

PACHULSKI STANG ZIEHL & JONES LLP  
Jeffrey N. Pomerantz (CA Bar No. 143717) (admitted pro hac vice)  
John A. Morris (NY Bar No. 2405397) (admitted pro hac vice)  
Robert J. Feinstein (NY Bar No. 1767805) (admitted pro hac vice)  
Gregory V. Demo (NY Bar No. 5371992) (admitted pro hac vice)  
Hayley R. Winograd (NY Bar No. 5612569) (admitted pro hac vice)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760

HAYWARD PLLC  
Melissa S. Hayward (Texas Bar No. 24044908)  
Zachery Z. Annable (Texas Bar No. 24053075)  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Telephone: (972) 755-7100  
Facsimile: (972) 755-7110

*Counsel for Highland Capital Management, L.P.*

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

In re:	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	§	Case No. 19-34054-sgj11
Reorganized Debtor.	§	
UBS SECURITIES LLC AND UBS AG LONDON BRANCH,	§	
Plaintiffs,	§	
vs.	§	Adv. Proc. No. 21-03020-sgj
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	
Defendant.	§	

**REORGANIZED DEBTOR’S WITNESS AND EXHIBIT LIST WITH  
RESPECT TO EVIDENTIARY HEARING TO BE HELD ON AUGUST 8, 2022**

<sup>1</sup> The Reorganized Debtor’s last four digits of its taxpayer identification number are (8357). The headquarters and service address for the above-captioned Reorganized Debtor is 100 Crescent Court, Suite 1850, Dallas, TX 75201.



Highland Capital Management, L.P. (the “Reorganized Debtor”) submits the following witness and exhibit list with respect to *Highland Capital Management, L.P.’s Motion to Withdraw Its Answer and Consent to Judgment for Permanent Injunctive Relief* [Docket No. 169] (the “Motion”), which the Court has set for evidentiary hearing at 9:30 a.m. (Central Time) on August 8, 2022 (the “Hearing”) in the above-styled adversary proceeding (the “Adversary Proceeding”).

**A. Witnesses:**

1. James Seery, Jr.;
2. Any witness designated or called by any other party; and
3. Any witness necessary for impeachment or rebuttal.

**B. Exhibits:**

Ex. No.	Exhibit	Offered	Admitted
1	Legal Liability Insurance Policy between Sentinel Reinsurance, Ltd., Highland CDO Opportunity Master Fund, L.P., Highland CDO Holding Company, and Highland Special Opportunities Holdings Company, effective August 1, 2017		
2	Purchase Agreement between Sentinel Reinsurance, Ltd., Highland CDO Opportunity Master Fund, L.P., Highland CDO Holding Company, and Highland Special Opportunities Holdings Company, dated Aug. 7, 2017		
3	Copy of the Legal Liability Insurance Policy with Endorsements Nos. 1 & 2		
4	Asset Transfer Agreement, dated as of December 31, 2019		
5	Emails between Isaac Leventon, James P. Seery, Jr., and Scott Ellington on August 5, 2020, with subject “UBS Supplemental Information Request”		
6	Email from Scott Ellington to James P. Seery, Jr., and others on August 15, 2020, with subject “UB Diligence Requests: Highland Credit Opportunities CDO Ltd.”		

Ex. No.	Exhibit	Offered	Admitted
7	Email from Matthew DiOrio on January 28, 2021, with subject "HCM - Greenbriar Pref Shares CDO Fund"		
8	Email from Gregory Demo to Thomas Surgent on January 28, 2021, with subject "Highland – MSCF Subscription Documents"		
9	Indemnity Letter, dated June 18, 2020, by and between Sentinel Reinsurance Ltd., and the parties on Schedule 1 thereto		
10	Text Message, dated January 28, 2021, from Matthew DiOrio to Thomas Surgent [REDACTED]		
11	All exhibits identified by or offered by any other party at the Hearing		
12	All exhibits necessary for impeachment and/or rebuttal purposes		
13	Any pleadings, reports, or other documents entered or filed in the Reorganized Debtor's chapter 11 case or related adversary proceedings, including any exhibits thereto		

Dated: August 4, 2022.

**PACHULSKI STANG ZIEHL & JONES LLP**

Jeffrey N. Pomerantz (CA Bar No. 143717)  
John A. Morris (NY Bar No. 2405397)  
Robert J. Feinstein (NY Bar No. 1767805)  
Gregory V. Demo (NY Bar No. 5371992)  
Hayley R. Winograd (NY Bar No. 5612569)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760  
Email: [jpomerantz@pszjlaw.com](mailto:jpomerantz@pszjlaw.com)  
[jmorris@pszjlaw.com](mailto:jmorris@pszjlaw.com)  
[rfeinstein@pszjlaw.com](mailto:rfeinstein@pszjlaw.com)  
[gdemo@pszjlaw.com](mailto:gdemo@pszjlaw.com)  
[hwinograd@pszjlaw.com](mailto:hwinograd@pszjlaw.com)

-and-

**HAYWARD PLLC**

*/s/ Zachery Z. Annable*

---

Melissa S. Hayward  
Texas Bar No. 24044908  
[MHayward@HaywardFirm.com](mailto:MHayward@HaywardFirm.com)  
Zachery Z. Annable  
Texas Bar No. 24053075  
[ZAnnable@HaywardFirm.com](mailto:ZAnnable@HaywardFirm.com)  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Tel: (972) 755-7100  
Fax: (972) 755-7110

*Counsel for Highland Capital Management, L.P.*

# **EXHIBIT 1**

**From:** Isaac Leventon <ILeventon@HighlandCapital.com>

**To:** Chris Dunn <CDunn@HighlandCapital.com>

**Subject:** UBS - PRIVILEGED

**Date:** Thu, 26 Oct 2017 08:16:25 -0500

**Importance:** Normal

**Attachments:** UBS\_ATE.PDF

**Inline-Images:** image001.jpg

---

Please see attached. Please label all communications related to this project as Privileged as all documents are being drafted at the request of the Legal Team.

Thanks,

ISAAC LEVENTON | ASSISTANT GENERAL COUNSEL



300 Crescent Court Suite 700 Dallas, Texas 75201

O: 972.628.4100 | D: 972.419.4482 | F: 972.628.4147

[ileventon@highlandcapital.com](mailto:ileventon@highlandcapital.com) | [www.highlandcapital.com](http://www.highlandcapital.com)

PRIVILEGE WARNING: The sender or recipient of this e-mail is a member of the legal department at Highland Capital Management. This message and any attachments hereto may constitute attorney work product or be protected by the attorney-client privilege. Do not disclose this message or any attachments hereto without prior consent of a member of the legal department at Highland Capital Management.



UBSPROD1973053

## Legal Liability Insurance Policy

00753351-1

UBSPROD1973054

## 1. Our agreement in general

### 1.1 Parties to this agreement

This **policy** is between the **insured** and the **insurer** as declared in the **schedule**. This document, together with its **schedule** and any attached endorsements is the **policy** which sets out this insurance. It is a legal contract so please read all of it carefully.

### 1.2 Words in bold

Words in bold typeface used in this **policy** document, other than in the headings, have specific meanings attached to them as set out in the General definitions and interpretation.

### 1.3 Policy Structure

1.3.1 Each **insured section** sets out the scope of the main coverage and the circumstances in which the **insurer's** liability to the **insured** is limited or may be excluded. Further, each **insured section** sets out other terms and conditions relevant to that **insured section**. The cover provided by each **insured section** is only operative if a **limit of indemnity** is shown in the **schedule**. Where the **limit of indemnity** in respect of any item in the **schedule** is shown as 'n/a', 'not applicable' or 'not insured' then no cover applies for that item. Where the **insured** comprises more than one person, the **limit of indemnity** for all **claims** made by all persons comprising the **insured** shall apply but as there is no sub-limit of indemnity in relation to each individual person, one or more of those persons will not receive payment of a **claim** if the limit of indemnity has already been met as a result of the payment of other **claims**.

1.3.2 Additional clauses set out terms, exclusions or limitations that may apply to more than one **insured section**.

1.3.3 The following general terms apply to each **insured section**, clauses and endorsements:

- a) General exclusions and limitations
- b) Duties in the event of a claim or potential claim;
- c) General terms and conditions; and
- d) General definitions and interpretation.

### 1.4 Policy period and premium

1.4.1 This **policy** will provide insurance as described herein for the **period of insurance** provided the **premium** (and **deposit premium** if applicable) and other charges are paid to and accepted by the **insurer** on or before the payment date shown in the **schedule**. Taxes, levies and other relevant fiscal charges are payable in addition to the **premium**. The **premium** is deemed paid and accepted by the **insurer** on receipt by the **insurer** or the intermediary appointed to place this insurance with the **insurer**.

1.4.2 If any **premium** (or **deposit premium** if applicable) is not paid and accepted by the **insurer** on or before its payment date as set out in this **policy** then the **insurer** may, in its sole discretion, give written notice to the **insured** at its address shown in the **schedule** cancelling this **policy** from seven (7) days after the date of service of the notice of cancellation. Cancellation will be prevented from taking effect and the **policy** will continue

in force if the outstanding **premium** (or **deposit premium** if applicable) is paid and accepted before cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed served on the fifth (5<sup>th</sup>) day after being posted if sent by pre-paid airmail letter properly addressed.

- 1.4.3 In consideration of the payment of the **premium** (and **deposit premium** if applicable) by the **insured** to the **insurer** the **insurer** agrees to provide the insurance as described in 'Legal liability' **insured section**.

## **2. Insured section – Legal liability**

### **2.1 Legal liability cover**

The **insurer** agrees to indemnify the **insured** in respect of any **legal liability** occurring during the **period of insurance** up to and including but not exceeding the **limit of indemnity** provided that either:

- 2.1.1 the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) makes an order of liability relating to the **legal action** against the **insured**; or
- 2.1.2 the **legal action** is (with the prior written agreement of the **insured**, the **appointed representative** and the **insurer**) settled on terms that provide for payment by the **insured** to the **opponent**.

## **3. General exclusions and limitations**

This **policy** excludes and the **insurer** shall not be liable to indemnify the **insured** in any of the following circumstances:

### **3.1 Absence of the insurer's prior consent**

where the **insurer's** written consent has not been obtained pursuant to the 'Written consent' clause below;

### **3.2 Failure to notify**

where the **insured** has failed to notify the **insurer** pursuant to the 'Claim notification' clause below;

### **3.3 Insured's conduct**

- 3.3.1 where the **legal action** is settled or the court makes an order of liability relating to the **legal action** against the **insured** as a result of the dishonesty of the **Insured**; or
- 3.3.2 where the **insured** fails to act in accordance with the advice of the **appointed representative** or to provide full instructions promptly to the **appointed representative** or to co-operate with the **appointed representative** or to comply with any order made by the **court** or any **court rule**;

### **3.4 Failure to mitigate**

where **legal liability** is incurred or increased as a result of a failure on part of the **insured** or the **appointed representative** to mitigate such a liability;

**3.5 Non-disclosure**

where the **insured** or the **appointed representative** has failed to disclose material facts;

**3.6 Unnecessary costs because of delay etc.**

where the **opponent's costs** arise from

3.6.1 any unreasonable delay or negligence or wilful act or omission by the **insured** or the **appointed representative**;

3.6.2 any unreasonable failure on part of the **insured** or the **appointed representative** to attend a hearing or other appointment;

**3.7 Amended pleadings**

Where **legal liability** is incurred or increased as a result of any unreasonable amendment to the **insured's** pleadings or any failure to comply with any court directions, pre-action protocols or any other rule, regulation or statutory provision;

**3.8 Fraud**

where the **insured** or the **appointed representative** has made any fraudulent, false or misleading representation;

**3.9 Legal action outside the territorial limits**

where **legal liability** is incurred or increased as a result of the **legal action** being pursued, issued, brought or transferred outside the **territorial limits**;

**3.10 Non-contribution**

where but for the existence of this **policy** the **insured** would be entitled to indemnity under another insurance policy;

**3.11 Quote disclosed prior to inception of the policy**

where the existence of any offer of insurance made by the **insurer** to the **insured** in respect of the **legal action** was disclosed to any third party other than those third parties to whom the **insurer** has offered its consent for such quote to be disclosed;

**3.12 Sums due under other policies of insurance**

where any premium has fallen due to be paid by the **insured** to the **insurer** pursuant to the terms of any other policy of insurance issued by the **insurer** to the **insured** but remains unpaid (whether in full or in part) at the date of a **claim** under this **policy**.

**4. Other terms and conditions relating to cover**

**4.1 Set-off**

In the event that a **claim** is made under this **policy** and the **insured** has obtained a **recovery** in the **legal action** then the **insurer** shall only be liable to indemnify the **insured** for the net sum (if any) after deduction of the amount of the **recovery**. This is irrespective of whether or not payment is actually made to the **insured**.

**4.2 Appeal**

- 4.2.1 In the event that the **legal action** is subject to **appeal** then at the end of the appeal's process this **policy** will be construed as if the **court** had reached the same decision as the appellate court.
- 4.2.2 In the event that any sums of money are paid by the **insurer** pursuant to the terms of this **policy** and the judgment of the **court** is amended following an **appeal** (such that the **insurer** would not have made the payment had the amended judgment been the judgment of the **court**) then the **insured** shall reimburse the **insurer** for any such sums of money already paid together with interest at 2% above the United States Dollar prime lending rate in the Cayman Islands from time to time.

## **5. Conduct of the legal action**

### **5.1 Written consent**

The **insured** must obtain, and irrevocably instructs the **appointed representative** to obtain, written consent from the **insurer** prior to:

- 5.1.1 the settlement of the **legal action** in the **opponent's** favour;
- 5.1.2 the rejection (whether explicitly or by conduct) of an **opponent's** offer to settle the **legal action**;
- 5.1.3 the rejection of any offer of alternative dispute resolution (including mediation) from the **opponent**;
- 5.1.4 any change of the **appointed representative**.

The **insurer** will not unreasonably withhold consent to the **insured** taking any of the steps referred to in this clause and will, in making a decision as to whether to provide consent pursuant to this clause, consider whether a reasonably prudent uninsured litigant would pursue the course of action for which the **insurer's** consent is sought.

### **5.2 Notification**

The **insured** must notify, and irrevocably instructs the **appointed representative** to notify, the **insurer** immediately:

- 5.2.1 on receipt of any offer of settlement of the **legal action**;
- 5.2.2 on receipt of any offer of alternative dispute resolution (including mediation) from the **opponent**;
- 5.2.3 in the event of any development in the **legal action** material to the prospects of succeeding in the **legal action**;
- 5.2.4 if the **insured** is no longer more likely than not to succeed in the **legal action**, assuming that it is determined at trial; and
- 5.2.5 after any period of 6 months during which there has been no requirement to request the **insurer's** consent or notify the **insurer** in order to confirm the current status of the **legal action**.

### **5.3 Monies to be held on account**

The **insured** irrevocably instructs the **appointed representative** to hold any monies (whether costs, interest or damages) received from the **opponent** until the **premium** is paid in full, any **claim** under this **policy** has been submitted and all terms and conditions of this **policy** have been fully complied with.

