



**RECEIVER'S MOTION TO APPROVE PROCEDURES  
AND AUTHORIZE THE SALE OF LIGHT USE VEHICLES**

TO THE HONORABLE COURT:

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the "Receiver") for the Receivership Parties (as defined in the Receivership Order) and receivership estates (collectively, the "Receivership Estates") in the above-captioned case (the "Case"), hereby files this *Motion to Approve Procedures and Authorize the Sale of Light Use Vehicles and Brief in Support* (the "Motion"), requesting entry of an order, substantially in the form of the proposed order (the "Proposed Order") attached hereto as **Exhibit B**, granting approval of the procedures and authorizing the sale of vehicles. In support of this Motion, the Receiver respectfully represents as follows:

**I. Background**

1. On December 1, 2021 (the "SEC Application Date"), Plaintiff, the Securities and Exchange Commission (the "SEC"), filed its *Emergency Motion for a Temporary Restraining Order and Emergency Ancillary Relief* which included an application for the appointment of a receiver for the Receivership Parties (the "SEC Application") [ECF No. 3].

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 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 [ECF No. 17].

3. After the Court appointed her Receiver and pursuant to the responsibilities with which she is charged, the Receiver took control and possession of certain vehicles owned by Defendants and Relief Defendants, including the vehicles listed in **Exhibit A**, attached hereto (the

“Vehicles”). All of the Vehicles constitute Receivership Assets within the meaning of this Court’s December 2, 2021 *Order Appointing Receiver* [ECF No. 17]. The vehicles and equipment seized by the Receiver, thus far, can be easily divided into two distinct categories: (1) newer personal use vehicles with lower mileage and capable of being sold into retail (“Light Use Vehicles”); and (2) heavily used oilfield work-related vehicles and equipment (collectively, “Heavy Use Equipment”). This Motion and “Light Use Vehicles” as referred to throughout applies exclusively to that first category of vehicles. The Receiver intends to file a separate motion and propose differing sale and marketing procedures for the equipment and heavily used vehicles that make up the second category (Heavy Use Equipment).

4. As part of her duties, and pursuant to 28 U.S.C. § 2004 and 28 U.S.C. § 2001, the Receiver requests that this Court allow her to market and sell the Light Use Vehicles in the manner that she deems will result in the most beneficial return to the Receivership Estate, including but not limited to, public auction firms, online and/or print classified services, newspaper advertisements, and automobile dealerships. Receiver seeks authorization to solicit cash offers from automobile dealerships—a minimum of three—in the DFW Metroplex and that she be authorized to sell the Light Use Vehicles, singularly or in the aggregate, for the highest cash offer so long as the price is not less than 95% of the “Rough Trade In” value provided by the NADA Guide ([www.nadaguides.com](http://www.nadaguides.com)) or the “Instant Cash Offer” provided by Kelley Blue Book ([www.kbb.com](http://www.kbb.com)). If the Light Use Vehicles, however, are not sold within 12 weeks of marketing same for sale, the Receiver seeks the authority to sell the Light Use Vehicles for the highest and best price she can obtain thereafter.

5. The Receiver has already tested the market for sale of the Light Use Vehicles. Utilizing the Kelley Blue Book instant cash offer service, the Vehicles were exposed to more than

45 DFW Metroplex auto dealerships and there was significant interest by more than three dealerships in acquiring some or all of the Light Use Vehicles for cash based on the Kelley Blue Book instant cash offer system. The instant cash offer system provides the seller with a non-binding cash offer from interested dealers, each of whom require inspection of the Light Use Vehicles prior to making a binding final cash offer for the Light Use Vehicles. Receiver intends to market the Light Use Vehicles to the interested dealers and obtain binding final cash offers for the Light Use Vehicles. The relief sought herein from the Court is approval of these procedures and permission for the Receiver to finalize the sale of the Light Use Vehicles so long as the final cash sale for each vehicle is no less than 95% of the NADA Rough Trade In and Kelley Blue Book Instant Cash Offer values.

6. The Receiver has possession of the original titles for the Light Use Vehicles. The Receiver also has physical possession of the Light Use Vehicles and is incurring storage/parking charges of approximately \$500 a month. One of the Light Use Vehicles, the Ram truck, although purchased with funds entirely from Receivership Party Heartland Group Ventures (or from a related Heartland Receivership Party), was titled in Mr. James Ikey's individual name. Mr. Ikey has signed the Ram truck title and assigned the Vehicle title to the Receiver. The other two Light Use Vehicles are titled in The Heartland Group Ventures entity. To effectuate final sale of the Light Use Vehicles, the Receiver will sign all three titles to the buyer(s) as part of closing the sale process.

