



**RECEIVER’S FOURTEENTH QUARTERLY REPORT FOR RECEIVERSHIP ESTATES  
(JANUARY 1, 2025 – MARCH 31, 2025)**

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Court’s December 2, 2021 *Order Appointing Receiver* [ECF No. 17] (the “Receivership Order”)) and receivership estates (collectively, the “Estates”) in the above-captioned case (the “Case” or “Receivership”), hereby files this *Receiver’s Fourteenth Quarterly Report for Receivership Estates* (the “Report”) for the period of January 1, 2025 to March 31, 2025.<sup>1</sup> The Receivership Order requires the Receiver to file a report within thirty (30) days of the end of each calendar quarter. Reasonable efforts have been made to fairly and accurately summarize the current status of the Receivership but any summary, of necessity, will omit details. The Receiver will be available to attend a status conference or otherwise respond to the Court’s questions at the Court’s request.

**I. OVERVIEW**

1. During this Reporting Period (defined below), the Receiver and her team spent a substantial amount of time on drafting and filing litigation related to the Bahamas properties, including drafting and filing of fraudulent transfer litigation relating to two (2) pieces of real property located on Cat Island in the Commonwealth of the Bahamas (the “Bahamas Properties”), which were purchased with Receivership Estates’ funds for the benefit of Monroe Singh Sahota, Sunny Singh Sahota, and Mandeep Kaur Sahota (collectively, the “Sahota Family”), obtaining Court approval of the Receiver’s employment of Higgs and Johnson as Bahamian counsel in this Case, communicating with various creditors, including investors, vendors, and governmental agency contacts, and winding down and/or terminating certain Receivership Parties. The Receiver and her team continue to analyze various records relating to other potential assets and/or claims of

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Receivership Order.

the Receivership Estates and continue to attempt to reach a favorable resolution with the Internal Revenue Service (the “IRS”).

2. The Receiver and her counsel continued communications with investors (known and potential) and other creditors via email and phone during the Reporting Period about the status of the Case, status of distributions, and checks that were allegedly lost in the mail or needed to be reissued.

3. At the beginning of the fourth quarter of 2025, the Receiver had \$6,065,671.38 on deposit. At the end of this Reporting Period (defined below), after issuance of Court-approved distributions, and payments of operating expenses and Court-approved fees and expenses, the amount on deposit was \$2,560,825.34. As of the filing of this Report (April 29, 2025), \$2,429,894.55 is in the Receivership bank accounts.<sup>2</sup>

## II. BACKGROUND

4. On December 1, 2021, the United States Securities and Exchange Commission (the “Commission”) filed its *Emergency Motion for a Temporary Restraining Order and Emergency Ancillary Relief* [ECF No. 3], which included an application for the appointment of a receiver for the Receivership Parties.

5. On December 2, 2021, this Court determined that entry of an order appointing a receiver over the Receivership Parties was both necessary and appropriate to marshal, conserve, hold, and operate all of the Receivership Parties’ assets (the “Receivership Assets”) pending further order of this Court. Accordingly, the Court entered the Receivership Order on December 2, 2021, appointing Deborah D. Williamson as the Receiver over the Estates in this

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<sup>2</sup> This balance includes checks that have been issued but not cleared.

Case [ECF No. 17]. That same day, the Court entered the *Order for Temporary Restraining Order and Other Emergency Relief* [ECF No. 12].

6. Pursuant to the Receivership Order, the Receiver is charged with:

marshaling and preserving all the assets of the Defendants (the “Receivership Assets”) and those assets of the Relief Defendants that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants (collectively, the “Recoverable Assets”).

Receivership Order, ¶ 2.

7. Additionally, the Receivership Order provides:

Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

Receivership Order, ¶ 56.

8. The Quarterly Status Report is directed to contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory

resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and (ii) collecting such judgments); and

- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

Receivership Order, ¶ 57.

