

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,

Plaintiff

V.

THE HEARTLAND GROUP VENTURES, LLC;  
HEARTLAND PRODUCTION AND  
RECOVERY LLC; HEARTLAND  
PRODUCTION AND RECOVERY FUND LLC;  
HEARTLAND PRODUCTION AND  
RECOVERY FUND II LLC; THE HEARTLAND  
GROUP FUND III, LLC; HEARTLAND  
DRILLING FUND I, LP; CARSON OIL FIELD  
DEVELOPMENT FUND II, LP; ALTERNATIVE  
OFFICE SOLUTIONS, LLC; ARCOOIL CORP.;  
BARRON PETROLEUM LLC; JAMES IKEY;  
JOHN MURATORE; THOMAS BRAD  
PEARSEY; MANJIT SINGH (AKA ROGER)  
SAHOTA; and RUSTIN  
BRUNSON,

Defendants,

and

DODSON PRAIRIE OIL & GAS LLC;  
PANTHER CITY ENERGY LLC; MURATORE  
FINANCIAL SERVICES, INC.; BRIDY IKEY;  
ENCYIPHER BASTION, LLC; IGROUP  
ENTERPRISES LLC; HARPRIT SAHOTA;  
MONROSE SAHOTA; SUNNY SAHOTA;  
BARRON ENERGY CORPORATION; DALLAS  
RESOURCES INC.; LEADING EDGE  
ENERGY, LLC; SAHOTA CAPITAL LLC; and  
1178137 B.C. LTD.,

## Relief Defendants

No. 4:21-cv-01310-O-BP

**UNITED STATES' SECOND UNOPPOSED MOTION TO EXTEND TIME TO  
RESPOND TO THE RECEIVER'S MOTION TO DETERMINE REASONABLE CAUSE  
EXISTS TO ABATE IRS PENALTIES, INTEREST, AND LATE FILING FEES**

The United States of America, on behalf of its agency the Internal Revenue Service, moves the Court to extend the deadline by which the United States must respond to the Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees ("Motion") (ECF No. 743) by an additional fourteen days until July 29, 2025. Good cause exists to grant this extension because the United States has received an offer from the Receiver that would resolve the Motion without requiring further litigation, but the United States requires the additional time to process that offer prior to filing any response, which may be rendered unnecessary if the offer is accepted.

**BACKGROUND**

The Motion seeks relief with respect to certain tax penalties for three parties identified as "Receivership Parties" in the Court's Order Appointing Receiver (ECF No. 17). The Motion and its exhibits recount in detail the employment tax liabilities and penalties assessed against these three Receivership Parties, along with the Receiver's (and her representatives') interactions with the IRS. According to the Motion, the amount at issue involves penalties, interest, and late fees totaling at least \$338,810.64 for 13 tax types and/or periods for the three entities. *See* Motn. at 2-3. In short, the Motion seeks a determination that those penalties, late fees, and interest should be abated, and that the IRS has no claim against any Receivership Parties or the receivership estate.

The Motion was filed June 3, 2025, and sent by mail to the United States Attorney's Office for the Northern District of Texas contemporaneously with its filing. A copy was also delivered by email to the office of undersigned counsel on that same date. Local Civil Rule 7.1 requires that any response to a motion be filed within 21 days of the date the motion is filed. The

Court previously extended the United States' time to respond to this motion by an additional 21 days, to July 15, 2025. (ECF No 746.)

In conjunction with seeking the first extension of its response, counsel for the United States began communications with the Receiver and her counsel concerning the issues raised by the Motion. After multiple communications, on July 8, the Receiver made an offer to the United States to resolve the issues raised by the Motion. The United States Department of Justice must now process that offer under its procedures. Those procedures require preparation of a recommendation by the trial attorney assigned to the case, which must then be considered and acted upon by the appropriate official with settlement authority.<sup>1</sup> Time is needed for each of those steps.

### **ARGUMENT AND CONCLUSION**

Good cause exists to extend the United States' time to respond to the Motion, and the Receiver is not opposed to the extension. As noted above, the response is currently due July 15. However, the Federal Rules of Civil Procedure authorize the Court to extend a deadline "for good cause" on a motion made before the time expires. Fed. R. Civ. P. 6(b). Good cause for the requested extension exists here. The United States requires the additional time to process the Receiver's offer, and, regardless whether that offer is accepted or rejected, additional steps may be needed. The extension will also not prejudice the Receiver, as the United States has not been dilatory in responding to the Motion but its counsel has worked extensively in cooperation with the Receiver to explore the possibility of an alternative resolution to the Motion. While those

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<sup>1</sup> The trial attorney does not have authority to bind the United States to a settlement agreement, though their recommendation is very important to those with the requisite settlement authority. See Tax Division Settlement Manual at 58 (available at <https://www.justice.gov/tax/file/781606/download>).

efforts have not resulted in a final resolution, the parties have held productive discussions and made significant progress. Granting the extension will allow the Department of Justice to take the time needed explore the possibility for settlement represented by the offer rather than shifting its focus to press forward with a formal response. Thus, there is good cause to extend the United States' time to respond to the Motion up to and including July 29, 2025.

Dated: July 10, 2025.

Respectfully Submitted

/s/Michael W. May

Michael W. May

TX State Bar No. 24054882

United States Department of Justice

Tax Division

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ATTORNEY FOR THE UNITED STATES (IRS)

### **CERTIFICATE OF CONFERENCE**

I certify that I conferred with counsel for the Receiver, Danielle Rushing Behrends, on July 10, 2025, and the Receiver is unopposed to the relief sought in this Motion.

/s/Michael W. May

Michael W. May

### **CERTIFICATE OF SERVICE**

I certify that on July 10, 2025, I have served counsel of record by filing the above motion via the Court's electronic filing and notification system.

/s/Michael W. May

Michael W. May

IN THE UNITED STATES DISTRICT COURT  
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UNITED STATES SECURITIES §  
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Plaintiff

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No. 4:21-cv-01310-O-BP

**ORDER GRANTING MOTION TO EXTEND TIME TO RESPOND TO RECEIVER'S  
MOTION TO DETERMINE REASONABLE CAUSE EXISTS TO ABATE IRS  
PENALTIES, INTEREST, AND LATE FILING FEES**

After having reviewed the United States of America's Second Unopposed Motion to Extend Time to Respond to the Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees, and any responses thereto, the Court finds that good cause exists for the extension requested; therefore, the motion is GRANTED.

Accordingly, any response by the United States to the Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees (ECF No. 743) will be timely if filed on or before July 29, 2025.

It is so **ORDERED**.

**SIGNED** this \_\_\_\_ day of \_\_\_\_\_, 2025.

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HAL R. RAY, JR.  
UNITED STATES MAGISTRATE JUDGE