## **II. Argument and Authority**

7. It is well-settled that the primary goal of receivership is to provide a conduit through which assets can be held, liquidated and distributed to the particular receivership beneficiaries. *See, e.g., SEC v. Safety Finance Service, Inc.*, 674 F.2d 369, 371 (5th Cir. 1982). In this case, the

beneficiaries include the numerous investors and creditors who were victimized as a result of the Defendants and the Relief Defendants allegedly orchestrating and operating an unlawful Ponzi scheme that divested investors of millions of dollars.

8. As stated above, the Receiver seized the three vehicles previously belonging to Defendants and Relief Defendants, which are listed on the attached **Exhibit A**. All of the Exhibit A Light Use Vehicles constitute Receivership Assets within the meaning of this Court's December 2, 2021 *Order Appointing Receiver* [ECF No. 17].

9. District courts have broad powers and wide discretion to determine the appropriate relief in an equity receivership. *See SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 373 (5th Cir. 1982) (holding that the court overseeing the receivership is given "wide discretionary power" in light of "the concern for orderly administration"). This includes the discretion to authorize a receiver to liquidate the receivership assets. *SEC v. Millennium Bank*, No. 7:09-CV-050-O, 2009 U.S. Dist. LEXIS 140912, at \*8 (N.D. Tex. July 21, 2009) (explaining that the Court's discretion includes "the power to permit a Receiver to sell property where appropriate to protect the receivership estate") (citing *S.E.C. v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992)).

10. 28 U.S.C. § 2004 governs the sale of personal property in this context and states:

Any personalty sold under any order or decree of any court of the United States shall be sold in accordance with section 2001 of this title [28 U.S.C. § 2001], unless the court orders otherwise.

11. 28 U.S.C. § 2001(a) governs the procedure for the sale of real property. It states, in relevant part:

(a) Any realty or interest therein sold under any order or decree of any court of the United States shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part of the property is located, or upon the premises or some parcel thereof located therein, as the court directs. Such sale shall be upon such terms and conditions as the court directs.

Property in the possession of a receiver or receivers appointed by one or more district courts shall be sold at public sale in the district wherein any such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county, parish, or city, as such court directs, unless the court orders the sale of the property or one or more parcels thereof in one or more ancillary districts.

12. As the statute pertains to private sales, 28 U.S.C. § 2001(b) provides, in relevant part:

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. . . .

13. In an effort to safeguard the Receivership Estate, the Receiver warrants she will not sell any individual Light Use Vehicle for less than 95% of the “Rough Trade In” value from the NADA Guide or less than 95% of the “instant cash offer” from Kelley Blue Book for the first twelve (12) weeks they are marketed. Thereafter, or to the extent the Light Use Vehicles are not listed in the NADA Guide or in the Kelley Blue Book, the Receiver seeks authority to accept the highest and/or best cash price offered for the Light Use Vehicles. To be clear, this procedure will apply only to Light Use Vehicles—lightly used, newer personal use vehicles capable of being sold into retail that are in the Receivership Estates.

14. Receiver asks that this Court permit her to also undertake the procedures described herein for any other newer, lightly used personal use vehicle capable of being sold into retail which constitutes a Receivership Asset and is located and seized by the Receiver in the course of her future work in this matter. Receiver seeks relief in the proposed order to undertake these sales

procedures and consummate sales, without seeking further orders from the Court, for any additional Light Use Vehicles capable of being sold into the retail market.

15. Allowing the Receiver to liquidate the Light Use Vehicles seized from the Defendants will most expeditiously further the goals of the Receivership. *Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883, 895 (5th Cir. 2019) (citing *SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n. 9 (9th Cir. 1986) (additional citations omitted)).

**WHEREFORE PREMISES CONSIDERED**, the Receiver respectfully requests that, upon final hearing and consideration of this Motion, the Court authorize her to solicit offers from a minimum of three (3) dealerships throughout the DFW metroplex and that she be authorized to sell the Light Use Vehicles listed on Exhibit A if the highest offer is at least 95% of the “Rough Trade In” value provided by the NADA Guide, at least 95% of the “instant cash offer” provided by Kelley Blue Book, or if 12 weeks passes where Receiver actively solicits offers and none meet these requirements then sell the Light Use Vehicles for the highest and best price she can obtain. The Receiver also seeks approval to use the same process for any other personal use vehicles capable of being sold into the retail market which may be identified in the future as a Receivership Asset without the need to seek further order of the Court. The Receiver also prays for such other and further relief, general or special, at law or in equity, to which she may show herself justly entitled.

