



**DECLARATION OF DEBORAH D. WILLIAMSON, RECEIVER, IN SUPPORT OF THE  
OMNIBUS OBJECTION TO CLAIMS SUBMISSIONS PURSUANT TO  
COURT-APPROVED CLAIMS PROCEDURE  
[ECF NO. 500]**

I, Deborah D. Williamson, in my capacity as the Court-appointed Receiver (the “Receiver”) over the Receivership Parties (as defined in this Court’s December 2, 2021 *Order Appointing Receiver* [ECF No. 17] (the “Receivership Order”), file this *Declaration* in support of the *Receiver’s Omnibus Objection to Claim Submissions Pursuant to Court-Approved claims Procedure* [ECF No. 500] (the “Objection”).<sup>1</sup>

The issues before the Court are:

A. As Receiver of the Receivership Parties,<sup>2</sup> I filed the Objection seeking a final determination on thirty-five (35) claims where (a) there is a dispute as to the amount owed, (b) there is a dispute as to whether any Receivership Party is obligated on the claim, and (c) the claim was filed as unliquidated.

**My Appointment as Receiver**

1. On December 2, 2021, this Court entered the Receivership Order, appointing me as Receiver over the Receivership Estates in this Case. The Court determined that the appointment of a receiver was necessary and appropriate to marshal, conserve, hold, and operate all of the Receivership Parties’ assets pending further order of the Court.

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

<sup>2</sup> The “Receivership Parties” are: 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; Dodson Prairie Oil & Gas LLC; Panther City Energy LLC; Encypher Bastion, LLC; Barron Energy Corporation; Dallas Resources Inc.; Leading Edge Energy, LLC; Sahota Capital LLC; and 1178137 B.C. LTD.

**A. Court-approved Claims Procedure**

2. On September 11, 2023, the *Receiver's Motion for Entry of an Order Setting Claims Bar Date, Establishing Claims Procedure, and Approving Notification Process* [ECF No. 408] (the "Claims Procedure Motion") was filed. The Claims Procedure Motion expressly requested the entry of a bar date for all claim submissions and the approval of the "net" transaction calculation method for investor-related claims.

3. On September 12, 2023, this Court entered an *Amended Order* [ECF No. 411] setting the Claims Procedure Motion for hearing on October 16, 2023. After notice and hearing, this Court entered an *Order* [ECF No. 422] recommending that United States District Judge Reed O'Connor grant the Claims Procedure Motion. No objection was filed to the Claims Procedure Motion and there was no appeal of the Claims Procedure Order, although each of the claimants that are the subject of the Objection was served with the Claims Procedure Motion and other associated claim notices and forms. *See* ECF Nos. 441, 449.

4. On November 6, 2023, Judge O'Connor entered the claims procedure order approving the Claims Procedure Motion [ECF No. 431] (the "Claims Procedure Order").

5. Proof of claim packages were mailed and/or emailed, where available, by Bankruptcy Management Solutions Inc. d/b/a Stretto ("Stretto"), the Court-approved claims agent, to Known Investors, potential investors, and known non-investor creditors, and publication in regional newspapers was completed pursuant to the Court-approved Claims Procedure.

6. In accordance with the Claims Procedure Order, any known investor that disputed a transaction schedule and/or net transaction amount and any non-investor asserting a claim against any Receivership Party was required to submit a proof of claim to Stretto so that it was actually received on or before February 5, 2024, at 11:59 p.m. Central (the "Bar Date"). All Claimants consented to the exclusive jurisdiction of this Court, which constitutes the Claimant's agreement

to be bound by this Court's decisions, including, without limitation, a determination as to the extent, validity, priority, and amount of any Claim asserted against the Receivership Estates.

7. No claims were submitted by Non-Receivership Party Relief Defendants. To date, Seven-Hundred and Twelve (712) investor claims totaling \$94,286,329.57 have been allowed. Twenty nine (29) investor claim submissions which total \$7,405,964.19 are the subject of the Objection. The total potential liability of investor claims is \$101,692,293.76. Thirty-six (36) non-investor claims totaling \$8,601,718.94 have been allowed.<sup>3</sup> Six (6) non-investor claims totaling \$234,140.10, including 2 unliquidated claims are the subject of the Objection. The total potential liability of non-investor claims is \$8,835,859.01, not including any amounts allowed for the unliquidated claims. The combined potential liability (excluding any amount for the 2 unliquidated claims) of investor and non-investor claim submissions is \$110,528,152.80.

8. In accordance with the Claims Procedure, approximately 131 claim submissions of investors and non-investors in this Case received a Receiver's Reply. In other words, 131 claimants received a response of the Receiver to their claims filed with Stretto in accordance with the Claims Procedure. This reconciliation process continued until April 5, 2024, per the Claims Procedure.

9. This voluntary reconciliation resulted in a resolution of ninety-six (96) claims. Unfortunately, thirty-five claims (35) are unresolved and are the subject of the Objection. Notice was provided that a written, formal objection would be filed as a public record on the docket in this Case, which would expressly include investor and non-investor identification by name, address, and all claim details. A disputed claim election form was submitted, which required the acknowledgement of the respective investor or non-investor claimant that a formal objection would

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<sup>3</sup> Judge O'Connor entered the *Order Approving Stipulation Between Deborah D. Williamson, Receiver and Railroad Commission of Texas* [ECF No. 498] on May 3, 2024, approving an allowed non-investor claim of the Railroad Commission of Texas in the amount of \$7,871,365.45 as detailed therein.

be filed on the docket as a public record in this Case. In addition to service of the Objection and the related notice of hearing and *Order* setting hearing, my counsel provided via email a link to the Court's *pro se* litigant handbook and related resources and the Clerk's phone number for the Fort Worth Division to those disputed claimants that indicated they wanted to respond or otherwise object to the Objection but didn't have counsel.

### **CLAIM OBJECTIONS**

10. Pursuant to the Court-approved Claims Procedure, the remaining disputed 35 claims that fall into one or more of the following categories:

Category 1: Claims asserting interest, attorney's fees, other amounts asserted, and/or incorrect calculation basis or valuation of claim based on Heartland investor documentation.

Category 2: Claims for amounts relating to non-Receivership Party investments and/or claims, including Texas International Energy Production, Inc. ("TIEP").

Category 3: Failure of any Receivership Party to actually receive funds claimed.

Category 4: Prior payment and satisfaction of claims.

Category 5: Late Claims.

Category 6: Non-investor claims against a Receivership Party, including unliquidated claims.

