

CAUSE NO. D-1-GN-24-001018

SAJID MAQSOOD, TRUSTEE OF THE SAJID	§	IN THE DISTRICT COURT
& JOAN M. MAQSOOD REVOCABLE TRUST,	§	
ET AL.,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
PRIDE OF AUSTIN HIGH YIELD FUND I, LLC,	§	
ET AL.,	§	
	§	
Defendants.	§	201 ST JUDICIAL DISTRICT

RECEIVER’S FOURTH STATUS REPORT

Gregory S. Milligan, in his capacity as the Court-appointed receiver (“**Receiver**”) for Defendant Pride of Austin High Yield Fund I, LLC (“**POA**” or the “**Fund**”), pursuant to the *Agreed Order Appointing Receiver* dated April 30, 2024 and amended May 6, 2024 (the “**Receivership Order**”),¹ files this Fourth Status Report (the “**Report**”) and would respectfully show the Court as follows:

SUMMARY OF REPORT

1. Receiver files this Report to provide the Court, investors, creditors, and other stakeholders with information on the status of the Receivership, and updates on his progress since the filing of his Third Status Report (the “**Third Report**”) on October 30, 2024. The Receiver incorporates his Initial Status Report (filed on June 10, 2024) (the “**Initial Report**”), his Second Report (filed on August 21, 2024), and his Third Report (collectively, the “**Reports**”) as if fully set forth herein. This Report will focus on developments related to (a) the assets described in the Reports, including (i) the collection of notes receivable held by the Receivership Estate; (ii) efforts

¹ Section XI of the Receivership Order directs the Receiver to file periodic status updates to the Court concerning the operations of the Receiver.

to maintain and monetize certain REO properties owned by the Receivership Estate; and (b) the general administration of the receivership estate (the “***Receivership Estate***”), including the status of the Court-approved claims reconciliation process.

A. The Receiver’s administration of POA’s loan portfolio

2. In the Reports, the Receiver has detailed each of the outstanding notes receivable held by the Fund. This Report will not restate all the background related to the origination of the loans, the relevant security for the loans, or the history of collection efforts to this point, all of which can be found in the previous Reports². Instead, this Report will primarily focus on developments since the filing of the Third Report on October 30, 2024.

i. Milan Sai Joint Venture, LLC

3. The loan to Milan Sai Joint Venture, LLC (“***Milan Sai***”) is secured by real property, located at 3432 Interstate Highway 30, Stanton, Texas 79782, including the improvements thereto, in Martin County, Texas (the “***Milan Sai Property***”). The loan to Milan Sai was guaranteed by its two principals Sunil Patel and Vishal Makwana (the “***Guarantors***”). A Super 8 Motel operates at the Milan Sai Property. For a period beginning shortly after the commencement of the Receivership, Milan Sai was making monthly interest payments to the Receiver, but such payments ceased without explanation in September 2024. As a result, the Receiver initiated a lawsuit in Travis County, Texas styled *Gregory S. Milligan, in his capacity as court-appointed receiver for Pride of Austin High Yield Fund I, LLC v. Milan Sai Joint Venture, LLC, Sunil Patel, and Vishal Makwana*, cause number D-1-GN-24-005105, pending in the 345th District Court (the “***Milan Sai State Court Action***”).

² The Reports can be accessed, free of charge, under the “Important Documents” tab at prideofaustinreceivership.com

4. The Receiver posted the Milan Sai Property for a November 5, 2024, foreclosure sale. On November 4, 2024, in advance of the scheduled foreclosure sale, Milan Sai filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division; case no. 24-33560 (the “*Milan Sai Bankruptcy*”). Importantly, Milan Sai elected to proceed under Subchapter V of the Bankruptcy Code. Subchapter V is a provision of the Bankruptcy Code that is available to “Small Business Debtors” only. Subchapter V is a debtor-friendly provision of the Bankruptcy Code that allows small businesses to quickly reorganize, cut a large portion of their debt, and allow the existing equity to remain intact.

5. For a Subchapter V debtor to confirm a chapter 11 plan, it has to (a) pay secured creditors the value of their collateral; and (b) commit five years of their projected disposable income to their unsecured creditors. In short, if Milan Sai was able to proceed as a Subchapter V debtor, it would be able to confirm a chapter 11 plan that allowed existing ownership to retain ownership of the Super 8 Motel while simultaneously reducing the debt owed to POA in a material amount.

