

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

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**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,**

### Relief Defendants.

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**RECEIVER'S REPORT REGARDING *ORDER* SETTING STATUS CONFERENCE  
ON OCTOBER 17, 2024, AT 4:00 P.M. [ECF NO. 597]**

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 Report Regarding Order Setting Status Conference on October 17, 2024 at 4:00 p.m.*<sup>1</sup>

**I. BACKGROUND**

1. On December 1, 2021 (the “Application Date”), the 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 (the “Application”).

2. 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 Case.

3. On October 9, 2024, the Court entered an *Order* Setting Status Conference on October 17, 2024 at 4:00 p.m [ECF No. 597]. The Receiver filed the *Notice of Hearing and Service*

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

*of Court Order Setting Status Conference on October 17, 2024, at 4:00 p.m* [ECF No. 598] on October 9, 2024.

## II. REPORT

### A. TAXES

4. The Receiver discovered that not all tax returns had been filed for periods preceding her appointment. Pursuant to 31 U.S.C. § 3713(b) she is (a) arguably responsible for filing all returns (regardless of when due) with the Internal Revenue Service (the “IRS”) and (b) that there may be personal liability if certain taxes are not paid.

5. Of particular concern was the Sahota-related Receivership Parties. The books and records for Receivership Party Barron Petroleum LLC (“Barron Petroleum LLC”) stated that payments had been made for payroll taxes. However, the Receiver received notices from the IRS indicating that while some of the related returns had been filed, payments had not been made by Barron Petroleum LLC prior to this Receivership.

6. As a result, the Receiver directed Court-approved accountants Ahuja & Consultants, Inc. (“A&C”) to investigate what payments had been made. As a result of that investigation, it was discovered that certain payments had not been made by Barron Petroleum LLC and Alternative Office Solutions, LLC (“AOS”) and that the IRS was asserting claims for interest, penalties, and other charges in addition to the full amount of the taxes.

7. Unpaid taxes asserted against Barron Petroleum LLC have now been paid—totaling \$130,907.95—but the Receiver would like to attempt to reach a resolution with the IRS that waives or otherwise subordinates any claims for interest, penalties or other charges.

8. The Receiver has now filed all federal tax returns that she has identified as unfiled for all Receivership Parties where she has an obligation to file but were not filed.<sup>2</sup>

9. To that end, she has attempted to identify relevant IRS personnel with whom to have settlement negotiations but has been unable to make any progress in identifying a person (or persons) with authority to reach a final resolution with the IRS.

10. Further, the period for the IRS to challenge a tax return is generally three (3) years. The Receiver cannot make a final distribution until it is determined whether there are any additional taxes asserted by or are due to the IRS.

11. The Receiver was recently informed that the California Franchise Tax Board is demanding the filing of pre-Receivership tax returns for certain Receivership Parties, although the entities involved have no discernable activities in California and the Receiver is aware of no other California taxation nexus. She is attempting to address this issue.

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<sup>2</sup> The taxes payroll due for the period ending June 30, 2021 have not been paid. The Receiver will pay the actual taxes upon notice from the IRS of the amounts due.

**B. COMMISSION SETTLEMENT PAYMENTS.**

12. To date, the Commission has reached certain settlements with the following Defendants and/or Relief Defendants in this Case:

<b><u>PAYMENT SCHEDULE FOR JUDGMENTS AGAINST RELIEF DEFENDANTS</u></b>		
<b><u>Settling Party</u></b>	<b><u>Due Date for Payment</u></b>	<b><u>Amount Due</u></b>
John Muratore	October 24, 2024	\$680,893.33
	January 22, 2025	\$680,893.33
	April 22, 2025	\$680,893.33
	July 21, 2025	\$680,893.33
Thomas Brad Pearsey	October 24, 2024	\$2,748,155.60
Muratore Financial Services, Inc. (joint and several with John Muratore)	October 24, 2024	\$583,505.82
	January 22, 2025	\$583,505.82
	April 22, 2025	\$583,505.82
	July 21, 2025	\$583,505.82

13. Final payments are not due until July 25, 2025.

14. 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 claims in Class 4a (the Heartland investors) as a return of capital. The timing and actual receipt of funds will determine the timing and amount of any payments. No payments have been received as of the filing of this Status Report.

**C. RECOVERY OF ASSETS*****a. Partial Interest in Jade Mine in Guatemala.***

15. Upon information and belief, a Heartland-related Receivership Party invested in a jade mine in Guatemala. The mine (or one similar to it) was the source for raw and carved jade in

the possession of one or more Heartland-related Receivership Parties. The raw and carved jade sold at auction for approximately \$13,004.00 pursuant to Court-approved sale procedures. The Receiver has not personally inspected the mine, obtained an appraisal, or evidence of value of the interest. However, it is more than likely that she will seek to abandon any interest in the mine rather than incur additional expenses.

***b. Property in Washington State.***

16. Prior to this Case, one or more of the Sahota-related Receivership Parties paid property taxes and other amounts for the benefit of Sunny Sahota and a property he and his wife own (or owned) in that state. The Receiver continues to evaluate what remedies may exist for the benefit of the creditors but is concerned about the costs versus the ultimate recovery.

***c. Property in California.***

17. Prior to this Case, one or more of the Sahota-related Receivership Parties paid property taxes and other amounts for the benefit of Sunny Sahota and a property he and his wife own (or owned) in California. It is unclear whether the ownership of that property has changed. The Receiver continues to evaluate what remedies may exist for the benefit of the creditors but is concerned about the costs versus the ultimate recovery.

***d. Properties in Bahamas.***

18. Upon information and belief, \$1,462,000.00 was sent to Dallas Resources from Barron Petroleum LLC's and Arcooil Corp's bank account for the purchase of properties in the Bahamas. The Receiver continues to evaluate what remedies may exist for the benefit of the creditors.

**D. OTHER INVESTIGATIONS**

19. The Receiver has been requested to provide information (and potential testimony) in connection with at least one state investigation into parties involved in soliciting and/or advising regarding investments in Heartland.

20. The Receiver and her advisors are also providing information regarding Commission related claims.

21. The Receiver has no information regarding potential criminal investigations or what information (if any) will be requested.

Dated: October 17, 2024

Respectfully submitted,

By: /s/ Dominique A. Douglas

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**COUNSEL TO RECEIVER**

**CERTIFICATE OF SERVICE**

I hereby certify that on October 17, 2024, the foregoing document was served via CM/ECF on all parties appearing in this case and via email on the following unrepresented parties on this Court's docket:

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