#### **A. Category 1 – Allegedly Due Amounts Relating to Paid and/or Unpaid Interest, Attorney's Fees, and/or Other Amounts Based on Heartland Investment Documentation.**

11. Twenty-one (21) investor claims seek interest, attorney's fees, other amounts asserted, and/or incorrect calculation basis or valuation of claim based on Heartland investment documentation. There were multiple Heartland investment vehicles that had different rates of interest, different payment terms, and different remedies. However, each investor delivered monies

to a Heartland-related Receivership Party and many received payments of interest and/or returned principal. Allowance of claims for interest or attorney's fees would inequitably dilute the recovery for all other Heartland Investors. As a result, the Claims Procedure Motion gave notice that the "net" transaction<sup>4</sup> calculation method would be used, which was approved by this Court in the Claims Procedure Order. Any investor who assert claims for additional amounts above the Net Transaction Amount should be disallowed.

12. Some investors also assert that they acquired a specific right to proceeds in one or more oil and gas properties. With the exception of two working interest purchases, I have not been able to identify any investor who is entitled to any proceeds from the sale of any oil and gas assets. Further, no investor has provided any documentation supporting such a claim. Claims asserting a right to proceeds attributable to one or more leases or wells should be disallowed.

(a) Jerry D. Mercer

13. Jerry D. Mercer is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Mercer's claim documentation is attached to the Objection at Exhibit B-1.<sup>5</sup> My Net Transaction Amount for Mr. Mercer on his personalized Transaction Schedule is \$25,000.00. *See* Exhibit B-1, p. 55. Mr. Mercer submitted his proof of claim with supporting documentation on January 13, 2024. *See* Exhibit B-1, p. 3. Mr. Mercer "agrees with the net transaction amount" but disagrees "that is the target for repayments." *See* Exhibit B-1, p. 20. Specifically, Mr. Mercer asserts that he is seeking "\$31,000.00 total due as of 11/25/2023 plus \$187.50 for each month beyond 11/25/2023," which includes \$25,000.00 in principal and other amounts allegedly due, including, but not limited to, unpaid interest. *See* Exhibit B-1, p. 21. Mr. Mercer's claim in this

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<sup>4</sup> The "net" transaction calculation is determined by the amount of principal received by a Heartland-related Receivership Party less any amounts paid by a Heartland-related Receivership Party and excludes any claims for interest, attorney's fees, or other allegedly due amounts.

<sup>5</sup> Due to the volume of exhibits attached to the Objection, the disputed claimants were only served with those exhibits that related to their disputed claim(s).

Case should be allowed at \$25,000.00.

(b) Cory J. Dawkins

14. Cory J. Dawkins is a feeder fund manager (EQP Permian Basin Fund II, LLC) and an investor in Receivership Party Carson Oil Field Development Fund II, LP. Mr. Dawkins' claim documentation is attached to the Objection at Exhibit B-2. My Net Transaction Amount for Mr. Dawkins on his personalized Transaction Schedule is \$70,000.00. *See* Exhibit B-2, p. 169. Mr. Dawkins submitted his proof of claim with supporting documentation on January 15, 2024. *See* Exhibit B-2, p. 3. Mr. Dawkins "agrees with the net transaction amount" but disagrees "that is the target for repayments." *See* Exhibit B-2, p. 20. Specifically, Mr. Dawkins asserts that he is seeking "\$70,000.00 total due from equity principal and 40% of the proceeds from the sale of the Carson properties upon maturity or liquidation," which includes his \$70,000.00 principal and inaccurately asserts he also has a claim for any amounts attributable to the sale of oil and gas assets. *See* Exhibit B-2, p. 21. Mr. Dawkins' claim in this Case should be allowed at \$70,000.00.

(c) Nichole M. Dawkins

15. Nichole M. Dawkins is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC, The Heartland Group Fund III, LLC, and Carson Oil Field Development Fund II, LP. Ms. Dawkins' claim documentation is attached to the Objection at Exhibit B-3. My Net Transaction Amount for Ms. Dawkins on her personalized Transaction Schedule is \$192,228.70. *See* Exhibit B-3, p. 158. Ms. Dawkins submitted her proof of claim with supporting documentation on January 15, 2024. *See* Exhibit B-3, p. 5. Ms. Dawkins disagrees with my Transaction Schedule. *See* Exhibit B-3, p. 23. Specifically, Ms. Dawkins asserts that she is seeking "\$230,786.84 total due as of 11/25/2023 plus \$820.84 for each month beyond 11/25/2023 and 40% of the proceeds from the sale of the Carson properties upon maturity or liquidation," which includes \$209,445.00 in principal, other allegedly due amounts, including, but

not limited to, unpaid and paid interest, and inaccurately suggests other amounts are due from the sale of oil and gas assets. *See* Exhibit B-3, p. 24. Ms. Dawkins' claim in this Case should be allowed at \$192,228.70.

(d) Sheri Partington

16. Sheri Partington is an investor in Receivership Party The Heartland Group Fund III, LLC. Ms. Partington's claim documentation is attached to the Objection at Exhibit B-4. My Net Transaction Amount for Ms. Partington on her personalized Transaction Schedule is \$99,056.04. *See* Exhibit B-4, p. 78. Ms. Partington submitted her proof of claim with supporting documentation on January 15, 2024. *See* Exhibit B-4, p. 4. Ms. Partington "agrees with the net transaction amount" but disagrees "that is the target for repayment." *See* Exhibit B-4, p. 22. Specifically, Ms. Partington asserts that she is seeking "\$135,385.14 total due as of 11/25/2023 plus \$784.08 for each month beyond 11/25/2023," which includes her \$104,544.60 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-4, p. 22. Ms. Partington's claim in this Case should be allowed at \$99,056.04.

(e) James L. "Jim" Mundus

17. James L. "Jim" Mundus is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC, The Heartland Group Fund III, LLC, and Carson Oil Field Development Fund II, LP. Mr. Mundus' claim documentation is attached to the Objection at Exhibit B-5. My Net Transaction Amount for Mr. Mundus on his personalized Transaction Schedule is \$317,247.88. *See* Exhibit B-5, p. 223. Mr. Mundus submitted his proof of claim with supporting documentation on January 15, 2024. *See* Exhibit B-5, p. 5. Mr. Mundus disagrees with the my Transaction Schedule. *See* Exhibit B-5, p. 23. Specifically, Mr. Mundus asserts that he is seeking "\$415,000 total due as of 11/25/2023 plus \$2,500 for each month beyond 11/25/2023 and 40% of the proceeds from the sale of the Carson properties upon maturity or liquidation," which



includes his \$350,000.00 principal, other allegedly due amounts, including, but not limited to, unpaid and paid interest. Mr. Mundus inaccurately asserts he also has a claim for any amounts due from the sale of certain oil and gas assets. *See* Exhibit B-5, p. 24. Mr. Mundus' claim in this Case should be allowed at \$317,247.88.

