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

In re:	§	
	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P.,	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	

**REDEEMER COMMITTEE OF THE HIGHLAND CRUSADER FUND'S  
JOINDER TO OBJECTION OF THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS TO THE DEBTOR'S MOTION  
FOR ENTRY OF AN ORDER (A) APPROVING THE ADEQUACY OF THE  
DISCLOSURE STATEMENT; (B) SCHEDULING A HEARING TO CONFIRM  
THE FIRST AMENDED PLAN OF REORGANIZATION; (C) ESTABLISHING  
DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN;  
(D) APPROVING FORM OF BALLOTS, VOTING DEADLINE AND SOLICITATION  
PROCEDURES; AND (E) APPROVING FORM AND MANNER OF NOTICE**



The Redeemer Committee of the Highland Crusader Fund (the “Redeemer Committee”) files this *Joinder* (the “Joinder”) to the *Official Committee of Unsecured Creditors of Highland Capital Management, L.P.’s Objection* [ECF No. 1239] (the “Objection”) to the *Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice* [ECF No. 1108] (the “Disclosure Statement Motion”) filed by Highland Capital Management, L.P. (the “Debtor” or “Highland”).

## **I. JOINDER**

1. On October 20, 2020, the Official Committee of Unsecured Creditors of Highland Capital Management, L.P. (“Creditors’ Committee”) filed the Objection, objecting to the Debtor’s Disclosure Statement Motion. The Redeemer Committee hereby joins the Objection, objects to the Disclosure Statement Motion, and adopts the Objection’s legal argument and authority.

2. The Redeemer Committee, both as a member of the Creditors’ Committee and in its individual capacity as the largest unsecured creditor in this case, has devoted considerable time and effort towards negotiating a consensual plan of liquidation pursuant to which the Debtor’s estate will be monetized for the benefit of creditors and other stakeholders in accordance with the Bankruptcy Code’s absolute priority rule and applicable law. Although the parties have made considerable progress in this regard, the Debtor’s proposed plan includes several material provisions that are not acceptable and that render the plan unconfirmable, in each case as set forth in the Objection.

3. The proposed releases to be provided to certain of the Debtor's employees, in addition to violating applicable law, are particularly noxious to the Redeemer Committee because breaches of fiduciary duty and other willful misconduct committed by certain of those employees gave rise to the Redeemer Committee's approximately \$190.8 million arbitration award. *See, e.g.*, March 6, 2019 Partial Final Liability Arbitration Award at 9-14, 20-22, 24-31, 34-35, 40-42, 45-46, 53, 55 [ECF No. 1128]; Final Arbitration Award at 1, 15-18 [ECF No. 1130]. As this Court is well aware, this is not the typical chapter 11 case where the debtor is unable to pay its obligations due to its inability to swiftly react to changing market conditions, or poor business decisions that were made in good faith. Instead, Highland had to file bankruptcy because of the liabilities that arose due to the breaches of fiduciary duty committed by, and other improper conduct of, certain of these employees. There is no basis for any of these persons to receive a release absent each making a substantial contribution to the Debtor's estate that benefits creditors.

4. In view of the foregoing, if the Disclosure Statement Motion is granted and the Debtor were to solicit the current version of the Debtor's plan, the Redeemer Committee would vote to reject it. Given that the plan is unconfirmable for the reasons set forth in the Objection, it would be a waste of time and the estate's resources to proceed with the solicitation process. The Redeemer Committee commits to continue its efforts to negotiate a consensual and confirmable plan of liquidation.

## **II. PRAYER**

The Redeemer Committee respectfully requests that this Court deny the Debtor's Disclosure Statement Motion. The Redeemer Committee also requests such other and further relief to which it may show itself to be justly entitled.

Dated this 20th day of October, 2020

Respectfully submitted,

/s/ Mark A. Platt

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*Counsel for the Redeemer Committee of the  
Highland Crusader Fund*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies, that on this 20th day of October, 2020, he caused to be served a true and correct copy of the *Redeemer Committee of the Highland Crusader Fund's Joinder to the Official Committee of Unsecured Creditors of Highland Capital Management, L.P.'s Objection to the Motion for Entry of an Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the First Amended Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice*, by electronically filing it with the Court using the CM/ECF system, which sent notification to all parties of interest participating in the CM/ECF system.

/s/ Mark A. Platt

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