6. Promptly upon the filing of the Milan Sai Bankruptcy, the Receiver (a) objected to the Debtor’s Subchapter V election; and (b) moved to lift the automatic stay to proceed with foreclosure of the Super 8 Motel. The basis of the Receiver’s objection to Milan Sai’s Subchapter V election was that Milan Sai’s total debt load exceeded the statutory cap, and as result Milan Sai did not qualify as a “Small Business Debtor”. The basis of the Receiver’s motion to lift the automatic stay was that (i) there is no equity in the Milan Sai Property (the Debtor has valued the Milan Sai Property at \$1.6 million in the Milan Sai Bankruptcy, and POA’s claim is in excess of

\$3.9 million); and (ii) if Milan Sai is not a Subchapter V debtor, then it cannot confirm a chapter 11 plan without the Receiver's consent which he is unwilling to give.

7. A hearing was set in the Milan Sai Bankruptcy on both of the Receiver's motions for January 7, 2025. The Receiver deposed Sunil Patel, as corporate representative of Milan Sai, on the issues relevant to the contested matters on December 20, 2024. In the days leading up to the hearings, Milan Sai made several offers to globally resolve its dispute with POA, none of which were acceptable to the Receiver. Minutes before the hearing, the Debtor requested that the Receiver not proceed with the hearings and offered the following concessions in exchange:

- The Debtor would remove their designation as a Subchapter V debtor and proceed as a traditional chapter 11 debtor;
- The Debtor would pay outstanding property taxes due on the property by January 31, 2025;
- If the Debtor does not confirm a traditional chapter 11 plan before April 30, 2025, then the stay automatically lifts and the Receiver can proceed with state law remedies against Milan Sai, including foreclosure; and
- The Debtor will make monthly payments to the Receiver of \$15,287.67 for the months of January, February, March, and April, 2025.

8. The Receiver agreed to these terms and views this as a favorable outcome to the Receivership Estate. Now that Milan Sai is proceeding as a traditional chapter 11 debtor, it will not be able to confirm a chapter 11 plan without the Receiver's consent, and thus the Receiver now has significant control over the process.

9. As another source of recovery, the Receiver has reason to believe that the Guarantors have financial wherewithal. As a result, the Receiver is continuing his efforts to collect

on their guarantees, which are full guarantees of payment. The Receiver has a *Motion to Sever* set for hearing on January 21, 2025 in an effort to sever the Guarantors from the Milan Sai State Court Action, which is currently halted by virtue of the automatic stay in the Milan Sai Bankruptcy because Milan Sai is a co-defendant.

10. The Receiver will provide further updates as the situation progresses.

ii. **Guestwiser Joint Venture 1, LLC**

11. The loan to Guestwiser Venture 1, LLC (“***Guestwiser***”) is secured by two lots, 1115 and 1117 Powhattan Street, Dallas, Texas 75215 (the “***Guestwiser Property***”). In addition to the Guestwiser Property, as additional collateral, the Fund has a lien on certain modular units (the “***Modular Units***”)³. Despite Guestwiser’s efforts to obstruct the Receiver’s collection efforts, the Receiver has diligently progressed towards collecting the Guestwiser loan, which has resulted in an agreement with Guestwiser. A brief timeline of the Receiver’s collection efforts is described below:

- August 5, 2024: Receiver initiates lawsuit against Guestwiser and the guarantors of the Guestwiser debt in Travis County District Court;
- August 8, 2024: Receiver posts Guestwiser Collateral for September 3, 2024 foreclosure sale;
- August 30, 2024: Guestwiser seeks and obtains emergency Temporary Restraining Order in Dallas County District Court halting the scheduled September 3, 2024 foreclosure sale;

³ The Guestwiser Property and the Modular Units are collectively referred to as the “***Guestwiser Collateral***”.

- September 3, 2024: Receiver files *Emergency Motion to Enforce Injunction and Stay Proceedings of Guestwiser Venture 1, LLC* asserting that Guestwiser’s Dallas County lawsuit violated the Receivership Order;
- September 8, 2024: Guestwiser dismisses Dallas County lawsuit;
- September 10, 2024: Receiver re-posts Guestwiser Collateral for October 1, 2024 foreclosure sale:
- October 1, 2024: Guestwiser files a voluntary petition for relief under the Bankruptcy Code halting the foreclosure sale (the “***Guestwiser Bankruptcy***”);
- October 8, 2024: Receiver files a *Motion to Dismiss* the Guestwiser Bankruptcy;
- October 17, 2024: Bankruptcy Court dismisses Guestwiser Bankruptcy;
- November 11, 2024: Receiver posts Guestwiser Collateral for December 3, 2024 foreclosure sale.

