



**UNSWORN DECLARATION UNDER PENALTY OF PERJURY  
OF DEBORAH D. WILLIAMSON, RECEIVER**

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”), files this *Unsworn Declaration Under Penalty of Perjury* in support of my Brief [ECF No. 147] in Response (the “Brief”)<sup>1</sup> to *Motion to Terminate or Modify Asset Freeze and Receivership Orders* [ECF No. 129] (the “Motion”), *Memorandum in Support of Motion to Terminate or Modify Asset Freeze and Receivership Orders* [ECF No. 130] (the “Memorandum”), and the *Notice of Correction to Declaration of Sunny Sahota* [ECF No. 142] (the “Corrected Sahota Declaration”)<sup>2</sup> filed on behalf of Defendant Manjit Singh (aka Roger) Sahota (“Roger”) and Relief Defendants Harprit Sahota (“Harprit”), Sunny Sahota (“Sunny”), and Monroe Sahota (“Monrose”) (collectively, the “Sahotas”).

**SUMMARY OF MY BRIEF**

My Brief addresses facts and evidence which have become available to me since my appointment. I do not take a position on the Sahotas’ challenge to the initial asset freeze or their argument that there is a legal basis for a full or even partial release from the asset freeze. I presume that Plaintiff, the United States Securities and Exchange Commission (the “Commission”) will address the Sahotas’ legal arguments on those issues. My Brief focuses on the Sahotas’ requests

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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 Brief, as applicable.

<sup>2</sup> The Corrected Sahota Declaration merely corrects that the Sahotas “received approximately \$12 million from sources other than Heartland between January 2018 and September 2021.” Corrected Sahota Declaration ¶ 16, at p. 10 n.8. The Sahotas offer no evidence to support this statement. Between November 2018 and January 2019, Heartland paid almost \$5 million to Texas Oil and Gas Exploration (“TOGE”) for the purchase of interests in oil and gas leases operated by Roger or a Sahota-controlled entity. TOGE almost immediately paid the Sahotas at least \$1,650,000 and perhaps significantly more.

to release cash and/or other assets from the Receivership Estates premised upon the Sahotas' assertions that (A) the Sahota-related entities made no "profit" and that (B) "certain of the mineral leases in the Receiver's possession are likely worth many more times than the total amount of potential disgorgement in this case. . . ." Memorandum at ¶ C, p. 15. The information I have obtained demonstrates that there is no question the Sahotas profited from Heartland and its investors. Further, while it is my goal to provide a recovery to those who invested (through debt or equity) over \$100 million dollars in Heartland consisting in large part of retirement funds, there is no certainty today as to the ultimate recovery for those investors.

As an alternative to the release of assets, the Sahotas request that this Court order that over \$17,000 a month be released to them to cover "living expenses" plus \$250,000 for their legal expenses. They also seek a court order allowing them to occupy two receivership properties without paying property insurance, taxes, or any expense other than utilities, which the Sahotas are offering to "pay" with Receivership Assets. As detailed below, the facts available to me do not support the requested relief by the Sahotas.

#### **A. BACKGROUND**

1. Attached as Exhibit 1 to the Memorandum is a Declaration of Sunny Sahota (the "Sahota Declaration") [Ex. 1 to ECF No. 130-1]. Sunny admits he and his family received millions of dollars from Heartland. *See, e.g.*, Sahota Declaration at ¶ 13–14, at pp. 5–6. The Sahotas knew that those millions were from the Heartland investors. *See, e.g.*, **App. Ex. A**, at p. 3-4. What Sunny does not disclose is that the millions the Sahotas received were based on misrepresentation, fabrications, and changed documents. As the operator, Roger and Sunny Sahota knew or, at the very minimum were on inquiry notice, that all oil and gas production (which the Sahota Declaration estimates was at only \$10,000 to \$20,000 a month) would not be sufficient to pay the notes due to the Heartland investors. Roger knew that instead of production revenue being used

to pay investors, money from new investors was being used to make payments to earlier investors. For example, Roger received a text stating “I’m expecting to receive capital tomorrow from one of our feeder funds. I’ve already earmarked the last payment for Carson 2 but the new capital will give us a cushion that we need for interest payments[.]” **App. Ex. A**, at p. 6. Roger demanded increasing amounts of money from Heartland, including demanding “my funds first”. *See App. Ex. A*, at p. 10.