(f) Marvin Christensen

18. Marvin Christensen is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Christensen's claim documentation is attached to the Objection at Exhibit B-6. My Net Transaction Amount for Mr. Christensen on his personalized Transaction Schedule is \$47,874.98. *See* Exhibit B-6, p. 80. Mr. Christensen submitted his proof of claim with supporting documentation on January 17, 2024. *See* Exhibit B-6, p. 4. Mr. Christensen "agrees with the net transaction amount" but disagrees "that is the target for repayment." *See* Exhibit B-6, p. 22. Specifically, Mr. Christensen asserts that he is seeking "\$59,208.42 total due as of 11/25/2023 plus \$354.17 for each month beyond 11/25/2023," which includes his \$50,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-6, p. 22. Mr. Christensen's claim in this Case should be allowed at \$47,874.98.

(g) Jerald C. Katzer

19. Jerald C. Katzer is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC and The Heartland Group Fund III, LLC. Mr. Katzer's claim documentation is Exhibit B-7. My Net Transaction Amount for Mr. Katzer on his personalized Transaction Schedule is \$230,707.19. *See* Exhibit B-7, p. 157. Mr. Katzer submitted his proof of claim with supporting documentation on January 18, 2024. *See* Exhibit B-7, p. 7. Mr. Katzer disagrees with my Transaction Schedule. *See* Exhibit B-7, p. 26. Specifically, Mr. Katzer asserts that he is seeking "\$114,030 total due as of 11/25/2023 plus \$905 for each month beyond 11/25/2023," "\$118,840 total due as of 11/25/2023 plus \$940 for each month beyond 11/25/2023,"

and “\$82,530 total due as of 11/25/2023 plus \$655 for each month beyond 11/25/2023,” which includes his \$250,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-7, p. 28. Mr. Katzer’s claim in this Case should be allowed at \$230,707.19.

(h) April McNeeley

20. April McNeeley is an investor in Receivership Party The Heartland Group Fund III, LLC. Ms. McNeeley’s claim documentation is attached to the Objection at Exhibit B-8. My Net Transaction Amount for Ms. McNeeley on her personalized Transaction Schedule is \$24,822.91. *See* Exhibit B-8, p. 64. Ms. McNeeley submitted her proof of claim with supporting documentation on January 19, 2024. *See* Exhibit B-8, p. 3. Ms. McNeeley “almost agree[s] with the net transaction amount” but disagrees “that is the target for repayment.” *See* Exhibit B-8, p. 21. Specifically, Ms. McNeeley asserts that she is seeking “\$29,604.08 total due as of 11/25/2023 plus \$177.08 for each month beyond 11/25/2023,” which includes her \$25,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-8, p. 21. Ms. McNeeley’s claim in this Case should be allowed at \$24,822.91.

(i) Patrick J. Jordan

21. Patrick J. Jordan is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Jordan’s claim documentation is attached to the Objection at Exhibit B-9. My Net Transaction Amount for Mr. Jordan on his personalized Transaction Schedule is \$96,458.35. *See* Exhibit B-9, p. 73. Mr. Jordan submitted his proof of claim with supporting documentation on January 19, 2024. *See* Exhibit B-9, p. 4. Mr. Jordan “agrees with the net transaction amount” but disagrees “that is the target for repayment.” *See* Exhibit B-9, p. 22. Specifically, Mr. Jordan asserts that he is seeking “\$118,416.58 total due as of 11/25/2023 plus \$708.33 for each month beyond 11/25/2023,” which includes his \$100,000.00 principal and other allegedly due amounts, including,

but not limited to, unpaid and paid interest. *See* Exhibit B-9, p. 22. Mr. Jordan’s claim in this Case should be allowed at \$96,458.35.

(j) Jeffery Vincent

22. Jeffery Vincent is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Vincent’s claim documentation is attached to the Objection at Exhibit B-10. My Net Transaction Amount for Mr. Vincent on his personalized Transaction Schedule is \$23,937.52. *See* Exhibit B-10, p. 80. Mr. Vincent submitted his proof of claim with supporting documentation on January 21, 2024. *See* Exhibit B-10, p. 4. Mr. Vincent “agrees with the net transaction amount” but disagrees “that is the target for repayment.” *See* Exhibit B-10, p. 22. Specifically, Mr. Vincent asserts that he is seeking “\$29,604.08 total due as of 11/25/2023 plus \$177.08 for each month beyond 11/25/2023,” which includes his \$25,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-10, p. 22. Mr. Vincent’s claim in this Case should be allowed at \$23,937.52.

(k) Earl Richardson

23. Earl Richardson is an investor in Receivership Parties Carson Oil Field Development Fund II, LP and The Heartland Group Fund III, LLC. Mr. Richardson’s claim documentation is attached to the Objection at Exhibit B-11. My Net Transaction Amount for Mr. Richardson on his personalized Transaction Schedule is \$180,000.00. *See* Exhibit B-11, p. 183. Mr. Richardson submitted his proof of claim with supporting documentation on January 24, 2024. *See* Exhibit B-11, p. 3. Mr. Richardson “agrees with the net transaction amount” but disagrees “that is the target for repayment.” *See* Exhibit B-11, p. 20. Specifically, Mr. Richardson asserts that he is seeking “\$194,733.42 total due as of 11/25/2023 plus \$566.67 for each month beyond 11/25/2023 and 40% of the proceeds from the sale of the Carson properties upon maturity or liquidation,” which includes his \$180,000.00 principal, other allegedly due amounts, including,

but not limited to, unpaid and paid interest, and inaccurately suggests other amounts are due from the sale of any oil and gas assets. *See* Exhibit B-11, p. 21. Mr. Richardson’s claim in this Case should be allowed at \$180,000.00.

(l) John P. Dawkins

24. John P. Dawkins is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC, The Heartland Group Fund III, LLC, and Carson Oil Field Development Fund II, LP. Mr. Dawkins’ claim documentation is attached to the Objection at Exhibit B-12. My Net Transaction Amount for Mr. Dawkins on his personalized Transaction Schedule is \$197,147.58. *See* Exhibit B-12, p. 103. Mr. Dawkins’ financial advisor submitted his proof of claim with supporting documentation on January 25, 2024. *See* Exhibit B-12, p. 5. Mr. Dawkins disagrees with my Transaction Schedule. *See* Exhibit B-12, p. 23. Specifically, Mr. Dawkins asserts that he is seeking “\$239,708.58 total due as of 11/25/2023 plus \$876.83 for each month beyond 11/25/2023 and 40% of the proceeds from the sale of the Carson properties upon maturity or liquidation,” which includes his \$216,911.00 net principal balance, other allegedly due amounts, including, but not limited to, unpaid and paid interest, and inaccurately suggests other amounts are due from the sale of any oil and gas assets. *See* Exhibit B-12, p. 24. Mr. Dawkins’ claim in this Case should be allowed at \$197,147.58.