12. On December 2, 2024 (the day before the scheduled foreclosure sale), Guestwiser attempted to reach a deal with the Receiver in order to avoid the foreclosure. After multiple back and forths, the Receiver agreed to a deal with Guestwiser that (a) required Guestwiser to execute a deed in lieu of foreclosure, which the Receiver could record (and thus become record owner of the Guestwiser Property) in the event of a default under the settlement agreement; (b) pay the Receiver \$500,000 on or before January 2, 2025; (c) pay the Receiver an additional \$200,000 on or before June 2, 2025; and (d) allow the Receiver to have ownership of the Modular Units, which the Receiver would then monetize. If all of these conditions were satisfied, the Receiver would release his liens on the Guestwiser Property and Guestwiser would own the Guestwiser Property free and clear of liens⁴.

⁴ The Receiver believes that the Guestwiser Property is worth substantially less than \$700,000.

13. On December 30, 2024, Guestwiser informed the Receiver that it would not be able to make the \$500,000 payment by January 2, 2025 and requested an extension of time. The Receiver initially rejected the proposal, which caused Guestwiser to make a second proposal. The second proposal was: (a) Guestwiser would pay the Receiver \$45,000 before January 2, 2025; and (b) would pay \$655,000 on or before February 3, 2025. The Receiver agreed to this proposal. Guestwiser has made the first payment of \$45,000. If Guestwiser makes the \$655,000 payment on or before February 3, 2025, the Receiver will release his liens on the Guestwiser Property. If Guestwiser does not make the \$655,000 payment on or before February 3, 2025, the Receiver will have the right to record the deed in lieu of foreclosure and become the record owner of the Guestwiser Property.

14. Additionally, the Receiver is working to monetize the Modular Units, which he anticipates will serve as an additional recovery of the Receivership Estate.

iii. Valor Club Partners, LLC

15. As detailed in previous Reports, the Fund's loan to Valor Club Partners, LLC ("**Valor Club**") is currently secured by multiple lots, potentially consisting of approximately 50 acres of real property across four (4) non-contiguous tracts ("**Valor Club Collateral**") on the northwest side of San Antonio. The history of collection efforts culminating in the Receiver's settlement agreement with Valor Club (the "**Valor Settlement**") have been detailed in the previous Reports.

16. Pursuant to the Valor Settlement, Valor was required to:

- Pay the Receiver \$150,000 on or before November 1, 2024⁵; and

⁵ Valor Club timely made this payment.

- Pay the Receiver \$4,050,000 on or before January 31, 2025 (the “***Payment Deadline***”).
 - Valor has the option to extend the Payment Deadline for 30 days up to two times by making a payment to the Receiver of \$50,000 (for each extension) to be credited against the remaining \$4,050,000.

17. As part of the Valor Settlement, Valor Club executed and delivered a deed in lieu of foreclosure for the Valor Club Collateral to the Receiver. If there is a default under the Valor Settlement, the Receiver will have the right to record the deed in lieu of foreclosure and become the record owner of the Valor Club Collateral, which he can then market and sell. Additionally, if there is a default under the Valor Settlement, the Receiver will have the option of pursuing Valor Club’s principal, Irwin Deutch, under his Limited Guaranty. The Receiver will provide updates as the situation progresses.

iv. Trinity Consulting and Construction, LLC

18. As detailed in the previous Reports, Trinity Consulting and Construction, LLC (“***Trinity***”) is a single-family home builder that purchased six lots for single family home construction, upon which the Fund has a lien (the “***Trinity Properties***”). The Trinity Properties are all located in Lago Vista, Texas, with all but one in the same neighborhood.

19. One of the properties, located at 3405 Congress Avenue, Lago Vista, Texas 78645 (“***3405 Congress***”), is nearly complete. Since the commencement of the Receivership, Trinity has requested a final advance from the Receiver to finish construction. Trinity has claimed that receipt of the advance will allow it to promptly finish construction, sell 3405 Congress, and paydown a portion of Trinity’s outstanding obligations to the Fund.

