

**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 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; JAMES IKEY; JOHN MURATORE; THOMAS BRAD PEARSEY; MANJIT SINGH (AKA ROGER) SAHOTA; and RUSTIN BRUNSON,

No. 4-21CV-1310-O-BP

Defendants,

and

DODSON PRAIRIE OIL & GAS LLC; PANTHER CITY ENERGY LLC; MURATORE FINANCIAL SERVICES, INC.; BRIDY IKEY; ENCYIPHER 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.,

Relief Defendants.

**RECEIVER'S FIFTEENTH QUARTERLY REPORT FOR RECEIVERSHIP ESTATES
(APRIL 1, 2025 – JUNE 30, 2025)**

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 Fifteenth Quarterly Report for Receivership Estates* (the “Report”) for the period of April 1, 2025 to June 30, 2025.¹ The Receivership Order requires the Receiver to file a report within thirty (30) days of the end of each calendar quarter. Reasonable efforts have been made to fairly and accurately summarize the current status of the Receivership but any summary, of necessity, will omit details. The Receiver will be available to attend a status conference or otherwise respond to the Court’s questions at the Court’s request.

I. OVERVIEW

1. During this Reporting Period (defined below), the Receiver and her team spent a substantial amount of time on drafting and filing litigation related to Internal Revenue Service (the “IRS”) penalties, interest, and late filing fees relating to pre-Receivership Payroll Taxes and/or Employment Taxes on behalf of Receivership Parties Alternative Office Solutions, LLC (“AOS”), The Heartland Group Ventures LLC (“Ventures”), and Barron Petroleum LLC (“Barron Petroleum”), drafting and filing pleadings in The Commonwealth of The Bahamas (the “Bahamas”) to ultimately obtain official recognition as “Receiver” and “Foreign Representative” to Receivership Party Arcooil Corp. (“Arcooil”) and Barron Petroleum, communicating with investors, vendors, and governmental agency contacts, and winding down and/or terminating

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Receivership Order.

certain Receivership Parties. The Receiver and her team continue to analyze various records relating to other potential assets and/or claims of the Receivership Estates.

2. The Receiver and her counsel continued communications with investors (known and potential) and other creditors via email and phone during the Reporting Period about the status of the Case, the April Distribution (as defined below), status of distributions, and checks that were allegedly lost in the mail or needed to be reissued.

3. At the beginning of the fourth quarter of 2025, the Receiver had \$2,560,825.34 on deposit. At the end of this Reporting Period (defined below), after issuance of Court-approved distributions, and payments of operating expenses and Court-approved fees and expenses, the amount on deposit was \$2,079,367.04. As of the filing of this Report (July 16, 2025), \$1,897,064.69 is in the Receivership bank accounts.²

II. BACKGROUND

4. On December 1, 2021, the United States Securities and Exchange Commission (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.

5. 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]. That same

² This balance includes \$198,532.50 in checks that have been issued but not cleared and distributions that are on hold.

day, the Court entered the *Order for Temporary Restraining Order and Other Emergency Relief* [ECF No. 12].

6. Pursuant to the Receivership Order, the Receiver is charged with:

marshaling and preserving all the assets of the Defendants (the “Receivership Assets”) and those assets of the Relief Defendants that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants (collectively, the “Recoverable Assets”).

Receivership Order, ¶ 2.

7. Additionally, the Receivership Order provides:

Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

Receivership Order, ¶ 56.

8. The Quarterly Status Report is directed to contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory

resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and (ii) collecting such judgments);

- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

Receivership Order, ¶ 57.

9. As stated above, the Receiver was appointed on December 2, 2021. The Receiver previously filed the *Receiver's First Quarterly Report for Receivership Estates* [ECF No. 126] for the period of December 2, 2021 through December 31, 2021. The *Receiver's Second Quarterly Report for Receivership Estates* [ECF No. 189] was filed May 2, 2022, covering the period of January 1, 2022 through March 31, 2022. The *Receiver's Third Quarterly Report for Receivership Estates* [ECF No. 242] was filed July 30, 2022, covering the period of April 1, 2022 through June 30, 2022. The Receiver's *Fourth Quarterly Report for Receivership Estates* [ECF No. 274] was filed October 31, 2022, covering the period of July 1, 2022 through September 30, 2022. The *Receiver's Fifth Quarterly Report for Receivership Estates* [ECF No. 320] was filed January 27, 2023, covering the period of October 1, 2022 through December 31, 2022. The *Receiver's Sixth Quarterly Report for Receivership Estates* [ECF No. 350] was filed on April 14, 2023, covering the period of January 1, 2023 through March 31, 2023. The *Receiver's Seventh Quarterly Report for Receivership Estates* [ECF No. 386] was filed on August 14, 2023, covering the period of April 1, 2023 through June 30, 2023. The *Receiver's Eighth Quarterly Report for Receivership Estates* [ECF No. 426] was filed on October 30, 2023, covering the period of July 1, 2023 through September 30, 2023. The *Receiver's Ninth Quarterly Report for*