## **B. PROFITS**

2. The Memorandum asserts that “[t]he Sahotas did not draw salaries from the Sahota-related entities between 2017 to 2021.” Memorandum, at p. 8; *see also* Sahota Declaration ¶ 17, at p. 9; Corrected Sahota Declaration ¶ 17, at p. 8. Payroll records reflect checks issued to Sunny, Roger and Monroe in 2020 as “salaried”. Notably, these paychecks were issued by Arcooil Corp., a Receivership Party, after Sunny completed the application for the Barron Petroleum LLC (“Barron Petroleum”) Payment Protection Program loan dated April 16, 2020. *Compare App. Ex. B*, at pp. 15–16 with **App. Ex. C.**, at p. 18.

3. The Memorandum asserts that “[t]here was no profit received by any of the Sahota-related Defendants.” Memorandum, at p. 14. Even at this early stage, I have evidence of significant “profits” received by the Sahotas. One transaction alone (the “Carson Option”) reveals over \$2 million dollars in “profit” to the Sahotas. On March 4, 2020, Sunny executed an Option to Purchase Oil and Gas Lease (the “Executed Carson Option”). (**App. Ex. D**, at pp. 23–103). On the same day, Roger sent a second version to Heartland (“Roger’s Version”) identical in all<sup>3</sup> respects other than the initial consideration and the option price per acre (*See App. Ex. E*, at pp.

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<sup>3</sup> Even the document identification in the footer is the same and both documents have a stray parenthesis of Section B. (iv) on p. 2.

107–168). Heartland was to pay 49% of the price to exercise the Carson Option. *See, e.g., App. Ex. A*, at p. 7 (stating “When you wire me 200k make sure you wire 49% of 500k which we paid to Carson to exercise our option. Which will be 245k.” sent by Roger Sahota on March 13, 2020). The Executed Carson Option required initial consideration of only “Two Dollars per acre (\$24,382.00)”. *App. Ex. D*, at p. 23. Roger’s Version changed the \$24,382 to “Five Hundred Thousand Dollars (\$500,000)”, the amount referenced in the March 13, 2020 text. *App. Ex. E*, at p. 107. Roger’s Version also changed the option price from \$300.00 an acre to \$1,650.00 an acre in all but one place (*Compare* ¶ A(iii), A(iv), B(iii), C(ii) and C(iii) *with* ¶ B(ii)). *App. Ex. E*, at p. 107. Heartland paid the \$245,000 demanded by Roger on March 13, 2020 but the Sahotas never paid \$500,000. Instead, on March 31, 2020, Barron Petroleum paid a total amount of \$24,382.20 as required in the Executed Carson Option. *App. Ex. F*, at p. 170. Heartland should have paid 49% of \$24,382 (\$11,947.18)—not 49% of \$500,000 (\$245,000). The Sahotas’ profit was \$232,809.

4. The profiteering continued when the Carson Option was exercised. The Executed Carson Option has an option price of \$300 per acre—not the \$1,650 sought by Roger. *Compare App. Ex. D.*, at p. 23 *with App. Ex. A*, at p. 9 (detailing by Roger Sahota a cost per acre of “1650” and Heartland’s 49% at “2425500”). The Appendix at page 0002 to the Sahota Declaration admits the Sahotas received \$2,180,500 from Heartland on April 24, 2020—the exact amount in Roger’s demand of April 28, 2020 allegedly attributable to Heartland’s 49% interest. *Sahotas App.*, at p. 0002. On May 11, 2020, the Sahotas paid only \$897,292.80 to the lessor I.W. Carson. *See App. Ex. F*, at p. 172. Heartland should have paid no more than 49% of the amounts paid by the Sahotas or \$439,673.23—not \$2,180,500. The Sahotas had a “profit” of almost \$2 million dollars on this

transaction alone. I anticipate that there will be additional “profit” to the Sahotas from other leases, as well as equipment purchases and other payments by Heartland to a Sahota-related entity.

**C. ALLEGED EVIDENCE OF VALUE OF CERTAIN OIL AND GAS LEASES**

5. In the Sahota Declaration, Sunny provides a summary of information regarding “Estimated Value of the Oil and Gas Assets.” Sahota Declaration at ¶ 15, p. 7–8. He states as a fact that the “oil and gas assets that the Sahota-related entities owned and operated have significant value with a low risk factor.” *Id.* at 8. That statement is allegedly “evidenced” by five documents. *Id.* I object to the admissibility of any of the documents attached to the Sahota Declaration under applicable Federal Rules of Evidence. Without addressing the credibility of Sunny<sup>4</sup> or the admissibility, reliability, or authenticity of the information contained in the documents and/or which forms a basis for any conclusion as to any value, none of the documents support the conclusion that “certain of the mineral leases in my possession are likely worth many times more than the total amount of potential disgorgement in this case of \$122 million” or that “the Sahotas