20. In late August, the Receiver made an advance to Trinity of approximately \$40,000 to finish construction at 3405 Congress. After a failure to progress as promised on the part of

Trinity, the Receiver posted 3405 Congress for a December foreclosure sale. After several discussions with Trinity in advance of the December foreclosure sale, the Receiver agreed to pull down the December foreclosure on the following conditions: (a) 3405 Congress would be completed and ready for sale by January 27, 2025; and (b) one of Trinity's principals, who is a licensed real estate agent, would market and sell the property for zero commission.

21. As part of the agreement to pull down the December foreclosure, Trinity agreed that it would provide the Receiver a proposal by December 31, 2024 as to how it planned to pay off its remaining loan balance to POA. Trinity has failed to provide such a proposal. The Receiver has not been presented with a proposal from Trinity that justifies making any further advances to Trinity and is still evaluating the best path forward for maximizing the return to the Receivership Estate, which is likely to include foreclosing some, or all, of the Trinity Property and, potentially pursuing Trinity's guarantors.

v. HOBC

22. HOBC is a master planned single family development in Williamson County, Texas. The Fund has a lien on three remaining lots in the development that have not yet been sold (the "***HOBC Collateral***"). The Receiver has allowed HOBC to market the HOBC Collateral for sale to pay down the debt, understanding that a substantial deficiency will remain. There has been no material progress on such sales by HOBC and the Receiver is currently evaluating the best path forward to maximize the value of the HOBC Collateral.

23. HOBC's principal executed a Limited Recourse Guaranty, which requires certain conditions to have occurred prior to the initiation of a lawsuit against the guarantor, or the imposition of liability against the guarantor. The Receiver believes that triggering events under the Limited Recourse Guaranty may have occurred and anticipates asserting claims for breach of the guaranty against HOBC's principal in an effort to realize a recovery on the deficiency balance.

B. The Receiver's administration of POA's REO Properties

24. The Fund initially owned four REO properties located at (i) 8043-8045 FM 359, Fulshear, Texas 77441 (the “*Fulshear Property*”); (ii) 3204 Overcup Oak Drive, Austin, Texas 78704 (the “*Overcup Property*”); (iii) 17389 IH 20, Canton, Texas 75103 (the “*Canton Property*”); and (iv) 1610 Hether Street, Austin, Texas 78704 (the “*Hether Property*”).

i. The Fulshear Property

25. As detailed in the earlier Reports, the Fulshear Property has been owned by the Fund for approximately ten years and consists of two commercial buildings, which are managed by a leasing company. One of the buildings is currently 100% occupied, and the other property is a “shell” where finish out construction was never completed.

26. The only current road access to the Fulshear Property is via FM 359 that fronts the property. To improve future access to/from the property, the Receiver has negotiated an agreement with a contiguous landowner that allows the owner of the Fulshear Property to access another road through the adjoining property. In addition to obtaining this beneficial property right, the Receivership Estate also received a payment of \$22,500.00.

27. The Receiver has retained CMI Real Estate, which is also the leasing agent (the “*Broker*”), to market and sell the Fulshear Properties, which will go to market prior to January 31, 2025. The listing price for the Fulshear Property will be \$3.2 million. The Receiver will provide updates on the marketing process as it unfolds.

ii. The Overcup Property

28. The Overcup Property is a single-family home and an ADU (Accessory Dwelling Unit) in South Austin that is currently under construction. Initially, CCG Development, LLC (“*CCGD*”), a Buchanan controlled entity, was acting as general contractor, but the Receiver promptly terminated CCGD as general contractor upon his appointment.

29. As detailed in the Third Report, the Receiver negotiated and executed a construction contract with DWM Construction (the “**Contractor**”). The Contractor began work at the Overcup Property in Q4 of 2024, which included the payment of approximately \$143,000 of vendor liens and claims which were not paid by CCGD. As detailed in the Third Report, the Receiver expects that construction will be finalized in Q1 of 2025. Upon completion of the Overcup Property, the Receiver will use the same real estate broker who successfully sold the Hether Property to begin marketing the Overcup Property for sale.

iii. The Canton Property

30. The Canton Property is a commercial building in Canton, Texas. The Receiver has closed the sale of the Canton Property for a sale price of \$850,000. Pursuant to this Court’s November 7, 2024 *Order Granting Receiver’s Motion to Approve the Sale of Certain Real Property and Related Improvements in Canton, Texas* (the “**Canton Sale Order**”), the Receiver deposited the net proceeds (*i.e.*, proceeds remaining after the payment of any property taxes, commissions, and other closing costs) from the sale of the Canton Property into a separate account used to solely hold such proceeds. That account contains \$708,753.15.

iv. The Hether Property

31. As discussed in the Initial Report, at the time the receivership was commenced, the property located at 1610 Hether Street, Austin, Texas 78704 (the “**Hether Property**”) was owned by CCGD, and served as Buchanan’s primary residence. At the time of the Receiver’s appointment, the Fund had lien on the Hether Property and the Receiver promptly posted the Hether Property for a July foreclosure sale. The Receiver ultimately obtained title to the Hether Property from CCGD on a voluntary basis.