Receivership Estates [ECF No. 452] was filed on January 30, 2024, covering the period of October 1, 2023 through December 31, 2023. The *Receiver's Tenth Quarterly Report for Receivership Estates* [ECF No. 496] was filed on April 30, 2024, covering the period of January 1, 2024 through March 31, 2024. The *Receiver's Eleventh Quarterly Report for Receivership Estates* [ECF No. 571] was filed on July 16, 2024, covering the period of April 1, 2024 through June 30, 2024. The *Receiver's Twelfth Quarterly Report for Receivership Estates* [ECF No. 601] was filed on October 17, 2024, covering the period of July 1, 2024 through September 30, 2024. The *Amended Receiver's Thirteenth Quarterly Report for Receivership Estates* [ECF No. 668] (the "Thirteenth Quarterly Report") was filed on January 6, 2025, covering the period October 1, 2024 through December 31, 2024. The *Receiver's Fourteenth Quarterly Report for Receivership Estates* [ECF No. 740] (the "Fourteenth Quarterly Report") was filed on April 29, 2025, covering the period of January 1, 2025 through March 31, 2025. This Report covers the period of April 1, 2025 through June 30, 2025 (the "Reporting Period"). Certain information or activity subsequent to June 30, 2025, may be included for context and/or completeness.

10. On April 7, 2024, the Receiver issued the fourth batch of checks for ten (10) investors who submitted completed and signed IRS Form W-9. As of the filing of this Report, the Receiver has thirteen (13) investors ("Affected Investors") who have distributions totaling \$153,997.06 on hold solely for failure to submit a completed and signed IRS W-9. *Pursuant to Order Approving Receiver's Motion for Authority to Forfeit Investor Distribution for Failure to Submit Completed and Signed Form W-9* [ECF No. 723], it is the Receiver's intent to forfeit the Affected Investors' right to all current and all future distributions for failure to timely submit a completed and signed IRS Form W-9.

11. In prior quarterly reports, the Receiver has discussed in great detail the Court-approved claims procedure, distribution methodology, and distribution plan. As such, that content will not be repeated in this Report. Prior quarterly reports filed by the Receiver are available to access free of charge on the Receivership website at <https://heartlandreceivership.com/receiver-reports>.

12. If and when the Receiver determines that additional funds are available for distribution and/or the Receivership closes, the Receiver may propose future distribution(s). The Receiver does not believe that there will be another significant distribution to investors or other creditors absent a recovery from the Bahamas Litigation (defined below), Val Verde and Crockett counties with respect to the Court-approved farmout agreement, the Defendants and/or Relief Defendants, and a favorable resolution with the IRS.

13. **The Receiver does not believe that the ultimate recovery will be sufficient to return the full amount of principal contributions to Heartland investors and pay in full all claims of non-investor creditors.**

14. On March 25, 2025, the Court entered the *Order* [ECF No. 727] closing this Case for administratively for statistical purposes. The Receiver continues her work to maximize the ultimate recovery to the Receivership Estates as detailed in this Report.

III. GENERAL OVERVIEW

15. The Receivership Parties were generally in the business of investing in, purchasing, operating, and producing oil and gas assets. Certain Receivership Parties also own (or owned) real estate and other property. The Receiver has continued to actively recover and investigate assets and liabilities of the Receivership Estates. In prior quarters, the Receiver has taken possession of and sold two aircraft, vehicles, multiple pieces of oil field and construction equipment, real property, Dallas Cowboy tickets, and personal property and abandoned hundreds of operating and

non-operating wells that could not be sold, pursuant to Court-approved sale procedures. The Receiver has obtained and preserved hard and electronic data from multiple locations controlled by one or more Receivership Parties, their former counsel, and in Panama. The Receiver and her team have analyzed thousands of documents, including, but not limited to, oil and gas documentation, bank account statements, and document production from various parties in interest. The Receiver and her team prepared for and participated in a mediation and entered into a mediator's proposal, which, ultimately, resulted in the settlement of significant causes of action, including against Locke Lord. The Receiver has worked with various counsel, including, but not limited to, her lead counsel, Dykema Gossett PLLC ("Dykema"), Romero | Kosub, the Law Practice of Darrell R. Jones, PLLC, Reid Collins Tsai LLP ("Reid Collins"), and Higgs and Johnson ("H&J"). The Receiver has also worked closely with Ahuja & Clark, PLLC n/k/a Ahuja & Consultants, Inc. ("A&C") on tax, accounting, and tracing issues, and Vicki Palmour Consulting LLC on regulatory, compliance, abandonment, and escheatment issues. Many of the tasks performed by the Receiver apply equally to each of the Receivership Estates. Accordingly, the statements and reports contained within this Report should be read to apply equally to each of the Receivership Estates, except where specifically noted to apply to a specific Receivership Estate.

IV. REPORT

A. TAX AND FORENSIC ACCOUNTING ISSUES.

16. During the Reporting Period, A&C performed routine general accounting work and prepared *IRS Form 5495 - Request for Discharge from Personal Liability Under Sections 2204 and 6905* to for all Receivership Parties. A&C also finalized and submitted federal tax returns for the 2024 tax year for various Receivership Parties with filing obligations. Additionally, A&C assisted in responding to numerous notices from the IRS and to the Receiver's counsel on questions related to tax payments made and/or returns filed by the Receiver.