9. As stated above, the Receiver was appointed on December 2, 2021. The Receiver previously filed the *Receiver's First Quarterly Report for Receivership Estates* [ECF No. 126] for the period of December 2, 2021 through December 31, 2021. The *Receiver's Second Quarterly Report for Receivership Estates* [ECF No. 189] was filed May 2, 2022, covering the period of January 1, 2022 through March 31, 2022. The *Receiver's Third Quarterly Report for Receivership Estates* [ECF No. 242] was filed July 30, 2022, covering the period of April 1, 2022 through June 30, 2022. The Receiver's *Fourth Quarterly Report for Receivership Estates* [ECF No. 274] was filed October 31, 2022, covering the period of July 1, 2022 through September 30, 2022. The *Receiver's Fifth Quarterly Report for Receivership Estates* [ECF No. 320] was filed January 27, 2023, covering the period of October 1, 2022 through December 31, 2022. The *Receiver's Sixth Quarterly Report for Receivership Estates* [ECF No. 350] was filed on April 14, 2023, covering the period of January 1, 2023 through March 31, 2023. The *Receiver's Seventh Quarterly Report for Receivership Estates* [ECF No. 386] was filed on August 14, 2023, covering the period of April 1, 2023 through June 30, 2023. The *Receiver's Eighth Quarterly Report for Receivership Estates* [ECF No. 426] was filed on October 30, 2023, covering the period of July 1, 2023 through September 30, 2023. The *Receiver's Ninth Quarterly Report for*

*Receivership Estates* [ECF No. 452] was filed on January 30, 2024, covering the period of October 1, 2023 through December 31, 2023. The *Receiver's Tenth Quarterly Report for Receivership Estates* [ECF No. 496] was filed on April 30, 2024, covering the period of January 1, 2024 through March 31, 2024. The *Receiver's Eleventh Quarterly Report for Receivership Estates* [ECF No. 571] was filed on July 16, 2024, covering the period of April 1, 2024 through June 30, 2024. The *Receiver's Twelfth Quarterly Report for Receivership Estates* [ECF No. 601] was filed on October 17, 2024, covering the period of July 1, 2024 through September 30, 2024. The *Amended Receiver's Thirteenth Quarterly Report for Receivership Estates* [ECF No. 668] (the "Thirteenth Quarterly Report") was filed on January 6, 2025, covering the period October 1, 2024 through December 31, 2024. This Report covers the period of January 1, 2025 through March 31, 2025 (the "Reporting Period"). Certain information or activity subsequent to March 31, 2025, may be included for context and/or completeness.

10. In prior quarterly reports, the Receiver has discussed in great detail the Court-approved claims procedure, distribution methodology, and distribution plan. As such, that content will not be repeated in this Report. Prior quarterly reports filed by the Receiver are available to access free of charge on the Receivership website at <https://heartlandreceivership.com/receiver-reports>.

11. On April 7, 2025, a Court-approved distribution was made to ten (10) Class 4a allowed claimants that had submitted IRS Form W-9's, totaling \$177,446.72.

12. Pursuant to this Court's March 18, 2025 *Order Approving Receiver's Motion for Authority to Forfeit Investor Distribution for Failure to Submit Completed and Signed Form W-9* [ECF No. 723], the Receiver obtained the authority to forfeit thirteen (13) investor distributions for the failure to submit a completed and signed IRS Form W-9 on or before February 15, 2025.

On March 18, 2025, the Receiver notified those affected investors regarding their failure to submit a completed and signed IRS Form W-9 and Court authority to forfeit any distribution in this Case in writing via U.S. first-class mail and email, where available.

13. If and when the Receiver determines that additional funds are available for distribution and/or the Heartland Receivership closes is finally closed, the Receiver may propose future distribution(s). The Receiver does not believe that there will be another significant distribution to investors or other creditors absent a recovery from the Bahamas Litigation (defined below), Val Verde and Crockett counties with respect to the Court-approved farmout agreement, the Defendants and/or Relief Defendants, and/or a favorable resolution with the IRS.

14. **The Receiver does not believe that the ultimate recovery will be sufficient to return the full amount of principal contributions to Heartland investors and pay in full all claims of non-investor creditors.**

15. On March 25, 2025, the Court entered the *Order* [ECF No. 727] closing this Case for administratively for statistical purposes. The Receiver continues her work to maximize the ultimate recovery to the Receivership Estates as detailed in this Report.

### **III. GENERAL OVERVIEW**

16. The Receivership Parties were generally in the business of investing in, purchasing, operating, and producing oil and gas assets. Certain Receivership Parties also own (or owned) real estate and other property. The Receiver has continued to actively recover and investigate assets and liabilities of the Receivership Estates. In prior quarters, the Receiver has taken possession of and sold two aircraft, vehicles, multiple pieces of oil field and construction equipment, real property, Dallas Cowboy tickets, and personal property and abandoned hundreds of operating and non-operating wells that could not be sold, pursuant to Court-approved sale procedures. The Receiver has obtained and preserved hard and electronic data from multiple locations controlled