(m) Matthew Mohn

25. Matthew Mohn is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Mohn’s claim documentation is attached to the Objection at Exhibit B-13. My Net Transaction Amount for Mr. Mohn on his personalized Transaction Schedule is \$34,752.08. *See* Exhibit B-13, p. 65. Mr. Mohn’s financial advisor submitted his proof of claim with supporting documentation on January 26, 2024. *See* Exhibit B-13, p. 3. Mr. Mohn “agrees with the net transaction amount” but disagrees “that is the target for repayment.”

*See* Exhibit B-13, p. 22. Specifically, Mr. Mohn asserts that he is seeking “\$41,445.92 total due as of 11/25/2023 plus \$247.92 for each month beyond 11/25/2023,” which includes his \$35,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-13, p. 22. Mr. Mohn’s claim in this Case should be allowed at \$34,752.08.

(n) Stephen Riker

26. Stephen Riker is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Riker’s claim documentation is attached to the Objection at Exhibit B-14. My Net Transaction Amount for Mr. Riker on his personalized Transaction Schedule is \$23,937.52. *See* Exhibit B-14, p. 66. Mr. Riker submitted his proof of claim with supporting documentation on January 26, 2024. *See* Exhibit B-14, p. 4. Mr. Riker “agrees with the net transaction amount” but disagrees “that is the target for repayment.” *See* Exhibit B-14, p. 22. Specifically, Mr. Riker asserts that he is seeking “\$29,614.08 total due as of 11/25/2023 plus \$177.08 for each month beyond 11/25/2023,” which includes his \$25,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest. *See* Exhibit B-14, p. 22. Mr. Riker’s claim in this Case should be allowed at \$23,937.52.

(o) Lauren Faye Walker & Paul Carlin McCabe Jr.

27. Lauren Faye Walker and Paul Carlin McCabe Jr. (collectively “McCabe Jr.”) are investors in Receivership Party The Heartland Group Fund III, LLC. McCabe Jr.’s claim documentation is attached to the Objection at Exhibit B-15. My Net Transaction Amount for McCabe Jr. on their personalized Transaction Schedule is \$60,000.00. *See* Exhibit B-15, p. 36. McCabe Jr., through counsel, submitted their proof of claim with supporting documentation on February 2, 2024. *See* Exhibit B-15, p. 3. Specifically, McCabe Jr. asserts that they are seeking “\$78,360.00 as of 02/05/2024 + interest of 9% per annum thereafter & Attorneys Fees as provided in the Note attached hereto. Please see Exhibit ‘A’ attached hereto and

made a part hereof,” which includes their \$60,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest and attorney’s fees. *See* Exhibit B-15, p. 7. McCabe Jr.’s claim in this Case should be allowed at \$60,000.00.

(p) Paul McCabe

28. Paul McCabe is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC and The Heartland Group Fund III, LLC. Mr. McCabe’s claim documentation is attached to the Objection at Exhibit B-16. My Net Transaction Amount for Mr. McCabe on his personalized Transaction Schedule is \$1,600,000.00. *See* Exhibit B-16, p. 53. Mr. McCabe, through counsel, submitted his proof of claim with supporting documentation on February 2, 2024. *See* Exhibit B-16, p. 4. Specifically, Mr. McCabe asserts that he is seeking “\$2,588,667.51 Plus interest of 12% per annum thereafter, plus attorneys fees, as provided for in the Note attached hereto dated 05/19/2021. Please see Exhibit ‘A’ attached hereto and made a part hereof,” which includes his \$2,000,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest and attorney’s fees. *See* Exhibit B-16, p. 8. Mr. McCabe’s claim in this Case should be allowed at \$1,600,000.00.

(q) Charlotte H. Carson

29. Charlotte H. Carson is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC and The Heartland Group Fund III, LLC. Ms. Carson’s claim documentation is attached to the Objection at Exhibit B-17. My Net Transaction Amount for Ms. Carson on her personalized Transaction Schedule is \$39,010.00. *See* Exhibit B-17, p. 25. Ms. Carson’s proof of claim with supporting documentation was received by Stretto on February 2, 2024. *See* Exhibit B-17, p. 3. Ms. Carson disagrees with the Receiver’s Transaction Schedule. *See* Exhibit B-17, p. 6. Specifically, Ms. Carson asserts that she is seeking “\$48,001.79,” which includes her \$47,000.00 net principal balance and other allegedly due amounts, including, but not

limited to, unpaid and paid interest. *See* Exhibit B-17, p. 6. Ms. Carson’s claim in this Case should be allowed at \$39,010.00.

(r) Donald P. Albertson

30. Donald P. Albertson is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Albertson’s claim documentation is attached to the Objection at Exhibit B-18. My Net Transaction Amount for Mr. Albertson on his personalized Transaction Schedule is \$425,624.97. *See* Exhibit B-18, p. 22. Mr. Albertson, through counsel, submitted his proof of claim on February 5, 2024. *See* Exhibit B-18, p. 4. Specifically, Mr. Albertson asserts that he is seeking “\$602,826.63 Plus interest of 8.5% per annum thereafter plus attorneys fees, as provided for in Promissory Notes. Please see Exhibit ‘A’ attached hereto and made a part hereof,” which includes his \$500,000.00 net principal balance and other allegedly due amounts, including, but not limited to, unpaid and paid interest and attorney’s fees. *See* Exhibit B-18, p. 8. Mr. Albertson’s claim in this Case should be allowed at \$425,624.97.

(s) Tae Kim

31. Tae Kim is an investor in Receivership Party The Heartland Group Fund III, LLC. Mr. Kim’s claim documentation is attached to the Objection at Exhibit B-19. My Net Transaction Amount for Mr. Kim on his personalized Transaction Schedule is \$280,000.00. *See* Exhibit B-19, p. 21. Mr. Kim, through counsel, submitted his proof of claim on February 5, 2024. *See* Exhibit B-19, p. 3. Specifically, Mr. Kim asserts that he is seeking “\$359,333.20 as of 2/5/2024 plus interest of 8.5% per annum thereafter plus attorneys fees, as provided for in Promissory Notes. Please see Exhibit ‘A’ attached hereto and made a part hereof,” which includes his \$280,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid interest and attorney’s fees. *See* Exhibit B-19, p. 7. Mr. Kim’s claim in this Case should be allowed at

\$280,000.00.

