

**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.

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Civil Action No. 3:16-CV-1735-D

**STATE COURT PLAINTIFFS’ REPLY TO RECEIVER’S RESPONSE TO
THIRD MOTION TO LIFT STAY, REQUEST FOR JUDICIAL NOTICE OF
RECEIVER’S SETTLEMENT WITH ROTHSTEIN KASS,
AND BRIEF IN SUPPORT**

I.

After Jinsun, L.L.C., Silver Star Holdings Trust, TPH Holdings, L.L.C., Vertical Holdings, L.L.C., Steven M. Plumb, and J. Leonard Ivins (collectively, “State Court Plaintiffs”) filed their Third Motion to Lift Stay, Receiver filed a Motion to Enter a Bar Order. On this date, State Court Plaintiffs filed a Response to that Motion and they also filed a Motion for Leave to file various confidential documents germane to these issues under seal.

The issues regarding State Court Plaintiffs’ Third Motion to Lift Stay and Receiver’s Motion for a Bar Order are intertwined. Therefore, State Court Plaintiffs incorporate by reference their Objections and Response to Receiver’s Motion for a Bar Order as set forth fully herein, which shall also constitute their Reply Brief.

As articulated in their Response to Receiver’s Motion for a Bar Order, this Court should approve the \$7,000,000 settlement between Receiver and Rothstein Kass;

however, it should *deny* any request for a Bar Order for the reasons articulated in State Court Plaintiffs' Response, and it should lift the Stay so that State Court Plaintiffs can liquidate their direct tort claims against Rothstein Kass and have their day in court too.

WHEREFORE, PREMISES CONSIDERED, State Court Plaintiffs pray that this Court grant their Third Motion to Lift the Stay and deny Receiver's Motion to Enter a Bar Order, which was subsequently joined by Rothstein Kass.

Respectfully Submitted,

BRIAN LAUTEN, P.C.



Brian P. Lauten

State Bar No. 24031603

blauten@brianlauten.com

3811 Turtle Creek Blvd., Ste. 1450

Dallas, Texas 75219

(214) 414-0996 telephone

KENDALL LAW GROUP, PLLC

/s/ Joe Kendall

JOE KENDALL

State Bar No. 11260700

jkendall@kendalllawgroup.com

3811 Turtle Creek Blvd., Ste. 1450

Dallas, Texas 75219

(214) 744-3000 telephone

TED B. LYON & ASSOCIATES, P.C.

/s/ Ted B. Lyon

TED B. LYON, JR.

State Bar No. 12741500

tblyon@tedlyon.com

18601 LBJ Freeway, Ste. 525

Mesquite, Texas 75150

(972) 279-6571 telephone

**ATTORNEYS FOR J. LEONARD
IVINS, STEVEN PLUMB, JINSUN,
L.L.C., SILVER STAR HOLDINGS
TRUST, TPH HOLDINGS, L.L.C., AND
VERTICAL HOLDINGS, L.L.C.**

CERTIFICATE OF SERVICE

In accordance with Rule 5b of the Federal Rules of Civil Procedure, the undersigned certifies that a true and correct copy of the foregoing instrument has been served upon all counsel of record via the ECF case manager system on this the 19th day of May 2021.

/s/ Brian P. Lauten

BRIAN P. LAUTEN