Dated: January 6, 2022

Respectfully submitted,

By: /s/ Deborah D. Williamson

Deborah D. Williamson

(Receiver)

State Bar No. 21617500

dwilliamson@dykema.com

**DYKEMA GOSSETT PLLC**

112 East Pecan Street, Suite 1800

San Antonio, Texas 78205

Telephone: (210) 554-5500

Facsimile: (210) 226-8395

Jeffrey R. Fine

(Lead Counsel)

State Bar No. 07008410

jfine@dykema.com

Alison R. Ashmore

State Bar No. 24059400

aashmore@dykema.com

Alexandria R. Rahn

State Bar No. 24110246

arahn@dykema.com

**DYKEMA GOSSETT PLLC**

1717 Main Street, Suite 4200

Dallas, Texas 75201

Telephone: (214) 462-6400

Facsimile: (214) 462-6401

and

Danielle N. Rushing

State Bar No. 24086961

drushing@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 CONFERENCE**

I hereby certify that on January 6, 2022, I conferred with Plaintiff Securities and Exchange Commission (the “SEC”) as to the sale procedures as set forth in the foregoing motion. The SEC is not opposed to the relief sought in this motion.

/s/ Deborah D. Williamson  
Deborah D. Williamson  
Receiver

**CERTIFICATE OF SERVICE**

I hereby certify that on January 6, 2022, the foregoing motion and corresponding exhibits were served via CM/ECF and via email on counsel for Plaintiff Securities and Exchange Commission.

/s/ Danielle N. Rushing  
Danielle N. Rushing

**EXHIBIT A**

2020 Ram Crew Cab 2500 4WD, VIN [REDACTED]G275137

2020 Ford F-150 4WD, VIN [REDACTED]KF16018

2019 Ford F-250 4WD, VIN [REDACTED]EG20639

Any other personal use or newer vehicle capable of being sold into retail located<sup>1</sup> and/or seized by Receiver and determined to be a Receivership Asset in the course of her future work.

---

<sup>1</sup> This does not include any heavily used oilfield or work-related vehicles or equipment (“Heavy Use Equipment”), which also make up a distinct category of vehicles in the Receivership Estates.

**EXHIBIT B**



**PROPOSED ORDER APPROVING PROCEDURES  
AND AUTHORIZING THE SALE OF LIGHT USE VEHICLES**

Came on to be considered the Receiver's *Motion to Approve Procedures and Authorize the Sale of Light Use Vehicles*. After considering the Receiver's motion, all responses thereto, if any, all evidence submitted to the Court and the arguments of counsel, the Court is of the opinion that said motion should be GRANTED in all respects.

IT IS THEREFORE ORDERED that the Receiver's *Motion to Approve Procedures and Authorize the Sale of Light Use Vehicles* is **GRANTED** in all respects both as to the vehicles identified on Exhibit A to the Motion and as to similar vehicles identified in the future as a Receivership Asset without need for further order of the Court.

IT IS FURTHER ORDERED that the Receiver may sign titles, sales documents, and any other document necessary to consummate any sale of Light Use Vehicles conducted pursuant to these procedures.

Signed this \_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
REED O'CONNOR  
UNITED STATES DISTRICT JUDGE

Prepared and submitted by:

Deborah D. Williamson

*(Receiver)*

State Bar No. 21617500

[dwilliamson@dykema.com](mailto:dwilliamson@dykema.com)

**DYKEMA GOSSETT PLLC**

112 East Pecan Street, Suite 1800

San Antonio, Texas 78205

Telephone: (210) 554-5500

Facsimile: (210) 226-8395

Jeffrey R. Fine

*(Lead Counsel)*

State Bar No. 07008410

[jfine@dykema.com](mailto:jfine@dykema.com)

Alison R. Ashmore

State Bar No. 24059400

[aashmore@dykema.com](mailto:aashmore@dykema.com)

**DYKEMA GOSSETT PLLC**

1717 Main Street, Suite 4200

Dallas, Texas 75201

Telephone: (214) 462-6400

Facsimile: (214) 462-6401

Danielle N. Rushing

State Bar No. 24086961

[drushing@dykema.com](mailto:drushing@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](mailto: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**