



“Receivership Entities”) in the above-entitled action, hereby seeks the Court’s permission to commence ancillary litigation.

In the course of the Receiver’s investigation into the manner in which the financial and business affairs of the Receivership Entities were conducted, the Receiver has identified causes of action against the law firm of Scheef & Stone and certain of its attorneys (“Scheef & Stone”). In determining to seek leave to commence litigation, the Receiver reviewed extensive investigative testimony taken by the Securities and Exchange Commission and associated documentary evidence, conducted interviews of relevant persons and conducted an on the record deposition of one of the Scheef & Stone partners responsible for the firm’s representation of certain Receivership Entities including, without limitation, BOG and BRC. Based upon the foregoing, the Receiver has determined that Scheef & Stone failed to perform legal services for Receivership Entities according to prevailing professional standards and, hence, may be held liable to the Receivership Entities for professional negligence and related tortious conduct. The Receiver also would seek to recover in excess of \$330,000 in fees paid to Scheef & Stone pursuant to the Texas Uniform Fraudulent Transfer Act. TEX. BUS. & COM. CODE § 24.001 *et seq.*

In connection with the present Motion for Leave to Commence Ancillary Litigation, the Receiver requests relief from this Court’s stay of ancillary litigation embodied in Paragraphs 32-34 of the Amended OAR. In ordering a stay of Ancillary Proceedings, the Court caused applicable statutes of limitation to be tolled during the pendency of its Order. To facilitate the Receiver’s commencement of proceedings, the Receiver requests that the tolling provisions in Paragraph 34 of the Amended OAR be continued in force as to Scheef & Stone for 60 days from the date of this Court’s Order Granting Leave to Commend Ancillary Litigation.

Dated: August 30, 2019.

Respectfully submitted,

By: /s/ Thomas L. Taylor III

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RECEIVER

**CERTIFICATE OF CONFERENCE**

I certify that I have provided the Staff of the SEC with the present Motion and they have stated that they have no objection to the Court's granting the Motion as presented.

I further certify that I conferred regarding the relief sought by this Motion Karen Cook and S. Michael McColloch, counsel for Defendants Parker Hallam, who take no position on the relief sought herein.

/s/ Thomas L. Taylor III  
Thomas L. Taylor III

**CERTIFICATE OF SERVICE**

On August 30, 2019, I served the foregoing document pursuant to the Federal Rule of Civil Procedure 5(b)(2) by filing it through the Court's CM/ECF filing system.:

/s/ Thomas L. Taylor III  
Thomas L. Taylor III



**IT IS FURTHERE ORDERED** that the provisions of Paragraph 34 of the Second Amended Order Appointing Receiver (Dkt. 418) tolling applicable statutes of limitation as to Scheef & Stone shall remain in force for 60 days from the date hereof.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019.

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SIDNEY A. FITZWATER  
UNITED STATES DISTRICT JUDGE