effectively Worked for a \$50,000 Cashier’s Check

As stated above, Frost Bank had ample notice that the Cashier’s Checks and Cash were subject to proceedings in this Court. *See* Exhibit A to Declaration of Receiver Thomas Taylor in Support of the Receiver’s Turnover Motion (Dkt. 342-1). Law enforcement officials communicated to Frost Bank that a federal seizure warrant had been issued in the United States District Court for the Northern District of California with respect to the Cashier’s Checks, and the

funds used to purchase them. *Id.* On or about September 28, 2017, the Receiver communicated with Frost Bank that Cashier's Checks and the underlying funds were within the purview of the Amended OAR. Despite its awareness of the above, Frost Bank failed to timely issue a stop payment order on the Cashier's Checks. Consequently, on January 4, 2018, Frost Bank paid two \$20,000 checks payable to Carole Faulkner.⁶

Frost Bank alleges that on March 20, 2018, it "internally 'flagged'" the Cashier's Checks. However, Frost Bank's Exhibit A of its Appendix describes the action not as an "internal flag" but as a "Stop Payment Confirmation." (Dkt. 369, at p. 4). Fortunately, Frost Bank's stop payment order prevented the attempted negotiation of yet another of the Cashier's Checks that Carole Faulkner tried to cash. *See* Frost Bank's Brief § 7, at p. 7. In addition, Frost Bank acquired actual possession of the \$50,000 cashier's check. There now is no possibility that this check will be negotiated. What remains is the conflicting claims to the \$50,000 by the Receiver and Carole Faulkner as the only possible dispute over ownership of those funds. Frost Bank should be ordered to interplead \$50,000 of the Cash relating to the \$50,000 Cashier's Check.

VI. Frost Bank Can Protect Itself by Interpleading the Funds Into the Court's Registry

The thrust of Frost Bank's argument is a failure by Frost Bank to honor any of the Cashier's Checks would expose it to potential liability. However, as the Court noted in *Dziurak v. Chase Manhattan Bank, N. A.*, 58 A.D.2d 103, 104, 396 N.Y.S.2d 414, 415 (1977), *aff'd*, 44 N.Y.2d 776, 377 N.E.2d 474 (1978), Frost Bank can safely refuse to pay the Cashier's Checks by interpleading the Cash into the Court's registry. The *Dziurak* court stated, "as a practical matter, [the bank] could quite safely have stopped payment on its cashier's check and, by interpleader, have paid the

⁶ The Receiver reserves its right to recover on the two \$20,000 cashier's checks that Frost Bank paid in the face of its knowledge that the checks were subject to a federal seizure warrant.

money into court.” Indeed, in its Statement, Frost Bank represents to the Court that it is an innocent stakeholder and innocent party “entitled to protection by the Court and the Receiver with respect to its financial and legal liability on the Cashier’s Checks.” *See* Statement, at ¶ 12 on p. 3. Frost Bank can acquire such protection by interpleading the cash at issue.⁷

VII. Granting Receiver’s Motion Would Enable the Receiver and Court to Control Receivership Assets.

Frost Bank’s position is although it recognizes the Cashier’s Checks were purchased with receivership assets, it nevertheless can honor any of the Cashier’s Checks upon presentment without regarding the Court’s jurisdiction over such assets. Unless the Cash is turned over as requested, neither the Court nor the Receiver would be able to prevent Frost Bank from paying on any of the Cashier’s Checks. The Receiver’s motion to order Frost Bank to turn over would serve dual purposes. First, it would enable the Court and the Receiver to oversee the disposition of \$840,000 of receivership assets currently held by Frost Bank. Second, the Court could protect Frost Bank by requiring its approval before honoring any of the Cashier’s Checks. .

VII. Frost Bank is not Entitled to Recover Attorney’s Fees.

The basis of Frost Bank’s request for attorney’s fees is that the Receiver allegedly has attempted to bully and strong arm Frost Bank. As established above, the Receiver has done no such thing. The Receiver simply has attempted to carry out his duties in good faith. Frost Bank would rather the Receiver simply give up its efforts to recover the Cash; however, that would be a dereliction of the Receiver’s duties. Therefore, Frost Bank provides no valid basis to recover attorney’s fees.