17. The Receiver was unable to informally reach a resolution with the IRS that waives or otherwise subordinates any claims for interest, penalties, or other charges for the unpaid taxes asserted against Barron Petroleum, Ventures, and AOS. On June 3, 2025, the Receiver filed the *Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees* [ECF No. 743] (the "Tax Motion"). In the Tax Motion, the Receiver requests that the Court find that "reasonable cause" exists to abate any and all allegedly due IRS penalties, interest, and late filing fees of AOS, Barron Petroleum, and Ventures. The Receiver believes she has paid the principal amounts for all pre-Receivership payroll taxes due and has filed all delinquent returns for AOS, Barron Petroleum, and Ventures.

18. On July 15, 2025, the Receiver and the IRS, through the United States Department of Justice's Tax Division, filed the *Joint Motion for Entry of Agreed Order Resolving Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees* [ECF No. 743], requesting that the Court enter the agreed order between the Receiver and the IRS that resolves the Tax Motion. Upon entry of the agreed order resolving the Tax Motion, the Receiver will remit \$197,128.04 to the Department of Justice on behalf of the IRS. In return, the Receiver and the Receivership Estates of AOS, Barron Petroleum, and Ventures will be released from liability under the Internal Revenue Code for any period ending prior to the filing of the Tax Motion, including the release of any personal liability to the Receiver. In other words, there will be no need to reserve additional funds or maintain this Case for any tax period prior to 2025.

B. BAHAMAS LITIGATION AND COUNSEL.

19. On February 19, 2025, the Receiver filed the *Receiver's Complaint Against Monroe Singh Sahota, Sunny Singh Sahota, and Mandeep Kaur Sahota* [TXND Case No. 4:25-cv-00159-O, ECF No. 1], initiating fraudulent transfer litigation (the "Bahamas Litigation")

against certain members of the Sahota family. On April 14, 2025, the Receiver filed three waivers of service signed by the defendants agreeing to waive service of the summons issued in the Bahamas Litigation. The Sahota family must answer or otherwise respond to the Bahamas Litigation on or before July 31, 2025. *See Order* at TXND Case No. 4:25-cv-00159-O, ECF No. 9.

20. On March 17, 2025, the Court entered an *Order* [ECF No. 718] approving the *Expedited Application to Employ Higgs and Johnson as Bahamian Counsel to Receiver Effective as of March 7, 2025* [ECF No. 709]. During the Reporting Period, Higgs & Johnson (“H&J”), Bahamian counsel to the Receiver, provided the Receiver with advice related to recovery of the Bahamas Properties and obtaining foreign recognition. On April 22, 2025, H&J filed a *Petition*, among other pleadings, on behalf of the Receiver so that the Receiver could be recognized as “receiver” and/or “foreign representative” over Arcooil and Barron Petroleum in The Bahamas by the Supreme Court of The Bahamas. The proceeding was assigned to Her Ladyship the Honourable Madam Justice Camille Darville-Gomez. Justice Gomez held a hearing on the Receiver’s *Petition* on June 10, 2025, verbally granting an order as prayed. Justice Gomez signed and entered the *Declaratory Order* on June 12, 2025, recognizing the Receiver, or her designee, as the official “foreign representative” in The Bahamas for Arcooil and Barron Petroleum, which enables her or her designee to receive and/or convey title to real property, obtain governmental permits, and otherwise transact business on behalf of Arcooil and Barron Petroleum. *See* ECF No. 744.

21. On July 2, 2025, the Commission filed *Plaintiff Securities and Exchange Commission’s Motion for Entry of Agreed Final Judgements as to Defendant Roger Sahota and Relief Defendants Monroe Sahota, Sunny Sahota, and Harprit Sahota* [ECF No. 749] (the “Agreed Judgments”), seeking entry of agreed judgments against Defendant Manjit Singh

(aka Roger) Sahota and Relief Defendants Monroe Sahota (“Monroe”), Harprit Sahota, and Sunny Sahota (“Sunny”). The proposed agreed judgments against Sunny (*see* Exhibit 3 of the Agreed Judgments) and against Monroe Sahota (*see* Exhibit 2 of the Agreed Judgments) provide that Sunny and Monroe shall “take any and all such actions as are necessary to transfer to or for the benefit of the Court-appointed Receiver, Deborah D. Williamson, of Dykema Gossett PLLC, 112 E. Pecan Street, Suite 1800, San Antonio, TX 78205 (the ‘Receiver’), or such other person as the Receiver shall direct (the ‘Receiver’s Designee’) all right, title, and interest, free and clear of all liens, encumbrances, and other claims, in the . . .” Bahamas Properties “. . . in a form and manner acceptable to the Receiver (or the Receiver’s Designee) and in accordance with the Laws of the Commonwealth of The Bahamas.” *See* ECF No. 749-2, at ¶ (I); ECF No. 749-3, at ¶ (I).

22. On July 3, 2025, the Receiver filed *Expedited Application to Employ PricewaterhouseCoopers Advisory (Bahamas) Limited (“PwC”) as Bahamian Restructuring Consultant to Receiver Effective as of July 2, 2025* [ECF No. 750], seeking Court approval to employ PricewaterhouseCoopers Advisory (Bahamas) Limited (“PwC”) to assist her in The Bahamas with various responsibilities related to the Bahamas Properties, including, but not limited to, assisting in securing, managing, and liquidating, upon further Order of this Court, the Bahamas Properties.