by one or more Receivership Parties, their former counsel, and in Panama. The Receiver and her team have analyzed thousands of documents, including, but not limited to, oil and gas documentation, bank account statements, and document production from various parties in interest. The Receiver and her team prepared for and participated in a mediation and entered into a mediator's proposal, which, ultimately, resulted in the settlement of significant causes of action, including against Locke Lord. The Receiver has worked with various counsel, including, but not limited to, her lead counsel, Dykema Gossett PLLC ("Dykema"), Romero | Kosub, the Law Practice of Darrell R. Jones, PLLC, Reid Collins Tsai LLP ("Reid Collins"), and Higgs and Johnson ("H&J"). The Receiver has also worked closely with Ahuja & Clark, PLLC n/k/a Ahuja & Consultants, Inc. ("A&C") on tax, accounting, and tracing issues, and Vicki Palmour Consulting LLC ("Palmour") on regulatory, compliance, abandonment, and escheatment issues. Many of the tasks performed by the Receiver apply equally to each of the Receivership Estates. Accordingly, the statements and reports contained within this Report should be read to apply equally to each of the Receivership Estates, except where specifically noted to apply to a specific Receivership Estate.

#### **IV. REPORT**

##### **A. TAX AND FORENSIC ACCOUNTING ISSUES.**

17. During the Reporting Period, A&C finalized expense allocations for the Receivership Parties and prepared and submitted federal tax returns for the 2024 tax year for certain Receivership Parties with filing obligations, some of which were marked as "final" where Receivership Parties were terminated pursuant to Court Order. On April 14, 2025, Schedule K-1's were mailed to equity investors in Heartland Drilling Fund I LP and Carson Oil Field Development Fund II LP.

18. The Receiver has been unable to informally reach a resolution with the IRS that waives or otherwise subordinates any claims for interest, penalties, or other charges for the unpaid taxes asserted against Receivership Parties Barron Petroleum LLC (“Barron Petroleum”), The Heartland Group Ventures, LLC (“Ventures”), and Alternative Office Solutions, LLC (“AOS”). The Receiver intends to seek relief from penalties and interest imposed on Receivership Entities by the IRS, most of which stem from pre-Receivership payroll taxes. The penalties imposed are for failure to pay, failure to deposit, and/or failure to file certain returns, and the interest compounds daily on the penalties.

19. The Receiver believes she has paid the principal amounts for all pre-Receivership payroll taxes due and has filed all delinquent returns for Barron Petroleum, AOS, and Ventures.

**B. BAHAMAS LITIGATION AND COUNSEL.**

20. On February 19, 2025, the Receiver filed the *Receiver’s Complaint Against Monroe Singh Sahota, Sunny Singh Sahota, and Mandeep Kaur Sahota* [TXND Case No. 4:25-cv-00159-O, ECF No. 1], initiating fraudulent transfer litigation (the “Bahamas Litigation”) against the Sahota Family. On April 14, 2025, the Receiver filed three waivers of service signed by the Sahota Family agreeing to waive service of the summons issued in the Bahamas Litigation. The Sahota Family must answer or otherwise respond to the Bahamas Litigation on or before July 31, 2025.

21. The Receiver will endeavor to reach a resolution with the Sahota Family regarding the Bahamas Litigation in an attempt to reduce the cost burden that litigation would have on the Receivership Estates.

22. On March 17, 2025, the Court entered an *Order* [ECF No. 718] approving the *Expedited Application to Employ Higgs and Johnson as Bahamian Counsel to Receiver Effective as of March 7, 2025* [ECF No. 709]. During this Reporting Period, H&J has provided the Receiver

with advice related to recovery of the Bahamas Properties and obtaining recognition to act as an authorized receiver in the Bahamas. H&J also began drafting pleadings, affidavits, and proposed orders to facilitate the Receiver's recognition by the Supreme Court of the Bahamas.

**C. SETTLEMENT PAYMENTS.**

23. The Court has entered *Final Judgments* against certain Defendants and/or Relief Defendants to date. *See generally* ECF Nos. 591, 594, 595.<sup>3</sup> A chart detailing the settlement payments due pursuant to *Final Judgments* entered in this Case is depicted below. No payments have been received by the Receiver as of the filing of this Report.