#### **5.4 Co-operation by the insured and appointed representative**

The **insured** must:

- 5.4.1 provide, and instruct the **appointed representative** to provide, the **insurer** with full and prompt co-operation to include providing such **information** as is requested by the **insurer** from time to time; and
- 5.4.2 co-operate, and instruct the **appointed representative** to co-operate, with any request by the **insurer** to audit **information** pursuant to the 'Audit' clause.

#### **5.5 Prosecution of the legal action**

The **insured** agrees to:

- 5.5.1 prosecute the **legal action** promptly;
- 5.5.2 provide any instructions to the **appointed representative** as are necessary or desirable in order to prosecute the **legal action** in the best manner;
- 5.5.3 act as a reasonably prudent uninsured litigant with the objective of achieving the best outcome in the **legal action** (and any subsequent costs assessment proceedings); and
- 5.5.4 comply with any order of the **court** and any **court** rules and in all respects conduct the **legal action** in a reasonable manner in order to minimise costs.

#### **5.6 Territorial limits**

The **insured** agrees to prosecute the **legal action** in the **court** within the **territorial limits** and warrants that the **legal action** will be governed by the laws of the **territorial limits**.

### **6. Bond**

#### **6.1 Payment under bond forms part of indemnity**

In the event that the **insurer** is obliged to make any payment pursuant to the terms of a **bond** issued in conjunction with this **policy** then such payment shall contribute to and form part of the indemnity provided by this **policy** and shall erode both the **limit of indemnity** stated in the **schedule**.

#### **6.2 Recovery of sums paid pursuant to bond**

In the event that the **insurer** makes any payment whatsoever pursuant to the terms of a **bond** in circumstances in which the **insurer** would not have been obliged to make such payment pursuant to the terms of this **policy** then the **insured** shall indemnify the **insurer** in respect of such payment and the **insurer** shall be entitled to recover such payment from the **insured**.

### **7. Duties in the event of a claim or potential claim**

The due observance and fulfilment of the provisions of 'Claim notification' and 'Insured's duties and insurer's rights' are condition precedents to the **insurer's liability** for any **claim**

under this **policy**. The 'Termination by the insurer' clause sets out the consequences of a failure to comply with conditions precedent or **policy** provisions.

## **7.1 Claim notification**

- 7.1.1 The **insured** shall give the **insurer** written notice as soon as practicable of any **claim** or any circumstance which might reasonably be expected to give rise to a **claim**.
- 7.1.2 Notice to the **insurer** of a **claim** under this policy must be given to the claims notification address specified in the **schedule**.

## **7.2 Insured's duties and insurer's rights**

- 7.2.1 A **claim** form must be completed with full particulars.
- 7.2.2 The **insured** shall provide to the **insurer** and the **appointed representative** all **information** and, in addition, shall provide all necessary assistance (notwithstanding the right for the **insurer** to audit pursuant to the 'Audit' clause) to enable the **insurer** or its agents to investigate and/or defend any **claim** under this **policy** and/or to enable the **insurer** to determine its liability under this **policy**.
- 7.2.3 Neither the **insured** nor its **appointed representative** shall make any admission with respect to liability in relation to the **legal action** or attempt to settle the **legal action** without the **insurer's** prior written consent.
- 7.2.4 The **insured** will promptly provide the **insurer** with full details of **legal liability** and shall, if requested by the **insurer**, have such **legal liability** assessed by the appropriate body.
- 7.2.5 The **insurer** will be entitled (but not obliged) to conduct any costs assessment or review and the **insured** will provide (and hereby gives irrevocable instructions to the **appointed representative** to provide) such assistance as the **insurer** requires.

## **7.3 Subrogated claims**

In the event of the **insurer** making any payment under this **policy**:

- 7.3.1 the **insurer** shall be subrogated to all the **insured's** rights or causes of action related to or arising out of the **legal action** against any other party to the extent that these rights or causes of action are pertinent to a loss being suffered by the **insured** and the **insured** undertakes to provide the **insurer** with all assistance which may be required to pursue these rights; and
- 7.3.2 any entitlement to a recovery from the **opponent** by the exercise of such rights or otherwise will, until received, be set off against any **claim** comprised of **legal liability** and when received be applied, in order of priority, to repay and extinguish any payment made by the **insurer** under this **policy**, any **insurer's** costs, any interest due on such payment and costs and finally any **insured's** losses.

## **8. General terms and conditions**

### **8.1 Audit**

The **insurer** has the right to audit all **information** within the possession or control of the **insured** or the **appointed representative** whether held in physical or electronic format.

## **8.2 Applicable law**

This **policy** will be governed by and interpreted in accordance with the laws of the Cayman Islands and subject to the exclusive jurisdiction of the courts in the Cayman Islands.

## **8.3 Assignment**

Assignment of interest under this **policy** will not bind the **insurer** unless and until the **insurer's** written consent is endorsed hereon.

## **8.4 Confidentiality**

The **insurer** agrees that any **information** given by the **insured** or the **appointed representative** is received in confidence and will not be disclosed to any other party.

## **8.5 The Contracts (Rights of Third Parties) Law, 2014**

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Law, 2014 of the Cayman Islands or any amending or subsequent legislation by any person who is not named as the **insured** and both the **insurer** and **insured** may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party.

## **8.6 Disclosure**

8.6.1 The **insurer** will follow appropriate security procedures in the storage and disclosure of data provided by the **insured** or its appointed representative to prevent unauthorised access or loss of such data. The **insurer** may find it necessary to pass such data to other firms or businesses that supply products and services associated with this **policy**.

The **insurer** collects non-public personal information about the **insured** from the following sources:

- a. information the **insurer** receives from the **insured** on applications or other forms;
- b. information about the **insured's** transactions with the **insurer**, its subsidiary, parent and/or other group companies or others;
- c. information the **insurer** receives from consumer reporting agencies.

8.6.2 The **insurer** does not disclose any non-public personal information relating to the **insured** to anyone except as is necessary in order to provide its products or services to the **insured** or otherwise as it is required or permitted by law (e.g. a subpoena, fraud investigation, regulatory reporting, etc.).

8.6.3 Further, by accessing and updating various databases, the **insurer** may share information with other firms and public bodies, including the police, in order to substantiate information and prevent or detect fraud. If false or inaccurate information is provided and fraud is suspected, this fact will be recorded and the information will be available to other organisations that have access to the databases. Details of databases accessed or contributed to are available on request.

## 8.7 Dispute resolution

- 8.7.1 Any matters in dispute between the **insurer** and the **insured** arising out of or in connection with this insurance will be referred to a mediator to be agreed by the **insurer** and the **insured** within ten (10) working days of a written notice served on one of them by the other of them requesting such an agreement. If a mediator is not agreed then either the **insurer** or the **insured** may apply to the Centre for Effective Dispute Resolution ('CEDR') for the appointment of a mediator. The **insurer** and the **insured** agree to share equally the costs of CEDR and of the mediator and that the reference of the dispute to mediation will be conducted in confidence.
- 8.7.2 The **insurer** and the **insured** agree to perform their respective continuing obligations under this insurance, if any, while the dispute is resolved unless the nature of the dispute prevents such continued performance of those obligations.
- 8.7.3 If any such dispute is not resolved by mediation or the **insurer** and the **insured**
- 8.7.4 cannot agree upon the appointment of a mediator or the form that the mediation will take, the dispute will be referred by either of them to courts, subject to the law and jurisdiction set down in the 'Applicable law' clause above.

## 8.8 Observance

- 8.8.1 The due observance and fulfilment of the provisions of this **policy** insofar as they may relate to anything to be done or complied with by the **insured**, and are not described in the **policy** as conditions precedent, will be a condition of this **policy**. Any waiver by the **insurer** of any provision will not prevent the **insurer** from relying on such term or condition or condition precedent in the future.
- 8.8.2 Further, where an indemnity is provided to any other party, the **insured** will arrange for each party to comply with the terms, conditions and conditions precedent of this insurance so far as they can apply provided always that the other party complies with the terms of 'Duties in the event of a claim or potential claim'.
- 8.8.3 In the event of a breach of any condition in the **policy**, and without prejudice to any of the **insurer's** other rights, the **insurer** may reject or reduce **claims** connected with the breach providing the **insurer** can demonstrate some prejudice.
- 8.8.4 In the event of a breach of any condition precedent in the **policy** and without prejudice to any of the **insurer's** other rights, the **insurer** may reject or reduce **claims** connected with the breach and continue the **policy** on such terms as the **insurer** may determine and, if any payment on account of any such **claim** has already been made, the **insured** will repay forthwith all payments on account to the **insurer**.

## 8.9 Payment of premium

The **insured** agrees to pay the **premium** stated in the **schedule** on the **due date** as specified in the **schedule**. If the **insurer** agrees that some or all of the premium may be satisfied otherwise than in cash (e.g. by the transfer by the **insured** to the **insurer** of an investment portfolio), the **insured** shall take all necessary steps to satisfy the **insurer's** due diligence requirements in relation to the assets proposed to be transferred and that

their net realisable value is equal to or greater than the **premium** or that part of the **premium** which is to be satisfied otherwise than in cash. If the **insurer** agrees to accept such assets in satisfaction of all or part of the **premium**, the insured shall on the **due date** ensure that the insurer becomes the beneficial owner of such assets, free from any charge, lien or encumbrance.

8.9.1 Taxes, levies and other relevant fiscal charges are payable in addition to the **premium** Where there is more than one **insured**, each **insured** shall be jointly and severally liable for the **premium**.

8.9.2 Should the **premium** (or any part thereof) remain unpaid after seven (7) days after the **due date** then interest shall accrue on the **premium** (or the unpaid part) at a rate of 2% (two percent) above the United States Dollar prime lending rate in the Cayman Islands as calculated at the time of the **due date** until the actual date of payment.

#### 8.10 **Records**

The **insurer** may hold documents relating to this insurance and any **claims** under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

#### 8.11 **Rights surviving end of period of insurance**

All rights and obligations on the part of the **insured** and the **insurer** pursuant to this **policy** shall continue until such time as the **insured's** and the **insurer's** liabilities under this **policy** have been finally determined.

#### 8.12 **Termination by the insured**

The **insured** may terminate this **policy** at any time whereupon the **premium** (if unpaid) becomes immediately payable and the **insurer** will not be liable for any **claim** under this **policy**. Where the **insured** comprises more than one person, this termination right may only be exercised if each such person consents in writing.

#### 8.13 **Termination by the insurer**

8.13.1 The **insurer** may terminate this **policy** immediately:

- a. if the **insured**, or where the **insured** comprises more than one person, any such person, fails to observe all the terms and conditions of this **policy** including, for the avoidance of doubt, the terms relating to the payment of the **premium**;
- b. if the **insured**, or where the **insured** comprises more than one person, any such person, becomes bankrupt or insolvent during the **period of insurance**. The **insured** or any such person shall be deemed insolvent upon the appointment of a liquidator in circumstances where it is insolvent.

8.13.2 In the event of termination by the **insurer** then the **insurer** will not be liable for any **claim** under this **policy**.

**8.14 Sanction limitation and exclusion clause**

The **insurer** shall not provide cover nor be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the **insurer** or any member of the **insurer's** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any jurisdiction.

**8.15 Joint and several obligations**

Where the **insured** comprises two or more persons, all duties and obligations of such persons under this **policy** shall be joint and several.

## 9. General definitions and interpretation

The following words will have the same meaning attached each time they appear in this **policy** in bold type-face, whether with a capital first letter or not.

Where the context so admits or requires, words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'person' will be construed so as to include any individual, company, partnership, or any other legal entity. References to a statute will be construed to include all its amendments or replacements. All headings within the **policy** are included for convenience only and will not form part of this **policy**.

### 9.1 Appeal

Appeal means an appeal against the judgment of the **court** to any appellate court.

### 9.2 Appointed representative

Appointed representative means a firm of attorneys which has been accepted by the **insurer** to act for the **insured** in accordance with the terms of this **policy**.

### 9.3 Bond

Bond means any deed of indemnity issued by the **insurer** in respect of the **legal action** for the purpose of providing security for costs in the **legal action** on behalf of the **insured**.

### 9.4 Claim

Claim means a request by the **insured** under the terms of this **policy** for payment in respect of **legal liability**. Any claim or series of claims arising out of the same **legal action** shall be regarded as one claim.

### 9.5 Court

Court means any judge, arbitrator or any other tribunal that hears the **legal action** at first instance within the **territorial limits**.

### 9.6 Deposit premium

Deposit premium means the amount, if any, specified as deposit premium in the **schedule**.

### 9.7 Due date

Due date means the date for payment of the premium as specified in the **schedule**.

### 9.8 Information

Information means any information within the possession control or knowledge of the **insured** or the **appointed representative**, both before and after the inception of this **policy**, that is relevant to or relates to the **legal action**, whether privileged or not (which privilege the **insured** irrevocably waives), and extends to the **appointed representative's** file on the **insured's legal action**.

### 9.9 Insured

Insured means the person or persons named in the **schedule** as declared to and accepted by the **insurer** and where the **insured** comprises more than one person, the expression **insured** where used in this **policy** shall be construed, unless the context otherwise requires, so as to refer to each person named as the **insured** in the **schedule**.

**9.10 Insured section**

Insured section means all or any individually numbered sections of this **policy** that forms part of the insurance contract but only if stated as 'insured section' in the heading to the section.

**9.11 Insurer**

Insurer means the party specified as insurer in the **schedule** and any other subscribing insurers.

**9.12 Legal action**

Legal action means the action described in the **schedule**.

**9.13 Legal liability**

Legal liability means either:-

9.13.1 the aggregate of (a) the total sum (including any opponent's costs) ordered by the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) to be paid by the **insured** to the **opponent** in the **legal action** and (b) **own costs**; or

9.13.2 the aggregate of (a) the total sum (including any opponent's costs) to be paid by the **insured** to the **opponent** pursuant to a settlement of the **legal action** reached between the **insured** and the **opponent** (with the prior written agreement of the **insured**, the **appointed representative** and the **insurer**) and (b) **own costs**.

**9.14 Limit of indemnity**

Limit of indemnity means:

9.14.1 the amount stated in the **schedule** which is the maximum amount of the **insurer's** liability under this **policy** regardless of the number of:

- a. **insureds** or other insured parties;
- b. persons or organisations bringing claims or suits; or
- c. claims against the **insured** or series of claims against the **insured** or claims or series of claims made by the **insured**;

9.14.2 where a limit of indemnity is stated in the **schedule** as in the aggregate, that aggregate is the maximum the **insurer** will pay for all insured events during the **period of insurance**;

where indemnity may be provided under two (2) or more **insured sections** of this **policy**, then the combined single limit stated in the **schedule** is the maximum the **insurer** will pay for any insured event to which such **insured sections** apply in combination.

#### 9.15 **Opponent**

Opponent means the party or parties who are named in the **schedule** and with whom the **insured** is in dispute in the **legal action**.

#### 9.16 **Opponent's costs**

Opponent's costs mean all costs and expenses that have been reasonably incurred by the **opponent** in the **legal action**.

#### 9.17 **Own costs**

Own costs means all costs and expenses of the Representative and other service providers in the normal course, including related tax, which are incurred during the conduct of the legal action on behalf of the insured.

