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

HIGHLAND CAPITAL MANAGEMENT, L.P.,	- \$ \$
Plaintiff,	§ 8
VS.	§ Adv. Proc. No. 21-03082-sgj
HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.,	\$ \$ \$ \$ Case No. 3:21-cv-00881-X
Defendant.	\$ \$ \$

HIGHLAND CAPITAL MANAGEMENT, L.P.'S MOTION FOR SUMMARY JUDGMENT

Highland Capital Management, L.P., the reorganized debtor and plaintiff in the above-captioned adversary proceeding ("<u>Highland</u>", "<u>Plaintiff</u>", or the "<u>Debtor</u>"), hereby files this motion (the "<u>Motion</u>") seeking entry of an order, in substantially the form attached hereto as <u>Exhibit A</u>, granting summary judgment in favor of Highland on its First and Second Claims for Relief for Breach of Contract and Turnover under the Pre-2019 Notes. ¹

The Motion is made pursuant to Rule 56 of the Federal Rules of Civil Procedure, Rules 7056 and 9014 of the Federal Rules of Bankruptcy Procedure, Rules 7056-1 and 9014-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the "Local Bankruptcy Rules"), and Rules 56.1 through 56.7 of the Local Civil Rules for the United States District Court for the Northern District of Texas (the "Local Civil Rules"). The Motion is based on (i) the records in the (a) Bankruptcy Case, (b) the Second HCMFA Notes Action, and (c) the Main Notes Litigation; (ii) the Brief; (iii) the Appendix of Exhibits in Support of Highland Capital Management, L.P.'s Motion for Summary Judgment (the "Appendix"); (iv) the Declaration of David Klos in Support of Highland Capital Management, L.P.'s Motion for Summary Judgment (the "Second Klos Declaration"); and (v) such further evidence as may be presented at or prior to the hearing on the Motion. Each of the matters required under Rule 7056-1(c)(1) of the Local Bankruptcy Rules and Rule 56.3(a) of the Local Civil Rules is set forth in the Brief.

¹ Terms not defined herein shall take the meanings ascribed thereto in *Highland Capital Management*, *L.P.'s Memorandum of Law in Support of Motion for Summary Judgment* (the "Brief") filed contemporaneously with the Motion.

WHEREFORE, Highland prays for judgment as follows:

- (i) On its First Claim for Relief, damages (a) under the 2014 Note in the amount of \$2,151,130.84 in outstanding principal and accrued and unpaid interest due as of May 27, 2022, plus accrued and unpaid interest thereon since that date, (b) under the 2016 Note in the amount of \$1,001,238.06 in outstanding principal and accrued and unpaid interest due as of May 27, 2022, plus accrued and unpaid interest thereon since that date, plus (c) an amount equal to Plaintiff's costs of collection (including all court costs and reasonable attorneys' fees and expenses);
- (ii) On its Second Claim for Relief, ordering turnover by HCMFA to Plaintiff of an amount equal to (a) the aggregate outstanding principal due under each Pre-2019 Note, plus (b) all accrued and unpaid interest thereon until the date of payment, plus (c) an amount equal to Plaintiff's costs of collection (including all court costs and reasonable attorneys' fees and expenses); and
- (ii) Ordering such further and additional relief as the Court deems just and appropriate.

PACHULSKI STANG ZIEHL & JONES LLP Dated: May 27, 2022

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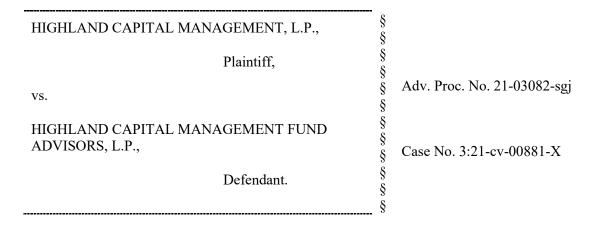
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EXHIBIT A

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



ORDER GRANTING HIGHLAND CAPITAL MANAGEMENT, L.P.'S <u>MOTION FOR SUMMARY JUDGMENT</u>

This matter having come before the Court on the *Motion for Summary Judgment* (the "Motion")¹ filed by Highland Capital Management, L.P. ("Highland", "Plaintiff", or the "Debtor"), the reorganized debtor in the above-captioned chapter 11 case (the "Bankruptcy Case") and plaintiff in the above-referenced adversary proceeding (the "Adversary Proceeding"); and the

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Motion.

Court having considered (i) the Motion, (ii) the Brief, (iii) the Second Klos Declaration, (iv) the evidence submitted in support of the Motion in the Appendix, (v) the response to the Motion and any evidence submitted in support of such response, (vi) the reply and other materials filed in connection with the Motion, and (vii) the arguments presented by counsel at the hearing on the Motion; and the Court having jurisdiction over this matter; and venue of the Motion being proper; and adequate notice of the Motion having been given; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

- 1. The Motion is **GRANTED** as set forth herein.
- 2. On its First Claim for Relief, Plaintiff is entitled to damages (a) under the 2014 Note in the amount of \$2,151,130.84 in outstanding principal and accrued and unpaid interest due as of May 27, 2022, plus accrued and unpaid interest thereon since that date, (b) under the 2016 Note in the amount of \$1,001,238.06 in outstanding principal and accrued and unpaid interest due as of May 27, 2022, plus accrued and unpaid interest thereon since that date, plus (c) an amount equal to Plaintiff's costs of collection (including all court costs and reasonable attorneys' fees and expenses);
- 3. On its Second Claim for Relief, Plaintiff is entitled to turnover by HCMFA of an amount equal to (a) the aggregate outstanding principal due under each Pre-2019 Note, plus (b) all accrued and unpaid interest thereon until the date of payment, plus (c) an amount equal to Plaintiff's costs of collection (including all court costs and reasonable attorneys' fees and expenses).

End of Order