(t) Jeffrey Darrach

32. Jeffrey Darrach is an investor in Receivership Parties Heartland Production and Recovery Fund II, LLC and The Heartland Group Fund III, LLC. Mr. Darrach's claim documentation is attached to the Objection at Exhibit B-20. My Net Transaction Amount for Mr. Darrach on his personalized Transaction Schedule is \$412,499.99. *See* Exhibit B-20, p. 22. Mr. Darrach, through counsel, submitted his proof of claim on February 5, 2024. *See* Exhibit B-20, p. 4. Specifically, Mr. Darrach asserts that he is seeking "\$620,875.00 Plus interest of 9% per annum thereafter plus attorneys fees, as provided for in Promissory Notes. Please see Exhibit 'A' attached hereto and made a part hereof," which includes his \$500,000.00 principal and other allegedly due amounts, including, but not limited to, unpaid and paid interest and attorney's fees. *See* Exhibit B-20, p. 8. Mr. Darrach's claim in this Case should be allowed at \$412,499.99.

**B. Category 2 – Allegedly Due Amounts Relating to Non-Receivership Party Investments and/or Claims.**

33. I have objected to 7 claims in Category 2 relating to amounts allegedly due relating to alleged investments in and/or claims against non-Receivership Parties. Not one of the Receivership Parties actually received any funds and/or were provided services to support a claim. Thus, the Court should disallow, in whole or in part, the claims detailed below.

(a) Michael Everett Moore

34. Michael Everett Moore's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-1. Mr. Moore is not a Known Investor in this Case, and none of the Heartland-related Receivership Parties received funds from him. Thus, a Transaction Schedule was not issued to him. Mr. Moore submitted his proof of claim without any supporting



documentation on December 22, 2023. *See* Exhibit C-1, p. 3. Mr. Moore asserts \$135,000.00 is due from Receivership Party The Heartland Group Fund III, LLC. *See* Exhibit C-1, p. 2. Mr. Moore has not provided any evidence that funds were submitted to and/or received by any Receivership Party. Upon further investigation, it was discovered that Mr. Moore originally invested \$135,000.00 in TIEP, which is not a Receivership Party. Because the Heartland-related Receivership Parties never received funds from Mr. Moore, the Court should disallow in full any claim for Mr. Moore in this Case.

(b) Phyllis Macy

35. Phyllis Macy's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-2. Ms. Macy is not a Known Investor in this Case, and none of the Heartland-related Receivership Parties received funds from her. Thus, a Transaction Schedule was not issued to her. Ms. Macy submitted her proof of claim without any supporting documentation on December 31, 2023. *See* Exhibit C-2, p. 3. Ms. Macy asserts \$35,000.00 is due from Receivership Parties The Heartland Group Ventures, LLC and/or Heartland Production and Recovery LLC. *See* Exhibit C-2, p. 2. Ms. Macy has not provided any evidence that funds were submitted to and/or received by a Receivership Party. Upon further investigation, it was discovered that Ms. Macy originally invested \$35,000.00 in TIEP, which is not a Receivership Party. The Receiver's Reply to Ms. Macy's claim submission reiterated that amounts relating to non-Receivership Party investments/claims cannot be included in this Case. *See* Exhibit C-2, p. 4. Because the Heartland-related Receivership Parties never received funds from Ms. Macy, the Court should disallow in full any claim for Ms. Macy in this Case.

(c) Edward O. Hoem

36. Edward O. Hoem's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-3. Mr. Hoem is not a Known Investor in this Case, and none of the

Heartland-related Receivership Parties received funds from him. Thus, a Transaction Schedule was not issued to him. Mr. Hoem's proof of claim with supporting documentation was received by Stretto on January 10, 2024. *See* Exhibit C-3, p. 1. Mr. Hoem asserts \$100,000.00 is due from all of the Heartland-related Receivership Parties. *See* Exhibit C-3, p. 5. Mr. Hoem has not provided any evidence that funds were submitted to and/or actually received by a Receivership Party. In fact, Mr. Hoem's claim indicates that the investment was originally with TIEP, which is not a Receivership Party. *See* Exhibit C-3, pp. 5, 13. Because the Heartland-related Receivership Parties never received funds from Mr. Hoem, the Court should disallow in full any claim by Mr. Hoem in this Case.

(d) Paula S. Guthrie

37. Paula S. Guthrie's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-4. Ms. Guthrie is not a Known Investor in this Case. Thus, a Transaction Schedule was not issued to her. Ms. Guthrie submitted her proof of claim on January 26, 2024. *See* Exhibit C-4, p. 10. Ms. Guthrie asserts \$60,500.00 is due from Receivership Parties The Heartland Group Ventures, LLC, Heartland Production and Recovery Fund LLC, and/or Heartland Production and Recovery Fund II LLC. *See* Exhibit C-4, p. 2. My accountant has not traced any funds into a Receivership Party from Ms. Guthrie outside of TIEP "rollover" funds. Upon further investigation, it was discovered that Ms. Guthrie originally invested \$34,000.00 in TIEP, which is not a Receivership Party. Further, Ms. Guthrie's supporting documentation shows that the remaining \$26,500.00 was in fact "exchanged" and "transferred" [sic] from Receivership Party Heartland Production and Recovery Fund II, LLC to feeder fund Alpha Production and Recovery Fund I, LLC through Forge Trust. *See* Exhibit C-4, pp. 243, 261. As such, this Court

should disallow in full any claim amount by Ms. Guthrie in this Case.

(e) James Irwin

38. James Irwin is an investor in Receivership Party The Heartland Group Fund III, LLC, who received a Known Investor claim package pursuant to the Court-approved Claims Procedure. Mr. Irwin's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-5. My Net Transaction Amount for Mr. Irwin is \$24,347.50. *See* Exhibit C-5, p. 57. Mr. Irwin submitted his proof of claim on January 28, 2024. *See* Exhibit C-5, p. 9. Mr. Irwin asserts \$127,892.92 is due from Receivership Party The Heartland Group Fund III, LLC, although documentation evidences payments by him to TIEP and/or feeder funds that I have not been able to link or associate with any Heartland-related Receivership Party and a payment to him in the amount of \$103,150.46 by a Heartland-related Receivership Party. *See* Exhibit C-5, p. 3; Receiver's Exhibit 45. Upon further investigation, all I have been able to discover is that Mr. Irwin invested \$49,000.00 funds with a Receivership Party, and received \$19,000.00 in principal re-payment and at least \$5,652.50 in interest from a Receivership Party. *See* Exhibit C-5, p. 57. Mr. Irwin's claim should be allowed in the amount of \$24,347.50.