<b><u>PAYMENT SCHEDULE FOR FINAL JUDGMENTS</u></b>			
<b><u>Settling Party</u></b>	<b><u>Due Date for Payment</u></b>	<b><u>Amount Due</u></b>	<b><u>Total</u></b>
Defendant John Muratore	October 24, 2024	\$680,893.33	<b>\$2,723,573.32</b>
	January 22, 2025	\$680,893.33	
	April 22, 2025	\$680,893.33	
	July 21, 2025	\$680,893.33	
Defendant Thomas Brad Pearsey	October 24, 2024	\$2,748,155.60	<b>\$2,748,155.60</b>
Relief Defendant Muratore Financial Services, Inc. (joint and several with Defendant John Muratore)	October 24, 2024	\$583,505.82	<b>\$2,334,023.28</b>
	January 22, 2025	\$583,505.82	
	April 22, 2025	\$583,505.82	
	July 21, 2025	\$583,505.82	
Rustin Brunson	March 2, 2025	\$25,000.00	<b>\$25,000.00</b>
James Ikey	March 2, 2025	\$1,178,528.37 <sup>4</sup>	<b>\$1,178,528.37</b>

24. Additionally, the Commission has entered administrative orders with respect to certain financial advisors outside of this Case, whereby the respective financial advisor is ordered

<sup>3</sup> The *Final Judgments* can be reviewed on the Receivership website free of charge under "Non-Receiver Court Filings" at <https://heartlandreceivership.com/key-court-documents>.

<sup>4</sup> Pursuant to ECF No. 702, Relief Defendant IGroup Enterprises LLC is jointly and severally liable to pay \$23,707.10 of this amount.

to remit settlement payments to the Receiver.<sup>5</sup> Below is a chart that reflects the Commission’s administrative orders entered to date where settlement payments are to be remitted to the Receiver for the benefit of the Receivership Estates. No payments have been received by the Receiver as of the filing of this Report.

<b><u>PAYMENT SCHEDULE FOR COMMISSION ORDERS</u></b>			
<b><u>Settling Party</u></b>	<b><u>Due Date for Payment</u></b>	<b><u>Amount Due</u></b>	<b><u>Total</u></b>
Stephen R. Bishop	January 8, 2025	\$3,000.00	<b>\$72,000.00</b>
	February 7, 2025	\$3,000.00	
	March 9, 2025	\$3,000.00	
	April 8, 2025	\$3,000.00	
	May 8, 2025	\$3,000.00	
	June 7, 2025	\$3,000.00	
	July 7, 2025	\$3,000.00	
	August 6, 2025	\$3,000.00	
	September 5, 2025	\$3,000.00	
	October 5, 2025	\$3,000.00	
	November 4, 2025	\$3,000.00	
	December 4, 2025	\$3,000.00	
	January 3, 2026	\$3,000.00	
	February 2, 2026	\$3,000.00	

<sup>5</sup> The Commission has obtained *Orders* against advisors David C. Underwood, Marc J. Toomey, Stephen R. Bishop, and Richard K. Diamond, in which the aforementioned parties stipulate to “Heartland and its principals us[ing] investor funds to make more than \$26 million in Ponzi payments to debt fund investors.” See Richard K. Diamond, Securities Act of 1933 Release No. 11333, Securities Exchange Act of 1934 Release No. 101847, Investment Advisers Act of 1940 Release No. 6784, Investment Company Act of 1940 Release No. 35407, SEC File No. 3-22340 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11333.pdf>; Stephen R. Bishop, Securities Act of 1933 Release No. 11334, Securities Exchange Act of 1934 Release No. 101848, SEC File No. 3-22341 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11334.pdf>; Marc J. Toomey, Securities Act of 1933 Release No. 11335, Securities Exchange Act of 1934 Release No. 101853, SEC File No. 3-22342 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11335.pdf>; David C. Underwood, Securities Act of 1933 Release No. 11336, Securities Exchange Act of 1934 Release No. 101854, SEC File No. 3-22343 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11336.pdf>.

	March 4, 2026	\$3,000.00	
	April 3, 2026	\$3,000.00	
	May 3, 2026	\$3,000.00	
	June 2, 2026	\$3,000.00	
	July 2, 2026	\$3,000.00	
	August 1, 2026	\$3,000.00	
	August 31, 2026	\$3,000.00	
	September 30, 2026	\$3,000.00	
	October 30, 2026	\$3,000.00	
	November 29, 2026	\$3,000.00	
Richard K. Diamond	December 23, 2024	\$4,000.00	<b>\$71,000.32</b>
	January 8, 2025	\$1,861.12	
	February 7, 2025	\$1,861.12	
	March 9, 2025	\$1,861.12	
	April 8, 2025	\$1,861.12	
	May 8, 2025	\$1,861.12	
	June 7, 2025	\$1,861.12	
	July 7, 2025	\$1,861.12	
	August 6, 2025	\$1,861.12	
	September 5, 2025	\$1,861.12	
	October 5, 2025	\$1,861.12	
	November 4, 2025	\$1,861.12	
	December 4, 2025	\$1,861.12	
	January 3, 2026	\$1,861.12	
	February 2, 2026	\$1,861.12	
	March 4, 2026	\$1,861.12	
	April 3, 2026	\$1,861.12	
May 3, 2026	\$1,861.12		