#### 9.18 **Period of insurance**

Period of insurance means the period which commences from the date shown on the **schedule** and ceases upon the occurrence of any of the following events:

9.18.1 the **legal action** is concluded by a final judgment or order of the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) which also deals finally with the amount of any costs payable by the parties to the **legal action**;

9.18.2 the **legal action** is settled on terms which also deals with the amount of any costs payable by the parties to the **legal action**;

9.18.3 the **legal action** is transferred outside of the **territorial limits**;

9.18.4 the retainer between the **insured** and the **appointed representative** ceases; or

9.18.5 this **policy** is terminated or cancelled in accordance with the terms and conditions of the **policy**.

#### 9.19 **Policy**

Policy means this document, the **schedule** (including any **schedules** issued in substitution) and any endorsements attaching to this document or the **schedule** that will be considered part of the legal contract and any word or expression in bold type face on any of these documents will bear the specific meaning stated in these definitions.

#### 9.20 **Premium**

Premium means the amount specified as premium in the **schedule**.

**9.21 Recovery**

Recovery means any sum (inclusive of costs) ordered by the **court** or any appellate court to be paid by the **opponent** to the **insured** in the **legal action** or any amount (inclusive of costs) agreed to be paid by the **opponent** to the **insured** in settlement of the **legal action** (irrespective of whether or not payment is actually made).

**9.22 Schedule**

Schedule means the document titled schedule that includes the name and address of the **insured**, the premium and other variables to this **policy** (including endorsement clauses) and is incorporated in this **policy** and accepted by the **insured**. Schedules may be re-issued from time to time where each successor overrides the earlier document.

**9.23 Territorial limits**

Territorial limits means the territory or territories specified in the **schedule**.

**INSURER:**

**Sentinel Reinsurance, Ltd.**

**By:** \_\_\_\_\_  
**Name:**  
**Title:**

**INSUREDS:**

**Highland CDO Opportunity Master Fund, L.P.**

**By:** Highland CDO Opportunity Fund GP, L.P., its general partner  
**By:** Highland CDO Opportunity GP, LLC, its general partner  
**By:** Highland Capital Management, L.P., its sole member  
**By:** Strand Advisors, Inc., its general partner

**By:**  
**Name:**  
**Title:**

**Highland CDO Holding Company**

**By:**  
**Name:** James Dondero  
**Title:** Director

**Highland Special Opportunities Holdings Company**

**By:**  
**Name:** James Dondero  
**Title:** Director

**SCHEDULE**

**Insurer:** Sentinel Reinsurance, Ltd.

**Insured:**

- Highland CDO Opportunity Master Fund, LP
- Highland CDO Holding Company; and
- Highland Special Opportunities Holding Company

**Appointed Representative:** Paul Lackey  
Lackey Hershman, LLP  
3102 Oak Lawn Avenue  
Suite 777  
Dallas, Texas 75219

**Date of commencement of Period of Insurance:** August 1, 2017

**Legal Action:** UBS Securities LLC and UBS AG, London Branch, v. Highland Capital Management, L.P., Highland Special Opportunities Holding Company, Highland Financial Partners, L.P., Highland CDO Opportunity Master Fund, L.P., Highland Credit Opportunities CDO, L.P., and Strand Advisors, Inc., Cause No. 650097/2009

**Court:** Supreme Court of the State of New York, County of New York

**Opponent:** UBS Securities LLC and UBS AG, London Branch

**Territorial Limits:** State of New York

**Limit of Indemnity:** US\$100,000,000 (One Hundred Million United States Dollars) in aggregate

**Payment Date for Premium:** August 31, 2017

**Premium:** US\$25,000,000 (Twenty Five Million United States Dollars)

**INSURER:**

**Sentinel Reinsurance, Ltd.**

By:   
Name:  
Title: **Andrew Dean**  
**Director**

**INSURED:**

- Highland CDO Opportunity Master Fund, L.P.**
- By: Highland CDO Opportunity Fund GP, L.P., its general partner
- By: Highland CDO Opportunity GP, LLC, its general partner
- By: Highland Capital Management, L.P., its sole member
- By: Strand Advisors, Inc., its general partner

By:   
Name: James Dondero  
Title: President

**Highland CDO Holding Company**

By:   
Name: James Dondero  
Title: Director

**Highland Special Opportunities Holdings Company**

By:   
Name: James Dondero  
Title: Director

## **EXHIBIT 2**

## PURCHASE AGREEMENT

This Purchase Agreement (the “*Agreement*”) dated as of August 7, 2017 (the “*Effective Date*”), is entered into by and among Sentinel Reinsurance, Ltd. (“*Purchaser*”) and each of Highland CDO Opportunity Master Fund, L.P., Highland CDO Holding Company and Highland Special Opportunities Holdings Company (together, “*Sellers*”).

### RECITALS

WHEREAS, Sellers are each party in a lawsuit styled UBS Securities LLC and UBS AG, London Branch, v. Highland Capital Management, L.P., Highland Special Opportunities Holding Company, Highland Financial Partners, L.P., Highland CDO Opportunity Master Fund, L.P., Highland Credit Opportunities CDO, L.P., and Strand Advisors, Inc., Cause No. 650097/2009 (the “*Lawsuit*”);

WHEREAS, Sellers desire to purchase a Legal Liability Insurance Policy relating to Sellers’ potential liability in the Lawsuit in form substantially as set forth in Exhibit A hereto (the “*Policy*”); and

WHEREAS, Purchaser is an insurance company that is able to provide Sellers insurance coverage pursuant to the terms of the requested Policy, and Purchaser desires to provide Policy coverage to Sellers pursuant to the terms herein and therein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. Payment of Premium. Purchaser agrees to accept the assets listed in Schedule A hereto as 100% payment of the Premium, including any as yet unpaid or contingent financial proceeds or other benefits related thereto, with the explicit undertaking that if anything of value is received by the Sellers, such cash or other item of value shall be held in trust for the Purchaser and promptly remitted thereto (the “*Transferred Interests*”). Sellers undertake that immediately following signing this Agreement, they will each take all such steps and execute all such documents to vest legal and beneficial ownership free from liens or encumbrances (as hereinafter defined) in all the Transferred Interests in the Purchaser.

2. Entire Agreement. This Agreement and the Schedule and Exhibit attached hereto embody the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

3. Amendments and Waivers. This Agreement may be amended only by an agreement in writing signed by each party hereto, and no waiver or compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party hereto sought to be charged with such waiver or consent.

4. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be one and the same document.

5. Headings. The headings contained in this Agreement are for convenience only and do not constitute a part of this Agreement.

6. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

Exhibit #

Deposition Exhibit 02

4/27/20

exhibitsicker.com

7. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with the substantive laws of the Cayman Islands without giving effect to any conflict of laws rule or principle thereof that might result in the application of the laws of another jurisdiction, and the courts of the Cayman Islands shall have exclusive jurisdiction to determine any dispute.

8. Further Assurances. Each party to this Agreement hereby covenants and agrees, without the necessity of any further consideration, to execute and deliver any and all further documents and to perform such other acts as may be necessary to carry out the intent and purposes of this Agreement and to consummate the transactions contemplated hereby.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date first written above.

**SELLER**

**Highland CDO Opportunity Master Fund, L.P.**

By: Highland CDO Opportunity Fund GP, L.P., its  
general partner

By: Highland CDO Opportunity GP, LLC, its general  
partner

By: Highland Capital Management, L.P., its sole  
member

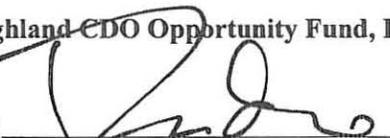
By: Strand Advisors Inc., its general partner

By: 

Name: James Dondero

Title: President

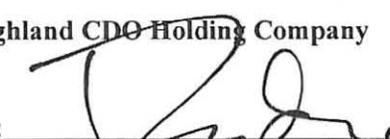
**Highland CDO Opportunity Fund, Ltd.**

By: 

Name: James Dondero

Title: Director

**Highland CDO Holding Company**

By: 

Name: James Dondero

Title: Director

**Highland Special Opportunities Holdings Company**

By: 

Name: James Dondero

Title: Director

**Highland Financial Corp.**

By:   
Name: James Dondero  
Title: President

**Highland Financial Partnership, L.P.**

By:   
Name: James Dondero  
Title: Chief Executive Officer

PURCHASER

SENTINEL REINSURANCE, LTD.

By:   
Name: Andrew Dean  
Title: Director

SCHEDULE A**HIGHLAND CDO OPPORTUTNITY MASTER FUND, L.P.**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
KY009A1KXYH6	ABERDEEN LN FDG LTD PFD	12,000,000.00
KY84427P2029	SOUTHFORK CLO LTD CUM PFD 144A	10,000.00
KYG829101032	SOUTHFORK CLO LTD PFD	9,000.00
US00306M3007	ABERDEEN LN FDG LTD PFD	5,000.00
US3624682098	GSC ABS CDO 2006-4U LT CUM PFD 144A	16,000.00
US39364P2011	GREENBRIAR CLO LTD PFD 144A	16,250.00
US43009L2034	HIGHLAND FINL PARTNERS LP	615,733.00
US43009L9898	HIGHLAND FINL PARTNERS LP NPV	3,000,000.00
US5431742056	LONGSTREET CDO I LTD PFD 144A	3,000.00
US65340G2057	NEXPOINT C COM USD0.001 (POST REV S)	100.00
US69763NAD30	PAM CAP FDG LP 0.0 01MAY13 144A	48,500,000.00
	FRN	42,868,390.80
US8729623038	TOUSA INC 8.0 PFD 144A	1,337.00
US91914QAA40	VALHALLA CLO LTD 0.0 01AUG23	6,000,000.00
	144A	6,000,000.00
US925331AA89	VERTICAL ABS CDO 2 0.0 09MAY46	6,000,000.00
	144A	6,000,000.00
N/A	HIGHLAND CREDIT OPPORTUNITIES CDO LTD. PARTNERSHIP INTEREST	24,313.00
	\$2,157,088 PROMISSORY NOTE (GOVERNANCE RE, LTD. AS MAKER) AND CASH OF \$539,272 – RE: NEXPOINT MULTIFAMILY CAPITAL TRUST INTEREST	269,636.00
N/A	NEXPOINT REAL ESTATE STRAT – Z	97,257.00
N/A	HIGHLAND GEMINI PROGRAM (POLLUX) \$2,399,996 PROMISSORY NOTE (THE DUGABOY INVESTMENT TRUST AS MAKER) AND CASH	65,314.00
N/A	OF \$599,999 – RE: SURVIOS INTEREST	2,999,995.00
BCC0MVTX4	CAMBR 5X FLOATING – 12/2045	19,350,000.00
N/A	CASH	\$7,779,722.00

**HIGHLAND CDO OPPORTUTNITY FUND, LTD.**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
N/A	CASH	\$2,349,436.00

**HIGHLAND CDO HOLDINGS COMPANY**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
US404185AD22	HFT REAL EST 3.33867 25NOV51 144A F	750,000.00 750,000.00
US65340G2057	NEXPOINT C COM USD0.001 (POST REV S)	165,395.00
US65341D1028	NEXPOINT R COM USD0.001 'WI'	220,527.00
US86280AAE73	STRATFORD CL 3.16956 01NOV21 144A F	300,000.00 300,000.00
USG44392AF82	HIGHLAND PARK C 4.93867 25NOV51 FRN	17,000,000.00 24,076,296.18
N/A	PROMISSORY NOTE – CLO HOLDCO, LTD. AS MAKER – 12/23/2025	\$32,801,593.00
N/A	CASH	\$539,641.00
N/A	DIVIDENDS RECEIVABLE – HIGHLAND CAPITAL MANAGEMENT, LP	\$136,598.00

**HIGHLAND SPECIAL OPPORTUNITIES HOLDINGS COMPANY**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
US247126AC93	DELPHI CORP DEL 7.125 01MAY29	1,500,000.00
US247126AD76	DELPHI CORP DEL 6.55 15JUN06 USD	3,000,000.00
US5431742056	LONGSTREET CDO I LTD PFD 144A	1,570.00
US8729623038	TOUSA INC 8.0 PFD 144A	5,349.00
US925331AA89	VERTICAL ABS CDO 2 0.0 09MAY46 144A	5,000,000.00 5,000,000.00
N/A	CASH	\$295,136.00

**HIGHLAND FINANCIAL CORP.**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
N/A	CASH	\$80,144.00
N/A	TAX REFUND RECEIVABLE – HIGHLAND CAPITAL MANAGEMENT, LP	\$477,637.00

**HIGHLAND FINANCIAL PARTNERS, L.P.**

<b>ISIN</b>	<b>Description</b>	<b>Traded Shares/Par</b>
N/A	CASH	\$29,252.00

## **EXHIBIT 3**

Legal Liability Insurance Policy

00753351-1



MD\_000010

## 1. Our agreement in general

### 1.1 Parties to this agreement

This **policy** is between the **insured** and the **insurer** as declared in the **schedule**. This document, together with its **schedule** and any attached endorsements is the **policy** which sets out this insurance. It is a legal contract so please read all of it carefully.

### 1.2 Words in bold

Words in bold typeface used in this **policy** document, other than in the headings, have specific meanings attached to them as set out in the General definitions and interpretation.

### 1.3 Policy Structure

1.3.1 Each **insured section** sets out the scope of the main coverage and the circumstances in which the **insurer's** liability to the **insured** is limited or may be excluded. Further, each **insured section** sets out other terms and conditions relevant to that **insured section**. The cover provided by each **insured section** is only operative if a **limit of indemnity** is shown in the **schedule**. Where the **limit of indemnity** in respect of any item in the **schedule** is shown as 'n/a', 'not applicable' or 'not insured' then no cover applies for that item. Where the **insured** comprises more than one person, the **limit of indemnity** for all **claims** made by all persons comprising the **insured** shall apply but as there is no sub-limit of indemnity in relation to each individual person, one or more of those persons will not receive payment of a **claim** if the limit of indemnity has already been met as a result of the payment of other **claims**.

1.3.2 Additional clauses set out terms, exclusions or limitations that may apply to more than one **insured section**.

1.3.3 The following general terms apply to each **insured section**, clauses and endorsements:

- a) General exclusions and limitations
- b) Duties in the event of a claim or potential claim;
- c) General terms and conditions; and
- d) General definitions and interpretation.

### 1.4 Policy period and premium

1.4.1 This **policy** will provide insurance as described herein for the **period of insurance** provided the **premium** (and **deposit premium** if applicable) and other charges are paid to and accepted by the **insurer** on or before the payment date shown in the **schedule**. Taxes, levies and other relevant fiscal charges are payable in addition to the **premium**. The **premium** is deemed paid and accepted by the **insurer** on receipt by the **insurer** or the intermediary appointed to place this insurance with the **insurer**.