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<sup>4</sup> I have serious concerns with the veracity of both Sunny and Roger beyond the allegations in the Complaint. By way of limited example, Sunny successfully obtained a Small Business Administration Payment Protection Program loan in the amount of \$129,979.00 on May 11, 2020, from Wells Fargo Bank in his alleged capacity as “Owner” of Barron Petroleum. He claimed it was to make payroll for 54 employees and lease/mortgage payments. *See App. Ex. C*, at p. 18. Sunny denied that he (as Owner) and Barron Petroleum (as Applicant) had “common management with any other business.” As evidenced by **Appendix G**, Sunny was one of the 3 managing members. **App. Ex. G**, at p. 183. At that time, the other two were Roger and Harprit Sahota. *See App. Ex. G*, at p. 187. There was no disclosure of other members owning more than 20% as required. **App. Ex. C**, at p. 18. In addition to a failure to disclose information, it appears that false information was included. A review of the accounting records available to me reveals that, in April of 2020, Barron Petroleum had less than 25 employees, including independent contractors—not 54 as reported. *See App. Ex. H*, at pp. 198-201. The average monthly payroll was not close to the \$51,991.00 represented under penalty of perjury by Sunny, as the wages ranged from \$15–\$25 an hour. *See App. Ex. H*, at pp. 199, 201.

have made an adequate showing that there are sufficient assets to satisfy any potential liability.”

Memorandum at ¶ C, p. 15.

Specifically:

(i) The \$62,500,000 “offer” addressed to Roger on behalf of Trevino Resources, LLC.<sup>5</sup> This “offer” includes the purchase of “100% interest and 100% assets in all the oil, gas and mineral leasehold rights and all right, title and interest in all casing, pump equipment, compressors, joint accounts, wells, pipeline easements, use of, and held for use for operations . . . in Val Verde, Crockett, and Schleicher Counties, TX.” [ECF No. 130-1, at p. 23]. In other words, the offer for essentially all of the producing assets of both the Heartland and Sahota entities was approximately half of the \$122 million of the alleged “potential disgorgement” in this case. Roger rejected this supposed “offer” on behalf of the Sahota and Heartland entities. *See* ECF No. 130-1, at p. 22.

(ii) The June 2021 Dr. Purves report relies upon 3-D seismic which has not been made available to me despite repeated requests to Sahotas’ counsel. Dr. Purves’ “Estimated Possible and Probably [sic] Reserves” includes 122 wells [ECF No. 130-1, at p. 27]. There is no estimate of the costs to drill these wells, which would be a critical component of any reserve report. *Id.* Without verifiable information as to the assumptions related to drilling, acquisition, and operating costs, it is not possible to rely Dr. Purves’ June 2021 report to determine value of any the leases described in the report.<sup>6</sup>

(iii) The Economic Evaluation of Petro Grande LLC leases of Richard G. Boyce dated May 5, 2010 [ECF 130-1, at pp. 141–62]. To achieve the value projected, Mr. Boyce assumes that there will be investments of \$110,150,000 [Memorandum, at p. 143]. This sum is calculated based upon 50 Canyon wells at an estimated cost of \$887,500, 18 Strawn wells at an average cost of \$2,489,235 and 6 Ellenburger<sup>7</sup> wells at an estimated cost of

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<sup>5</sup> A review of the Texas Railroad Commission records indicates that there is no record that Trevino Resources, LLC operates any wells in Texas.

<sup>6</sup> The Sahotas also fail to disclose that Dr. Purves is very much an interested party. Dr. Purves at least has a carried 4% royalty on the Carson Ranch-Childress Soto properties and a 4% interest and a \$50 an acre land lease bonus on the West Ranch property through Highlander Energy LLC (a Purves entity). *See App. Ex. I*, at pp. 203-17. In other words, Dr. Purves is encouraging spending millions of dollars to drill over 100 wells with other people’s money. On information and belief, the fact that Dr. Purves, an alleged third party petroleum engineer, had a financial interest was also never disclosed to anyone who loaned or invested funds with any of the Heartland entities. *See, e.g., App. Ex. J*, at p. 223.

<sup>7</sup> Strawn, Canyon, and Ellenburger refer to the various formations.

\$3,194,127 [ECF No. 130-1, at p. 145]. There is absolutely no evidence that anyone associated with any Receivership Party has the ability to fund the costs to drill any wells, much less to fund over \$100,000,000. Without the ability to fund the drilling of the wells which would allegedly result in the future reserves, the value of the any alleged reserve analysis is speculative. Equally questionable is the relevance of this report to the leases owned by one or more of the Receivership Parties in Crockett County. The report references “a leasehold interest in 4,807 acres in Crockett County.” *Id.* at 143. I have not been provided any evidence that any Sahota-related entity had rights in or to a 4,807 acre lease in Crockett County.