23. In other words, the proposed agreed judgments provide that title to the Bahamas Properties will be conveyed to the Receiver or her designee. The Receiver, while recognized as a Receiver in the Bahamas, is not a citizen of The Bahamas. As such, acquiring title to the Bahamas Properties imposes an additional transfer tax and, more importantly, an additional application, review, and permitting approval by one or more governmental agencies, which could take four (4) to six (6) weeks from the date of the permit application. The additional tax and permitting approval

are not required if the Receiver designates a Bahamian citizen as the title recipient. If title to the Bahamas Properties is transferred to the Receiver or her designee, the Bahamas Properties will be sold. While the net proceeds from such sales cannot be predicted, the Receiver will note that the value assessed by the Bahamas taxing authority exceeds \$1,700,000.00.

24. The Court set the Agreed Judgments for telephonic hearing on July 24, 2025, at 9:00 a.m. Central. *See* ECF No. 751. Additional information on the Agreed Judgments and the status of the title of the Bahamas Properties will be included in the Receiver's next quarterly report. If the Bahamas Properties are transferred, the Bahamas Litigation will be fully resolved.

C. SIMPLEX BELLI / XPLOR MOBILITY.

25. During this Reporting Period, the Receiver began investigating the alleged relationship between certain Heartland-related Receivership Parties, Simplex Belli (as defined below), and Xplor Mobility (as defined below) based on information received from Defendant Rustin Brunson ("Brunson"), former fund manager and general counsel to Heartland-related Receivership Parties and publicly available information.

26. Based on information and records available to the Receiver, on or about January 22, 2021, Receivership Party The Heartland Group Fund III LLC ("Fund III") wired \$200,000.00 to "Simplex Belli Partners LLC" ("Simplex Belli"), which was accompanied with the memo "Xplor Mobility" ("Xplor Mobility"). It appears that Simplex Belli was a hedge fund formed on or about April 8, 2019, as a Florida limited liability company. Based on the Simplex Belli second quarter 2021 update provided to Brunson prior to this Case, Simplex Belli either invested in or was involved in the operations of Xplor Mobility in the United Arab Emirates ("UAE").

27. To date, the Receiver has not located any investment agreement or Fund III-related documentation for Simplex Belli or Xplor Mobility.³ Only a marketing brochure, financial projections, and valuation forecast for Xplor Mobility and Simplex Belli's second quarter 2021 update have been located.

28. Based on Xplor Mobility's marketing brochure, it was created in August 2019 as "the solution for micromobility in the UAE" and announced strategic partnerships with "Ajman [sic] Crown Prince UAE"⁴ in January 2020, "Tanner Fox" in June 2020, and "Strategic Hotel Partnership" in December 2020. The marketing brochure also provides that the initial scooter order was placed in December 2020 and final testing and pre-launch preparations in Ajman, of the emirates in the UAE, occurred in January 2021. In February 2021, Xplor Mobility appears to have launched its micromobility scooters in Ajman, UAE. Based on its marketing materials, Xplor Mobility anticipated expanding its operations to include the emirates of Fujairah, Ras al Khaimah, and Sharjah by targeting hotels and universities.

29. In its second quarter 2021 update, Simplex Belli details Xplor Mobility's initial scooter launch in Ajman, UAE, manufacturing and geographical challenges of the scooters, and quarterly results.

30. On or around January 25, 2024, Simplex Belli voluntarily filed a *Notice of Dissolution* with the Florida Secretary of State due to "lack of business revenue and future possibilities."

³ The marketing brochure lists the name of the investment as "Xplor Micromobility" instead of Xplor Mobility. Information regarding the "Xplor Micromobility" and/or "Xplor Mobility" investment(s) appear in this Report as Xplor Mobility.

⁴ The marketing brochure provides that Xplor Mobility's "partnerships with Royal families in the UAE ensure we will be able to operate with no headwinds and without fear of competition."

31. Based on an internet search on the National Economic Register website of the UAE's Ministry of Economy, it appears that Xplor Mobility's expiration date was March 11, 2025. No other records have been located for Xplor Mobility.

32. The Receiver anticipates filing a notice of abandonment of any Receivership Party's interest in Simplex Belli and/or Xplor Mobility based on the foregoing.

D. SETTLEMENT PAYMENTS.

33. The Court has entered *Final Judgments* against certain Defendants and/or Relief Defendants to date. *See generally* ECF Nos. 591, 594, 595.⁵ A chart detailing the settlement payments due pursuant to *Final Judgments* entered in this Case is depicted below. **No settlement payments have been received by the Receiver as of the filing of this Report.**

<u>PAYMENT SCHEDULE FOR FINAL JUDGMENTS</u>			
<u>Settling Party</u>	<u>Due Date for Payment</u>	<u>Amount Due</u>	<u>Total</u>
Defendant John Muratore	October 24, 2024	\$680,893.33	\$2,723,573.32
	January 22, 2025	\$680,893.33	
	April 22, 2025	\$680,893.33	
	July 21, 2025	\$680,893.33	
Defendant Thomas Brad Pearsey	October 24, 2024	\$2,748,155.60	\$2,748,155.60
Relief Defendant Muratore Financial Services, Inc. (joint and several with Defendant John Muratore)	October 24, 2024	\$583,505.82	\$2,334,023.28
	January 22, 2025	\$583,505.82	
	April 22, 2025	\$583,505.82	
	July 21, 2025	\$583,505.82	
Rustin Brunson	March 2, 2025	\$25,000.00	\$25,000.00
James Ikey	March 2, 2025	\$1,178,528.37 ⁶	\$1,178,528.37

⁵ The *Final Judgments* can be reviewed on the Receivership website free of charge under "Non-Receiver Court Filings" at <https://heartlandreceivership.com/key-court-documents>.