1.4.2 If any **premium** (or **deposit premium** if applicable) is not paid and accepted by the **insurer** on or before its payment date as set out in this **policy** then the **insurer** may, in its sole discretion, give written notice to the **insured** at its address shown in the **schedule** cancelling this **policy** from seven (7) days after the date of service of the

notice of cancellation. Cancellation will be prevented from taking effect and the **policy** will continue in force if the outstanding **premium** (or **deposit premium** if applicable) is paid and accepted before cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed served on the fifth (5<sup>th</sup>) day after being posted if sent by pre-paid airmail letter properly addressed.

- 1.4.3 In consideration of the payment of the **premium** (and **deposit premium** if applicable) by the **insured** to the **insurer** the **insurer** agrees to provide the insurance as described in 'Legal liability' **insured section**.

## 2. Insured section – Legal liability

### 2.1 Legal liability cover

The **insurer** agrees to indemnify the **insured** in respect of any **legal liability** occurring during the **period of insurance** up to and including but not exceeding the **limit of indemnity** provided that either:

- 2.1.1 the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) makes an order of liability relating to the **legal action** against the **insured**; or
- 2.1.2 the **legal action** is (with the prior written agreement of the **insured**, the **appointed representative** and the **insurer**) settled on terms that provide for payment by the **insured** to the **opponent**.

## 3. General exclusions and limitations

This **policy** excludes and the **insurer** shall not be liable to indemnify the **insured** in any of the following circumstances:

### 3.1 Absence of the insurer's prior consent

where the **insurer's** written consent has not been obtained pursuant to the 'Written consent' clause below;

### 3.2 Failure to notify

where the **insured** has failed to notify the **insurer** pursuant to the 'Claim notification' clause below;

### 3.3 Insured's conduct

- 3.3.1 where the **legal action** is settled or the court makes an order of liability relating to the **legal action** against the **insured** as a result of the dishonesty of the **insured**; or
- 3.3.2 where the **insured** fails to act in accordance with the advice of the **appointed representative** or to provide full instructions promptly to the **appointed representative** or to co-operate with the **appointed representative** or to comply with any order made by the **court** or any **court rule**;

### 3.4 Failure to mitigate

where **legal liability** is incurred or increased as a result of a failure on part of the **insured** or the **appointed representative** to mitigate such a liability;

**3.5 Non-disclosure**

where the **insured** or the **appointed representative** has failed to disclose material facts;

**3.6 Unnecessary costs because of delay etc.**

where the **opponent's costs** arise from

3.6.1 any unreasonable delay or negligence or wilful act or omission by the **insured** or the **appointed representative**;

3.6.2 any unreasonable failure on part of the **insured** or the **appointed representative** to attend a hearing or other appointment;

**3.7 Amended pleadings**

Where **legal liability** is incurred or increased as a result of any unreasonable amendment to the **insured's** pleadings or any failure to comply with any court directions, pre-action protocols or any other rule, regulation or statutory provision;

**3.8 Fraud**

where the **insured** or the **appointed representative** has made any fraudulent, false or misleading representation;

**3.9 Legal action outside the territorial limits**

where **legal liability** is incurred or increased as a result of the **legal action** being pursued, issued, brought or transferred outside the **territorial limits**;

**3.10 Non-contribution**

where but for the existence of this **policy** the **insured** would be entitled to indemnity under another insurance policy;

**3.11 Quote disclosed prior to inception of the policy**

where the existence of any offer of insurance made by the **insurer** to the **insured** in respect of the **legal action** was disclosed to any third party other than those third parties to whom the **insurer** has offered its consent for such quote to be disclosed;

**3.12 Sums due under other policies of insurance**

where any premium has fallen due to be paid by the **insured** to the **insurer** pursuant to the terms of any other policy of insurance issued by the **insurer** to the **insured** but remains unpaid (whether in full or in part) at the date of a **claim** under this **policy**.

**4. Other terms and conditions relating to cover**

**4.1 Set-off**

In the event that a **claim** is made under this **policy** and the **insured** has obtained a **recovery** in the **legal action** then the **insurer** shall only be liable to indemnify the

**insured** for the net sum (if any) after deduction of the amount of the **recovery**. This is irrespective of whether or not payment is actually made to the **insured**.

## **4.2 Appeal**

4.2.1 In the event that the **legal action** is subject to **appeal** then at the end of the appeal's process this **policy** will be construed as if the **court** had reached the same decision as the appellate court.

4.2.2 In the event that any sums of money are paid by the **insurer** pursuant to the terms of this **policy** and the judgment of the **court** is amended following an **appeal** (such that the **insurer** would not have made the payment had the amended judgment been the judgment of the **court**) then the **insured** shall reimburse the **insurer** for any such sums of money already paid together with interest at 2% above the United States Dollar prime lending rate in the Cayman Islands from time to time.

## **5. Conduct of the legal action**

### **5.1 Written consent**

The **insured** must obtain, and irrevocably instructs the **appointed representative** to obtain, written consent from the **insurer** prior to:

- 5.1.1 the settlement of the **legal action** in the **opponent's** favour;
- 5.1.2 the rejection (whether explicitly or by conduct) of an **opponent's** offer to settle the **legal action**;
- 5.1.3 the rejection of any offer of alternative dispute resolution (including mediation) from the **opponent**;
- 5.1.4 any change of the **appointed representative**.

The **insurer** will not unreasonably withhold consent to the **insured** taking any of the steps referred to in this clause and will, in making a decision as to whether to provide consent pursuant to this clause, consider whether a reasonably prudent uninsured litigant would pursue the course of action for which the **insurer's** consent is sought.

### **5.2 Notification**

The **insured** must notify, and irrevocably instructs the **appointed representative** to notify, the **insurer** immediately:

- 5.2.1 on receipt of any offer of settlement of the **legal action**;
- 5.2.2 on receipt of any offer of alternative dispute resolution (including mediation) from the **opponent**;
- 5.2.3 in the event of any development in the **legal action** material to the prospects of succeeding in the **legal action**;
- 5.2.4 if the **insured** is no longer more likely than not to succeed in the **legal action**, assuming that it is determined at trial; and

- 5.2.5 after any period of 6 months during which there has been no requirement to request the insurer's consent or notify the insurer in order to confirm the current status of the legal action.

### 5.3 Monies to be held on account

The insured irrevocably instructs the appointed representative to hold any monies (whether costs, interest or damages) received from the opponent until the premium is paid in full, any claim under this policy has been submitted and all terms and conditions of this policy have been fully complied with.

### 5.4 Co-operation by the insured and appointed representative

The insured must:

- 5.4.1 provide, and instruct the appointed representative to provide, the insurer with full and prompt co-operation to include providing such information as is requested by the insurer from time to time; and
- 5.4.2 co-operate, and instruct the appointed representative to co-operate, with any request by the insurer to audit information pursuant to the 'Audit' clause.

### 5.5 Prosecution of the legal action

The insured agrees to:

- 5.5.1 prosecute the legal action promptly;
- 5.5.2 provide any instructions to the appointed representative as are necessary or desirable in order to prosecute the legal action in the best manner;
- 5.5.3 act as a reasonably prudent uninsured litigant with the objective of achieving the best outcome in the legal action (and any subsequent costs assessment proceedings); and
- 5.5.4 comply with any order of the court and any court rules and in all respects conduct the legal action in a reasonable manner in order to minimise costs.

### 5.6 Territorial limits

The insured agrees to prosecute the legal action in the court within the territorial limits and warrants that the legal action will be governed by the laws of the territorial limits.

## 6. Bond

### 6.1 Payment under bond forms part of indemnity

In the event that the insurer is obliged to make any payment pursuant to the terms of a bond issued in conjunction with this policy then such payment shall contribute to and form part of the indemnity provided by this policy and shall erode both the limit of indemnity stated in the schedule.

### 6.2 Recovery of sums paid pursuant to bond

In the event that the insurer makes any payment whatsoever pursuant to the terms of a bond in circumstances in which the insurer would not have been obliged to make such payment pursuant to the terms of this policy then the insured shall indemnify the

**insurer** in respect of such payment and the **insurer** shall be entitled to recover such payment from the **insured**.

## **7. Duties in the event of a claim or potential claim**

The due observance and fulfilment of the provisions of 'Claim notification' and 'Insured's duties and insurer's rights' are condition precedents to the **insurer's** liability for any **claim** under this **policy**. The 'Termination by the insurer' clause sets out the consequences of a failure to comply with conditions precedent or **policy** provisions.

### **7.1 Claim notification**

- 7.1.1 The **insured** shall give the **insurer** written notice as soon as practicable of any **claim** or any circumstance which might reasonably be expected to give rise to a **claim**.
- 7.1.2 Notice to the **insurer** of a **claim** under this policy must be given to the claims notification address specified in the **schedule**.

### **7.2 Insured's duties and insurer's rights**

- 7.2.1 A **claim** form must be completed with full particulars.
- 7.2.2 The **insured** shall provide to the **insurer** and the **appointed representative** all **information** and, in addition, shall provide all necessary assistance (notwithstanding the right for the **insurer** to audit pursuant to the 'Audit' clause) to enable the **insurer** or its agents to investigate and/or defend any **claim** under this **policy** and/or to enable the **insurer** to determine its liability under this **policy**.
- 7.2.3 Neither the **insured** nor its **appointed representative** shall make any admission with respect to liability in relation to the **legal action** or attempt to settle the **legal action** without the **insurer's** prior written consent.
- 7.2.4 The **insured** will promptly provide the **insurer** with full details of **legal liability** and shall, if requested by the **insurer**, have such **legal liability** assessed by the appropriate body.
- 7.2.5 The **insurer** will be entitled (but not obliged) to conduct any costs assessment or review and the **insured** will provide (and hereby gives irrevocable instructions to the **appointed representative** to provide) such assistance as the **insurer** requires.

### **7.3 Subrogated claims**

In the event of the **insurer** making any payment under this **policy**:

- 7.3.1 the **insurer** shall be subrogated to all the **insured's** rights or causes of action related to or arising out of the **legal action** against any other party to the extent that these rights or causes of action are pertinent to a loss being suffered by the **insured** and the **insured** undertakes to provide the **insurer** with all assistance which may be required to pursue these rights; and
- 7.3.2 any entitlement to a recovery from the **opponent** by the exercise of such rights or otherwise will, until received, be set off against any **claim** comprised of **legal liability** and when received be applied, in order of priority, to repay and extinguish any payment

made by the **insurer** under this **policy**, any **insurer's** costs, any interest due on such payment and costs and finally any **insured's** losses.

## **8. General terms and conditions**

### **8.1 Audit**

The **insurer** has the right to audit all **information** within the possession or control of the **insured** or the **appointed representative** whether held in physical or electronic format.

### **8.2 Applicable law**

This **policy** will be governed by and interpreted in accordance with the laws of the Cayman Islands and subject to the exclusive jurisdiction of the courts in the Cayman Islands.

### **8.3 Assignment**

Assignment of interest under this **policy** will not bind the **insurer** unless and until the **insurer's** written consent is endorsed hereon.

### **8.4 Confidentiality**

The **insurer** agrees that any **information** given by the **insured** or the **appointed representative** is received in confidence and will not be disclosed to any other party.

### **8.5 The Contracts (Rights of Third Parties) Law, 2014**

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Law, 2014 of the Cayman Islands or any amending or subsequent legislation by any person who is not named as the **insured** and both the **insurer** and **insured** may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party.

### **8.6 Disclosure**

8.6.1 The **insurer** will follow appropriate security procedures in the storage and disclosure of data provided by the **insured** or its appointed representative to prevent unauthorised access or loss of such data. The **insurer** may find it necessary to pass such data to other firms or businesses that supply products and services associated with this **policy**.

The **insurer** collects non-public personal information about the **insured** from the following sources:

- a. information the **insurer** receives from the **insured** on applications or other forms;
- b. information about the **insured's** transactions with the **insurer**, its subsidiary, parent and/or other group companies or others;
- c. information the **insurer** receives from consumer reporting agencies.

8.6.2 The **insurer** does not disclose any non-public personal information relating to the **insured** to anyone except as is necessary in order to provide its products or services to the **insured** or otherwise as it is required or permitted by law (e.g. a subpoena, fraud investigation, regulatory reporting, etc.).

8.6.3 Further, by accessing and updating various databases, the **insurer** may share information with other firms and public bodies, including the police, in order to substantiate information and prevent or detect fraud. If false or inaccurate information is provided and fraud is suspected, this fact will be recorded and the information will be available to other organisations that have access to the databases. Details of databases accessed or contributed to are available on request.

## 8.7 Dispute resolution

8.7.1 Any matters in dispute between the **insurer** and the **insured** arising out of or in connection with this insurance will be referred to a mediator to be agreed by the **insurer** and the **insured** within ten (10) working days of a written notice served on one of them by the other of them requesting such an agreement. If a mediator is not agreed then either the **insurer** or the **insured** may apply to the Centre for Effective Dispute Resolution ('CEDR') for the appointment of a mediator. The **insurer** and the **insured** agree to share equally the costs of CEDR and of the mediator and that the reference of the dispute to mediation will be conducted in confidence.

8.7.2 The **insurer** and the **insured** agree to perform their respective continuing obligations under this insurance, if any, while the dispute is resolved unless the nature of the dispute prevents such continued performance of those obligations.

8.7.3 If any such dispute is not resolved by mediation or the **insurer** and the **insured**

8.7.4 cannot agree upon the appointment of a mediator or the form that the mediation will take, the dispute will be referred by either of them to courts, subject to the law and jurisdiction set down in the 'Applicable law' clause above.

## 8.8 Observance

8.8.1 The due observance and fulfilment of the provisions of this **policy** insofar as they may relate to anything to be done or complied with by the **insured**, and are not described in the **policy** as conditions precedent, will be a condition of this **policy**. Any waiver by the **insurer** of any provision will not prevent the **insurer** from relying on such term or condition or condition precedent in the future.

8.8.2 Further, where an indemnity is provided to any other party, the **insured** will arrange for each party to comply with the terms, conditions and conditions precedent of this insurance so far as they can apply provided always that the other party complies with the terms of 'Duties in the event of a claim or potential claim'.

8.8.3 In the event of a breach of any condition in the **policy**, and without prejudice to any of the **insurer's** other rights, the **insurer** may reject or reduce **claims** connected with the breach providing the **insurer** can demonstrate some prejudice.

8.8.4 In the event of a breach of any condition precedent in the **policy** and without prejudice to any of the **insurer's** other rights, the **insurer** may reject or reduce **claims** connected with the breach and continue the **policy** on such terms as the **insurer** may determine and, if any payment on account of any such **claim** has already been made, the **insured** will repay forthwith all payments on account to the **insurer**.

## 8.9 Payment of premium

The **insured** agrees to pay the **premium** stated in the **schedule** on the **due date** as specified in the **schedule**. If the insurer agrees that some or all of the premium may be satisfied otherwise than in cash (e.g. by the transfer by the **insured** to the **insurer** of an investment portfolio), the **insured** shall take all necessary steps to satisfy the **insurer's** due diligence requirements in relation to the assets proposed to be transferred and that their net realisable value is equal to or greater than the **premium** or that part of the **premium** which is to be satisfied otherwise than in cash. If the **insurer** agrees to accept such assets in satisfaction of all or part of the **premium**, the **insured** shall on the **due date** ensure that the insurer becomes the beneficial owner of such assets, free from any charge, lien or encumbrance.

