

in the above-captioned case (the “**Case**”), hereby files this *Motion of Receiver (I) for Order Authorizing Liquidation of Furniture, Fixtures, Equipment, and Other Items and Termination of Certain Leases, (II) to Approve Procedures to Sell Certain Personal Property, and (III) to Release Funds from Certain Frozen Bank Accounts into the Receiver’s Account* (the “**Motion**”) and respectfully shows the Court as follows:

I.
EXECUTIVE SUMMARY

1. Since the Receiver’s appointment over the Bryant Defendants Receivership Estate (the “**Bryant Receivership Estate**”), the Receiver has worked diligently to understand the business model used by BUCF and to collect, marshal, and take control over the Bryant Defendants Receivership Assets (the “**Bryant Receivership Assets**”) (defined below) pursuant to this Court’s directives.

2. As part of that work, the Receiver has determined that BUCF is not a viable business, and has located minimal liquid assets of the Receivership Estate. At the same time, the Receiver has determined that there is no less than \$22 million of investor money at risk (though presently unaccounted for in any Receivership Assets), and this current estimate of investor funds at risk is low as it does not yet include an analysis of re-invested funds. There are also certain expenses that are recurring at a rate for which the current Receivership Assets are insufficient. Accordingly, the Receiver has determined that it is in the best interests of all stakeholders with claims against BUCF to liquidate the “hard” Bryant Receivership Assets.

II.
FACTUAL BACKGROUND

A. Procedural Background

3. On May 15, 2017, this Court issued an order appointing the Receiver as receiver over all of the Bryant Receivership Defendants' monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the receivership defendant owns, possesses, has a beneficial interest in, or controls directly or indirectly, as well as all bank accounts, savings accounts, brokerage accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment (with regard to the Bryant Defendants) (collectively, the "**Bryant Receivership Property**" or "**Bryant Receivership Assets**") and electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records, savings records, and brokerage records of the Bryant Defendants (collectively, the "**Bryant Receivership Records**" and together with the Bryant Receivership Property, the "**Bryant Receivership Estate**"). *See* Order Appointing Receiver, Dkt. No. 17, at ¶¶ 7, 14, 17.

4. On June 14, 2017, the Receiver filed her Initial Status Report for the Bryant Receivership Estate. *See Receiver's Initial Status Report for Receivership Estates of (A) Thurman P. Bryant, III; (B) Bryant United Capital Funding, Inc.*, Dkt. No. 32.¹

5. On July 19, 2017, this Court entered the Amended Order Appointing the Receiver, expanding the Order Appointing the Receiver to include Wammel, Wammel Group,

¹ The Receiver will file her quarterly Status Report on July 31, 2017. This Motion, however, focuses on the facts most relevant to the included requests.

and WGHP but not changing in substance the powers of the Receiver over the Bryant Defendants. *See* Amended Order Appointing Receiver, Dkt. No. 48 (the “**Receivership Order**”).

6. The Receivership Order authorizes the Receiver to “take custody, control and possession of all Receivership Property and records relevant thereto from Receivership Defendants; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto....” *Id.* at ¶ 7A. The Receivership Order also directs and authorizes the Receiver to “manage, control, operate and maintain the Receivership Estates and hold in [her] possession, custody and control all Receivership Property, pending further Order of this Court,” as well as to “use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging [her] duties as Receiver.” *Id.* at ¶ 7C–D.

7. The Receiver is further authorized by the Receivership Order to “transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.” *Id.* at ¶ 35

B. Receivership Property

8. The Receiver has collected, marshaled, and taken control over Bryant Receivership Assets since her appointment, and to date, has located and deposited into the Receivership bank account approximately \$30,000.² The remaining property located is illiquid.

² This amount does not include the over \$12,000 in funds that remain frozen due to the asset freeze in effect **MOTION OF RECEIVER (I) FOR ORDER AUTHORIZING LIQUIDATION AND TERMINATION OF CERTAIN LEASES, (II) TO APPROVE PROCEDURES TO SELL CERTAIN PERSONAL PROPERTY, AND (III) TO RELEASE FUNDS FROM CERTAIN FROZEN BANK ACCOUNTS INTO THE RECEIVER’S ACCOUNT – PAGE 4**
524662 000002 19645054.4

9. Upon her appointment, the Receiver took possession of the primary residence of Defendant Bryant. Defendant Bryant lived in an 8,000 square-foot home located in a DFW suburb (the “**Home**”). Defendant Bryant occupied the Home pursuant to a lease, and thus the Receiver was required to coordinate with the owner/landlord of the residence to, among other things, change the locks on the home. The Receiver inventoried the personal effects found at the Home, including furniture, decorations, guns, electronics, and personal effects that are typical for a home of this size, including bed frames, chairs, couches, desks, clothing, jewelry, golf clubs, televisions, and other like items.

10. After her appointment as Receiver and pursuant to the responsibilities with which she is charged, the Receiver took control and possession of certain personal property owned by the Bryant Defendants, including the personal property enumerated in **Exhibit A**³, attached hereto (the “**Exhibit A Assets**”). All of the Exhibit A Assets constitute Bryant Receivership Assets within the meaning of this Court’s Receivership Order.