	June 2, 2026	\$1,861.12	
	July 2, 2026	\$1,861.12	
	August 1, 2026	\$1,861.12	
	August 31, 2026	\$1,861.12	
	September 30, 2026	\$1,861.12	
	October 30, 2026	\$1,861.12	
	November 29, 2026	\$1,861.12	
	December 29, 2026	\$1,861.12	
	January 28, 2027	\$1,861.12	
	February 27, 2027	\$1,861.12	
	March 29, 2027	\$1,861.12	
	April 28, 2027	\$1,861.12	
	May 28, 2027	\$1,861.12	
	June 27, 2027	\$1,861.12	
	July 27, 2027	\$1,861.12	
	August 26, 2027	\$1,861.12	
	September 25, 2027	\$1,861.12	
	October 25, 2027	\$1,861.12	
	November 24, 2027	\$1,861.12	
David C. Underwood	December 23, 2024	\$20,000.00	<b>\$221,688.00</b>
	March 9, 2025	\$16,807.33	
	June 7, 2025	\$16,807.33	
	September 5, 2025	\$16,807.33	
	December 4, 2025	\$16,807.33	
	March 4, 2026	\$16,807.33	
	June 2, 2026	\$16,807.33	
	August 31, 2026	\$16,807.33	
	November 29, 2026	\$16,807.33	

	February 27, 2027	\$16,807.33	
	May 28, 2027	\$16,807.33	
	August 26, 2027	\$16,807.33	
	November 24, 2027	\$16,807.37	
Marc J. Toomey	March 9, 2025	\$65,666.50	<b>\$262,666.00</b>
	June 7, 2025	\$65,666.50	
	September 5, 2025	\$65,666.50	
	December 4, 2025	\$65,666.50	

25. To the extent funds are actually received, it is currently the intent of the Receiver to seek Court approval to distribute those funds solely to holders of allowed claims in Class 4a (Heartland investors) as a return of capital. The timing and actual receipt of funds will determine the timing and amount of such distributions.

**D. CASH ON HAND/ADMINISTRATIVE EXPENSES.**

26. The Receiver has endeavored to pay all ordinary course administrative expenses, including, but not limited to professional fees to Retained Personnel (to the extent allowed by the Court). The Receiver continues to be cost conscious while balancing the need to protect the value of Receivership Assets and the needs of creditors, investors, and other stakeholders, and such expenses have decreased in this Reporting Period.

***a. Termination of Business Receivership Entities.***

27. With the assistance of A&C, the Receiver has continued to identify entities under the Receivership which can be terminated.

28. On December 10, 2024, the Receiver filed a *Notice of Proposed Termination of Receivership Party* for Receivership Parties AOS [ECF No. 633], Barron Energy Corporation (“Barron Energy”) [ECF No. 630], Leading Edge Energy, LLC [ECF No. 631], and Dodson Prairie Oil & Gas LLC [ECF No. 632]. The Receiver did not receive any objections and has filed a

*Certificate of No Objection* for Receivership Parties AOS [ECF No. 642], Barron Energy [ECF No. 639], Leading Edge Energy, LLC [ECF No. 640], and Dodson Prairie Oil & Gas LLC [ECF No. 641]. Barron Energy has been terminated with the Wyoming Secretary of State. Receivership Parties Dodson Prairie Oil & Gas LLC and Leading Edge Energy, LLC have been terminated with the Texas Secretary of State.

29. On December 12, 2024, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 635] for Receivership Party Panther City Energy LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 644] for Receivership Party Panther City Energy LLC. Receivership Party Panther City Energy LLC has been terminated with the Texas Secretary of State.

30. On January 7, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 650] for Receivership Party Sahota Capital LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 672] for Receivership Party Sahota Capital LLC. Receivership Party Sahota Capital LLC has been terminated with the Texas Secretary of State.

31. On January 7, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 651] for Receivership Party 1178137 B.C. LTD. The Receiver did not receive any objections and has filed a *Certificate of No Objection* for Receivership Party 1178137 B.C. LTD. [ECF No. 669].

32. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 653] for Receivership Party Heartland Production and Recovery LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 673] for Receivership Party Heartland Production and Recovery LLC. Receivership

Party Heartland Production and Recovery LLC has been terminated with the California Secretary of State but continues to be kept in active status for tax purposes in Delaware.

33. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 654] for Receivership Party Heartland Production and Recovery Fund LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 671] for Receivership Party Heartland Production and Recovery Fund LLC.

34. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 655] for Receivership Party Heartland Production and Recovery Fund II LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 670] for Receivership Party Heartland Production and Recovery Fund II LLC.

35. On March 18, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 722] for Receivership Party Dallas Resources, Inc. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 731] for Receivership Party Dallas Resources, Inc. Receivership Party Dallas Resources, Inc. has been terminated with the Texas Secretary of State.

36. The Receiver will begin the process of canceling EIN numbers and closing business accounts with the IRS for Receivership Parties with registrations that have been cancelled, dissolved, or terminated with the respective Secretary of State.

**E. RECEIPTS AND DISBURSEMENTS.**

37. During the Reporting Period, the Receiver deposited \$6,957.78 relating to interest and other income. As required by the Receivership Order, a Receipts and Disbursements chart is attached hereto as **Exhibit A**.

**F. ADMINISTRATIVE ACTIONS.**

38. As stated above, a website has been created to provide information to investors and creditors regarding the status of the Case: [www.heartlandreceivership.com](http://www.heartlandreceivership.com). The FAQs should answer the most common questions related to the Case. The FAQs, along with the other sections of the website, allow the Receiver to quickly, inexpensively, and broadly convey information regarding the Case. The Receiver continues to update the website on a rolling basis as information becomes available.

39. An email address was created for direct communication by investors and other parties in interest: [heartlandreceivership@dykema.com](mailto:heartlandreceivership@dykema.com). The email address was initially being monitored by attorneys at Dykema but is now primarily being monitored by a paralegal, who forwards those emails that require the attention of the Receiver or a Dykema attorney.

**G. DIFFERENCES BETWEEN STATUS REPORT AND QUARTERLY REPORT.**

40. The Receiver has filed two (2) *Status Reports* [ECF Nos. 649, 684] (collectively, the “Status Reports”) since the Court stated its intention to “administratively” close this Case. The Status Reports contained details omitted from quarterly reports and was the Receiver’s attempt to provide the Court with the “entire picture” prior to administrative closure of this Case. The Receiver hoped that the Status Reports would assist the Court with and provide information relevant to administrative closure of this Case.

41. For example, the Thirteenth Quarterly Report provides a synopsis of the Receiver’s efforts to terminate Receivership Parties, including the filing of relevant pleadings, while the January 6, 2025 *Status Report* [ECF No. 649] provided details of the Receiver’s efforts to wind down the Receivership Parties, including complications with the California Franchise Tax Board and dissolution information related to Barron Energy in Wyoming. The February 27, 2025 *Status*

*Report* provided the Court with information related to Receivership obligations which would need Court approval after administrative closure.

42. As stated above, the Receiver and/or her counsel are available to attend a status conference or otherwise respond to any questions of the Court at its request.

Dated: April 29, 2025

Respectfully submitted,

By: /s/ Danielle Rushing Behrends

Danielle R. Behrends

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**CERTIFICATE OF SERVICE**

I hereby certify that on April 29, 2025, the foregoing document was served via CM/ECF on all parties appearing in this case, including counsel for Plaintiff, United States Securities and Exchange Commission.

