

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, §

Defendants, §

and \S

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 §

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

**UNITED STATES' UNOPPOSED MOTION TO EXTEND TIME TO RESPOND TO THE
RECEIVER'S MOTION TO DETERMINE REASONABLE CAUSE EXISTS TO ABATE IRS
PENALTIES, INTEREST, AND LATE FILING FEES**

The United States of America, on behalf of its agency the Internal Revenue Service, moves the Court to extend the deadline by which the United States must respond to the Receiver's Motion to Determine Reasonable Cause Exists to Abate IRS Penalties, Interest, and Late Filing Fees ("Motion") (ECF No. 743) by twenty-one days until July 15, 2025. Good cause exists to grant this extension because the United States is still gathering information needed to formulate a response to the Motion. Granting the extension will also allow the United States and Receiver to engage in further discussions to attempt to reach a mutually agreeable resolution of the issues raised by the Motion without protracted litigation.

BACKGROUND

The Motion seeks relief with respect to certain tax penalties for three parties identified as "Receivership Parties" in the Court's Order Appointing Receiver (ECF No. 17). Voluminous exhibits are attached to the Motion (ECF Nos. 743-1 to 743-54), and it recounts in detail interactions the Receiver has had with the IRS regarding the employment tax liabilities and penalties assessed against these three Receivership Parties. According to the Motion, the amount at issue involves penalties, interest, and late fees totaling at least \$338,810.64 for 13 tax types and/or periods for the three entities. *See* Motn. at 2-3. In short, the Motion seeks a determination that those penalties, late fees, and interest should be abated, and that the IRS has no claim against any Receivership Parties or the receivership estate.

The Motion was filed June 3, 2025, and sent by mail to the United States Attorney's Office for the Northern District of Texas contemporaneously with its filing. A copy was also delivered by email to the office of undersigned counsel on that same date. Local Civil Rule 7.1 requires that any response to a motion be filed within 21 days of the date the motion is filed.

ARGUMENT

Good cause exists to extend the United States' time to respond to the Motion, and the Receiver is not opposed to the extension. As noted above, any such response is currently due within 21 days of the Motion's filing, or June 24, 2025. However, the Federal Rules of Civil Procedure authorize the Court to extend that time "for good cause" on a motion made before the time expires. Fed. R. Civ. P. 6(b). Good cause for the requested extension exists here. The United States requires additional time to determine the appropriate response to the Motion, and the parties would also benefit from additional time to explore an alternative resolution to the Motion.

The United States needs additional time to more fully examine the facts and issues raised by the Motion. Although the Receivership itself has been ongoing for some time, the Motion raises issues that would ordinarily be raised only in a new civil action, such as in a suit for refund of taxes. In such an instance, the United States would have 60 days from the date of service on the United States Attorney to appear and defend. *See* Fed. R. Civ. P. 12(a)(2). The United States has begun gathering information both from the IRS and from the Receiver, but additional time is needed for it to adequately defend its interests implicated by the Motion. And, the United States is seeking a relatively modest extension of 21 additional days, rather than seeking the full 60 days it might ordinarily have when confronted with a pleading such as the Motion. This by itself constitutes good cause to grant the requested extension.

Other factors also support a finding of good cause for the extension being sought. Counsel for the United States has begun discussions with counsel for the Receiver in an attempt to explore the possibility of an alternative resolution of the issues presented by the Motion. Instead of requiring counsel's time be spent in preparation of a formal response to the Motion at this stage, it will likely be far more productive to permit additional time be spent in pursuit of an alternative resolution before requiring a formal response.

CONCLUSION

For the foregoing reasons, there is good cause to extend the United States' time to respond to the Motion up to and including July 15, 2025.

Dated: June 18, 2025.

Respectfully Submitted

/s/Michael W. May

Michael W. May

TX State Bar No. 24054882

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ATTORNEY FOR THE UNITED STATES (IRS)

CERTIFICATE OF CONFERENCE

I certify that I conferred with counsel for the Receiver, Danielle Rushing Behrends, on June 17, 2025, and the Receiver is unopposed to the relief sought in this Motion.

/s/Michael W. May

Michael W. May

CERTIFICATE OF SERVICE

I certify that on June 18, 2025, I have served counsel of record by filing the above motion via the Court's electronic filing and notification system.

/s/Michael W. May

Michael W. May