(f) Thomas and Suzanne Nickens

39. Thomas and Suzanne Nickens ("Investor Nickens") are investors in Receivership Parties Carson Oil Field Development Fund II, LP and The Heartland Group Fund III, LLC, who received a Known Investor claim package pursuant to the Court-approved Claims Procedure. Investor Nickens' claim submission conflates investment funds and the purchase of separate oil and gas working interests. Investor Nickens' claim documentation and the Receiver's Reply is attached to the Objection at Exhibit C-6. My Net Transaction Amount for Investor Nickens is \$98,937.49. *See* Exhibit C-6, p. 109. Investor Nickens' proof of claim was received by Stretto on January 19, 2024. *See* Exhibit C-6, p. 1. Investor Nickens asserts \$200,000.00 is due from all of

the Heartland-related Receivership Parties. *See* Exhibit C-6, p. 3. Only investment funds actually received by the Heartland-related Receivership Parties could be included in any investor claim amount in this Case. Investor Nickens' investor claim should be allowed by this Court in the amount of \$98,937.49.

(g) Flying A Pumping Services, LLC

40. Through its counsel, Flying A Pumping Services, LLC ("Flying A") submitted a non-investor claim on December 6, 2023. Flying A's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit C-7. Flying A asserts a claim in the amount of \$87,340.44 against "Barron Energy Inc.," which is not a Receivership Party and is not connected to this Case. *See* Exhibit C-7, pp. 3, 12, 18. In fact, Baron Energy, Inc. is a separate, unrelated entity according to the Texas Secretary of State. *See* Receiver's Exhibit 48. The Court should disallow in full any claim for Flying A in this Case.

**C. Category 3 – Failure of Receivership Party to Actually Receive Funds Allegedly Due.**

41. Heartland-related Receivership Parties received funds directly from investors and from what is generally referred to as "feeder funds". Unfortunately, some of the feeder funds did not forward or otherwise deliver a related payment to any Heartland-related Receivership Party. Two such claims in Category 3 should be disallowed as no funds were actually received from the respective claimant or the claimant's feeder fund. The Court should disallow the claims detailed below.

(a) Jeff Michael Haydon

42. Jeff Michael Haydon's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit D-1. Mr. Haydon is not a Known Investor in this Case, and none of the Heartland-related Receivership Parties received funds from him. Thus, he did not receive a Transaction Schedule. Mr. Haydon submitted his proof of claim on December 6, 2023.

*See* Exhibit D-1, p. 3. Mr. Haydon asserts \$110,000.00 is due from Receivership Party Carson Oil Field Development Fund II, LP. *See* Exhibit D-1, p. 2. Mr. Haydon has not provided any evidence that funds were actually received by any other Receivership Party, including Carson Oil Field Development Fund II, LP. No documentation has been discovered or produced which traces any funds into a Receivership Party from Mr. Haydon or his feeder fund, Viking Oil and Gas Fund, LLC, on his behalf. Mr. Haydon's claim documentation only supports a payment by him to his feeder fund, Viking Oil and Gas Fund, LLC. *See* Exhibit D-1, p. 4. Because the Heartland-related Receivership Parties never received funds from Mr. Haydon or his feeder fund on his behalf, this Court should disallow in full any claim for Mr. Haydon in this Case.

(b) Angela J. Ruffino

43. Angela J. Ruffino's claim documentation and the Receiver's Reply are attached to the Objection at Exhibit D-2. Ms. Ruffino is not a Known Investor in this Case, and none of the Heartland-related Receivership Parties received funds from her. Thus, she did not receive a Transaction Schedule. Ms. Ruffino submitted her proof of claim on January 15, 2024. *See* Exhibit D-2, p. 3. Ms. Ruffino asserts \$50,000.00 is due from Receivership Party The Heartland Group Ventures, LLC. *See* Exhibit D-2, p. 2. Ms. Ruffino has not provided any evidence that funds were actually received by a Receivership Party from her or on her behalf. Ms. Ruffino's claim documentation only supports a payment by her to her feeder fund, Southeast Oil & Gas Fund, LLC. *See* Exhibit D-2, p. 4. No documentation has been discovered or produced that traces any funds into a Receivership Party from Ms. Ruffino or her feeder fund, Southeast Oil & Gas Fund, LLC, on her behalf. Upon review of documentation available to me, Southeast Oil & Gas Fund, LLC's sole member is Clifford Moss, Ms. Ruffino's financial advisor. *See* Receiver's Exhibit 51, p. 42. Additionally, neither Mr. Moss nor Southeast Oil & Gas Fund, LLC were authorized agents, employees, contractors, members, partners, or shareholders of any

Heartland-related Receivership Party. *See* Receiver’s Exhibit 51, pp. 1, 3. Thus, neither Mr. Moss nor Southeast Oil & Gas Fund, LLC had any authority to act on behalf of or serve as a fiduciary or agent of any Heartland-related Receivership Party. This Court should disallow in full any claim for Ms. Ruffino in this Case.

**D. Category 4 – Prior Payment and Satisfaction of Allegedly Due Amounts by Receivership Party.**

44. I have objected to one claim in Category 4 because prior payment satisfied any claim for allegedly due amounts by any Receivership Party. Thus, the Court should disallow the claim detailed below.

(a) Argent Trust Company on behalf of Sabine Royalty Trust

45. Argent Trust Company submitted a non-investor claim on behalf of Sabine Royalty Trust (“SRT”) on February 2, 2024. *See* Exhibit E-1, p. 2. SRT’s claim documentation is attached to the Objection at Exhibit E-1. Argent Trust Company, on behalf of SRT, asserts a claim against Receivership Party The Heartland Group Ventures, LLC, for an unliquidated amount. *See* Exhibit E-1, p. 2. The basis of SRT’s claim is that it “owns [a] mineral interest in the Shurley wells located in Sutton County, Texas.” *See* Exhibit E-1, p. 2. The Receiver’s Reply to SRT’s claim submission detailed the Court-authorized abandonment of certain oil and gas properties, which included the Shurley wells in Sutton County, Texas. *See* Exhibit E-1, p. 47. Further, the Receiver’s Reply included a copy of the Notice of Abandonment that was recorded in Sutton County, Texas, and a copy of Receivership Party Barron Petroleum LLC’s final royalty package issued to SRT at its agent’s address on record as of December 19, 2023.<sup>6</sup> *See* Exhibit E-1, pp. 72–97. Receivership Party Barron Petroleum LLC’s final royalty payment issued to SRT was

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<sup>6</sup> I did not receive notice that Argent Trust Company was the agent to SRT until the submission of SRT’s claim and supporting documentation on February 2, 2024.

deposited on January 3, 2024, which reflected full satisfaction of outstanding royalty amounts due to SRT through the effective date of the Court-approved abandonment. The Receiver's Reply included a copy of the bank record reflecting that SRT's final royalty payment was also debited on January 3, 2024. *See* Exhibit E-1, p. 98. In light of the Court-approved abandonment and SRT's deposit of Receivership Party Barron Petroleum LLC's final royalty payment, all royalty obligations have been satisfied. Thus, SRT does not have a claim against any Receivership Party. The Court should disallow in full any claim of SRT in this Case.