/s/ Danielle Rushing Behrends

Danielle Rushing Behrends

**EXHIBIT A**

RECEIPTS AND DISBURSMENTS

		Current Period (1/1/2025 - 3/31/2025)	Cumulative
<b>1. CASH AT BEGINNING OF PERIOD</b>			
	*3863 IBC Account	\$ 363,785.54	
	*1565 Western Alliance Account	\$ 250,236.58	
	*0955 Western Alliance Sweep Account	\$ 2,136,035.44	
	*4056 Western Alliance Account	\$ 2,199,853.66	
	*0216 Western Alliance Account (Account Closed)	\$ -	
	*2548 Western Alliance Account	\$ 1,115,760.16	
	*3898 IBC Account (Account Closed)	\$ -	
	*7536 IBC Account (Account Closed)	\$ -	
		<b>\$ 6,065,671.38</b>	
<b>2. RECEIPTS</b>			
<i>*3863 IBC Account</i>			
	01/07/2025 Deposit from Southwest Texas Electric Cooperative	\$ 117.25	
	02/04/2025 Transfer from *1565: \$300,000		
	<b>Total Deposits to *3863</b>	<b>\$ 117.25</b>	<b>\$ 14,475,804.47</b>
<i>*1565 Western Alliance Account</i>			
	01/31/2025 Interest Income	\$ 208.10	
	01/31/2025 Transfer from *2548: \$176.13		
	02/04/2025 Transfer from *0955: \$300,000.00		
	02/28/2025 Interest Income	\$ 187.96	
	02/28/2025 Transfer from *2548: \$122.89		
	03/17/2025 Transfer from *0955: \$20,000.00		
	03/31/2025 Interest Income	\$ 208.10	
	03/31/2025 Transfer from *2548: \$108.83		
	<b>Total Deposits to *1565</b>	<b>\$ 604.16</b>	<b>\$ 38,261.00</b>
<i>*0955 Western Alliance Sweep Account</i>			
	01/02/2025 Transfer from *1565: \$580.44		
	01/31/2025 Interest Income	\$ 1,760.84	
	02/03/2025 Transfer from *1565: \$384.23		
	02/28/2025 Interest Income	\$ 1,400.57	
	03/03/2025 Transfer from *1565: \$310.85		
	03/31/2025 Interest Income	\$ 1,509.32	
	<b>Total Deposits to *0955</b>	<b>\$ 4,670.73</b>	<b>\$ 202,117.07</b>
<i>*4056 Western Alliance Account</i>			
	01/01/2025 Interest Income	\$ 643.57	
	02/01/2025 Interest Income	\$ 299.86	
	03/01/2025 Interest Income	\$ 214.36	
	<b>Total Deposits to *4056</b>	<b>\$ 1,157.79</b>	<b>\$ 9,420,406.94</b>
<i>*0216 Western Alliance Account (Account Closed)</i>			
		\$ -	
	<b>Total Deposits to *0216</b>	<b>\$ -</b>	<b>\$ 2,972.20</b>
<i>*2548 Western Alliance Account</i>			
	01/31/2025 Interest Income	\$ 176.13	
	02/28/2025 Interest Income	\$ 122.89	
	03/31/2025 Interest Income	\$ 108.83	
	<b>Total Deposits to *2548</b>	<b>\$ 407.85</b>	<b>\$ 26,198.66</b>
<i>*3898 IBC Account (Account Closed)</i>			
		\$ -	
	<b>Total Deposits to *3898</b>	<b>\$ -</b>	<b>\$ 1,439,917.28</b>
<i>*7536 IBC Account (Account Closed)</i>			
		\$ -	
	<b>Total Deposits to *7536</b>	<b>\$ -</b>	<b>\$ 0.01</b>
<b>3. TOTAL RECEIPTS</b>		<b>\$ 6,957.78</b>	<b>\$ 25,605,677.63</b>

