

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

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
<i>Plaintiff,</i>	§	
	§	
vs.	§	Civil Action No. 3:16-CV-1735-D
	§	
CHRISTOPHER A. FAULKNER, et al.,	§	
<i>Defendants.</i>	§	

ORDER IMPLEMENTING PLAN OF DISTRIBUTION

By Memorandum Opinion and Order entered April 28, 2020 (ECF No. 541) (“Order Approving Plan”), this Court granted temporary receiver Thomas L. Taylor III’s (“Receiver”) February 25, 2019 Motion to Approve Proposed Plan of Distribution and Establish Procedures to Determine and Disallow Final Claims (ECF No. 406). Having found therein that sufficient notice of the Plan (as defined in the Order Approving Plan) has been given by the Receiver¹, and in furtherance of implementing the Plan, the Court hereby orders as follows:

It is ORDERED that unsecured claims against the estates of the Receivership Entities (as defined in the Order Approving Plan) which do not arise from investments in the Offering Entities (as defined in the Order Approving Plan) are subordinated to the claims of the Investor Claimants (as defined in the Order Approving Plan). It is further

ORDERED that the Receiver separately shall move the Court with respect to the invalidation of certain conveyances of royalty interest-related assets from Receivership Entities to

¹ Notice of the Receiver’s proposed Plan was given (1) by publication on the Receivership website at breitlingreceivership.com and in *The Dallas Morning News* and the national edition of *The Wall Street Journal*; and (2) by U.S. Mail and electronic mail to all potential claimants identifiable in Receivership records for whom the Receiver was able to obtain a physical or electronic mail address. Order Approving Plan at 4 – 5; Certificate of Service (ECF No. 440), at ¶¶ 4 – 7.

Investor Claimants through summary proceedings before this Court. Notice of all such motions shall be served pursuant to FED. R. CIV. P. 5(b) on all affected parties, who shall be afforded the opportunity to respond to the relief sought by the Receiver. It is further

ORDERED that only the following parties (the “Potential Claimants”) may participate in the Receivership claims process: (1) all parties that the Receiver identifies from Receivership-related records as potentially having a claim; (2) all parties who identified themselves to the Receiver in writing as potentially having a claim prior to entry of this Order; and (3) all parties who identify themselves to the Receiver² as potentially having a claim on or before Friday, October 30, 2020 (the “Claim Bar Date”)³. It is further

ORDERED that the estates of the Receivership Entities shall be forever discharged from any indebtedness or liability to any and all parties that are not Potential Claimants. It is further

ORDERED that the Receiver shall establish a “Final Claim Amount” for all Potential Claimants (equal to the greater of zero (0) or the net out-of-pocket loss⁴ of each). The Receiver shall first give all Potential Claimants notice in writing of a notional claim amount as calculated by the Receiver.⁵ Each notional claim amount shall become a “Final Claim Amount” unless, within (30) days of the date of the Receiver’s notice, the Potential Claimant properly disputes it: (i) in writing, (ii) asserting an alternative claim amount and the calculation for same, and (iii) with

² Such parties must contact the Receiver in writing by electronic mail to claims@breitlingreceivership.com or by U.S. Certified Mail, Return Receipt Requested, post-marked by the Claim Bar Date, to Thomas L. Taylor III, Receiver; The Taylor Law Offices, P.C.; 245 West 18th Street; Houston, Texas 77008. Such parties must provide the Receiver with an electronic mail address or, if an electronic mail address is not available, a physical address at which they consent to receive future claims-related communications.

³ The notice of the Plan previously served and published by the Receiver included notice that a claim bar date would be set approximately 180 days after approval of the Plan. *See* ECF No. 406-1 at 2. The Claim Bar Date is 185 days after entry of the Order Approving Plan.

⁴ As defined in the Order Approving Plan.

⁵ The Receiver may require Potential Claimants to supply information and documentation for the Receiver’s use in determining notional claim amounts. Failure to provide the Receiver with requested information and documentation could form the basis for the denial of a claim.

documentation supporting the calculation. The Receiver shall respond in writing to a properly disputed notional claim amount with a final notional claim amount. This final notional claim amount shall become a “Final Claim Amount” unless, within (30) days of the date of the Receiver’s notice of the final notional claim amount, the Potential Claimant moves the Court to determine a “Final Claim Amount.” It is further

ORDERED that the estates of the Receivership Entities shall be forever discharged from any indebtedness or liability to the Potential Claimants, and the Potential Claimants shall not be permitted to receive any distribution, except with respect to their Final Claim Amounts as expressly provided for under the Plan.

Signed at Dallas, Texas May 11, 2020.



SIDNEY A. FITZWATER
SENIOR JUDGE