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

UNITED STATES SECURITIES	§
AND EXCHANGE COMMISSION,	§
	§
Plaintiff,	§
, ,	§
v.	§
	§
THE HEARTLAND GROUP VENTURES, LLC;	§
HEARTLAND PRODUCTION AND RECOVERY	\$ \$
LLC; HEARTLAND PRODUCTION AND	\$ \$
RECOVERY FUND LLC; HEARTLAND	Ş
PRODUCTION AND RECOVERY FUND II LLC;	Ş
THE HEARTLAND GROUP FUND III, LLC;	ş
HEARTLAND DRILLING FUND I, LP; CARSON	ş
OIL FIELD DEVELOPMENT FUND II, LP;	s §
ALTERNATIVE OFFICE SOLUTIONS, LLC;	s §
ARCOOIL CORP.; BARRON PETROLEUM	s §
LLC; JAMES IKEY; JOHN MURATORE;	s §
THOMAS BRAD PEARSEY; MANJIT SINGH	8 No. 4-21CV-1310-O-BP
(AKA ROGER) SAHOTA; and RUSTIN	§ 110. 1 -21C V-1510-O-DI §
RUINSON	<u>×</u>
BRUNSON,	\$ 8
	§
BRUNSON, Defendants,	\$ \$
	\$ \$ \$
Defendants,	\$ \$ \$ \$
	\$ \$ \$ \$
Defendants, and	\$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER	\$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC;	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA;	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.;	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.; LEADING EDGE ENERGY, LLC; SAHOTA	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.;	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.; LEADING EDGE ENERGY, LLC; SAHOTA CAPITAL LLC; and 1178137 B.C. LTD.,	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.; LEADING EDGE ENERGY, LLC; SAHOTA	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Defendants, and DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYPHER BASTION, LLC; IGROUP ENTERPRISES LLC; HARPRIT SAHOTA; MONROSE SAHOTA; SUNNY SAHOTA; BARRON ENERGY CORPORATION; DALLAS RESOURCES INC.; LEADING EDGE ENERGY, LLC; SAHOTA CAPITAL LLC; and 1178137 B.C. LTD.,	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$

RECEIVER'S REPORT REGARDING DISPOSITION OF ASSETS AT JULY 18, 2024 AUCTION BY RITCHIE BROS. AUCTIONEERS (AMERICA) INC.

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the "<u>Receiver</u>") for the Receivership Parties (as defined in the Court's December 2, 2021 *Order Appointing Receiver* [ECF No. 17] (the "<u>Receivership Order</u>")) and receivership estates (collectively, the "<u>Estates</u>") in the above-captioned case (the "<u>Case</u>" or "<u>Receivership</u>"), hereby files this *Receiver's Report Regarding Disposition of Assets at July 18, 2024 Auction by Ritchie Bros. Auctioneers* (*America*) *Inc.*¹

I. <u>BACKGROUND</u>

1. On December 1, 2021 (the "<u>Application Date</u>"), the Securities and Exchange 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 "<u>Application</u>").

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 "<u>Receivership Assets</u>") 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 May 17, 2022, the Receiver filed the *Receiver's Motion for Order Governing Procedures for the Sale or Abandonment of Personal Property and Brief in Support* [ECF No. 203]

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Receivership Order or the Auction Order, as applicable.

Case 4:21-cv-01310-O-BP Document 580 Filed 07/26/24 Page 3 of 5 PageID 16788

(the "<u>Auction Motion</u>"), requesting Court approval of the procedures for the sale or abandonment of personal property.

4. On June 9, 2022, the Court entered an *Order* granting the Receiver's Auction Motion [ECF No. 217] (the "<u>Auction Order</u>").

5. On July 19, 2024, the Receiver filed the *Notice of Proposed Public Auction of Personal Property* [ECF No. 558] (the "<u>Auction Notice</u>") in accordance with the Court-approved sale procedures enumerated in the Auction Order.

6. On July 2, 2024, the Receiver filed the *Certificate of No Objection* [ECF No. 564] regarding the Auction Notice.

II. <u>REPORT</u>

7. Ritchie Bros. Auctioneers (America) Inc. ("<u>RB</u>") held an in-person and online public auction of the personal property detailed on Exhibit A to the Auction Notice beginning on July 18, 2024, at 8:00 a.m. Central (the "<u>Auction</u>").

8. The gross proceeds from the Auction were \$3,850.00. After payment of the contractual auctioneer fees in the amount of \$1,902.00, the net proceeds from the Auction to the Receiver for the benefit of the Estates totaled **\$1,948.00**.

Dated: July 26, 2024

Respectfully submitted,

By: /s/ Danielle Rushing Behrends

Danielle Rushing Behrends State Bar No. 24086961 dbehrends@dykema.com **DYKEMA GOSSETT PLLC** 112 East Pecan Street, Suite 1800 San Antonio, Texas 78205 Telephone: (210) 554-5500 Facsimile: (210) 226-8395

and

Rose L. Romero State Bar No. 17224700 Rose.Romero@RomeroKozub.com LAW OFFICES OF ROMERO | KOZUB 235 N.E. Loop 820, Suite 310 Hurst, Texas 76053 Telephone: (682) 267-1351

COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on July 26, 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:

James Ikey Bridy Ikey james.ikeyrcg@gmail.com bridydikey@gmail.com

IGroup Enterprises LLC c/o James Ikey james.ikeyrcg@gmail.com

John Muratore jmuratore6@gmail.com

Muratore Financial Services, Inc. c/o John Muratore jmuratore6@gmail.com

Thomas Brad Pearsey bradpearsey@aol.com

Manjit Singh (aka Roger) Sahota Harprit Sahota Monrose Sahota <u>rogersahota207@gmail.com</u>

Sunny Sahota sunnysanangelo@gmail.com

> <u>/s/ Danielle Rushing Behrends</u> Danielle Rushing Behrends