	<u>Current Period</u> <u>(1/1/2025 - 3/31/2025)</u>	<u>Cumulative</u>
<b>4. TOTAL CASH AVAILABLE FOR OPERATIONS</b> (Line 1 + Line 3)	<b>\$ 6,072,629.16</b>	
<b>5. DISBURSEMENTS</b>		
<i>*3863 IBC Account</i>		
01/06/2025 Check #1370 to The Sheridan Press - Publication Fee	\$ 42.71	
01/07/2025 Check #1365 to Franchise Tax Board - Taxes	\$ 1,728.00	
01/07/2025 Check #1366 to Franchise Tax Board - Taxes	\$ 1,580.00	
01/07/2025 Check #1367 to Franchise Tax Board - Taxes	\$ 1,519.00	
01/07/2025 Check #1368 to Franchise Tax Board - Taxes	\$ 1,507.00	
01/07/2025 Check #1369 to Franchise Tax Board - Taxes	\$ 1,310.00	
01/07/2025 Check #1371 to Delaware Secretary of State - Taxes	\$ 500.00	
01/08/2025 Check #1363 to Texas DMV	\$ 12.00	
01/09/2025 Check Card to Wyoming Secretary of State - Filing Fees	\$ 29.00	
01/16/2025 Check #1374 to US Treasury - Taxes	\$ 227,606.66	
01/23/2025 Check #1376 to Law Offices of Romero Kozub - Professional Fees	\$ 382.50	
01/23/2025 Check #1377 to US Treasury - Taxes	\$ 75.00	
01/29/2025 Check #1380 to Delaware Secretary of State - Franchise Tax	\$ 1,770.00	
01/29/2025 Check #1381 to Delaware Secretary of State - Franchise Tax	\$ 1,770.00	
01/29/2025 Check #1382 to Delaware Secretary of State - Franchise Tax	\$ 1,770.00	
01/31/2025 Check #1364 to Secretary of State - Filing Fees	\$ 40.00	
02/06/2025 Check Card to Wyoming Secretary of State - Filing Fees	\$ 49.00	
02/06/2025 Check #1375 to California Franchise Tax Board - Filing Fees	\$ 65.00	
02/27/2025 Check #1384 to Secretary of State - Filing Fees	\$ 40.00	
02/27/2025 Check #1383 to Secretary of State - Filing Fees	\$ 40.00	
02/27/2025 Check #1385 to Secretary of State - Filing Fees	\$ 40.00	
03/13/2025 Check #1389 to Dykema Gossett PLLC - Professional Fees	\$ 209,291.77	
03/14/2025 Check Card to Franchise Tax Board - Taxes	\$ 250.00	
03/19/2025 Check #1391 to Law Practice of Darrell R Jones PLLC - Professional Fees	\$ 1,430.00	
03/20/2025 Check #1387 to Secretary of State - Filing Fees	\$ 40.00	
03/21/2025 Check #1392 to Ahuja & Consultants, Inc. - Professional Fees	\$ 81,378.93	
03/25/2025 Check #1393 to Stretto - Professional Fees	\$ 39,557.14	
<b>Total Disbursements from *3863</b>	<b>\$ 573,823.71</b>	<b>\$ 7,594,411.82</b>
<i>*1565 Western Alliance Account</i>		
01/02/2025 Transfer to *0955: \$580.44		
02/03/2025 Transfer to *0955: \$384.23		
02/04/2025 Transfer to *3863: \$300,000		
03/03/2025 Transfer to *0955: \$310.85		
03/17/2025 Wire to Higgs & Johnson - Professional Fees	\$ 20,000.00	
<b>Total Disbursements from *1565</b>	<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>
<i>*0955 Western Alliance Sweep Account</i>		
02/04/2025 Transfer to *1565: \$300,000.00		
03/17/2025 Transfer to *1565: \$20,000.00		
<b>Total Disbursements from *0955</b>	<b>\$ -</b>	<b>\$ -</b>
<i>*4056 Western Alliance Account</i>		
Distribution Payments Cleared	\$ 1,932,930.22	
03/28/2025 Bank Fees	\$ 20.00	
<b>Total Disbursements from *4056</b>	<b>\$ 1,932,950.22</b>	<b>\$ 9,129,919.88</b>
<i>*0216 Western Alliance Account (Account Closed)</i>		
	\$ -	
	\$ -	
<b>Total Disbursements from *0216</b>	<b>\$ -</b>	<b>\$ 650,000.00</b>
<i>*2548 Western Alliance Account</i>		
Distribution Payments Cleared	\$ 985,009.89	
01/31/2025 Transfer to *1565: \$176.13		
02/28/2025 Transfer to *1565: \$122.89		
03/28/2025 Bank Fees	\$ 20.00	

	Current Period (1/1/2025 - 3/31/2025)	Cumulative
03/31/2025 Transfer to *1565: \$108.83		
<b>Total Disbursements from *2548</b>	<b>\$ 985,029.89</b>	<b>\$ 4,869,289.73</b>
*3898 IBC Account (Account Closed)		
	\$ -	
<b>Total Disbursements from *3898</b>	<b>\$ -</b>	<b>\$ 781,215.86</b>
*7536 IBC Account (Account Closed)		
	\$ -	
<b>Total Disbursements from *7536</b>	<b>\$ -</b>	<b>\$ 15.00</b>
<b>6. TOTAL DISBURSEMENTS</b>	<b>\$ 3,511,803.82</b>	<b>\$ 23,044,852.29</b>
<b>7. ENDING CASH BALANCE</b>		
<b>(Line 4 - Line 6)</b>		
*3863 IBC Account	\$ 90,079.08	
*1565 Western Alliance Account	\$ 250,208.10	
*0955 Western Alliance Sweep Account	\$ 1,821,981.69	
*4056 Western Alliance Account	\$ 267,826.20	
*0216 Western Alliance Account (Account Closed)	\$ -	
*2548 Western Alliance Account	\$ 130,730.27	
*3898 IBC Account (Account Closed)	\$ -	
*7536 IBC Account (Account Closed)	\$ -	
	<b>\$ 2,560,825.34</b>	<b>\$ 2,560,825.34</b>