(iv) A report dated April 26, 2021 of Dr. Michael Fraim with Mainfram Innovation Inc. related to the Wolfcamp Leases (sometimes referred to as the “Conway”) in Schleicher County [ECF No. 130-1, at pp. 164–216]. To achieve the alleged reserves of 786 MMbbl the report assumes “Capex/Oper” costs of \$8,363,601. The projected revenue is between \$8,831,621 and \$5,301,038—nothing close to the amounts potentially subject to disgorgement. Again, none of the Receivership Parties have the current ability to fund the drilling and “stimulation” allegedly necessary to achieve the projected increase production. On information and belief, the expenditure of costs recommended in this report were rejected by the principals of Heartland-related entities and the Sahotas prior to me being appointed.

(v) A summary of reserve report dated November 1, 2020 prepared by Albert G. McDaniel with a “rough value” of the Carson and West Ranch Leases in Val Verde County of \$1.7 billion. He updated the report as of February 2, 2022 (collectively, the “McDaniel Report”). [ECF No. 130-1, at pp. 218–28.] The update was based on “estimated costs to drill and complete and operating costs” which were obtained from Roger Sahota “who informed [McDaniel] that they reflected his actual costs in drilling several wells on the property.” *Id.* at 224. In the November 1, 2020 report (which was made available to people who invested their retirement monies in Heartland), Mr. McDaniel states that “[t]his is a third-party study. I am not an employee of Barron Petroleum and have arrived at this estimate through my own research.” *Id.* To the contrary, as Mr. McDaniel disclosed in his resumé, he was employed by Arco Oil [sic] and Barron Petroleum (among others) from May of 2010 to “present”. *Id.* at 237. Mr. McDaniel also failed to disclose that he was paid at least \$30,245 from Arcooil Corp between August 2020 and November 2021, including approximately \$4,500 for his efforts in producing the “press release” which was used to solicit tens of millions of dollars. *See App. Ex. K*, at pp 235-50. Mr. McDaniel estimates costs of drill of \$3,000,000 per well (based on information from Roger Sahota) and anticipates the drilling of 100 wells to achieve the projected values. In other words, according to Mr. McDaniel, someone would have to be willing to spend \$300,000,000 to generate his “rough value”. Another significant issue with the McDaniel Report relates to 3-D



seismic data. Mr. McDaniel states that “Quality 3D seismic data . . . including coherency, inversion, and time to depth conversions. These seismic data are available through contractual relations of the mineral lease owners.” [ECF No. 130-1, at p. 224.] I have been unable to identify any mineral lease owner which has the right to any 3-D seismic data, much less the right to make such 3-D seismic available to any third party, including me or any potential purchaser.

#### **D. OTHER SOURCES OF INCOME**

6. The Sahotas’ have not demonstrated the reasonableness of their request or that they are unable to support themselves by other means. I have obtained information that the Sahotas own several properties, at least one of which already provides rental income, and the others may also do the same. The Sahotas have not provided any information as to what assets not subject to the asset freeze order exist or may be used to support them, nor as to their ability or attempts to obtain employment to support themselves.

7. The Sahotas admit that Dallas Resources Inc., a Receivership Party, paid \$1.5 million for at least two properties and an option on a third (collectively, the “Bahamas properties”) in the Bahamas. *See* Memorandum ¶ 16, at p. 9.<sup>8</sup> Sunny fails to disclose that at least one of the properties (“Almost Paradise”) is listed for rent on VRBO.<sup>9</sup> The Almost Paradise Villa on Cat Island in the Bahamas is apparently already booked for most of March 2022 at an average rate of \$325 a night.<sup>10</sup> The actual rent received by the Sahotas has not been disclosed to this Court or to

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<sup>8</sup> The Sahotas ask the Court to infer that the Bahamas properties (and other assets) were acquired with funds from sources other than Heartland. *Id.* On January 10, 2022, I conducted an interview with Sunny. In that interview, Sunny admitted that “[e]very time we sold them [Heartland] 49 percent in one of our properties, that’s when we bought one of these assets,” referring to the properties in the Bahamas. *See App. Ex. L*, at p. 248 (Sunny Sahota Audio Tr., dated Jan. 10, 2022, at pp. 123–24).

<sup>9</sup> *See* Oceanfront Paradise on 9 Acres, VRBO, <https://www.vrbo.com/2266040> or <https://www.vrbo.com/2266040?noDates=true&unitId=2830912>.