⁷ At the very least, Frost Bank should interplead cash in the amount of \$50,000 relating to the \$50,000 cashier’s check that it refused to honor when it was presented for payment. *See* Exhibit A to the Receiver’s Declaration.

VIII. CONCLUSION AND PRAYER

For the foregoing reasons, the Receiver respectfully prays that the Court order the turnover of assets currently held by Frost Bank in the form of cash totaling \$840,000 relating to the Cashier's Checks. The Receiver prays, in the alternative, that Frost Bank deposit the \$840,000 into the Court registry. The Receiver further prays for any and all other relief, in law or in equity, to which the Receiver has shown himself to be justly entitled.

Dated: January 3, 2019

Respectfully Submitted,

s/ Donald R. Littlefield
Donald R. Littlefield
Texas Bar No. 12427350
dlittlefield@ballardlittlefield.com
BALLARD & LITTLEFIELD LLP
16475 Dallas Parkway, Suite 400
Dallas, Texas 75001-6837
Telephone: (972) 733-2900
Facsimile: (713) 403-6410

**ATTORNEYS FOR THOMAS L. TAYLOR,
RECEIVER**

Of Counsel:

Charles A. Hammaker
Texas Bar No. 08853700
ahammaker@ballardlittlefield.com
BALLARD & LITTLEFIELD LLP
3700 Buffalo Speedway, Suite 250
Houston, Texas 77098
Telephone: (713) 403-6400
Facsimile: (713) 403-6410

CERTIFICATE OF SERVICE

I certify that on January 3, 2019, I filed the foregoing document through the Court's CM/ECF system, which delivered electronic notice to all counsel of record.

s/ Donald R. Littlefield
Donald R. Littlefield

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

SECURITIES AND EXCHANGE
COMMISSION,
Plaintiff,

VS.

CHRISTOPHER A. FAULKNER, ET
AL.,
Defendants

§
§
§
§
§
§
§
§

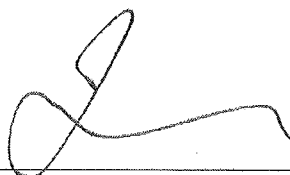
Case No. 3:16-cv-01735-D

**DECLARATION IN SUPPORT OF RECEIVER'S REPLY TO FROST BANK'S
OBJECTION AND RESPONSE TO RECEIVER'S MOTION TO ORDER FROST
BANK TO TURNOVER ASSETS UNDER THE CONTROL OF FROST BANK**

I, Thomas L. Taylor III, as Receiver, declare as follows:

1. I am the court appointed temporary receiver ("Receiver") of the estates identified in the First Amended Order Appointing Receiver (Doc. #320).
2. I have personal knowledge of the facts stated in this declaration.
3. The Email dated September 27, 2017, from Chad Berry, Frost Bank's counsel, to Jason Ross, counsel for the Receiver at the time of the email, which is attached as Exhibit 1 to this Declaration is a true and correct copy of the original email.
4. I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 3rd day of January, 2018.



Thomas L. Taylor III
Receiver

From: [Ross, Jason](#)
To: [M. Chad Berry](#)
Cc: [Plummer, Travis](#); [Stacy B. Loftin](#)
Subject: RE: Case No. 3:16-cv-01735-D; SEC v. Christopher A. Faulkner, et al; Our File No. 18054
Attachments: [image001.png](#)

Thanks for your response, Chad. We're fine waiting a few days to hear from you. Just to confirm, we do expect Frost's definite position by Wednesday 10/3. In the meantime, if you have any questions about our legal analysis or the conclusions we reached on UCC 3.312, please feel free to reach out to me. I should be reasonably available early next week.