⁶ Pursuant to ECF No. 702, Relief Defendant IGroup Enterprises LLC is jointly and severally liable to pay \$23,707.10 of this amount.

34. Additionally, the Commission has entered administrative orders with respect to certain financial advisors outside of this Case, whereby the respective financial advisor is ordered to remit settlement payments to the Receiver.⁷ Below is a chart that reflects the Commission's administrative orders entered to date where settlement payments are to be remitted to the Receiver for the benefit of the Receivership Estates. **No such payments have been received by the Receiver as of the filing of this Report.**

<u>PAYMENT SCHEDULE FOR COMMISSION ORDERS</u>			
<u>Settling Party</u>	<u>Due Date for Payment</u>	<u>Amount Due</u>	<u>Total</u>
Stephen R. Bishop	January 8, 2025	\$3,000.00	\$72,000.00
	February 7, 2025	\$3,000.00	
	March 9, 2025	\$3,000.00	
	April 8, 2025	\$3,000.00	
	May 8, 2025	\$3,000.00	
	June 7, 2025	\$3,000.00	
	July 7, 2025	\$3,000.00	
	August 6, 2025	\$3,000.00	
	September 5, 2025	\$3,000.00	
	October 5, 2025	\$3,000.00	
	November 4, 2025	\$3,000.00	
	December 4, 2025	\$3,000.00	

⁷ The Commission has obtained *Orders* against advisors David C. Underwood, Marc J. Toomey, Stephen R. Bishop, and Richard K. Diamond, in which the aforementioned parties stipulate to "Heartland and its principals us[ing] investor funds to make more than \$26 million in Ponzi payments to debt fund investors." See Richard K. Diamond, Securities Act of 1933 Release No. 11333, Securities Exchange Act of 1934 Release No. 101847, Investment Advisers Act of 1940 Release No. 6784, Investment Company Act of 1940 Release No. 35407, SEC File No. 3-22340 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11333.pdf>; Stephen R. Bishop, Securities Act of 1933 Release No. 11334, Securities Exchange Act of 1934 Release No. 101848, SEC File No. 3-22341 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11334.pdf>; Marc J. Toomey, Securities Act of 1933 Release No. 11335, Securities Exchange Act of 1934 Release No. 101853, SEC File No. 3-22342 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11335.pdf>; David C. Underwood, Securities Act of 1933 Release No. 11336, Securities Exchange Act of 1934 Release No. 101854, SEC File No. 3-22343 (Dec. 9, 2024), <https://www.sec.gov/files/litigation/admin/2024/33-11336.pdf>.

	January 3, 2026	\$3,000.00	
	February 2, 2026	\$3,000.00	
	March 4, 2026	\$3,000.00	
	April 3, 2026	\$3,000.00	
	May 3, 2026	\$3,000.00	
	June 2, 2026	\$3,000.00	
	July 2, 2026	\$3,000.00	
	August 1, 2026	\$3,000.00	
	August 31, 2026	\$3,000.00	
	September 30, 2026	\$3,000.00	
	October 30, 2026	\$3,000.00	
	November 29, 2026	\$3,000.00	
Richard K. Diamond	December 23, 2024	\$4,000.00	\$71,000.32
	January 8, 2025	\$1,861.12	
	February 7, 2025	\$1,861.12	
	March 9, 2025	\$1,861.12	
	April 8, 2025	\$1,861.12	
	May 8, 2025	\$1,861.12	
	June 7, 2025	\$1,861.12	
	July 7, 2025	\$1,861.12	
	August 6, 2025	\$1,861.12	
	September 5, 2025	\$1,861.12	
	October 5, 2025	\$1,861.12	
	November 4, 2025	\$1,861.12	
	December 4, 2025	\$1,861.12	
	January 3, 2026	\$1,861.12	
	February 2, 2026	\$1,861.12	
	March 4, 2026	\$1,861.12	

	April 3, 2026	\$1,861.12	
	May 3, 2026	\$1,861.12	
	June 2, 2026	\$1,861.12	
	July 2, 2026	\$1,861.12	
	August 1, 2026	\$1,861.12	
	August 31, 2026	\$1,861.12	
	September 30, 2026	\$1,861.12	
	October 30, 2026	\$1,861.12	
	November 29, 2026	\$1,861.12	
	December 29, 2026	\$1,861.12	
	January 28, 2027	\$1,861.12	
	February 27, 2027	\$1,861.12	
	March 29, 2027	\$1,861.12	
	April 28, 2027	\$1,861.12	
	May 28, 2027	\$1,861.12	
	June 27, 2027	\$1,861.12	
	July 27, 2027	\$1,861.12	
	August 26, 2027	\$1,861.12	
	September 25, 2027	\$1,861.12	
	October 25, 2027	\$1,861.12	
	November 24, 2027	\$1,861.12	
David C. Underwood	December 23, 2024	\$20,000.00	\$221,688.00
	March 9, 2025	\$16,807.33	
	June 7, 2025	\$16,807.33	
	September 5, 2025	\$16,807.33	
	December 4, 2025	\$16,807.33	
	March 4, 2026	\$16,807.33	
	June 2, 2026	\$16,807.33	

