

I.
STATUS OF CLAIMS

1. On June 24, 2016, the Commission filed this civil action, *inter alia*, asserting that Defendants committed violations of the federal securities laws. *See* Dkt. No. 1. On August 11, 2016, the Commission filed its First Amended Complaint. *See* Dkt. No. 22. Since that time the Commission has actively litigated its claims against the defendants and relief defendants and, when appropriate, sought and obtained interlocutory or final judgments against these parties.

2. On August 19, 2019, the Commission filed its Status Report Regarding Outstanding Claims for Relief and Administrative Closure of Case (“Claims Status Report”). *See* Dkt. No. 474. In that filing, the Commission outlined the current status or disposition of the claims against the defendants and relief defendants. To summarize the relevant portions of the Claims Status Report, the Court has entered interlocutory, bifurcated settlements with Defendants Dustin Michael Miller Rodriguez (“Miller”), Beth C. Handkins (“Handkins”), Gilbert Steedley (“Steedley”), and Parker R. Hallam (“Hallam”) (collectively, “Individual Defendants”), and the Receivership Defendants Breitling Energy Corporation (“BECC”), Breitling Oil & Gas Corporation (“BOG”), Crude Energy, LLC (“Crude”), and Patriot Energy, Inc. (“Patriot”) (collectively, “Receivership Defendants”).

3. On September 26, 2019, the Commission filed its Status Report Regarding Status of Negotiations and Timeline to File Motions for Civil Remedies (“Negotiation Status Report”). *See* Dkt. No. 485. In the Negotiation Status Report, the Commission advised that it was engaging the Individual Defendants and the Receivership Defendants in discussions on the potential for settled resolutions of the Commission’s outstanding claims for relief. *Id.* at ¶ 3. The Commission also stated that if the Commission determined that the parties will not be able to resolve the outstanding claims for relief by agreement, then the Commission intended to file

appropriate motions requesting that the Court enter a final judgment ordering certain remedies against the remaining defendants. *Id.* at ¶ 5. The Commission anticipated that it would be prepared to present such motions to the Court by January 24, 2020.

4. On January 24, 2020, the Commission filed its Motion for Remedies and Entry of Final Judgments as to Defendants Parker R. Hallam, Dustin Michael Miller Rodriguez, and Beth C. Handkins (“Motion for Remedies”), seeking final judgments disposing of all claims for relief against Hallam, Miller, and Rodriguez. *See* Dkt. No. 507.

5. On January 24, 2020, the Commission also filed its Amended Status Report Regarding Status of Negotiations and Timeline to File Motions for Remedies (“Amended Negotiation Status Report”). *See* Dkt. No. 509. In the Amended Negotiation Status Report, the Commission advised that it was engaging Steedley and the Receivership Defendants in discussions on the potential for settled resolutions of the Commission’s outstanding claims for relief. *Id.* at ¶ 5. The Commission also stated that if the Commission determined that the parties would not be able to resolve the outstanding claims for relief by agreement, then the Commission intended to file appropriate motions requesting that the Court enter a final judgment ordering certain remedies against the remaining defendants. *Id.* at ¶ 5. The Commission expected that it would be prepared to present such motions to the Court by March 27, 2020.

6. On January 8, 2021, the Court issued its Memorandum Opinion and Order [Dkt. No. 580] granting the Commission’s Motion for Remedies. That same day the Court entered the Final Judgment as to Defendants Parker R. Hallam, Dustin Michael Miller Rodriguez, and Beth Handkins [Dkt. No. 581] (“2021 Final Judgment”).

A. Ongoing Efforts to Resolve Claims for Civil Remedies Without the Need for Court Intervention.

7. Following the entry of the 2021 Final Judgment, the only remaining defendants with outstanding claims for relief against them are Steedley and the Receivership Defendants. The Commission is actively engaged in efforts to resolve the outstanding claims for relief against these remaining defendants. *As of the time of this submission*, those discussions have not yielded a final resolution, but the Commission believes that further negotiations may resolve some, or all, claims against those remaining defendants.

B. Proposed Schedule to Resolve Claims.

8. If the Commission determines that it will not be able to resolve the outstanding claims for relief against Steedley by agreement, the Commission will file its motion for remedies and final judgment against him. Allowing a reasonable amount of time to continue discussions with Steedley, the Commission expects that it will be prepared to present this motion to the Court by June 8, 2021. Conversely, if counsel for the Commission and Steedley preliminarily agree on terms to resolve the remaining claims against him, the Commission will file a notice to apprise the Court.

9. The Commission expects to resolve its claims for relief against the Receivership Defendants by agreement. However, an agreement with the Receivership Defendants—specifically as to disgorgement amounts—may be impacted by the disgorgement ordered by the Court against Steedley. Thus, the Commission expects that settlements with the Receivership Defendants will occur within 60 days of the entry of final judgments against Steedley. The Commission will file a notice to apprise the Court when counsel for the Commission and the Receiver preliminarily agree on settlement terms.

II.
ADMINISTRATIVE CLOSURE OF CASE

10. Once the outstanding claims for relief are resolved, the Commission is not opposed to the administrative closure of this case.

Dated: April 8, 2021

Respectfully submitted,

/s/ Jason P. Reinsch

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CERTIFICATE OF SERVICE

I affirm that on April 8, 2021, I electronically filed the foregoing Status Report with the Clerk of the Court for the Northern District of Texas, Dallas Division, by using the CM/ECF system, which will send a notice of electronic filing to all CM/ECF participants, constituting service as provided in LR 5.1 (d).

I further certify that on April 8, 2021, I served a true and correct copy of the foregoing document on the following parties and persons entitled to notice that are non-CM/ECF participants:

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