Thanks,
Jason

From: M. Chad Berry [<mailto:cberry@all-lawfirm.com>]
Sent: Thursday, September 27, 2018 9:00 AM
To: Ross, Jason
Cc: Plummer, Travis; Stacy B. Loftin
Subject: RE: Case No. 3:16-cv-01735-D; SEC v. Christopher A. Faulkner, et al; Our File No. 18054

Jason:

Thank you for the email. We will review the issues, the UCC section identified in your email, and the legal authority related to that code section. We will also need to visit with the bank about your proposal. As a result, I will not have an answer for you by Friday. We will follow up with you by mid-week next week. You are welcome to tell the Court that Frost Bank and the Receiver are trying to work through the issues identified in the Statement that Frost Bank filed with the Court.

Thanks,

Chad Berry
ADAMS, LYNCH & LOFTIN, P.C.
3950 Highway 360
Grapevine, Texas 76051-6741
817-552-7742 Telephone
817-328-2942 Telecopier
cberry@all-lawfirm.com
www.all-lawfirm.com

The information contained in this message is intended solely for the use of the named recipient. If the reader is not the named or intended recipient, you are hereby notified that any dissemination or copying of this message is strictly prohibited. If you are not the named or intended recipient, please immediately notify the sender and destroy the message and all copies.

To comply with certain U.S. Treasury regulations and pursuant to requirements related to practice before the U. S. Internal Revenue Service, we inform you that any tax advice contained in this communication (including any attachments) is not a covered opinion as described in Treasury Department Circular 230 and is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any federal tax transaction.

From: Ross, Jason [<mailto:JRoss@dykema.com>]
Sent: Wednesday, September 26, 2018 3:26 PM

To: M. Chad Berry; Plummer, Travis


Subject: RE: Case No. 3:16-cv-01735-D; SEC v. Christopher A. Faulkner, et al; Our File No. 18054

Chad,

Since our discussions on Friday, we have been analyzing Texas law determine a way to resolve problem of the outstanding, missing cashier's checks that advances the interests of the Receivership and address Frost's concerns, as described in your Friday filing and in our Friday call. To that end, the Receiver is prepared to submit a Declaration of Lost Instrument, pursuant to Texas Business and Commerce Code section 3.312. Please let us know the bank's position regarding whether it would honor the Declaration and release funds to the Receiver, as he now controls the entity that is the remitter on the checks (Inwood Investments). We are filing a quarterly status report with the Court on Monday, 10/1, so please let us know Frost's position by Friday.

Thanks,

Jason

	Jason M. Ross Attorney JRoss@dykema.com	214-462-6417 Direct 214-462-6400 Main 888-332-5345 Fax	Comerica Bank Tower 1717 Main Street, Suite 4200 Dallas, Texas 75201 www.dykema.com
---	--	--	--

From: M. Chad Berry [mailto:cberry@all-lawfirm.com]

Sent: Friday, September 21, 2018 5:09 PM

To: Ross, Jason; Plummer, Travis

Subject: FW: Case No. 3:16-cv-01735-D; SEC v. Christopher A. Faulkner, et al; Our File No. 18054

Please see the attached Statement of Frost Bank regarding Inwood Investments, Inc. and the First Amended Order Appointing Receiver.

Sincerely,

Chad Berry
ADAMS, LYNCH & LOFTIN, P.C.
3950 Highway 360
Grapevine, Texas 76051-6741
817-552-7742 Telephone
817-328-2942 Telecopier
cberry@all-lawfirm.com
www.all-lawfirm.com



The information contained in this message is intended solely for the use of the named recipient. If the reader is not the named or intended recipient, you are hereby notified that any dissemination or copying of this message is strictly prohibited. If you are not the named or intended recipient, please immediately notify the sender and destroy the message and all copies.

To comply with certain U.S. Treasury regulations and pursuant to requirements related to practice before the U. S. Internal Revenue Service, we inform you that any tax advice contained in this communication (including any attachments) is not a covered opinion as described in Treasury Department Circular 230 and is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the U. S. Internal Revenue Code or (ii) promoting, marketing or recommending to another person any federal tax transaction.

*** Notice from Dykema Gossett PLLC: This Internet message may contain information that is privileged, confidential, and exempt from disclosure. It is intended for use only by the person to whom it is addressed. If you have received this in error, please (1) do not forward or use this information in any way; and (2) contact me immediately. Neither this information block, the typed name of the sender, nor anything else in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message.