	August 31, 2026	\$16,807.33	
	November 29, 2026	\$16,807.33	
	February 27, 2027	\$16,807.33	
	May 28, 2027	\$16,807.33	
	August 26, 2027	\$16,807.33	
	November 24, 2027	\$16,807.37	
Marc J. Toomey	March 9, 2025	\$65,666.50	\$262,666.00
	June 7, 2025	\$65,666.50	
	September 5, 2025	\$65,666.50	
	December 4, 2025	\$65,666.50	

35. The Receiver has not received any payments from any of these administrative orders, judgments, or settlements. To the extent funds are actually received, it is currently the intent of the Receiver to seek Court approval to distribute those funds solely to holders of allowed claims in Class 4a (Heartland investors) as a return of capital. The timing and actual receipt of funds will determine the timing and amount of such distributions.

E. CASH ON HAND/ADMINISTRATIVE EXPENSES.

36. The Receiver has endeavored to pay all ordinary course administrative expenses, including, but not limited to, professional fees to Retained Personnel (to the extent allowed by the Court) and court filing fees. The Receiver continues to be cost conscious while balancing the need to protect the value of Receivership Assets and the needs of creditors, investors, and other stakeholders, and such expenses have decreased in this Reporting Period.

F. TERMINATION OF BUSINESS RECEIVERSHIP ENTITIES.

37. With the assistance of A&C, the Receiver has continued to identify entities under the Receivership which can be terminated.

38. On December 10, 2024, the Receiver filed a *Notice of Proposed Termination of Receivership Party* for Receivership Parties AOS [ECF No. 633], Barron Energy Corporation (“Barron Energy”) [ECF No. 630], Leading Edge Energy, LLC [ECF No. 631], and Dodson Prairie Oil & Gas LLC [ECF No. 632]. The Receiver did not receive any objections and has filed a *Certificate of No Objection* for Receivership Parties AOS [ECF No. 642], Barron Energy [ECF No. 639], Leading Edge Energy, LLC [ECF No. 640], and Dodson Prairie Oil & Gas LLC [ECF No. 641]. Barron Energy has been terminated with the Wyoming Secretary of State. Receivership Parties Dodson Prairie Oil & Gas LLC and Leading Edge Energy, LLC have been terminated with the Texas Secretary of State.

39. On December 12, 2024, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 635] for Receivership Party Panther City Energy LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 644] for Receivership Party Panther City Energy LLC. Receivership Party Panther City Energy LLC has been terminated with the Texas Secretary of State.

40. On January 7, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 650] for Receivership Party Sahota Capital LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 672] for Receivership Party Sahota Capital LLC. Receivership Party Sahota Capital LLC has been terminated with the Texas Secretary of State.

41. On January 7, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 651] for Receivership Party 1178137 B.C. LTD. The Receiver did

not receive any objections and has filed a *Certificate of No Objection* for Receivership Party 1178137 B.C. LTD. [ECF No. 669].

42. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 653] for Receivership Party Heartland Production and Recovery LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 673] for Receivership Party Heartland Production and Recovery LLC. Receivership Party Heartland Production and Recovery LLC has been terminated with the California Secretary of State but continues to be kept in active status for tax purposes in Delaware.

43. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 654] for Receivership Party Heartland Production and Recovery Fund LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 671] for Receivership Party Heartland Production and Recovery Fund LLC.

44. On January 8, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 655] for Receivership Party Heartland Production and Recovery Fund II LLC. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 670] for Receivership Party Heartland Production and Recovery Fund II LLC.

45. On March 18, 2025, the Receiver filed a *Notice of Proposed Termination of Receivership Party* [ECF No. 722] for Receivership Party Dallas Resources, Inc. The Receiver did not receive any objections and has filed a *Certificate of No Objection* [ECF No. 731] for Receivership Party Dallas Resources, Inc. Receivership Party Dallas Resources, Inc. has been terminated with the Texas Secretary of State.

46. The Receiver has begun the process of canceling EIN numbers and closing business accounts with the IRS for Receivership Parties with registrations that have been cancelled, dissolved, or terminated with the respective Secretary of State.

G. RECEIPTS AND DISBURSEMENTS.

47. During the Reporting Period, the Receiver deposited \$10,589.33 relating to interest and other income. As required by the Receivership Order, a Receipts and Disbursements chart is attached hereto as **Exhibit A**.

H. ADMINISTRATIVE ACTIONS.

48. As stated above, a website has been created to provide information to investors and creditors regarding the status of the Case: www.heartlandreceivership.com. The FAQs should answer the most common questions related to the Case. The FAQs, along with the other sections of the website, allow the Receiver to quickly, inexpensively, and broadly convey information regarding the Case. The Receiver continues to update the website on a rolling basis as information becomes available.