8.9.1 Taxes, levies and other relevant fiscal charges are payable in addition to the **premium**. Where there is more than one **insured**, each **insured** shall be jointly and severally liable for the **premium**.

8.9.2 Should the **premium** (or any part thereof) remain unpaid after seven (7) days after the **due date** then interest shall accrue on the **premium** (or the unpaid part) at a rate of 2% (two percent) above the United States Dollar prime lending rate in the Cayman Islands as calculated at the time of the **due date** until the actual date of payment.

## 8.10 Records

The **insurer** may hold documents relating to this insurance and any **claims** under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

## 8.11 Rights surviving end of period of insurance

All rights and obligations on the part of the **insured** and the **insurer** pursuant to this **policy** shall continue until such time as the **insured's** and the **insurer's** liabilities under this **policy** have been finally determined.

## 8.12 Termination by the insured

The **insured** may terminate this **policy** at any time whereupon the **premium** (if unpaid) becomes immediately payable and the **insurer** will not be liable for any **claim** under this **policy**. Where the **insured** comprises more than one person, this termination right may only be exercised if each such person consents in writing.

## 8.13 Termination by the insurer

8.13.1 The **insurer** may terminate this **policy** immediately:

- a. if the **insured**, or where the **insured** comprises more than one person, any such person, fails to observe all the terms and conditions of this **policy** including, for the avoidance of doubt, the terms relating to the payment of the **premium**;
- b. if the **insured**, or where the **insured** comprises more than one person, any such person, becomes bankrupt or insolvent during the **period of insurance**. The **insured** or any such person shall be deemed insolvent upon the appointment of a liquidator in circumstances where it is insolvent.

8.13.2 In the event of termination by the **insurer** then the **insurer** will not be liable for any **claim** under this **policy**.

**8.14 Sanction limitation and exclusion clause**

The **insurer** shall not provide cover nor be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the **insurer** or any member of the **insurer's** group to any **sanction**, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any jurisdiction.

**8.15 Joint and several obligations**

Where the **insured** comprises two or more persons, all duties and obligations of such persons under this **policy** shall be joint and several.

## 9. General definitions and interpretation

The following words will have the same meaning attached each time they appear in this **policy** in bold type-face, whether with a capital first letter or not.

Where the context so admits or requires, words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'person' will be construed so as to include any individual, company, partnership, or any other legal entity. References to a statute will be construed to include all its amendments or replacements. All headings within the **policy** are included for convenience only and will not form part of this **policy**.

### 9.1 Appeal

Appeal means an appeal against the judgment of the **court** to any appellate court.

### 9.2 Appointed representative

Appointed representative means a firm of attorneys which has been accepted by the **insurer** to act for the **insured** in accordance with the terms of this **policy**.

### 9.3 Bond

Bond means any deed of indemnity issued by the **insurer** in respect of the **legal action** for the purpose of providing security for costs in the **legal action** on behalf of the **insured**.

### 9.4 Claim

Claim means a request by the **insured** under the terms of this **policy** for payment in respect of **legal liability**. Any claim or series of claims arising out of the same **legal action** shall be regarded as one claim.

### 9.5 Court

Court means any judge, arbitrator or any other tribunal that hears the **legal action** at first instance within the **territorial limits**.

### 9.6 Deposit premium

Deposit premium means the amount, if any, specified as deposit premium in the **schedule**.

### 9.7 Due date

Due date means the date for payment of the premium as specified in the **schedule**.

### 9.8 Information

Information means any information within the possession control or knowledge of the **insured** or the **appointed representative**, both before and after the inception of this **policy**, that is relevant to or relates to the **legal action**, whether privileged or not (which privilege the **insured** irrevocably waives), and extends to the **appointed representative's** file on the **insured's legal action**.

**9.9 Insured**

Insured means the person or persons named in the **schedule** as declared to and accepted by the **insurer** and where the **insured** comprises more than one person, the expression **insured** where used in this **policy** shall be construed, unless the context otherwise requires, so as to refer to each person named as the **insured** in the **schedule**.

**9.10 Insured section**

Insured section means all or any individually numbered sections of this **policy** that forms part of the insurance contract but only if stated as 'insured section' in the heading to the section.

**9.11 Insurer**

Insurer means the party specified as insurer in the **schedule** and any other subscribing insurers.

**9.12 Legal action**

Legal action means the action described in the **schedule**.

**9.13 Legal liability**

Legal liability means either:-

9.13.1 the aggregate of (a) the total sum (including any opponent's costs) ordered by the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) to be paid by the **insured** to the **opponent** in the **legal action** and (b) **own costs**; or

9.13.2 the aggregate of (a) the total sum (including any opponent's costs) to be paid by the **insured** to the **opponent** pursuant to a settlement of the **legal action** reached between the **insured** and the **opponent** (with the prior written agreement of the **insured**, the **appointed representative** and the **insurer**) and (b) **own costs**.

**9.14 Limit of indemnity**

Limit of indemnity means:

9.14.1 the amount stated in the **schedule** which is the maximum amount of the **insurer's** liability under this **policy** regardless of the number of:

- a. **insureds** or other insured parties;
- b. persons or organisations bringing claims or suits; or
- c. claims against the **insured** or series of claims against the **insured** or claims or series of claims made by the **insured**;

9.14.2 where a limit of indemnity is stated in the **schedule** as in the aggregate, that aggregate is the maximum the **insurer** will pay for all insured events during the **period of insurance**;

where indemnity may be provided under two (2) or more **insured sections** of this **policy**, then the combined single limit stated in the **schedule** is the maximum the **insurer** will pay for any insured event to which such **insured sections** apply in combination.

**9.15 Opponent**

Opponent means the party or parties who are named in the **schedule** and with whom the **insured** is in dispute in the **legal action**.

**9.16 Opponent's costs**

Opponent's costs mean all costs and expenses that have been reasonably incurred by the **opponent** in the **legal action**.

**9.17 Own costs**

Own costs means all costs and expenses of the Representative and other service providers in the normal course, including related tax, which are incurred during the conduct of the legal action on behalf of the insured.

**9.18 Period of insurance**

Period of insurance means the period which commences from the date shown on the **schedule** and ceases upon the occurrence of any of the following events:

9.18.1 the **legal action** is concluded by a final judgment or order of the **court** (or any appellate court to which the **court's** judgment in the **legal action** is **appealed**) which also deals finally with the amount of any costs payable by the parties to the **legal action**;

9.18.2 the **legal action** is settled on terms which also deals with the amount of any costs payable by the parties to the **legal action**;

9.18.3 the **legal action** is transferred outside of the **territorial limits**;

9.18.4 the retainer between the **insured** and the **appointed representative** ceases; or

9.18.5 this **policy** is terminated or cancelled in accordance with the terms and conditions of the **policy**.

**9.19 Policy**

Policy means this document, the **schedule** (including any **schedules** issued in substitution) and any endorsements attaching to this document or the **schedule** that will be considered part of the legal contract and any word or expression in bold type face on any of these documents will bear the specific meaning stated in these definitions.

**9.20 Premium**

Premium means the amount specified as premium in the **schedule**.

**9.21 Recovery**

Recovery means any sum (inclusive of costs) ordered by the **court** or any appellate court to be paid by the **opponent** to the **insured** in the **legal action** or any amount (inclusive of costs) agreed to be paid by the **opponent** to the **insured** in settlement of the **legal action** (irrespective of whether or not payment is actually made).

**9.22 Schedule**

Schedule means the document titled schedule that includes the name and address of the **insured**, the premium and other variables to this **policy** (including endorsement clauses) and is incorporated in this **policy** and accepted by the **insured**. Schedules may be re-issued from time to time where each successor overrides the earlier document.

**9.23 Territorial limits**

Territorial limits means the territory or territories specified in the **schedule**.

INSURER: 2017 August 10.

Sentinel Reinsurance, Ltd.

By: 

Name:  
Title: Andrew Dean  
Director

INSURED:

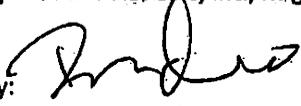
Highland CDO Opportunity Master Fund, L.P.

By: Highland CDO Opportunity Fund GP, L.P., its general partner

By: Highland CDO Opportunity GP, LLC, its general partner

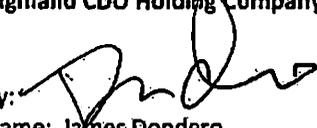
By: Highland Capital Management, L.P., its sole member

By: Strand Advisors, Inc., its general partner

By: 

Name: James Dondero  
Title: President

Highland CDO Holding Company

By: 

Name: James Dondero  
Title: Director

Highland Special Opportunities Holdings Company

By: 

Name: James Dondero  
Title: Director

1  
93  
81  
06  
47  
88



CAYMAN ISLANDS

≈ 012.00

GOVERNMENT STAMP DUTY P B 0 1 2 0 2

**SCHEDULE**

**Insurer:** Sentinel Reinsurance, Ltd.

**Insured:**

- Highland CDO Opportunity Master Fund, LP
- Highland CDO Holding Company; and
- Highland Special Opportunities Holding Company

**Appointed Representative:** Paul Lackey  
Lackey Hershman, LLP  
3102 Oak Lawn Avenue  
Suite 777  
Dallas, Texas 75219

**Date of commencement of Period of Insurance:** August 1, 2017

**Legal Action:** UBS Securities LLC and UBS AG, London Branch, v. Highland Capital Management, L.P., Highland Special Opportunities Holding Company, Highland Financial Partners, L.P., Highland CDO Opportunity Master Fund, L.P., Highland Credit Opportunities CDO, L.P., and Strand Advisors, Inc., Cause No. 650097/2009

**Court:** Supreme Court of the State of New York, County of New York

**Opponent:** UBS Securities LLC and UBS AG, London Branch

**Territorial Limits:** State of New York

**Limit of Indemnity:** US\$100,000,000 (One Hundred Million United States Dollars) in aggregate

**Payment Date for Premium:** August 31, 2017

**Premium:** US\$25,000,000 (Twenty Five Million United States Dollars)

•  
L

MD\_000026

Sentinel Reinsurance, Ltd.  
Maples Fiduciary Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

Endorsement No. 1

---

The following is hereby understood and agreed:

The premium, as stated in the schedule, is adjusted to \$68,362,333.62 to include the total fair value of received assets. Premium received consists of cash of \$11,083,855.74, miscellaneous receivables of \$1,753,020.00, and an investment portfolio of \$55,525,457.88 as measured at fair value on the transfer date.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Attaches to and forming part of the Legal Liability Insurance Policy dated August 1, 2017 of Sentinel Reinsurance, Ltd.



(Authorized Signature)

**Lesley Thompson**  
Director

MD\_000027

CONFIDENTIAL

Sentinel Reinsurance, Ltd.  
Maples Fiduciary Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

Endorsement No. 2

---

The following is hereby understood and agreed:

The **premium**, as stated in the schedule, is reduced to \$59,362,333.62.

\$9,000,000.00 has been prepaid by the **insured** to the **insurer** to cover risk mitigation costs, which include, but are not limited to, legal defense costs.

The limit of indemnity is reduced to \$91,000,000.00 in the aggregate to correlate with prefunding the risk mitigation costs of \$9,000,000.00.

The **insurer** will have sole responsibility to settle all risk mitigation costs with respect **legal action**.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

Attaches to and forming part of the Legal Liability Insurance Policy dated August 1, 2017 of Sentinel Reinsurance, Ltd.



(Authorized Signature)

MD\_000028

CONFIDENTIAL

## **EXHIBIT 4**

**ASSET TRANSFER AGREEMENT**

Dated as of 31 December 2019

**PARTIES:**

1. **SENTINEL REINSUANCE, LTD.**, an exempted company incorporated in the Cayman Islands whose registered office is c/o CO Services Cayman Limited, PO Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands (the "**Seller**"); and
2. **SEBASTIAN CLARKE LTD**, an exempted company incorporated in the Cayman Islands whose registered office is c/o CO Services Cayman Limited, PO Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands (the "**Purchaser**").

Words and expressions used in this Agreement shall be interpreted in accordance with Schedule 4.

**WHEREAS**, on 31 December 2019, the Seller agreed to sell certain assets to the Purchaser for the consideration and upon the terms set out in this Agreement.

**IT IS AGREED:**

**1. SALE AND PURCHASE**

1.1 The Seller shall sell, and the Purchaser shall purchase, all of the Seller's right, title and interest to, in and under the following assets with effect from Closing on the terms of this Agreement (including, in particular, clauses 1, 2 and 4):

- (a) the benefit and burden of the each of position to which the Seller is a counterparty as set forth in Schedule 2 hereto (together, the "**Positions**");
- (b) the Purchaser Claims; and
- (c) the Asset Information,

together, the "**Assets**".

**2. PRICE**

2.1 The price for the Assets (the "**Purchase Price**") shall be the amount specified in Schedule 1 as the "Purchase Price".

2.2 On the Effective Date, the Purchaser shall pay to the Seller the Purchase Price.

**Exhibit #**

**Deposition Exhibit #38**

05/12/21 - JAT

UBSPROD020567

2.3 The Purchase Price shall be apportioned between the Assets in the proportions set out in Schedule I or in such other proportions as the Seller and the Purchaser may agree in writing.

2.4 The Seller and the Purchaser acknowledge and agree that they consider the Purchase Price to represent a market value price for the Assets.

### 3. CLOSING

3.1 Closing shall take place on 31 December 2019 and the settlement of the transfer of the Assets shall occur as promptly as practicable after Closing and, in any event, in accordance with clause 4.

### 4. ASSETS, CONTRACTS AND LIABILITIES

#### Assets, Contracts and Liabilities to be transferred to the Purchaser

4.1 With effect from Closing:

(a) the Seller hereby assigns and transfers to the Purchaser the benefit of all the Seller's right, title and interest to, in and under the Assets to hold the same unto the Purchaser absolutely, and the Seller shall (to the extent required) promptly after Closing give the other parties to the Assets written notice of the assignment pursuant to this clause 4.1(a); and

(b) the Purchaser hereby:

(i) assumes and agrees to discharge when due all Assumed Liabilities; and

(ii) indemnifies the Seller against all Assumed Liabilities and any and all Costs suffered or incurred by the Seller as a result of any failure to discharge such Assumed Liabilities.

4.2 The provisions of Schedule 3 shall apply to any Purchaser Claims if and to the extent the benefit and/or the burden of such Purchaser Claims cannot effectively be assigned or transferred by the Seller to the Purchaser except by an agreement of novation or by obtaining a consent, an approval, a waiver or the like from a third party (any such agreement of novation or consent, a "**Counterparty Consent**").

4.3 The Purchaser shall use all reasonable efforts to procure that as soon as possible after Closing all Counterparty Consents are entered into in each case by all the parties thereto other than the Seller, whereupon the Seller shall execute the same.

