

**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, *et al.*,**

Defendants.

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Civil Action No. 4:21-cv-01310-O-BP

**FINDINGS, CONCLUSIONS, AND RECOMMENDATION
OF THE UNITED STATES MAGISTRATE JUDGE**

Before the Court is the Receiver’s Motion for Authority to Forfeit Investor Distribution for Failure to Timely Submit Completed and Signed IRS Form W-9 filed on January 17, 2025. ECF No. 663 (the “Motion”). On January 21, 2025, the Receiver filed a certificate of service noting that she transmitted a copy of the Motion to twenty known investors who have not received their distributions solely because they did not submit a completed and signed IRS Form W-9. *See* ECF No. 665.

By Order dated February 10, 2025, the Court set the Motion for a telephonic hearing on February 27, 2025, at 3:30 p.m. C.S.T., and ordered any party or person who opposed the Motion to file a response on or before February 25, 2025. ECF No. 680. No party or person filed a response, and the Court heard argument on the Motion at the hearing on February 27, 2025. At the hearing, the Receiver advised the Court that four of the twenty investors who had not submitted a completed and signed IRS Form W-9 have now delivered, or shortly will deliver, the necessary executed form. As a result, sixteen known investors are the subject of these findings, conclusions, and recommendation and are referred to as the “Affected Investors.”

After considering the Motion and applicable legal authorities, and for the reasons stated at the hearing, based on good cause, the undersigned finds that the Receiver's request for authority to forfeit the Affected Investors' distribution for not submitting fully executed IRS Form W-9's is in the best interest of the Receivership Estates. *See Clark v. Clark*, 58 U.S. 315, 331 (1855); *FSLIC v. PSL Realty Co.*, 630 F.2d 515, 521 (7th Cir. 1980), *cert. denied*, 452 U.S. 961 (1981) (explaining the "receiver is an officer of the court and subject to its order in relation to the property for which he is responsible until discharged by the court"); *see also SEC v. Safety Fin. Serv., 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"). "[R]easonable procedures instituted by the district court that serve [receivership's] purpose[s]" are generally upheld. *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). Actions by a court supervising a receivership will not be disturbed unless there is a clear showing of abuse. *Safety Fin. Serv.*, 674 F.2d at 372 (citing *SEC v. Arkansas Loan & Thrift Corp.*, 427 F.2d 1171, 1172 (8th Cir. 1980)). Forfeiture of the Affected Investors' right to current and all future distributions is in the best interest of the Estates and their creditors. Further, without the authority to forfeit the Affected Investors' distribution for not submitting IRS Form W-9's, the Receiver will have sixteen (16) outstanding distributions, totaling more than one hundred thousand dollars, which could be returned to the Receivership Estates for distribution.

Accordingly, the undersigned **RECOMMENDS** that United States District Judge Reed O'Connor **GRANT** the Motion (ECF No. 663) and **ENTER** the order in the form shown below.

A copy of these findings, conclusions, and recommendation shall be served on all parties in the manner provided by law. Any party who objects to any part of these findings, conclusions, and recommendation must file specific written objections within fourteen days after being served

with a copy. *See* 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72(b)(2). To be specific, an objection must identify the particular finding or recommendation to which objection is made, state the basis for the objection, and specify the place in the magistrate judge's findings, conclusions, and recommendation where the disputed determination is found. An objection that merely incorporates by reference or refers to the briefing before the magistrate judge is not specific. Failure to file specific written objections will bar the aggrieved party from appealing the factual findings and legal conclusions of the magistrate judge that are accepted or adopted by the district court, except upon grounds of plain error. *See Douglass v. United Servs. Auto. Ass'n*, 79 F.3d 1415, 1417 (5th Cir. 1996) (en banc), modified by statute on other grounds, 28 U.S.C. § 636(b)(1) (extending the time to file objections to 14 days).

SIGNED on March 3, 2025.


Hal R. Ray, Jr.
UNITED STATES MAGISTRATE JUDGE

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Civil Action No. 4:21-cv-01310-O-BP

**ORDER APPROVING RECEIVER’S MOTION FOR
AUTHORITY TO FORFEIT INVESTOR DISTRIBUTION FOR
FAILURE TO SUBMIT COMPLETED AND SIGNED FORM W-9**

Before the Court is the Receiver’s Motion for Authority to Forfeit Investor Distribution for Failure to Timely Submit Completed and Signed IRS Form W-9 (ECF No. 663) (the “Motion”), filed by Deborah D. Williamson, Court-appointed Receiver in the Case, pursuant to the Court’s Order Appointing Receiver (ECF No. 17) entered on December 2, 2021. The Court, having considered the Motion and the information submitted in support, responses, or objections, if any, the arguments of counsel at the hearing on the Motion on February 27, 2025, and the pleadings on file finds that the Motion (ECF No. 663) should be, and hereby is, **GRANTED**.

IT IS THEREFORE ORDERED that:

1. The Motion is **GRANTED**.
2. The Receiver may forfeit the Affected Investors’ right to current and all future distributions for failure to submit a completed and signed IRS Form W-9 on or before February 15, 2025.

3. Nothing in this Order will prejudice or limit any right of the Receiver to extend the deadline to submit a completed and signed IRS Form W-9 for current and future distributions.

SO ORDERED this ____ day of _____, 2025.

Reed O'Connor
UNITED STATES DISTRICT JUDGE