49. An email address was created for direct communication by investors and other parties in interest: heartlandreceivership@dykema.com. The email address was initially being monitored by attorneys at Dykema but is now primarily being monitored by a paralegal, who forwards those emails that require the attention of the Receiver or a Dykema attorney.

Dated: July 16, 2025

Respectfully submitted,

By: /s/ Danielle Rushing Behrends

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COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on July 16, 2025, the foregoing document was served via CM/ECF on all parties appearing in this case, including counsel for Plaintiff, United States Securities and Exchange Commission.

/s/ Danielle Rushing Behrends

Danielle Rushing Behrends

EXHIBIT A

RECEIPTS AND DISBURSMENTS

		Current Period 4/1/2025 - 6/30/2025	Cumulative
1. CASH AT BEGINNING OF PERIOD			
	*3863 IBC Account	\$ 90,079.08	
	*1565 Western Alliance Account	\$ 250,208.10	
	*0955 Western Alliance Sweep Account	\$ 1,821,981.69	
	*4056 Western Alliance Account	\$ 267,826.20	
	*0216 Western Alliance Account		
	*2548 Western Alliance Account	\$ 130,730.27	
	*3898 IBC Account		
	*7536 IBC Account		
		\$ 2,560,825.34	
2. RECEIPTS			
<i>*3863 IBC Account</i>			
	04/10/2025 Funds Received	\$ 15.00	
	05/12/2025 Deposit - SDMB Resources - Oil & Gas Revenue	\$ 4,658.35	
	Total Deposits to *3863	\$ 4,673.35	\$ 14,480,477.82
<i>*1565 Western Alliance Account</i>			
	04/01/2025 Transfer from *2548: \$108.83		
	04/30/2025 Interest Income	201.37	
	04/30/2025 Transfer from *2548: \$94.16		
	05/19/2025 Transfer from *4056: \$195.00		
	05/19/2025 Transfer from *4056: \$214.36		
	05/19/2025 Transfer from *4056: \$222.93		
	05/19/2025 Transfer from *4056: \$299.86		
	05/19/2025 Transfer from *4056: \$643.57		
	05/19/2025 Transfer from *4056: \$,1322.26		
	05/19/2025 Transfer from *4056: \$3,710.08		
	05/19/2025 Transfer from *4056: \$5,059.93		
	05/19/2025 Transfer from *4056: \$11,367.19		
	05/31/2025 Interest Income	208.08	
	05/31/2025 Transfer from *4056: \$137.99		
	05/31/2025 Transfer from *2548: \$67.68		
	06/30/2025 Transfer from *0955: \$331,408.34		
	06/30/2025 Interest Income	201.38	
	Total Deposits to *1565	\$ 610.83	\$ 38,871.83
<i>*0955 Western Alliance Sweep Account</i>			
	04/01/2025 Transfer from *1565: \$316.93		
	04/30/2025 Interest Income	1,453.32	
	05/01/2025 Transfer from *1565: \$295.53		
	05/19/2025 Transfer from *1565: \$23,035.18		
	05/31/2025 Interest Income	1,510.59	
	06/02/2025 Transfer from *1565: \$413.75		
	06/30/2025 Interest Income	1,474.65	
		\$ 4,438.56	\$ 206,555.63
<i>*4056 Western Alliance Account</i>			
	04/01/2025 Interest Income	\$ 222.93	
	04/02/2025 Bank Service Fee Refund	\$ 20.00	
	04/30/2025 Interest Income	\$ 195.00	
	05/31/2025 Interest Income	\$ 137.99	
	Total Deposits to *4056	\$ 575.92	\$ 9,420,982.86
<i>*0216 Western Alliance Account (Account Closed)</i>			
		\$ -	
	Total Deposits to *0216	\$ -	\$ 2,972.20
<i>*2548 Western Alliance Account</i>			
	04/01/2025 Interest Income	\$ 108.83	