### 5. GENERAL

5.1 **Whole Agreement.** This Agreement sets out the whole agreement between the parties in respect of the sale and purchase of the Assets and supersedes any prior agreement (whether oral or written) relating to the transactions contemplated by this Agreement. It is agreed that: (i) no party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this

Agreement; (ii) all terms and conditions which are implied by law in any jurisdiction in relation to this Agreement and the transactions hereunder are excluded to the fullest extent permitted by law or, if incapable of exclusion, any right, or remedies in relation to them are irrevocably waived; and (iii) a party may claim in contract for breach of warranty under this Agreement but shall have no claim or remedy under this Agreement in respect of misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in, this Agreement) or untrue statement made by the other party. This clause shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

**5.2 Assignment.**

- (a) Except as provided in this clause 5.2 or unless the Seller and the Purchaser specifically agree in writing (such agreement not to be unreasonably withheld or delayed), no party shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare or dispose of any right or interest therein.
- (b) The Purchaser may assign or charge its rights under this Agreement for the purpose of securing any debt or capital markets financing or refinancing from time to time made available to the Purchaser or any member of its Group.

**5.3 Waiver.** No failure or delay by any party in exercising any right or remedy provided by law or under this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude it or its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

**5.4 Further Assurance.** The Seller and the Purchaser shall, for a period of six months from the Effective Date, at the Purchaser's cost perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or be necessary to implement and give effect to this Agreement.

**5.5 Counterparts.** This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.

**5.6 Variation.** No amendment of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties to it. Subject to the foregoing, the parties may by written agreement on or prior to the Effective Date make such amendments to this Agreement as they may agree to either add assets to or remove assets from the scope of this Agreement.

**5.7 Invalidity.** Each of the provisions of this Agreement is severable. If any provision is held to be or becomes invalid or unenforceable in any respect under the laws of any jurisdiction it shall have no effect in that respect and the parties shall use all reasonable endeavours to replace it by a valid and enforceable substitute provision the effect of which is as close to the intended effect as possible.

**5.8 Third Party Rights.** A person who is not a party to this Agreement shall have no right under the Contract (Rights of Third Parties) Law, 2014 to enforce any of its terms.

5.9 **Governing Law.** This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, Cayman Islands law.

5.10 **Jurisdiction.** The Cayman Islands courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Agreement (including claims for set-off and counterclaims), including disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the Cayman Islands courts.

**SCHEDULE 1**  
**PURCHASE PRICE**

Asset	Purchase Price (US\$)
(a) the benefit and burden of the Positions	1.00
(b) Purchaser Claims	1.00
(c) Asset Information	1.00
<b>Purchase Price from Purchaser to Seller (clause 2)</b>	<b>3.00</b>

**SCHEDULE 2**

**ASSETS**

ISIN/CUSIP	NAME	Acquired	Par/Face
US3624682098	GSC ABS CDO 2006-4U LT CUM PFD 144A	8/11/2017	16,000
US5431742056	LONGSTREET CDO I LTD PFD 144A	8/11/2017	4,570
US43009L2034	HIGHLAND FINL PARTNERS LP	8/11/2017	615,733
US43009L9898	HIGHLAND FINL PARTNERS LP NPV	8/11/2017	3,000,000
US69763NAD30	PAM CAP FDG LP 0.0 01MAY13 144A	8/11/2017	48,500,000
N/A	Dugaboy Investment Trust Promissory Note	8/11/2017	2,399,996
N/A	CLO Hold Co, Ltd. Promissory Note	8/11/2017	32,801,593
US925331AA89	VERTICAL ABS CDO 2 0.0 09MAY46	8/11/2017	11,000,000
USG44392AF82	HIGHLAND PARK C 4.93867	8/11/2017	17,000,000
KY009A1KXYH6	ABERDEEN LN FDG LTD PFD	8/11/2017	12,000,000

### SCHEDULE 3

#### PURCHASER CLAIMS

1. The provisions of this Schedule 3 shall apply to any Purchaser Claims if and to the extent that a Counterparty Consent is required in relation to a Purchaser Claim as specified in clause 4.2.
2. The Purchaser shall use all reasonable efforts, at its own cost, to obtain any Counterparty Consent as soon as possible after Closing. The Purchaser shall provide any information reasonably requested for that purpose by the person, firm or company concerned.
3. Until such Counterparty Consent has been obtained:
  - (a) the Purchaser's obligation to use all reasonable efforts to obtain that Counterparty Consent shall continue;
  - (b) the transfer of that Purchaser Claim (to the extent that a Counterparty Consent is required) shall not take effect and the Seller shall from Closing hold it on trust for the Purchaser and account for and pay or deliver to the Purchaser (as soon as reasonably practicable after receipt) any moneys, goods and other benefits which it receives after Closing to the extent that they relate to such Purchaser Claim net of any taxation suffered thereon; and
  - (c) the Seller shall from Closing give such reasonable assistance to the Purchaser (at the Purchaser's written request and sole expense) as is necessary to enable the Purchaser to enforce the Seller's rights under the relevant Purchaser Claim, provided that:
    - (i) the Seller shall not be obliged to make any payment (in money or money's worth) under this paragraph (c) unless the Purchaser has first paid it the amount concerned nor shall it be obliged to become involved in any legal action; and
    - (ii) the Purchaser shall not agree to any amendment or waiver of those rights under the relevant Purchaser Claim (which continue to be rights of the Seller) without prior written approval of the Seller.
4. If any Counterparty Consent is not obtained within twelve months after Closing or is refused and the procedure set out in this Schedule does not enable the benefit of the relevant Purchaser Claim to be enjoyed in all material respects by the Purchaser after Closing, then the Seller and the Purchaser shall use reasonable efforts to achieve an alternative solution by which the Purchaser shall receive the benefit of the relevant Purchaser Claim and assume the associated obligations (provided that the Seller shall not be obliged to make any commitment, incur any liability or make any payment for that purpose).

#### SCHEDULE 4

#### DEFINITIONS AND INTERPRETATION

1. In this Agreement, the following words and expressions shall have the following meanings:

**"Asset Information"** means all documents, data, records and other information in respect of which the Seller has a right to transfer possession to the Purchaser to the extent that such information relates exclusively to the Assets set out in clause 1.1(a) to (b);

**"Assets"** has the meaning given in clause 1.1;

**"Assumed Liabilities"** means all liabilities, duties and obligations of every description whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety of the Seller to the extent that they relate to the Assets (excluding any tax for which the Seller is liable in respect of any of the Assets);

**"Closing"** means closing of the sale and purchase of the Assets in accordance with the provisions of this Agreement which shall take place on 31 December 2019;

**"Costs"** means losses, damages, costs (including reasonable legal costs) and expenses (including taxation), in each case of any nature whatsoever;

**"Counterparty Consent"** has the meaning given in clause 4.2;

**"Effective Date"** means the date on which the Assets are effectively transferred from the Seller to the Purchaser in accordance with the terms of this Agreement;

**"Purchaser Claims"** means the benefit of all rights and claims of the Seller relating to the Assets whether arising on, prior to or after Closing (including all amounts which are not otherwise transferred under this Agreement but excluding rights and claims to the extent that they relate to taxation);

**"Purchase Price"** has the meaning given in clause 2.1;

2. In this Agreement, unless the context otherwise requires:

(a) references to a person include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);

(b) headings do not affect the interpretation of this Agreement; the singular shall include the plural and vice versa; and references to one gender include all genders;

(c) references to any Cayman Islands legal term or concept shall, in respect of any jurisdiction other than Cayman Islands, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;

(d) references to United States Dollars, US\$ or \$ are references to the lawful currency from time to time of United States of America;

(e) references to any agreement are to that agreement as from time to time amended, supplemented, varied, assigned or transferred; and

(f) any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

3. References to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, any reference to any statutory provision shall include any subordinate legislation made from time to time under that provision, and any reference to law generally shall include any law applicable to the relevant party, including statutory and common law.

4. The Schedules comprise schedules to this Agreement and form part of this Agreement.

5. Where there is any inconsistency between the definitions set out in this Schedule and the definitions set out in any clause or any other Schedule, then, for the purposes of construing such clause or Schedule, the definitions set out in such clause or Schedule shall prevail.

**SIGNATURE**

This Agreement is signed by duly authorised representatives of the parties:



\_\_\_\_\_  
Sentinel Reinsurance, Ltd.  
By: Matthew Diorio  
Director  
\_\_\_\_\_

\_\_\_\_\_  
Sebastian Clarke Ltd  
By: Summit Management Limited  
Director  
By: \_\_\_\_\_  
Its: Authorised Signatory

## **EXHIBIT 5**

**From:** James Seery <jpseeryjr@gmail.com>  
**To:** Isaac Leventon <ILeventon@highlandcapital.com>  
**Cc:** Scott Ellington <SEllington@highlandcapital.com>  
**Subject:** Re: UBS Supplemental Information Request  
**Date:** Wed, 5 Aug 2020 19:06:53 -0400

---

Yes

Sent from my iPhone

On Aug 5, 2020, at 7:06 PM, Isaac Leventon wrote:

9:30 am CT, 10:30 am et?

---

**From:** James Seery  
**Sent:** Wednesday, August 5, 2020 6:05 PM  
**To:** Isaac Leventon  
**Cc:** Scott Ellington  
**Subject:** Re: UBS Supplemental Information Request

Thanks.

Can we discuss early tomorrow?

I'm open.

Thanks.

Sent from my iPhone

On Aug 5, 2020, at 6:29 PM, Isaac Leventon <[ILeventon@highlandcapital.com](mailto:ILeventon@highlandcapital.com)> wrote:

Jim – Wanted to walk you through the additional analysis and support before I send it to Pachulski. Please let me know when you have a moment to discuss. Summary:

- CDO Fund
  - Current assets: \$32 million, composed of \$11 mill in Greenbriar CLO equity and \$21 million in Multi-Strat.
  - 2009 v. 2019: We have the assets lists from 2009 – 2011. I reconciled the remaining 2011 assets (in the attached) against 2019. That is how we showed the \$32 million in remaining positions.

- Cash: 2012 – 2015. Fund has unaudited financials from 2009 – 2011 (attached). From 2012 – 2015, the fund had \$10.5 million in cash from cash-on-hand plus sales proceeds. \$16.6 million in legal fees paid (trying to determine source of additional funds to pay fees).
  - One asset unaccounted for: Lehman BK claim. Our system is just not built to track this asset type easily. I am still working on it.
  - Support: A 2011 unaudited financial prepared in support of HCMLP's audit. Trade tickets to support each 2011 asset not still in the fund. List of legal fee payments by date, amount, payor.
- SOHC
    - Current Assets: written off bonds of Delphi and Tousa; Longstreet CDO Mezz. (zero value).
    - 2009 v. 2019: Have position statements from 2009 – 2012. The remaining non-cash positions in 2012 were the Delphi Bonds, still in the fund.
    - Cash: We have a cash flow statement showing all payments from 2009 – 2018 (last payment date). Last remaining \$295,000 in cash was paid in 2017. Since then the fund has received \$109.10 in dividend payments. That means SOHC currently has enough gross assets to buy a steak dinner, as long as it does not order the wine.
    - Support: Position statements, cash flow statement.

---

**From:** Isaac Leventon

**Sent:** Wednesday, August 5, 2020 2:54 PM

**To:** 'James Seery' <jpseeryjr@gmail.com>; James Romey <jromey@DSIConsulting.com>; David Klos <DKlos@HighlandCapital.com>; Gregory V. Demo <GDemo@pszjlaw.com>

**Cc:** Bradley Sharp <bsharp@DSIConsulting.com>

**Subject:** RE: UBS Supplemental Information Request

+ Greg Demo.

- UBS's current requests for information exceed what it was entitled to under the Special Master Discovery Order (attached). UBS is asking for documents from 12/31/07 – 12/31/19. UBS already received these documents from 12/31/06 – 5/31/09, which was the relevance cut-off for proving liability on alter ego. The relevance time period was defined as the time period in which the alleged fraudulent transfers took place. UBS has all of the documents to which the special master deemed it was entitled.
- HFP (the parent of SOHC) and CDO Fund both informed their investors in 2009 that they had zero net asset value. I have attached the letters for reference. I know the HFP letter was part of the earlier production to UBS; I am trying to verify if the CDO Fund letter was produced.
- I have been tracking the assets through on SOHC and CDO Fund. I am putting together a report with supporting documents.
  - SOHC had \$295,000 in cash, all since paid in legal fees. It has four worthless securities, two bonds in bankrupt companies (Delphi and Tousa) and two CDO mezz tranches.
  - I found a CDO Fund work book from 2011. CDO Fund had ten assets as of end of 2011 (plus \$1.2 m in cash). Four were sold and the proceeds (plus \$1.2m cash-on-hand) used to pay legal fees. One asset, a claim in the Lehman BK, I still am trying to track down. Five assets remain in the Fund, three with zero value, as well as \$11m in Greenbriar CLO equity and some amount of Multi-Strat equity (\$11m as of 2011, I am trying to figure out the value today). Greenbriar's portfolio is made up almost entirely of Highland-managed private equity names (Carey, Cornerstone, Omnimax, etc). Multi-Strat's portfolio should be familiar, but it is primarily MGM, JHT, and Omnimax. Also, Multi-Strat cannot pay its equity holders until

it resolves a dispute with its primary creditor UBS. Therefore, both portfolio assets are illiquid unless the underlying PE positions are sold.

---

**From:** James Seery <[jpseeryjr@gmail.com](mailto:jpseeryjr@gmail.com)>  
**Sent:** Wednesday, August 5, 2020 9:16 AM  
**To:** James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Isaac Leventon <[ILEventon@HighlandCapital.com](mailto:ILEventon@HighlandCapital.com)>; David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>  
**Cc:** Bradley Sharp <[bsharp@DSIConsulting.com](mailto:bsharp@DSIConsulting.com)>  
**Subject:** Re: UBS Supplemental Information Request

We have the cash call at 11. Can we get on this call now? Thanks

Best. Jim

Jim Seery

631-804-2049

[jpseeryjr@gmail.com](mailto:jpseeryjr@gmail.com)

---

**From:** James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>  
**Date:** Wednesday, August 5, 2020 at 9:22 AM  
**To:** Isaac Leventon <[ILEventon@HighlandCapital.com](mailto:ILEventon@HighlandCapital.com)>, David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>  
**Cc:** Jim Seery <[jpseeryjr@gmail.com](mailto:jpseeryjr@gmail.com)>, Bradley Sharp <[bsharp@DSIConsulting.com](mailto:bsharp@DSIConsulting.com)>  
**Subject:** UBS Supplemental Information Request

Isaac/David,

Can you do a call this morning asap with Jim to discuss status of these materials? This is a high priority item.

Let me know what works for you guys and I'll send a dial in.

Thanks,  
James

**James E. Romey**

Development Specialists, Inc.

110 East 42<sup>nd</sup> Street

Suite 1818

New York City, NY 10017

Tel: (212) 425-4141 Ext. 1174

[www.dsiconsulting.com](http://www.dsiconsulting.com)

This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

---

PRIVILEGE WARNING: The sender or recipient of this message is a member of the legal department at Highland Capital Management. This message and any attachments hereto may constitute attorney work product or be protected by the attorney-client privilege. Do not disclose this message or any attachments hereto without prior consent of a member of the legal department at Highland Capital Management.