32. As previously discussed, CCGD allowed outstanding property taxes to become due to Travis County for tax years 2022 and 2023 in the amount of approximately \$123,048.01. Travis

County has a lien on account of those taxes which were senior to the Fund's lien on the Hether Property. Additionally, the Internal Revenue Service (the "**IRS**") filed a Notice of Federal Tax Lien on the Hether Property on June 13, 2024, claiming back taxes of \$452,008.71 were owed to it by CCGD (the "**IRS Lien**").

33. On September 3, 2024, the Receiver foreclosed on its lien on the Hether Property which it expressly retained when the property was conveyed by CCGD to the Receiver. The purpose of the foreclosure was to extinguish junior liens on the Hether Property, including the IRS Lien. The Receiver provided the IRS with the requisite notice under Section 7425(c)(1) of the Internal Revenue Code of the foreclosure sale. The foreclosure extinguished the IRS Lien, which will result in an additional \$452,008.71 being available to the Fund's stakeholders.

34. The Hether Property was placed on the market on October 18, 2024, and was offered for sale for \$1,695,000. The Receiver accepted an offer on the Hether Property in the amount of \$1,720,000 and filed a *Motion to Sell the Hether Property* on November 8, 2024. The Court granted the *Motion to Sell the Hether Property* on November 25, 2024 (the "**Hether Sale Order**"). Pursuant to the Hether Sale Order, after the closing of the sale of the Hether Property, the Receiver deposited the net proceeds (*i.e.*, proceeds remaining after the payment of any property taxes, commissions, and other closing costs) from the sale of the Hether Property into a separate account used to solely hold such proceeds. That account contains \$1,413,126.01.

C. Claims Reconciliation Process

35. On June 17, 2024, the Court entered its *Order Granting Receiver's Motion to Approve (I) Proposed Claims Verification Procedure; and (II) Claims Bar Date* (the "**Claims Order**"). The Claims order contemplated separate processes for the Fund's investors ("**Investor Claimants**") and creditor claimants ("**Creditor Claimants**").

i. **Investor Claimants**

36. With respect to Investor Claimants, the Claims Order required the Receiver to send Reconciliation Notices to the Fund’s investors (the “***Reconciliation Notices***”), which were required to include: (i) cash invested into the Fund; (ii) cash paid out to Investor Claimants by the Fund; and (iii) the amount of reinvested dividends, if any (the “***Transaction Histories***”).

37. On August 2, 2024, the Receiver, through his claims agent, Stretto, sent Reconciliation Notices to all known Investor Claimants. The Reconciliation Notices were sent to each Investor Claimant at their known physical address via regular U.S. mail and at their known email address⁶. Pursuant to the Claims Order, because the Reconciliation Notices were served on August 2, 2024, the deadline to object to the Reconciliation Notices was August 23, 2024 (the “***Objection Deadline***”).

38. On August 5, 2024, the Receiver sent a notification to all Investor Claimants receiving email notices that the Objection Deadline was August 23, 2024. On August 6, 2024, the Receiver filed a *Notice Regarding Objections to Reconciliation Notices* that stated the Objection Deadline was August 23, 2024, and also sent that notice to all Investor Claimants through the same means as they received the Reconciliation Notices.

39. Out of the 373 Reconciliation Notices that were sent to current and former investors, 32 objections were submitted to the Receiver. As of the date of this Report, the Receiver believes he has resolved all of the objections except for those on eight (8) accounts associated with three investors (the “***Objecting Investors***”). On October 24, 2024, the Receiver filed his *Motion for Adjudication of Unresolved Investor Claim Objections Pursuant to the Claims Order* (the “***Motion to Adjudicate***”) in which he has asked the Court to overrule the objections of the

⁶ In some instances, the Receiver did not have a known email and physical mail address for certain Investor Claimants. In such circumstances, the Receiver sent notice to the address, either physical or email, of which he had knowledge.

