

**RECEIVER’S SECOND REPORT REGARDING DISPOSITION OF
ASSETS AT FEBRUARY 22, 2022 AUCTION**

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Court’s December 2, 2021 *Order Appointing Receiver* [ECF No. 17] (the “Receivership Order”)) and receivership estates (collectively, the “Estates”) in the above-captioned case (the “Case” or “Receivership”), hereby files this *Receiver’s Second Report Regarding Disposition of Assets at February 22, 2022 Auction*.¹

I. BACKGROUND

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

2. On December 2, 2021, this Court determined that entry of an order appointing a receiver over the Receivership Parties was both necessary and appropriate to marshal, conserve, hold, and operate all of the Receivership Parties’ assets (the “Receivership Assets”) pending further order of this Court. Accordingly, the Court entered the Receivership Order on December 2, 2021, appointing Deborah D. Williamson as the Receiver over the Estates in this Case [ECF No. 17]. That same day, the Court entered the *Order for Temporary Restraining Order and Other Emergency Relief* [ECF No. 12], and the *Asset Freeze Order* [ECF No. 14].

3. On January 25, 2022, the Receiver filed the *Receiver’s Expedited Motion to Approve Procedures and Sale of Certain Oil Field Equipment, Vehicles, and Other Personal Property Via Auction* [ECF No. 107] (the “Auction Motion”), requesting expedited Court approval

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.

of the procedures and sale of certain equipment and other personal property by auctioneer Permian International Energy Services, LLC (“Permian”).

4. On January 26, 2022, the Court entered an order [ECF No. 114] (the “Hearing Order”) setting the Auction Motion, among other things, for telephonic hearing on January 31, 2022, at 10:00 a.m. Central.

5. On January 26, 2022, Defendant Roger Sahota (“Roger”) filed *Defendant Roger Sahota’s Response to Receiver’s Expedited Motion to Approve Procedures and Sale of Certain Field Equipment, Vehicles, and Other Personal Property Via Auction* [ECF No. 118] (the “Response”), opposing the relief requested by the Receiver in the Auction Motion.

6. On January 27, 2022, the Receiver filed her notice of hearing and service of the Hearing Order [ECF No. 119] in compliance with the Hearing Order.

7. On January 28, 2022, the Receiver filed her *Reply Brief* [ECF No. 120] (the “Reply”) to Roger’s Response.

8. On January 31, 2022, the Court considered, among other things, the Receiver’s Auction Motion, Roger’s Response, and the Receiver’s Reply, and granted the Receiver’s relief requested in the Auction Motion, including the Proposed Sales Procedures. That same day, the Court entered an order granting the Receiver’s Auction Motion and overruling any objection or opposition thereto [ECF No. 124] (the “Auction Order”).

9. On February 1, 2022, the Receiver filed the *Notice of Proposed Public Auction* [ECF No. 127] (the “February 2022 Auction Notice”) in accordance with the Court-approved Proposed Sales Procedures enumerated in the Auction Order.

10. On February 9, 2022, the Receiver filed the *Certificate of No Objection* [ECF No. 128] to the February 2022 Auction Notice.

11. On March 28, 2022, the Receiver filed the *Receiver's Report Regarding Disposition of Assets at February 22, 2022 Auction* [ECF No. 167].

II. REPORT

12. Permian held a public auction, accessible online or in-person in Midland, Texas, on February 22-23, 2022.

13. On March 30, 2022, Permian provided to the Receiver a detailed list of supplemental Receivership items sold on or after the February 2022 auction, a true and correct copy of which is attached hereto as **Exhibit A**. The February 2022 auction supplemental gross proceeds were \$2,200.00. After payment of the contractual and Court-approved auctioneer fees in the amount of \$176.00, the February 2022 auction supplemental net proceeds to the Receiver for the benefit of the Estates totaled **\$2,024.00**.

14. Permian delivered \$2,024.00 to the Receiver, which has been deposited in the Receivership bank account.

15. The Receiver anticipates one or more subsequent auctions for the sale of Receivership items in accordance with the Auction Order.

Dated: April 5, 2022

Respectfully submitted,

By: /s/ Danielle N. Rushing
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COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on April 5, 2022, the foregoing document was served via CM/ECF on all parties appearing in this case.

/s/ Danielle N. Rushing
Danielle N. Rushing

EXHIBIT A

Consignment Fees Due - Sorted By Lot

Auction:	31 - 02/22/2022 09:00 AM To 02/23/2022 05:00 PM
Auction Name/Location:	Feburary 22 & 23, 2022 - Midland, TX
Consigner:	435 - Deborah D Williamson 2
Date Range:	01/01/2000 Through 03/30/2022

Deborah D Williamson 2(Code:435)
112 E Pecan St. Suite 800
San Antonio, TX 78205

Auc #/Lot #/Item #	Description	Bid	Fee	Expenses	Due	Paid	Item Amt / Qty
31 / 1315 / 39217	(1) 6-1/4" OD X 2-3/8" ID X 29.85'L SLICK DC, SR, HB, 4-1/2" XH CONN - Located o , Tag #: 0	1,100.00	88.00	.00	1,012.00	.00	1,100.00 / 1
31 / 1319 / 39221	(1) 6-1/4" OD X 2-3/8" ID X 31.03'L SLICK DC, SR, HB, 4-1/2" XH CONN - Located o , Tag #: 0	1,100.00	88.00	.00	1,012.00	.00	1,100.00 / 1

TOTALS:	2,200.00	176.00	.00	2,024.00	.00
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Consigner Totals	
Total:	2,200.00
Buyback Items:	.00
Total Fees:	176.00
Total Buyback Fees:	.00
Total Gen. Expenses:	.00
Total Item Expenses:	.00
Total Gross Due:	2,024.00
Total Already Paid:	.00
Total Net Due:	2,024.00

Grand Totals	
Total Invoiced Bids:	2,200.00
Less Buyback Items:	.00
Total Fees:	176.00
Total Buyback Fees:	.00
Total Gen. Expenses:	.00
Total Item Expenses:	.00
Total Gross Due:	2,024.00
Total Already Paid:	.00
Total Net Due:	2,024.00