<sup>10</sup> *See, e.g.,* Oceanfront Paradise on 9 Acres, VRBO, <https://www.vrbo.com/2266040> or <https://www.vrbo.com/2266040?noDates=true&unitId=2830912>. *App. Ex. M*, at pp. 252–55. Upon information and belief, Barron Petroleum paid for an insurance policy on March 2, 2020, to Travelers Business for Almost Paradise. *See App. Ex. M*, at p. 256.

me. I have no information on what revenue has been received from the properties in the Bahamas since the date of my appointment. It is also unclear how much time Monroe spends in the Bahamas (or Canada or elsewhere) as opposed to allegedly living with his parents in Eldorado, Texas.

8. The Sahotas refer to “five acres of land in Twentynine Palms, California, and a house in Arlington, Washington,” both allegedly owned by Sunny. Memorandum, at p. 4. There is no disclosure regarding rental or other income which is generated from these properties. Arcooil Corp., paid the taxes on the Twentynine Palms, California property in 2016, 2017, and 2018. Certified copies of the Tax Status Reports from the San Bernardino County Auditor-Controller/Treasurer/Tax Collector for 2016, 2017, and 2018 are attached at **Appendix Exhibit N**. See **App. Ex. N**, at pp. 258–60. Baron Petroleum, LLC, paid \$79,900.37 on September 9, 2020 to fully satisfy the mortgage on Sunny’s Washington property. See **App. Ex. O**, at p. 262-68. It is unclear whether other payments were made by any Receivership Party for the benefit of these properties. The Sahotas also purportedly have a house in Canada. See **App. Ex. A**, at p 11. I do not know whether a Receivership Party owns the house in Canada or its location. There is no disclosure regarding any potential income from the house in Canada.

9. According to a report issued by the Texas Independent Producers and Royalty Owners Association dated February 3, 2022, a copy of which is attached at **Appendix Exhibit P**, oil and gas jobs in Texas paid an annual average wage of \$132,232, higher than the 2021 average national annual industry wage of \$115,166 and 76% higher than average private sector wages.<sup>11</sup> The Sahotas assert that Roger has been an operator in oil and gas fields since 2003. Memorandum,

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<sup>11</sup> See Kelli Way, *2022 State of Energy Report*, TEX. IND. PRODUCERS & ROYALTY OWNERS ASSOC., Feb. 3, 2022, <https://www.tipro.org/newsroom/tipro-news/tipro-releases-2022-state-of-energy-report?tmpl=component&print=1&format=print>.

at p. 4. Sunny worked in the oil industry since at least 2019. *Id.* There is no disclosure of any attempts by any of the Sahotas to obtain any job, much less to leverage their years of experience in the oil industry. Such jobs may not be of the stature to which the Sahotas became accustomed to, but receivership funds should be used to try and provide a return to the investors – not spent for the continued benefit of the Sahotas or support their lifestyle.

10. The separate property assets of the wives of Sunny Sahota and Monroe Sahota are not subject to the asset freeze order. *See Dobbins*, 2004 WL 957715, at \*3. There is no disclosure regarding what assets either of them could provide to support their families.

11. The Sahotas state that they “did not draw salaries from the Sahota-related entities between 2017 to 2021.” Sahota Declaration ¶ 17, at p. 9; Corrected Sahota Declaration ¶ 17, at p. 8. As described above and reflected in attached documentation, this is false. The Sahotas assert that their personal expenses were “paid by the companies.” Sahota Declaration ¶ 17, at p. 9; Corrected Sahota Declaration ¶ 17, at p. 8. What Sunny doesn’t disclose is the magnitude of the payments which appear to have gone well beyond mere “personal expenses.” Based on the evidence obtained and reviewed to date, I have identified just from one bank account over \$7,609,699.37 in transfers to bank accounts of the Sahotas and their entities<sup>12</sup> and payments to credit cards of the Sahotas. Arguably any and all property claimed by any of the Sahotas whether real, personal, foreign, or domestic, was paid for in whole or in part by a Receivership Party and is a Receivership Asset.

12. The Sahotas, while diverting millions for a personal plane, helicopter, multiple houses/ranches, purchases from Tiffany & Co., Cowboy tickets, and other luxuries, failed to pay

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<sup>12</sup> During its existence, Sunny was listed as the sole director of Texas Auto Truck Equipment Repairs, INC [sic] with the Texas Secretary of State. Transfers made to Texas Auto Truck Equipment Repairs, INC’s bank account are included in this calculation. *See App. Ex. Q*, at pp. 273-74.

taxes and other expenses. Some of those past-due taxes are now being paid from Receivership Assets. *See, e.g., App. Ex. R*, at p. 279-82.