**E. Category 5 – Receipt of Claims by Stretto After the Bar Date.**

46. Category 5 includes three claims received by Stretto after the Bar Date. The Court granted my request for a bar date in the Claims Procedure Order, which imposed a deadline for any claimant to timely submit a claim so that it was actually received by Stretto on or before the Bar Date. In accordance with the Claims Procedure Order, notice of the Bar Date was posted on the Receivership website's "Claims Process" page, published in various regional newspapers, and mailed and emailed, where available, to all Known Investors, any potential investors, all known non-investor creditors, and governmental entities, which also included the respective investor or non-investor proof of claim form. As detailed above in the Objection, related *Certificates of Service* [ECF Nos. 441, 449] and *Notices of Filing Affidavits of Publication* [ECF Nos. 440, 442, 443, 444, 445], abundant notice of the Bar Date has been provided.

(a) Tri-Best Inc.

47. Stretto mailed Tri-Best Inc. a non-investor creditor claim package, including a Non-Investor Creditor Notice and Claim Form, on November 20, 2023. *See* ECF No. 441, at p. 74. Tri-Best Inc.'s claim documentation and the Receiver's Reply are attached to the Objection at Exhibit F-1. Stretto received Tri-Best Inc.'s mailed claim submission on February 6, 2024, after the Bar Date. *See* Exhibit F-1, p. 1. Tri-Best Inc. asserts \$15,018.66 is allegedly due by

Receivership Party Barron Petroleum LLC. *See* Exhibit F-1, p. 2. Any claim of Tri-Best Inc. should be disallowed as late and time-barred.

(b) Cowhand Saddlery, LLC dba Cowhand Services

48. Stretto mailed Cowhand Saddlery, LLC dba Cowhand Services (“Cowhand”) a non-investor creditor claim package, including a Non-Investor Creditor Notice and Claim Form, on November 20, 2023. *See* ECF No. 441, p. 69. Cowhand’s claim documentation and the Receiver’s Reply are attached to the Objection at Exhibit F-2. Cowhand submitted its claim electronically through Stretto’s claims portal on February 21, 2024, after the Bar Date. *See* Exhibit F-2, p. 2. Cowhand asserts \$31,781.00 is allegedly due by Receivership Parties Barron Petroleum LLC, Barron Energy Corporation, and Sahota Capital LLC. *See* Exhibit F-2, p. 2. Any claim of Cowhand should be disallowed because it is late and time-barred.

(c) Richard H. Spicer

49. Richard H. Spicer is not a Known Investor in this Case, and none of the Heartland-related Receivership Parties received funds from him. Thus, no Transaction Schedule was issued to him. Mr. Spicer’s claim documentation and the Receiver’s Reply are attached to the Objection at Exhibit F-3. Stretto received Mr. Spicer’s mailed claim submission on March 19, 2024, after the Bar Date. *See* Exhibit F-3, p. 1. Mr. Spicer asserts \$350,000.00 is due from Receivership Parties Heartland Production and Recovery Fund LLC and The Heartland Group Fund III, LLC. *See* Exhibit F-3, p. 3. Mr. Spicer has not provided any evidence that funds were submitted to and/or received by a Receivership Party. Upon review of Mr. Spicer’s supporting documentation, Mr. Spicer’s claim relates to an annuity contract with Reliance Standard Life Insurance Company, which is not a Receivership Party and is not connected to this Case. *See* Exhibit F-3, p. 8. Because no Receivership Party received funds from Mr. Spicer and the claim was untimely received by



Stretto, Mr. Spicer's claim should be disallowed in full.

**F. Category 6 – Remaining Disputed Non-Investor Claims Allegedly Due By One or More Receivership Parties.**

50. I have objected to 2 non-investor claims relating to amounts allegedly due by one or more Receivership Parties, including 1 unliquidated claim.

(a) John Rogers

51. It is unclear whether John Rogers is a former employee or independent contractor<sup>7</sup> of Receivership Party ArcoOil Corp. Mr. Rogers' Response to the Objection states that he was "employed and working for" Receivership Party Arcooil Corp. *See* ECF No. 545, ¶ 1. Mr. Rogers' Response alleges that "Mr. Rogers fell off a wet and muddy catwalk that was owed [sic] and controlled by BARRON, and SAHOTA CAPITAL LLC, and the Sahota family." *Id.* Mr. Rogers' counsel previously sought to lift the stay in this Case to proceed with state-court personal injury litigation pending at the time of the appointment of the Receiver and entry of the Receivership Order. *See* generally ECF No. 272. This Court entered *Findings, Conclusions, and Recommendation of the United States Magistrate Judge* [ECF No. 365] on May 18, 2023, with respect to Mr. Rogers' lift stay motion and the Receiver's objection thereto [ECF No. 279], recommending that Judge O'Connor deny Mr. Rogers' lift stay motion. Judge O'Connor denied Mr. Rogers' lift stay motion in the August 18, 2024 *Order Accepting Findings, Conclusions, and Recommendation of the United States Magistrate Judge* [ECF No. 396].

52. Mr. Rogers' claim documentation and the Receiver's Reply are attached to the Objection at Exhibit G-1. Mr. Rogers, through his counsel, submitted his non-investor proof of claim and supporting documentation to Stretto, on November 20, 2023. *See* Exhibit G-1, p. 1.

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<sup>7</sup> Mr. Rogers was 65 years of age at the time of his two-week employment and/or independent contractor position with Receivership Party Arcooil Corp. in December 2019.

Mr. Rogers asserts a claim against Receivership Parties ArcoOil Corp., Barron Petroleum LLC, and Sahota Capital LLC for an unliquidated amount. *See* Exhibit G-1, p. 3. Mr. Rogers' non-investor proof of claim form does not include a claim amount owed or the basis for such claim. Rather, Mr. Rogers' only supporting documentation is Plaintiff's Second Amended Petition (the "Petition") in his stayed state-court personal injury litigation.

53. Mr. Rogers' Petition asserts that "damages are in excess of the minimum jurisdictional limits" of the state district court. *See* Exhibit G-1, p. 8. Mr. Rogers' Petition seeks to recover damages for the following:

- a. Past medical bills and expenses incurred as a proximate result of the accident made basis of this suit;
- b. Future medical bills and expenses that in all reasonable probability will be incurred as a proximate result of the accident made the basis of this suit;
- c. Mental anguish, physical pain and suffering, disability, and loss of enjoyment of life in the past and all reasonable probability, would be sustained in the future;
- d. Physical impairment in the past and in the future;
- e. Loss of earning and loss of earning capacity;
- f. Disfigurement in the future;
- g. Pre-judgment and post-judgment interest; and
- h. Such other and further items of damages as may be supplemented as a result of the discovery performed in this suit.

*See* Exhibit G-1, p. 10. Mr. Rogers' Petition further seeks recovery of exemplary damages.