---

DISCLAIMER- This email is intended for the recipient(s) only and should not be copied or reproduced without explicit permission. The material provided herein is for informational purposes only and does not constitute an offer or commitment, a solicitation of an offer, or any advice or recommendation, to enter into or conclude any transaction. It may contain confidential, proprietary or legally privileged information. If you receive this message in error, please immediately delete it.

## **EXHIBIT 6**

**From:** Scott Ellington <SELLINGTON@HighlandCapital.com>

**To:** "Gregory V. Demo" <GDemo@pszjlaw.com>

**Cc:** Isaac Leventon <ILEventon@HighlandCapital.com>, James Romey <jromey@DSIConsulting.com>, David Klos <DKlos@HighlandCapital.com>, Jim Seery <jpseeryjr@gmail.com>

**Subject:** Re: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.

**Date:** Sat, 15 Aug 2020 12:47:38 -0500

**Importance:** Normal

---

I don't think there is any need for a call. I can tell you where we are currently.

We are searching for documents and records that were created as far back as 15 years ago. As you can imagine records and documents storage and best practices were very different in 2005.

Most of the employees and custodians of such documents and records have not worked for the debtor or related entities in 10+ years.

The professionals and service providers of the target entities have not been associated with those entities in 7+ years.

The Debtor doesn't have any leverage or ability to get former professionals and service providers to help in this endeavor.

The Debtor has not managed these target entities in 7 years.

As I am sure you are aware and I know UBS is aware that the document retention policy of the SEC is that the RIAs are required to maintain documents for 7 years.

Furthermore, I have personally discussed at length with the head of KPMG Cayman Islands this particular situation and he expressed to me that there are currently more than 6000 "ghost funds" such as these target entities, stemming from the 2008 crisis, that do not have directors, custodians, administrators, bank accounts etc. that sit dormant and NO ONE knows what they truly retain etc.

I know that UBS is aware of this situation and I know Andy Clubok knows of this situation because I have personally discussed it with him several dozen times. Including as recently as this year.

Needless to say this project is a Herculean task.

Isaac and myself have spent in excess of a 100 hours trying to piece together everything we can to create a true and accurate document based record of what happened with these target entities.

A large majority of our efforts are based in educated "guess work" which is only possible due to our long tenures with the Debtor, that has lead to the ability to discover documents and correspondence that I hope will ultimately result in us being able to produce all that is available to UBS.

We are being incredibly careful and diligent not to provide documents or conclusions which are not 100% based in fact as we strongly believe, and I have discussed with same with Jim Seery, that producing inaccurate results would cause unwanted issues with UBS.

Be assured that Isaac and me are actively working on this and speak literally daily about it.

Sent from my iPhone

> On Aug 15, 2020, at 11:31 AM, Gregory V. Demo <GDemo@pszjlaw.com> wrote:

>

> Scott and Isaac,

>

> I spoke to Jim about this issue this morning. It is a high priority at this point and we need to do what we can to push it to conclusion. I understand that it's going to take some work.

>

> Can we schedule a time Wednesday morning (8/19) to discuss progress and where we're at? I'm generally available so whenever works for you all will work for me.

>

> Best,

> Greg

>

> Gregory V. Demo

> (212) 561-7730

>

> Sent from my iPad

>

> On Aug 6, 2020, at 6:08 PM, Scott Ellington <SEllington@highlandcapital.com> wrote:

>

> Isaac and me were instructed by Jim Seery to get this UBS deliverable handled.

> I was just on phone with Isaac when this email came through.

> Don't see how this is urgent. Especially relative to UBS request.

> We will get to this when it is a priority.

>

> Sent from my iPhone

>

> On Aug 6, 2020, at 5:05 PM, Isaac Leventon <ILeventon@highlandcapital.com> wrote:

>

>

> Guys, I don't think this is a prerequisite to delivering materials to UBS in satisfaction of their concerns. I am prepping the document set for delivery tomorrow. Dave has not worked on this, so I will just call Greg and James. However, this is the current status.

>

> From: Gregory V. Demo <GDemo@pszjlaw.com>

> Sent: Thursday, August 6, 2020 5:01 PM

> To: James Romey <jromey@DSIConsulting.com>; Isaac Leventon <ILeventon@HighlandCapital.com>; David Klos <DKlos@HighlandCapital.com>

> Cc: Jim Seery <jpseeryjr@gmail.com>

> Subject: RE: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.

>

> I'll circulate a dial in for 6:15 EST. Sorry I didn't see this earlier.

>

> Gregory V. Demo

> Pachulski Stang Ziehl & Jones LLP

> Tel: 212.561.7730 | Fax: 212.561.7777

> GDemo@pszjlaw.com<mailto:GDemo@pszjlaw.com>

> vCard<<http://www.pszjlaw.com/vcard-130.vcf>> | Bio<<http://www.pszjlaw.com/attorneys-130.html>> |

> LinkedIn<<https://www.linkedin.com/in/gregory-demo-482aa112>>

>

> <<http://www.pszjlaw.com>>

> <<http://www.pszjlaw.com>>  
> <image001.jpg>  
> Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa  
>  
> From: James Romey [mailto:jromey@DSIConsulting.com]  
> Sent: Thursday, August 06, 2020 5:41 PM  
> To: Isaac Leventon; Gregory V. Demo; David Klos  
> Cc: Jim Seery  
> Subject: RE: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.  
> Importance: High

> Are you guys available for a call at 6pm eastern for a status check?  
>  
>

> James E. Romey  
> Development Specialists, Inc.  
> 110 East 42nd Street  
> Suite 1818  
> New York City, NY 10017  
> Tel: (212) 425-4141 Ext. 1174  
> [www.dsiconsulting.com](http://www.dsiconsulting.com)<<http://www.dsiconsulting.com>>

> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

> From: Isaac Leventon [mailto:ILEventon@HighlandCapital.com]  
> Sent: Thursday, August 6, 2020 3:55 PM  
> To: Gregory V. Demo <GDemo@pszjlaw.com<mailto:GDemo@pszjlaw.com>>; David Klos <DKlos@HighlandCapital.com<mailto:DKlos@HighlandCapital.com>>; James Romey <jromey@DSIConsulting.com<mailto:jromey@DSIConsulting.com>>  
> Cc: Jim Seery <jpseeryjr@gmail.com<mailto:jpseeryjr@gmail.com>>  
> Subject: RE: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.

> Dave - I will call you to figure this out.  
>

> From: Gregory V. Demo <GDemo@pszjlaw.com<mailto:GDemo@pszjlaw.com>>  
> Sent: Thursday, August 6, 2020 2:17 PM  
> To: David Klos <DKlos@HighlandCapital.com<mailto:DKlos@HighlandCapital.com>>; James Romey <jromey@DSIConsulting.com<mailto:jromey@DSIConsulting.com>>; Isaac Leventon <ILEventon@HighlandCapital.com<mailto:ILEventon@HighlandCapital.com>>  
> Cc: Jim Seery <jpseeryjr@gmail.com<mailto:jpseeryjr@gmail.com>>  
> Subject: RE: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.

> The confusion that we're having is that the asset shown on the worksheets we got from Isaac says that Highland CDO Opportunity Master Fund has a \$21.5 million limited partnership interest in MVCDO:

> Highland Credit Opportunities CDO Ltd.

> Partnership Interest

>  
 > So the issue you raise is exactly the issue that we're trying to figure out. Going off the org chart, I also thought this entity was 100% owned by MSCF. We're trying to figure out what the \$26 million asset on CDO Fund's books means and whether it's a direct interest in MCVDO, an LP interest in MSCF, or a redemption interest in MSCF. I have not seen Highland CDO Opportunity Master Fund listed as either an LP in MSCF or as one of the redeemers.

>  
 > Greg  
 > Gregory V. Demo  
 > Pachulski Stang Ziehl & Jones LLP  
 > Tel: 212.561.7730 | Fax: 212.561.7777  
 > GDemo@pszjlaw.com<mailto:GDemo@pszjlaw.com>  
 > vCard<http://www.pszjlaw.com/vcard-130.vcf> | Bio<http://www.pszjlaw.com/attorneys-130.html> | LinkedIn<https://www.linkedin.com/in/gregory-demo-482aa112>

>  
 > <http://www.pszjlaw.com>  
 > <http://www.pszjlaw.com>  
 > <image001.jpg>  
 > Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

>  
 > From: David Klos [mailto:DKlos@HighlandCapital.com]  
 > Sent: Thursday, August 06, 2020 3:08 PM  
 > To: James Romey; Isaac Leventon  
 > Cc: Gregory V. Demo; Jim Seery  
 > Subject: RE: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.

>  
 > Suspect there may be some confusion over the name, and Isaac – feel free to chime in here, because I may not have all the history, but the entity that you're asking about is often referred to as MVCDO, and is indirectly owned 100% by MSCF. See org chart attached.

>  
 > For purposes of MSCF financial reporting (annual audits as well as what we provide you when you ask us for MSCF holdings), MVCDO's holdings are fully consolidated, so they are shown as part of the fund. Many of the funds larger holdings are directly held by MVCDO (MGM, Omnimax, JHT to name a few).

>  
 > On a standalone basis, the MSCF master fund shows MVCDO as a holding equal to the net assets of MVCDO, but that holding completely eliminates when MVCDO's holdings are consolidated. Call if this is not clear.

>  
 > From: James Romey <jromey@DSICConsulting.com<mailto:jromey@DSICConsulting.com>>  
 > Sent: Thursday, August 6, 2020 12:39 PM  
 > To: Isaac Leventon <ILeventon@HighlandCapital.com<mailto:ILeventon@HighlandCapital.com>>  
 > Cc: Gregory V. Demo <GDemo@pszjlaw.com<mailto:GDemo@pszjlaw.com>>; Jim Seery <jpseeryjr@gmail.com<mailto:jpseeryjr@gmail.com>>; David Klos <DKlos@HighlandCapital.com<mailto:DKlos@HighlandCapital.com>>  
 > Subject: UB Diligence Requests: Highland Credit Opportunities CDO Ltd.  
 > Importance: High

>  
 > Isaac,  
 >  
 > Before we give anything to UBS today, we need to track down what the Highland Credit Opportunities CDO Ltd. partnership interest in MSCF means and how it's accounted for on MSCF's books, ie whether it's part of the existing redemption group, or how it has any remaining interests in the fund.

>  
 > Or, if I'm misunderstanding something, please let me know asap.

>  
>  
> James E. Romey  
> Development Specialists, Inc.  
> 110 East 42nd Street  
> Suite 1818  
> New York City, NY 10017  
> Tel: (212) 425-4141 Ext. 1174  
> www.dsiconsulting.com<<http://www.dsiconsulting.com>>

>  
>  
> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>  
>  
>  
> \_\_\_\_\_  
>  
> **DISCLAIMER-** This email is intended for the recipient(s) only and should not be copied or reproduced without explicit permission. The material provided herein is for informational purposes only and does not constitute an offer or commitment, a solicitation of an offer, or any advice or recommendation, to enter into or conclude any transaction. It may contain confidential, proprietary or legally privileged information. If you receive this message in error, please immediately delete it.

>  
>  
> \_\_\_\_\_  
>  
> **CONFIDENTIALITY**

> This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

>  
> **NOT INTENDED AS A SUBSTITUTE FOR A WRITING**

> Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

>  
> \_\_\_\_\_  
>  
> **PRIVILEGE WARNING:** The sender or recipient of this message is a member of the legal department at Highland Capital Management. This message and any attachments hereto may constitute attorney work product or be protected by the attorney-client privilege. Do not disclose this message or any attachments hereto without prior consent of a member of the legal department at Highland Capital Management.

>  
>  
> \_\_\_\_\_  
>  
> **CONFIDENTIALITY**

> This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of

this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

>

> NOT INTENDED AS A SUBSTITUTE FOR A WRITING

> Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

>

>

>

> CONFIDENTIALITY

> This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

>

> NOT INTENDED AS A SUBSTITUTE FOR A WRITING

> Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

# **EXHIBIT 7**

**From:** Matt DiOrio <MDiOrio@HighlandCapital.com>

**To:** "Gregory V. Demo" <GDemo@pszjlaw.com>

**Cc:** James Romey <jromey@DSIConsulting.com>, Vishal Patel <VPatel@HighlandCapital.com>, David Klos <DKlos@HighlandCapital.com>

**Subject:** RE: HCM - Greenbriar Pref Shares CDO Fund

**Date:** Thu, 28 Jan 2021 10:22:28 -0600

**Importance:** Normal

---

I know he worked in ops but other than that I do not know his title and his direct boss.

---

**From:** Gregory V. Demo

**Sent:** Thursday, January 28, 2021 9:26 AM

**To:** Matt DiOrio

**Cc:** James Romey ; Vishal Patel ; David Klos

**Subject:** RE: HCM - Greenbriar Pref Shares CDO Fund

Guys,

A few additional questions:

- What was Carter Chism's title when he worked at HCMLP or its affiliates?
- Who did Carter Chism report to?
- Who directed Carter Chism to transfer the Greenbriar shares to Maples fbo Sentinel?

Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)

[www.pszjlaw.com](http://www.pszjlaw.com)

Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

-----Original Message-----

**From:** Matt DiOrio [<mailto:MDiOrio@HighlandCapital.com>]

**Sent:** Wednesday, January 27, 2021 9:03 PM

**To:** Gregory V. Demo

**Cc:** James Romey; Vishal Patel; David Klos

**Subject:** RE: HCM - Greenbriar Pref Shares CDO Fund

1. August 2017

2. I do not have any of these documents

From: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

Sent: Wednesday, January 27, 2021 5:13 PM

To: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>

Cc: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>; David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

Subject: Re: HCM - Greenbriar Pref Shares CDO Fund

Matt,

Two follow ups:

1. When was the date of the attempted transfer of the Greenbriar shares to Sentinel?
2. Can you please send us Sentinel's subscription documents in MSCF and their redemption request?

Greg

Gregory V. Demo

(212) 561-7730

Sent from my iPad

> On Jan 27, 2021, at 3:58 PM, Matt DiOrio <[MDiOrio@highlandcapital.com](mailto:MDiOrio@highlandcapital.com)> wrote:

>

> Yes I believe that's correct.

>

> -----Original Message-----

> From: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>

> Sent: Wednesday, January 27, 2021 2:52 PM

> To: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; Gregory V. Demo

> <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>; Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> They are part of the MSCF redemption group, correct?

>

>

> James E. Romey

> Development Specialists, Inc.

> 110 East 42nd Street

> Suite 1818

> New York City, NY 10017

> Tel: (212) 425-4141 Ext. 1174

> <http://www.dsiconsulting.com>

>

>

> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>

> -----Original Message-----

> From: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>

> Sent: Wednesday, January 27, 2021 3:50 PM

> To: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>; James Romey

> <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> It is a non-debtor, non-affiliate reinsurance company and I do not know who or how its owned.

>

>

> -----Original Message-----

> From: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Sent: Wednesday, January 27, 2021 2:37 PM

> To: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; James Romey

> <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> Do we have any visibility into who Sentinel Reinsurance is? Who owns them, what do they do, etc.?