Objecting Investors and approve the Transaction Histories provided by the Receiver to the Objecting Investors. The Motion to Adjudicate was set for hearing on November 12, and by November 12, all of the remaining objections by the Objecting Investors had been resolved. As a result, the determination of all of the Investor’s transactions with the Fund are resolved and final, which will help determine the amount and method of distribution to Investors the Receiver will ultimately propose.

ii. Creditor Claimants

40. The deadline to file Creditor Claims was October 15, 2024, pursuant to the Claims Order. On June 27, 2024, the Receiver filed a *Notice of Claims Process and Claims Bar Date* in which he put all known Creditor Claimants on notice that the deadline to file Creditor Claims was October 15, 2024.

41. As of the date of this Report, there have been 37 claims filed totaling \$10,069,184.72. On January 20, 2025, the Receiver filed his *Other Claims Report*, in which, pursuant to the Court’s directive in the Claims Order, has made a recommendation as to (i) the allowability and amount of the Other Claims (as defined in the Claims Order); and (ii) the priority of each Other Claim. A chart showing the Receiver’s recommendations is detailed below:

	Receiver's Recommendation	
	Filed Claims	Allowed Claims
i. Secured Tax Claim of Van Zandt County	\$93,959.99	\$0.00
ii. General Unsecured Trade Claims	\$260,466.47	\$207,173.88
iii. Investor Claims filed as Other Claims	\$4,100,470.07	\$43,504.00
iv. Judgment Holders	\$5,614,288.19	\$179,302.08
GUC Class Priority	\$10,069,184.72	\$429,979.96
iv. Judgment Holders [Subordinated Portion]		\$5,426,243.34

42. The Receiver incorporates the *Other Claims Report* as if fully restated herein.

43. There was a \$93,959.99 tax claim filed by Van Zandt County, which was paid pursuant to the Canton Sale Order and is therefore moot. There were \$260,466.47 of general unsecured trade claims (*i.e.*, claims for goods or services rendered to the Fund prior to the appointment of the Receiver) filed, which the Receiver has made a recommendation as to the allowability and priority of each.

44. The remaining claims relate, mostly, to claims filed by Investors either (a) on account of their membership interests (which the Receiver has proposed be disallowed⁷); or (b) on account of judgments obtained on account of their equity interests. The Receiver has attempted to come up with the most equitable recommendation as to the allowability and amount of such claims under the circumstances. Accordingly, and as provided in more detail in the *Other Claims Report*, the Receiver has recommended that any claims for pre-receivership attorneys' fees expended by Investors that were filed by the Bar Date be allowed. Thus, no Investor that expended resources on a lawyer in order to assert their rights is in a worse position than Investors that did not hire lawyers to assert their rights. Conversely, the Receiver has recommended a priority scheme that does not reward Investors that had superior information about the conduct of the Fund and/or the resources to hire lawyers, and won the "race to the courthouse" to obtain judgments against the Fund prior to the appointment of a Receiver.

45. Specifically, the Receiver has proposed that the Membership Judgment Holders' (as defined in the *Other Claims Report*) Other Claims should be subordinated to the Investor Claimants and not paid until Investor Claimants have been paid the full amount of their adjudicated

⁷ To be clear, the Receiver is not taking the position that the investors that filed Other Claims have no claim and will get no distributions. Rather, they are being objected to as Other Claims because they are not Other Claims, and will instead be treated as Investor Claims.

claim. To be clear, each of the Membership Judgment Holders also have Investor Claims, which will remain undisturbed. The Receiver believes this is the most equitable priority scheme under the circumstances of this case.

46. The Receiver anticipates that certain stakeholders will object to the Receiver's recommendations, and the Claims Order contemplates a process for such objections to be lodged. Specifically, any party that filed an Other Claim may file an objection to the portion of the *Other Claims Report* related to their claim only. Claims Order, ¶ 7(a). Such objections must be filed on or before **February 3, 2025**. After any objections have been filed, the Receiver will attempt to resolve any such objections. If the Receiver is unable to resolve such objections, then the Claims Order contemplates that the Court will adjudicate any disputes over the *Other Claims Report*.