## **E. SPECIFIC REQUESTS BY THE SAHOTAS**

### **1. Living Expenses**

13. The Sahotas are requesting that this Court order that Receivership Assets be used to support six adults, none of whom apparently are currently employed. Roger is 67. Harprit is 65. Sunny is 39. Sunny and his unnamed wife have two children, neither of which are infants. Monroe is 36. He and his unnamed wife allegedly live with Roger and Harprit in Eldorado, Texas.<sup>13</sup> Sunny joined his father in January of 2019. On information and belief, from 2012 to 2019, Sunny worked in “land development and construction.” Sunny has stated that he has extensive experience in drilling operations, including workovers on rigs.<sup>14</sup> The Sahotas provide no explanation as to why at least one of these six<sup>15</sup> adults hasn’t obtained gainful employment which would cover at least some portion of over \$17,000 in requested monthly living expenses.

14. The Sahotas also fail to disclose other information which is relevant to the requested relief. The Sahotas request funds to make four car payments, gasoline for four vehicles, and insurance on four vehicles, yet the Sahota Declaration only details three car payments for a 2020 GMC Sierra 3500, a 2022 Ford F250 Super Duty, and a 2020 GMC Yukon [*Compare Memorandum*, at p. 17 *with* ECF No. 130-1, at p. 10]. The Sahotas further fail to disclose that Receivership Parties paid thousands of dollars for these vehicles. *See App. Ex. S*, at pp. 293-96. Notably, the Sahotas fail to disclose additional vehicles they own and which apparently are debt-

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<sup>13</sup> However, page 234 of ECF No. 130-1 lists Monroe as an account holder at the address of 12642 Raspberry Lane, San Angelo, Texas 76904, as of January 1, 2022, which is where Sunny and his wife live with their minor children.

<sup>14</sup> *See App. Ex. L*, at p. 244 (Sunny Sahota Audio T., dated Jan. 10, 2022, at pp. 27-29).

<sup>15</sup> The Memorandum does not disclose the employment status of Monroe.

free.<sup>16</sup> There is also no explanation why the Sahotas seek \$3,200 a month to purchase gasoline when apparently none of the six adults work outside of their homes.

15. The appendix to the Sahota Declaration provides very little documentation to support their request for \$17,000 each month in living expenses. This Court must balance the Sahotas' interests in obtaining access to funds for living expenses against the "interest in the depletion of potentially forfeitable assets." *United States v. Thier*, 801 F.2d 1463, 1474 (5th Cir. 1987). As mentioned above, Sunny's wife and Monrose's wife are not subject to this Court's asset freeze order. There is no disclosure whether Sunny's wife or Monrose's wife have separate property that could be used for living expenses, regardless of employment status. There is no disclosure regarding their ability to get any job. Therefore, the Sahotas may possess assets not subject to forfeiture that could supply living expenses. *See id.* at 1475. Given the lack of documentation provided by the Sahotas to support the \$17,000 a month living expense request and the ability to seek gainful employment, this Court should deny the request to modify the asset freeze order to pay living expenses of the Sahotas, particularly when hundreds of retired investors may be forced to seek employment as a result of the alleged fraud and Ponzi scheme. *See Dobbins*, 2004 WL 9755715, at \*3.

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<sup>16</sup> Upon information and belief, the Sahotas own including payments made from Receivership Assets, or have possession of the following additional vehicles: a 2011 Ford F150 – VIN 1FTFW1ET1BKE22920, a 2021 Indian Scout motorcycle – VIN 56KMTG003M3177738, a 2005 Chevrolet Silverado 3500 – VIN 1GCJC33U35F856330, a 1976 International truck – VIN D2137GGA15530, and a 2018 Cadillac Escalade ESV – VIN 1GYS4KKJ7JR215381. *See App. Ex. S*, at pp. 284–92.

## 2. Dallas Resources Inc.’s Eldorado and San Angelo Properties

16. The Sahotas seek to compel me to retain and allow the Sahotas to occupy the ranch in Eldorado<sup>17</sup> and the house in San Angelo “until and unless judgment is issued against Roger Sahota.” Memorandum, at p. 15. The Sahotas also seek permission to “live in the homes pending a final resolution of this matter.” *Id.* The properties are not owned by Roger but are, instead, owned by Dallas Resources. Regardless of whether any judgment is issued against Roger personally, the assets of Dallas Resources should be used to attempt a recovery for the Heartland investors—millions of whose dollars ended up with the Sahotas. I permitted the Sahotas to remain in possession of these two properties pending discussions on a more global basis related to the Bahamas properties and subject to the Sahotas paying utilities and any insurance premiums which come due. I had to pay nearly \$1,800 to renew the insurance policy for the Eldorado property in February 2022. *See App. Ex. T*, at pp. 298-302. Rather than entering into negotiations or making plans to vacate the properties owned by Dallas Resources, the Sahotas are asking this Court to order that six adults live for free at those properties. This Court should not permit the Sahotas to reside for free in residences not owned by them, especially when many investors have indicated to me that they are struggling to pay rent, mortgages, and associated expenses and where the Sahotas have access to at least two other properties.