*See* Exhibit G-1, p. 12. Notably, Mr. Rogers' Petition and proof of claim fail to assert any amount of monetary damages allegedly due by Receivership Parties ArcoOil Corp., Barron Petroleum LLC, and Sahota Capital LLC.<sup>8</sup> Mr. Rogers did not provide any calculation of damages in his claim

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<sup>8</sup> Receivership Party Sahota Capital LLC, which is a no-asset entity, did not employ Mr. Rogers and should have no liability whatsoever to Mr. Rogers.

documentation.

54. Further, the Petition does not allege how Receivership Party Sahota Capital LLC is connected to any claim of Mr. Rogers. Receivership Party Sahota Capital LLC was formed with the Texas Secretary of State on January 31, 2020. *See* Receiver's Exhibit 58. Thus, Receivership Party Sahota Capital LLC did not exist at the time of Mr. Rogers' alleged injury and could not possibly have any liability to Mr. Rogers.

55. In light of the denial of his lift stay motion, Mr. Rogers' sole method for recovering any monetary amounts allegedly due from Receivership Parties ArcoOil Corp. and/or Barron Petroleum LLC is through the Court-approved Claims Procedure.

56. Upon review of Receivership Party Arcooil Corp.'s bank records (account ending in x5581) produced to me by JPMorgan Chase Bank, N.A., Mr. Rogers received three (3) checks from Receivership Party Arcooil Corp. in December 2019 representing wages for the entirety of his two-week employment. *See* Receiver's Exhibit 57. Mr. Rogers was paid \$1,908.00 for two weeks' wages at an hourly rate of \$18.00 by Receivership Party Arcooil Corp. *Id.*

57. Mr. Rogers' Response to the Objection details his monetary claim amount of \$2,377,334, consisting of \$1,188,667.00 in economic damages and \$1,188,667.00 in non-economic damages. *See* ECF No. 545, ¶¶ 4, 5. In his proposed claim amount, Mr. Rogers includes an estimated cost of future medical treatment ranging between \$350,000.00–\$450,000.00, which was estimated based off a narrative report by a retiring medical provider, Dr. Marks. *See* ECF No. 545, ¶¶ 4, 310–11. I do not have evidence from Mr. Rogers of the detail or breakdown of any estimated cost of future medical treatment. Additionally, Mr. Rogers included \$440,202.85 for lost wages from the date of his alleged injury through May 31, 2024. *See* ECF No. 545, ¶¶ 4, 5. Mr. Rogers based his lost wages amount on his \$18.00 hourly wage for working 12 hours per day 7 days a week and claims that he was working 40 standard hours at \$18.00 per hour and 44 overtime hours at

\$27.00 per overtime hour for a total of \$1,908.00 a week (as opposed to every two weeks) through 2027. *See* ECF No. 545, ¶ 4. The actual payments received by Mr. Rogers in December 2019 do not support this claim. *See* Receiver's Exhibit 57. Mr. Rogers has also included \$298,464.15 for loss of earning capacity at the same rate, presumably asserting that, absent his injury, he could work 12 hours a day, 7 days a week until he was 72 years old. *See* ECF No. 545, ¶ 4. Mr. Rogers' total claim for economic damages is \$1,118,667.00. *See* ECF No. 545, ¶ 4. Mr. Rogers further asserts that his alleged economic damages should be doubled to compensate for his alleged noneconomic damages for past and future pain and suffering, past and future impairment, loss of enjoyment of life, and mental anguish. *See* ECF No. 545, ¶ 5. Therefore, Mr. Rogers' proposed claim amount is \$2,377,334.00. *See* ECF No. 545, ¶¶ 4, 5.

58. To date, Mr. Rogers has not provided evidence substantiating his \$2,377,334.00 claim, which includes his alleged economic and noneconomic damages.

59. Any claim of Mr. Rogers should be disallowed in full absent evidence from Mr. Rogers sufficient to substantiate a claim amount at this time. If the Court determines that Mr. Rogers should have an allowed claim in this Case, then the Court should limit Mr. Rogers' claim amount to medical expenses actually incurred to date in the amount of \$5,022.54, which was provided to me by Mr. Rogers' counsel on May 23, 2024, and an amount capped for lost wages and/or loss of earning capacity, given Mr. Rogers' age and hourly rate of \$18.00 at the time of his alleged injury through December 2, 2021—the date all employees of Receivership Parties were terminated pursuant to the Receivership Order.

(b) Thomas and Suzanne Nickens

60. As noted above, Thomas and Suzanne Nickens purchased working interests in certain oil and gas properties, in addition to their investments in Heartland-related Receivership Parties. This section addresses the Receiver's objection to Mr. and Mrs. Nickens' non-investor

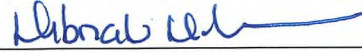
claim submission (“Non-Investor Nickens”). Non-Investor Nickens’ claim documentation and the Receiver’s Reply are attached to the Objection at Exhibit G-2.

61. Non-Investor Nickens submitted their non-investor proof of claim to Stretto, which was received on January 26, 2024. *See* Exhibit G-2, p. 1. Non-Investor Nickens alleges a total claim amount of \$100,000.00 against all 18 Receivership Parties related to purchases of working interests in the Mariner C Well No. 1 and Loving JW Estate Well No. 1 (the “Working Interests”) at \$50,000.00 each. *See* Exhibit G-2, pp. 2, 10. I do not dispute that Non-Investor Nickens executed purchase and sale documentation prior to my appointment regarding the Working Interests.

62. This Court previously authorized the sale of certain oil and gas-related Receivership Assets owned by one or more Receivership Parties in this Case. *See* ECF No. 215. Further, Judge O’Connor authorized the abandonment of any oil and gas-related Receivership Assets that did not sell pursuant to the Court-approved oil and gas sale procedures. *See* ECF No. 404. As this Court is aware, I abandoned, effective October 9, 2023, those oil and gas-related Receivership Assets (excluding Val Verde and Crockett Counties) that did not sell pursuant to the Court-approved oil and gas sale procedures. I have not sought to sell any non-Receivership Assets, including the Working Interests. The Court has not authorized the sale of non-Receivership Assets. Further, unlike his and other funds delivered in connection with alleged “investments”, the Non-Investor Nickens claims were for a defined working interest in defined wells. As this Court is well aware, that type of investment has risks completely distinct from the type of scheme that led to the filing of this Case. To be clear, Non-Investor Nickens’ Working Interests were not sold or abandoned by me, as Receiver, in this Case. The claims of Non-Investor Nickens relating to the Working Interests should be disallowed in full.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of June, 2024.



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Deborah D. Williamson, Solely in her capacity as  
Court-Appointed Receiver for the Estates of  
Heartland Group Ventures, LLC, *et al.*