	Current Period 4/1/2025 - 6/30/2025	Cumulative
04/02/2025 Bank Service Fee Refund	\$ 20.00	
04/30/2025 Interest Income	\$ 94.16	
05/31/2025 Interest Income	\$ 67.68	
Total Deposits to *2548	\$ 290.67	\$ 26,489.33
<i>*3898 IBC Account (Account Closed)</i>		
	\$ -	
Total Deposits to *3898	\$ -	\$ 1,439,917.28
<i>*7536 IBC Account (Account Closed)</i>		
	\$ -	
Total Deposits to *7536	\$ -	\$ 0.01
3. TOTAL RECEIPTS	\$ 10,589.33	\$ 25,616,266.96
4. TOTAL CASH AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	\$ 2,571,414.67	
5. DISBURSEMENTS		
<i>*3863 IBC Account</i>		
05/22/2025 Check Card to Corp E Corp Taxes - Franchise Tax	\$ 300.00	
05/22/2025 Check Card to Corp E Corp Taxes - Franchise Tax	\$ 300.00	
05/28/2025 Check #1397 to Banc First Insurance - Insurance Expense	\$ 3,125.00	
05/29/2025 Check #1396 to Delaware Secretary of State Taxes - Franchise Tax	\$ 1,320.00	
06/17/2025 Check #1399 to Contract Oil & Gas Operations LLC - Professional Fees	\$ 1,063.00	
04/11/2025 Check #1390 to Law Offices of Romero Kozub - Professional Fees	\$ 1,870.00	
04/11/2025 Check #1378 to Minister of Finance - Fees	\$ 14.00	
04/14/2025 Wire to IRS - Dallas Resources Inc - Taxes	\$ 3,315.00	
04/14/2025 Check Card to Courts USDC TX Filing Fees	\$ 69.00	
05/12/2025 Check to Secretary of State - Filing Fees	\$ 40.00	
05/21/2025 Check #1395 to Texas Secretary of State - Filing Fees	\$ 30.00	
05/22/2025 Check Card to Corp E Corp Taxes - Franchise Tax	\$ 300.00	
Total Disbursements from *3863	\$ 11,746.00	\$ 7,606,157.82
<i>*1565 Western Alliance Account</i>		
04/01/2025 Transfer to *0955: \$316.93		
05/01/2025 Transfer to *0955: \$295.53		
05/19/2025 Transfer to *0955: \$23,035.18		
06/02/2025 Transfer to *0955: \$413.75		
6/30/2025 Wire - Dykema Gossett PLLC - Professional Fees	\$ 308,056.51	
6/30/2025 Wire - Higgs and Johnson - Professional Fees	\$ 23,351.83	
	\$ 331,408.34	\$ 351,408.34
<i>*0955 Western Alliance Sweep Account</i>		
06/30/2025 Transfer to *1565: \$331,408.34		
	\$ -	\$ -
<i>*4056 Western Alliance Account</i>		
04/15/2025 Check #6660 - Distribution Payment	\$ 16,290.80	
04/15/2025 Check #6665 - Distribution Payment	\$ 7,482.05	
04/18/2025 Check #6667 - Distribution Payment	\$ 3,904.65	
04/25/2025 Check #6658 - Distribution Payment	\$ 43,472.71	
04/25/2025 Check #6661 - Distribution Payment	\$ 3,582.39	
04/25/2025 Check #6664 - Distribution Payment	\$ 7,482.04	
04/29/2025 Check #6668 - Distribution Payment	\$ 10,490.83	
05/19/2025 Transfer to *1565: \$195.00		
05/19/2025 Transfer to *1565: \$214.36		
05/19/2025 Transfer to *1565: \$222.93		
05/19/2025 Transfer to *1565: \$299.86		
05/19/2025 Transfer to *1565: \$643.57		
05/19/2025 Transfer to *1565: \$1,322.26		
05/19/2025 Transfer to *1565: \$3,710.08		
05/19/2025 Transfer to *1565: \$5,059.93		
05/19/2025 Transfer to *1565: \$11,367.19		
05/31/2025 Transfer to *1565: \$137.99		

	Current Period 4/1/2025 - 6/30/2025	Cumulative
06/30/2025 Transfer to *1565: \$121.90		
06/30/2025 Check #6663 - Distribution Payment	\$ 4,408.79	
Total Disbursements from *4056	\$ 97,114.26	\$ 9,227,034.14

*0216 Western Alliance Account (Account Closed)

	\$ -	
	\$ -	
Total Disbursements from *0216	\$ -	\$ 650,000.00

*2548 Western Alliance Account

04/01/2025 Transfer to *1565: \$108.83		
04/15/2025 Check #6660 - Distribution Payment	\$ 8,685.87	
04/15/2025 Check #6665 - Distribution Payment	\$ 3,989.25	
04/18/2025 Check #6667 - Distribution Payment	\$ 2,081.87	
04/25/2025 Check #6658 - Distribution Payment	\$ 23,178.62	
04/25/2025 Check #6661 - Distribution Payment	\$ 1,910.05	
04/25/2025 Check #6664 - Distribution Payment	\$ 3,989.25	
04/29/2025 Check #1653 - Distribution Payment	\$ 5,593.46	
04/30/2025 Transfer to *1565: \$94.16		
05/31/2025 Transfer to *1565: \$67.68		
06/23/2025 Check #6663 - Distribution Payment	\$ 2,350.66	
06/30/2025 Transfer to *1565: \$65.00		
Total Disbursements from *2548	\$ 51,779.03	\$ 4,921,068.76

*3898 IBC Account (Account Closed)

	\$ -	
Total Disbursements from *3898	\$ -	\$ 781,215.86

*7536 IBC Account (Account Closed)

	\$ -	
Total Disbursements from *7536	\$ -	\$ 15.00
6. TOTAL DISBURSEMENTS	\$ 492,047.63	\$ 23,536,899.92

7. ENDING CASH BALANCE
(Line 4 - Line 6)

*3863 IBC Account	\$ 83,006.43	
*1565 Western Alliance Account	\$ 250,201.38	
*0955 Western Alliance Sweep Account	\$ 1,519,073.30	
*4056 Western Alliance Account	\$ 148,114.69	
*0216 Western Alliance Account (Account Closed)	\$ -	
*2548 Western Alliance Account	\$ 78,971.24	
*3898 IBC Account (Account Closed)	\$ -	
*7536 IBC Account (Account Closed)	\$ -	
	\$ 2,079,367.04	\$ 2,079,367.04