>

> Gregory V. Demo

> Pachulski Stang Ziehl & Jones LLP

> Tel: 212.561.7730 | Fax: 212.561.7777

> [GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)

> <http://www.pszjlaw.com>

>

> Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

>

>

> -----Original Message-----

> From: Matt DiOrio [<mailto:MDiOrio@HighlandCapital.com>]

> Sent: Wednesday, January 27, 2021 3:34 PM

> To: James Romey; Vishal Patel; Gregory V. Demo

> Cc: David Klos

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> My understanding is they were transferred to Maples FS in Cayman as custodian for Sentinel Reinsurance, Ltd. When delivery of the shares was not taken by Maples, the certificates seem to have been lost which is what we are working with State Street to remedy.

>

> -----Original Message-----

> From: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>

> Sent: Wednesday, January 27, 2021 1:32 PM

> To: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; Vishal Patel

> <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>; Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> Matt,

>

> Who was the intended recipient of the transfer initiated by Carter?

>

>

> James E. Romey

> Development Specialists, Inc.

> 110 East 42nd Street

> Suite 1818

> New York City, NY 10017

> Tel: (212) 425-4141 Ext. 1174

> <http://www.dsiconsulting.com>

>

>

> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>

> -----Original Message-----

> From: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>

> Sent: Wednesday, January 27, 2021 2:10 PM

> To: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Vishal Patel

> <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>; Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> Hi Guys,

>

> • I am working with State Street to reissue physical certificates and will keep everyone in the loop on timing. It does not appear to be a swift process but we are moving forward. The shares are still registered to Hare and Co with CDO Opportunity Fund as beneficial owner.

> • BONY has a custody account in CDO Opportunity Fund's name and has still been receiving cash waterfall payments for the 16,250 shares.

> • The certificates were transferred in error in 2017 by Carter Chism, who no longer works at HCM, and the recipient never took delivery. The physicals were never returned which is why we are now working on reissuing them.

>

>

>

>

>

> -----Original Message-----

> From: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>

> Sent: Wednesday, January 27, 2021 12:00 PM

> To: Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>; Matt DiOrio

> <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> All,

>

> Checking-in to see what BNY came back with, and when we can speak with them. This needs to get resolved.

>

> -James

>

>

> James E. Romey

> Development Specialists, Inc.

> 110 East 42nd Street

> Suite 1818

> New York City, NY 10017

> Tel: (212) 425-4141 Ext. 1174

> <http://www.dsiconsulting.com>

>

>

> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>

> -----Original Message-----

> From: Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Sent: Monday, January 25, 2021 11:02 AM

> To: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Matt DiOrio

> <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> Hi James,

>

> Per conversation, BNY has their team looking into this for us and will/should get us an update by end of day today. Based on what they come back with, we can then hop on a call with them to discuss further.

>

> I will follow up with BNY in a bit to see if they have any updates.

>

> Thanks,

>

>

> VISHAL PATEL | DIRECTOR OF OPERATIONS

>

>

> 300 Crescent Court | Suite 700 | Dallas, Texas 75201

> O: 972.419.6292 | F: 972.628.4147

> [VPATEL@hcmlp.com](mailto:VPATEL@hcmlp.com) | <http://www.hcmlp.com>

>

> -----Original Message-----

> From: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>

> Sent: Monday, January 25, 2021 9:15 AM

> To: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>; Gregory V. Demo

> <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>; Vishal Patel

> <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>

> All,

>

> Want to bring this task back to the forefront for the week. Can we first arrange the call with BoNY, and once that is set, have a pre-call amongst ourselves to discuss what we need from them and how to get it?

>

>

> James E. Romey

> Development Specialists, Inc.

> 110 East 42nd Street

> Suite 1818

> New York City, NY 10017

> Tel: (212) 425-4141 Ext. 1174

> <http://www.dsiconsulting.com>

>

>

> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>

> -----Original Message-----

> From: Matt DiOrio <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>

> Sent: Thursday, January 21, 2021 3:42 PM

> To: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>

> Cc: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>; James Romey

> <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>; Vishal Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>

> Subject: Re: HCM - Greenbriar Pref Shares CDO Fund

>

> I must have misunderstood the original ask. I thought we were just trying to determine whether or not CDO Fund was still owner of these shares and then to have new certs issued once we determined they weren't held at BONY but that they were still receiving cash on behalf of CDO fund.

>

> Sent from my iPhone

>

>> On Jan 21, 2021, at 2:30 PM, Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)> wrote:

>>

>> The time sensitivity is more on figuring out what happened to the original certificate. There's going to be pushback on signing any type of lost stock certificate or similar cert without knowing what happened to the original cert.

>>

>> Gregory V. Demo

>> (212) 561-7730

>>

>> Sent from my iPad

>>

>> On Jan 21, 2021, at 2:45 PM, Matt DiOrio <[MDiOrio@highlandcapital.com](mailto:MDiOrio@highlandcapital.com)> wrote:

>>

>>

>> I reached out to the transfer agent to see what we need to do to start the process of reissuing physical certs for these shares.

>>

>> From: David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>

>> Sent: Thursday, January 21, 2021 1:34 PM

>> To: James Romey <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>

>> Cc: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>; Vishal Patel

>> <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>; Matt DiOrio

>> <[MDiOrio@HighlandCapital.com](mailto:MDiOrio@HighlandCapital.com)>

>> Subject: RE: HCM - Greenbriar Pref Shares CDO Fund

>>

>> Hey James,

>> + Matt D.

>> Let me work with Vishal on corralling the right people at BNY for a call and will try to get that scheduled. I understand that the physical certs themselves are not at BNY and Matt has been chasing. As this seems to be time sensitive, my suggestion would be to fill out whatever paperwork is required to re-issue a physical cert for the shares to CDO fund and send to BNY once complete, which I think Matt is in the best position to take the lead on. This process has been undertaken a few times and I recall it came up after Hurricane Sandy where we had physicals that were lost or damaged in the vault and they had to be re-issued. In the meantime, we'll work on setting that call.

>> Thanks,

>> DK

>>

>> From: James Romey

>> <[jromey@DSIConsulting.com](mailto:jromey@DSIConsulting.com)>>

>> Sent: Thursday, January 21, 2021 8:55 AM

>> To: David Klos

>> <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>>; Vishal

>> Patel <[VPatel@HighlandCapital.com](mailto:VPatel@HighlandCapital.com)>>

>> Cc: Gregory V. Demo <[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)>>

>> Subject: HCM - Greenbriar Pref Shares CDO Fund

>>

>>

>> David/Vishal,

>>

>>

>>

>> We've been working with Matt DiOrio on tracking down the physical certificate of Greenbriar Class 1 Preference Shares that we've been told were a holding of Highland CDO Opportunity Master Fund, L.P.

>>

>>

>>

>> Matt believes that BoNY is the custodian for the holding, and BoNY confirmed with him that they are holding cash that Greenbriar Pref shares have earned, but that they do not have the physical certificate. Are either of you familiar with this issue specifically, or even generally when it comes to custodians and the physical certificates?

>>

>>

>>

>> Secondly, we'd like to arrange a group call with BoNY to investigate what happened to the certificate, and it would be helpful to have you guys join so that we can ask the right questions and get this issue resolved which is a very high priority for Seery right now.

>>

>>

>>

>> Thanks,

>> James

>>

>>

>>

>> James E. Romey

>> Development Specialists, Inc.

>> 110 East 42nd Street

>> Suite 1818

>> New York City, NY 10017

>> Tel: (212) 425-4141 Ext. 1174

>> <http://www.dsiconsulting.com><<http://www.dsiconsulting.com>>

>>

>>

>> This e-mail message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this e-mail message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this e-mail message from your computer.

>>

>>

>> \_\_\_\_\_

>>

>> **PRIVILEGE WARNING:** The sender or recipient of this message is a member of the legal department at Highland Capital Management. This message and any attachments hereto may constitute attorney work product or be protected by the attorney-client privilege. Do not disclose this message or any attachments hereto without prior consent of a member of the legal department at Highland Capital Management.

>>

>> \_\_\_\_\_

>>

>> **DISCLAIMER-** This email is intended for the recipient(s) only and should not be copied or reproduced without explicit permission. The material provided herein is for informational purposes only and does not constitute an offer or commitment, a solicitation of an offer, or any advice or recommendation, to enter into or conclude any transaction. It may contain confidential, proprietary or legally privileged information. If you receive this message in error, please immediately delete it.

>>

>> \_\_\_\_\_

>>

>> CONFIDENTIALITY

>> This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

>>

>> NOT INTENDED AS A SUBSTITUTE FOR A WRITING Notwithstanding the

>> Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

>

> \_\_\_\_\_

>

> CONFIDENTIALITY

> This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

>

> NOT INTENDED AS A SUBSTITUTE FOR A WRITING Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

\_\_\_\_\_  
CONFIDENTIALITY

This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

NOT INTENDED AS A SUBSTITUTE FOR A WRITING Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not

intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

---

CONFIDENTIALITY

This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

NOT INTENDED AS A SUBSTITUTE FOR A WRITING

Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

## **EXHIBIT 8**

**From:** Gregory V. Demo  
**Sent:** Thursday, January 28, 2021 9:18 AM  
**To:** Thomas Surgent  
**Cc:** 'Matt DiOrio'; James Romey  
**Subject:** Highland - MSCF Subscription Documents

Thomas,

Can you send me Sentinel Reinsurance, Ltd.'s subscriptions documents from when it subscribed to Multi Strat as well as its redemption notice?

Best,  
Greg

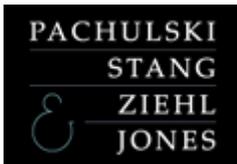
**Gregory V. Demo**

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

[GDemo@pszjlaw.com](mailto:GDemo@pszjlaw.com)

[vCard](#) | [Bio](#) | [LinkedIn](#)



Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

---

**CONFIDENTIALITY**

This e-mail message and any attachments thereto is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail message, you are hereby notified that any dissemination, distribution or copying of this e-mail message, and any attachments thereto is strictly prohibited. If you have received this e-mail message in error, please immediately notify me by telephone and permanently delete the original and any copies of this email and any prints thereof.

**NOT INTENDED AS A SUBSTITUTE FOR A WRITING**

Notwithstanding the Uniform Electronic Transactions Act or the applicability of any other law of similar substance and effect, absent an express statement to the contrary hereinabove, this e-mail message, its contents, and any attachments hereto are not intended to represent an offer or acceptance to enter into a contract and are not otherwise intended to bind the sender, Pachulski Stang Ziehl & Jones LLP, any of its clients, or any other person or entity.

## **EXHIBIT 9**

June 18, 2020

Each person set out in Schedule 1  
c/o SAS Asset Recovery Ltd.  
Grand Pavilion Commercial Centre  
802 West Bay Road  
Grand Cayman KY1-1102  
Cayman Islands

RE: Sentinel Reinsurance, Ltd. indemnity

Dear Sir/Madam,

On behalf of Sentinel Reinsurance, Ltd. (the "**Company**"), we would like to thank you for your continued support of the Company. In connection with your continued efforts (including representing the Company as an agent, preparation of documents/reports and other activities, in each case, as requested by the Company from time to time), the Company wishes to clarify the terms of the indemnity it will provide to you on the terms contained in this letter (this "**Deed**").

With effect from the date of this letter, the Company hereby agrees as follows:

- Director and Officers. Nothing in this Deed shall be construed to relieve the directors or officers of the Company from the performance of their respective duties or limit the exercise of their powers in accordance with the Company's constituent documents, applicable law or otherwise. The activities of the Company shall at all times be subject to the control and direction of their respective directors and officers. The Company reserves the right to make all decisions with regard to any matter upon which you have rendered your advice and consultation. You shall not, and shall have no authority to, control the Company or the Company's day to day operations, whether through the performance of your duties or otherwise. Moreover, although the Company may grant to you the authority to sign, review or approve the Company's checks, payments, expenditures, transfers, conveyances and/or other documents, any such grant of authority shall be made by the Company and accepted by you with the express understanding and limitation that you shall possess and exercise such authority solely in its capacity as a provider of services pursuant to the terms of this Deed and in no other capacity, and that no inference shall be drawn therefrom as to any ability of you to control the Company or the Company's day to day operations or as to any liability or responsibility therefor. The Company's directors, officers and employees shall retain all responsibility for the Company and its operations as and to the extent required by the Company's constituent documents and applicable law.
- Limitation of Liability. You undertake to ensure the use of proper skill and care in carrying out your delegated duties, functions and obligations on behalf of the Company and under this Deed provided however that neither you, nor any successor by operation of law (including your estate) (all of the foregoing, collectively, the "**Indemnitees**") shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of any functions they have carried out or that they may carry out unless that liability arises through the actual fraud or wilful default of such Indemnitees. No person shall be found to have committed actual fraud or wilful default under this Deed unless or until a court of competent jurisdiction shall have made a finding to that effect.
- Indemnification; Advancement. Every Indemnitee shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever, which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default.

The Company shall advance (no later than 30 days from an Indemnitee presenting a written demand and/or receipt to the Company) to each Indemnitee reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnitee (the "Claim") for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnitee shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnitee was not entitled to indemnification pursuant to this Deed. If it shall be determined by a final judgment or other final adjudication that such Indemnitee was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnitee.

The indemnity and exculpation provisions in this Deed are in addition to the indemnity and exculpation provisions each Indemnitee may have under an existing employment contract, an existing applicable insurance policy or otherwise. The Company hereby agrees that each Indemnitee can utilize this Deed, subject to its terms, as a primary instrument to cover their Claims.

If any provision of this Deed (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

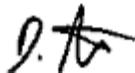
This Deed shall be construed in accordance with, and this Deed and all matter or claims arising out of or relating in any way whatsoever (whether in contract, tort or otherwise) hereto shall be governed by the law of the Cayman Islands.

Please acknowledge receipt of this letter by signing and returning the attached acknowledgement.

[Signature page follows]

**IN WITNESS** whereof the Company has executed and unconditionally delivered this letter **AS A DEED** on the day and year first above written.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Austin', written over a horizontal line.

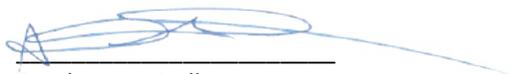
Name: Damien Austin  
Director  
Sentinel Reinsurance, Ltd.

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.

A handwritten signature in blue ink, appearing to read 'Matthew DiOrio', is written over a horizontal line.

Matthew DiOrio

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

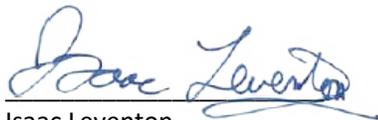
Stephanie Vitiello

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.



Katie Irving

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.

A handwritten signature in blue ink that reads "Isaac Leventon". The signature is written in a cursive style with a long horizontal flourish at the end.

Isaac Leventon

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.



Scott Ellington

The undersigned hereby acknowledges receipt of the foregoing letter and represents that to the best of their knowledge and belief they are not aware of any outstanding or potential claim(s) that could be drawn against the indemnity as of this date.



---

JP Sevilla

**Schedule 1**

Matthew DiOrio  
Stephanie Vitiello  
Katie Irving  
Isaac Leventon  
Scott Ellington  
JP Sevilla

# **EXHIBIT 10**

< 332



Matt >

Delivered

Thu, Jan 28, 9:08 AM

I'm working on Demo's request for those multistrat docs he emailed about



iMessage