## 3. Aircraft Maintenance and Expenses

17. In addition to hangar costs, insurance on the aircraft in the past has been tens of thousands of dollars a year. Costs of insurance repairs and maintenance vary on a monthly basis

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<sup>17</sup> The Sahotas refer to property in Graham, Texas, where a “new home for Roger and Harprit was constructed.” Memorandum, at p. 5(e). The Graham property is separate from the Eldorado property currently occupied by Roger and Harprit.

but can be thousands of dollars depending on the maintenance schedule. Those expenses will continue to increase over time as the aircraft age.

#### **4. Legal Expenses**

18. The Sahotas also request “funds to pay for their legal defense, in the amount of \$250,000.” Memorandum, at p. 17. Notably, the Sahotas provide no documentation or detail supporting their request for legal fees. Here, this Court must determine whether the Sahotas’ request for \$250,000 to pay their attorneys is in the best interests of the defrauded investors. This Court has a duty to “ensure that [Sahotas’] assets are available to make restitution to the alleged victims.”

### **F. RELIEF REQUESTED BY ME**

#### **1. Meetings with Me**

20. When I requested a meeting via Zoom with Roger, shortly after my appointment, my request was denied by counsel. Instead, Sunny was made available to discuss topics regarding operations of the Sahota-related entities. Sunny was unable to provide information regarding non-Schleicher County oil and gas assets or otherwise answer various operation and investment questions of me and/or her counsel. Sunny instead informed me that his father, Roger, would be able to answer those questions.<sup>18</sup>

21. I have not been provided various operational, investment, and entity information, including, but not limited to, asset location, detailed property descriptions, market valuation, and legal ownership of property of the Sahota-related entities. I respectfully request that this Court require Roger to consent to an interview under oath with me and my counsel as soon as possible

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<sup>18</sup> See, e.g., **App. Ex. L**, at pp. 246-49 (Sunny Sahota Audio Tr., dated Jan. 10, 2022, at pp. 86–87, 120, 137).

to understand various topics including, but not limited to, operations, investments, cash flow, use of cash payments, transfers, assets, and liabilities of the Sahota-related entities. I also request that each of the other Sahotas be made available for an interview under oath.

**2. Bahamas Properties**

22. The Sahotas should be compelled to reveal to this Court and to me which entity or entities own or have an option to purchase each of the Bahamas properties. The funds to acquire the Bahamas properties were paid by Dallas Resources and ultimately came from Heartland and its investors. I request that this Court compel the Sahotas to immediately provide in writing to me and my counsel a detailed accounting and turnover of all rental proceeds for any of the Bahamas properties beginning on December 2, 2021 and continuing throughout the pendency of this case.

**3. Vehicles**

23. The Sahotas should be compelled to immediately turnover all vehicles owned by any Receivership Party in their custody, control, or possession, regardless of current location. Despite repeated requests by me, the Sahotas have failed to provide title, registration, current and/or last-known location, and other requested information to me and my counsel. I continue to incur unnecessary expenses relating to insurance and registration, in addition to the possibility of maintenance and/or repair costs, for vehicles owned by Receivership Parties. Given the Court-approved sale procedures for light use vehicles and the demand for used vehicles, I would sell the vehicles as soon as practicable upon turnover by the Sahotas. In the alternative, the vehicles and equipment would be sold at an auction on April 5–6, 2022.

**G. BUSINESS RECORDS**

24. As Receiver of the Receivership Parties, I am the custodian of records for the Receivership Parties as of December 2, 2021. I am familiar with the manner in which the records



of the Receivership Parties have been turned over and/or submitted to me or my counsel. I am in all respects qualified and competent to testify regarding the facts stated herein.