D. Tax Matters

47. ***Fair Market Value***. The Receiver's retained tax professionals at Weaver & Tidwell to prepare a fair market valuation of the Fund. The Receiver has been informed that he will receive a final version of the fair market valuation of the Fund during the week of January 20, 2025. The Receiver will disseminate relevant information from the report to the Fund's members.

48. ***Delinquent Tax Returns***. As detailed in the Third Report, the Receiver discovered that the Fund failed to file tax returns for the past seven years. Weaver & Tidwell are currently in the process of constructing those late tax returns to be filed. The Receiver, through Weaver and Tidwell, is investigating the potentially significant late fees and/or penalties which might be assessed. The Receiver is working with his tax professionals and counsel in an effort to mitigate or eliminate any such potential liabilities and will continue to keep the Fund's stakeholders of developments as they arise.

E. Forensic Report

49. The Receiver is in the process of preparing a comprehensive forensic report concerning the use of funds by POA throughout the history of the Fund. The Receiver anticipates that report will be completed and shared with the Investors by the end of Q1 2025.

F. Personnel Report

50. Pursuant to paragraph 53 of the Receivership Order, the Receiver provides the Personnel Report (as defined in the Receivership Order) attached hereto as **Exhibit A**, which details the fees and expenses incurred by the Receiver and his Retained Personnel through December 31, 2024.

G. Continuing Investigation

51. The Receiver and the Receiver's retained personnel have continued investigating avenues for maximizing the value of the Fund's assets for the benefit of its stakeholders. The Receiver's investigation is ongoing, and the Receiver will continue to provide updates and communicate with the Fund's stakeholders throughout the process.

Dated: January 20, 2025

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: /s/ Trip Nix

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ATTORNEYS FOR GREGORY S. MILLIGAN,
RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that, on January 20, 2025, a true and correct copy of the foregoing motion was served electronically upon all counsel of record via eFileTexas.

/s/ Trip Nix

Trip Nix

EXHIBIT A

RECEIVER'S PERSONNEL REPORT

HARNEY PARTNERS

Month: October by Timekeeper	Hours	Average Rate	Fees
Greg Milligan	37.0	\$650	\$24,050.00
Erik White	20.9	\$550	\$11,495.00
Michael Lynch	1.5	\$350	\$525.00
October Total Fees			\$36,070.00
October Total Expenses			\$0.00
Month: November by Timekeeper	Hours	Average Rate	Fees
Greg Milligan	46.2	\$650	\$30,030.00
Erik White	27.7	\$550	\$15,235.00
November Total Fees			\$45,265.00
November Total Expenses			\$9.00
Month: December by Timekeeper	Hours	Average Rate	Fees
Greg Milligan	19.1	\$650	\$12,415.00
Greg Milligan (travel time)	10.4	\$325	\$3,380.00
Erik White	20.5	\$550	\$11,275.00
December Total Fees			\$27,070.00
December Total Expenses			\$1,080.16
TOTAL FEES FOR FEE PERIOD:			\$108,405.00
TOTAL EXPENSES FOR FEE PERIOD:			\$1089.16

HOLLAND & KNIGHT, LLP

Month: October by Timekeeper	Hours	Rate	Fees
Trip Nix	51.0	\$640	\$32,640.00
Bruce Merwin	8.4	\$920	\$7,728.00
Tyler Layne	0.1	\$765	\$76.50
Nicholas R. Miller	41.7	\$540	\$22,518.00
Hannah M. Maloney	6.9	\$400	\$2,760.00
Heather C. Montoya	1.9	\$420	\$798.00
Marisa Garcia	1.8	\$680	\$1,224.00
Christopher A. Bailey	1.5	\$760	\$1,140.00
Christopher E. Hamilton	1.2	\$920	\$1,104.00
Katrisha S. Harris	0.3	\$785	\$235.50
James Hrissikopoulos	15.2	\$690	\$10,488.00
James Hrissikopoulos	4.6	\$615	\$2,829.00
Ann Marie Jezisek	11.6	\$260	\$3,016.00
Kristen Warner	0.9	\$260	\$234.00
October Total Fees:			\$86,791.00
October Total Expenses:			\$3,951.97
Month: November by timekeeper	Hours	Rate	Fees
Trip Nix	74.7	\$640	\$47,808.00
Nicholas R. Miller	7.0	\$540	\$3,780.00
Hannah M. Maloney	21.4	\$400	\$8,560.00
Heather C. Montoya	21.5	\$420	\$9,030.00
Marisa Garcia	3.4	\$680	\$2,312.00
James Hrissikopoulos	3.5	\$690	\$2,415.00
Ann Marie Jezisek	8.4	\$260	\$2,184.00
Kristen Warner	0.5	\$260	\$130.00
Jorge Gonzalez	2.0	\$265	\$530.00
November Total Fees			\$76,749.00
November Total Expenses			\$3,125.56
Month: December by timekeeper	Hours	Rate	Fees
Trip Nix	27.0	\$640	\$17,280.00
Nicholas R. Miller	9.3	\$540	\$5,022.00
Hannah M. Maloney	1.5	\$400	\$600.00
Heather C. Montoya	3.0	\$420	\$1,260.00
James Hrissikopoulos	3.8	\$690	\$2,622.00
Ann Marie Jezisek	1.6	\$260	\$416.00
Kristen Warner	8.4	\$260	\$2,184.00
Jormin Wu	0.8	\$270	\$0.00
December Total Fees			\$29,384.00
December Total Expenses			\$3,254.72
TOTAL FEES FOR FEE PERIOD:			\$192,924.00
TOTAL EXPENSES FOR FEE PERIOD:			\$10,332.25

STRETTO

October		
Item	Quantity	Amount
Hourly Fees		\$2,735.00
Printing	n/a	\$0.30
Postage	n/a	\$8.33
Envelopes and Packaging	n/a	\$0.45
Electronic Imaging	n/a	
License Fee and System Maintenance	n/a	
Robotic Process Automation	n/a	\$193.69
Secure Digital File Retention	n/a	\$6343.31
October Total:		\$9,281.08

November		
Item	Quantity	Amount
Hourly Fees		\$2,676.25
Printing	n/a	
Postage	n/a	
Envelopes and Packaging	n/a	
Electronic Imaging	n/a	
License Fee and System Maintenance	n/a	
Robotic Process Automation	n/a	\$298
Secure Digital File Retention	n/a	\$6343.31
November Total:		\$9,318.36

December		
Item	Quantity	Amount
Hourly Fees		\$496.00
Printing	n/a	
Postage	n/a	
Envelopes and Packaging	n/a	
Electronic Imaging	n/a	
License Fee and System Maintenance	n/a	
Robotic Process Automation	n/a	\$2.50
Secure Digital File Retention	n/a	\$6343.31
December Total:		\$6,841.81
TOTAL DUE FOR FEE PERIOD:		\$25,441.25

POTTS BLACKLOCK SENTERFITT, PLLC

Month: June Matter: Receivership Assistance By timekeeper	Hours	Rate	Fees
DBS	5.7	\$595	\$3,391.50
LH	2.0	\$525	\$1,050.00
YFC	3.25	\$375	\$1,218.75
June Total Fees:			\$5,660.25
June Total Expenses:			\$5.61
Month: July Matter: Receivership Assistance By timekeeper	Hours	Rate	Fees
DBS	0.8	\$595	\$476.00
July Total Fees			\$476.00
July Total Expenses			\$0.00
Month: August-September Matter: Receivership Assistance by timekeeper	Hours	Rate	Fees
DBS	2.2	\$595	\$1,309.00
August-September Total Fees			\$1,309.00
August-September Total Expenses			\$0.00
Month: October Matter: Receivership Assistance by timekeeper	Hours	Rate	Fees
DBS	\$1,844.50	\$595	\$1,844.50
August-September Total Fees			\$1,844.50
August-September Total Expenses			\$0.00
Month: November Matter: 3204 Overcup Drive by timekeeper	Hours	Rate	Fees
DBS	2.4	\$595	\$1,320.00
November (3204 Overcup Drive) Total Fees			\$1,320.00
November (3204 Overcup Drive) Total Expenses			\$0.00
Month: November Matter: 8043 and 8045 FM 350 by timekeeper	Hours	Rate	Fees
DBS	3.9	\$595	\$2,145.00
November (8043 and 8045 FM 350) Total Fees			\$2,145.00
November (8043 and 8045 FM 350) Total Expenses			\$0.00
Month: November Matter: Canton Property by timekeeper	Hours	Rate	Fees
DBS	2.0	\$595	\$1,100.00
November (Canton Property) Total Fees			\$1,100.00
November (Canton Property) Total Expenses			\$0.00
TOTAL FEES FOR FEE PERIOD:			\$13,854.75

TOTAL EXPENSES FOR FEE PERIOD:	\$5.61
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