25. The Bates labeled documents attached to my Brief as Appendix Exhibit A [2–11], Appendix Exhibit B [13–16], Appendix Exhibit C [18–21], Appendix Exhibit D [23–103], Appendix Exhibit E [105–68], Appendix Exhibit F [170–77], Appendix Exhibit G [179–96], Appendix Exhibit H [198–201], Appendix Exhibit I [203–17], Appendix Exhibit J [219–32], Appendix Exhibit K [235–40], Appendix Exhibit L [242–50], Appendix Exhibit M [256], Appendix Exhibit N [258–60], Appendix Exhibit O [262–68], Appendix Exhibit Q [273–77], Appendix Exhibit R [279–82], Appendix Exhibit S [284–96], and Appendix Exhibit T [298–302] are herein referred to as the “Records”. The Records represent the originals or true and correct duplicates of the original documents referenced. On information and belief, the Records were made at or near the date and time of the events and conditions recorded.

26. The Records were made by, from information transmitted by persons with knowledge of the events or conditions recorded therein, received from the Commission, financial institutions, or respective governmental authority, or obtained by my counsel from various Receivership Assets.

27. Specifically,

- (a) The text messages included in Appendix Exhibit A [2–11] were produced by Holland & Knight LLP, former counsel to the Heartland entities.
- (b) The Arcooil Corp. 2020 employee wage report found at Appendix Exhibit B [13–16] was obtained from Arcooil Corp.’s account in Wolfepak Software.
- (c) The Barron Petroleum Payment Protection Program application submitted to Wells Fargo in Appendix Exhibit C [18–21] was obtained from Dallas Resources’ San Angelo property on December 3, 2021.
- (d) The Executed Carson Option in Appendix Exhibit D [23–103] was obtained from counsel for the Optionor, I.W. Carson, LLC.

- (e) Roger's Version in Appendix Exhibit E [105–68] was obtained from former a Heartland principal via email, a copy of the correspondence of which is attached thereto.
- (f) The Barron Petroleum (Account x6891) checks depicted in Appendix Exhibit F [170–77] were produced by Wells Fargo Bank, N.A.
- (g) The Barron Petroleum documentation from the Office of the Secretary of State of Texas in Appendix Exhibit G [179–96] was provided to me as Receiver over Barron Petroleum.
- (h) The Barron Petroleum 2020 employee wage and W-2 reports found at Appendix Exhibit H [198–201] were obtained from Barron Petroleum's account in Wolfepak Software.
- (i) The oil and gas documentation included in Appendix Exhibit I [203–17] were obtained from the Official Public Records of the State of Texas, County of Val Verde, and the Official Public Records of the State of Texas, County of Crockett.
- (j) The 2021 Heartland marketing materials in Appendix Exhibit J [219–32] were produced by Holland & Knight LLP, former counsel to the Heartland entities.
- (k) The Arcooil Corp. (Account x5581) statement pages depicted in Appendix Exhibit K [235–40] were produced by JPMorgan Chase Bank, N.A.
- (l) The excerpted transcript pages included in Appendix Exhibit L [242–50] were transcribed by Magna Legal Services d/b/a Kim Tindall & Associates.
- (m) The Barron Petroleum (Account x6891) check depicted in Appendix Exhibit M [256] was produced by Wells Fargo Bank, N.A.
- (n) The 2016, 2017, and 2018 Tax Status Reports were produced by the Auditor-Controller/Treasurer/Tax Collector of San Bernardino County in the State of California.
- (o) The Freedom Mortgage Corporation payoff documentation included in Appendix Exhibit O [262–67] was obtained from Dallas Resources' San Angelo property on December 3, 2021. The Barron Petroleum (Account x6891) statement excerpt included in Appendix Exhibit O [268] was produced by Wells Fargo Bank, N.A.
- (p) The Texas Auto Truck Equipment Repairs, INC documentation included in Appendix Exhibit Q [273–77] was obtained from the Office of the Secretary of State of Texas.

- (q) The Texas Workforce Commission – Tax Department statement included in Appendix Exhibit R [279–80] was delivered via U.S. Mail to me as Receiver for Arcooil Corp. The online payment transaction summaries from the Texas Workforce Commission included in Appendix Exhibit R [281–82] were provided upon payment confirmation.
- (r) The VIN-specific title searches included in Appendix Exhibit S [284–92] were obtained from LexisNexis Public Records: Motor Vehicle Registrations/Titles. The Barron Petroleum (Account x6891) checks depicted in Appendix Exhibit S [293–96] were produced by Wells Fargo Bank, N.A.
- (s) The Travelers statement included in Appendix Exhibit T [298–300] was delivered via U.S. Mail to me as Receiver for Dallas Resources. The payment correspondence from Travelers included in Appendix Exhibit T [301] was provided upon payment confirmation. The Travelers restatement notice included in Appendix Exhibit T [302] was delivered via U.S. Mail to me as Receiver for Dallas Resources.

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

Executed this 8th day of March, 2022.



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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., Civil No.  
4:21-CV-01310-O