C. Receivership Expenses and Creditors

11. The Receiver has identified multiple creditors of Defendants, including the landlord, credit card companies, loans, and cancelled accounts with balances due.

12. Specifically, the Receiver discovered that at the commencement of the Receivership, the Receivership Estate was bound by lease agreements related to the Home, a virtual office in Katy, Texas, Public Storage units (containing the Storage Property), three

pursuant to the Receivership Order. See Veritas Advisory Group, Inc.’s (“**Veritas**”) Summary of Bryant Defendants Frozen Bank Accounts, attached hereto as **Exhibit I** (the “**Exhibit I Frozen Assets**”).

³ Defendant Bryant and his family removed, by agreement of the Receiver, small personal effects from the Home, such as clothing, medications, and small toys as a living allowance.

Exhibit A is inclusive of all items inventoried by the Receiver, whether those items were seized or affixed to the Home, and regardless of whether such items were (i) included in the plan of liquidation for public auction, (ii) included in the plan of liquidation for private sale, (iii) deemed by assessment as invaluable and thus not specifically included in the plan of liquidation, or (iv) disputed items with the landlord of the Home.

Cadillac vehicles leased with GM Financial, and a horse barn where the Bryant Defendants board a horse. These leases give rise to recurring monthly expenses: (1) the monthly rental expenses for the Home of approximately \$19,000 per month, (2) the monthly rental charge for two storage units held in Defendant Bryant's name of approximately \$498.40 per month, (3) the monthly leasing cost of three Cadillac vehicles of approximately \$3,421.47, and (4) the monthly stable expense for a horse. *See* Declaration of J. Ecklund, attached hereto as **Exhibit B**.

13. The Receiver further has incurred and will continue to incur expenses in the ordinary course of the Receivership. These expenses include, but not are limited to: expenses related to seizure of Defendant Bryant and BUCF property, invoices received by mail, maintaining the BUCF website, bank charges, and other miscellaneous expenses.

14. The approximately \$30,000 in the Receiver's bank account is woefully insufficient to cover the currently outstanding expenses of the Receivership Estate.

15. As part of her investigation into the facts of this case, the Receiver has enlisted the assistance of a forensic accountant and has determined that there is no less than \$22 million of investor money at risk, which funds have not yet been located. *See* Declaration of B. Kleinman, attached hereto as **Exhibit C**. Further, this current estimate of investor funds at risk is low as it does not yet include an analysis of re-invested funds.

16. The Receiver has begun to reduce the debt load of the Receivership Estate. The Receiver closed the virtual office location of Defendant BUCF in Katy, Texas, and has terminated the lease for that location by its terms. The Receiver coordinated the return of the leased vehicles with GM Financial Leasing, and is in discussions with the owner of the Home to terminate the lease. The Receiver took possession of a horse belonging to Defendant Bryant and achieved a reduction in the fees associated with its boarding. The Receiver vacated the Home,

preventing the need for additional rent payments to the landlords of the Home. Further, the Receiver is in the process of vacating both storage units to further decrease monthly expenses.

17. However, the Receiver's efforts to reduce the Receivership liabilities have reached a juncture whereby liquidation of personal property is necessary. In particular, the owners of the Home are seeking to market and sell the home immediately, and thus the Receiver vacated the Receivership Property located in the Home and now seeks needs to liquidate such property as soon as practicable. It is not practical for the Receiver to take steps to store the personal property off site indefinitely because the volume of property is large and the corresponding liability of holding the property and associated costs are relatively high. Moreover, the relatively low value of assets found so far make liquidation of personalty the most viable option.

18. The Receiver has consulted with various property liquidators to estimate the value of the personal property found at the Home and Storage Property, including (1) an equine consultant, (2) a gun liquidator, (3) a car broker, and (4) a home liquidator. These consultants estimate that the sale of the personal property from the Home and Storage Units will (1) significantly reduce liability to the Receivership Estate by preventing the need to store such personalty, and (2) bring material funds to the Receivership Estate.

19. Specifically, the Receiver intends to liquidate the majority of the items inventoried in Exhibit A through a home liquidator who will organize, arrange, display and sell the personal effects via an online auction. Additionally, the gun liquidator has informed the Receiver of upcoming events that are high-value opportunities to liquidate the guns recovered from the Home. Furthermore, the home liquidator will work with a liquidator with an alcohol license in order to liquidate the alcoholic beverages listed in Exhibit A.

20. The Receiver is aware that Relief Defendant Thurman P. Bryant, Jr. contests ownership of certain property, including the following:

- Old single barrel 12 gauge shotgun;
- Pistol – Model 1911 Sig Sauer;
- Pistol – Model 1911 Ed Brown; and
- Rifle – 8mm German Mauser.

Mr. Bryant, Jr. previously provided to the Receiver two documents that appear to evidence transactions—one regarding the Ed Brown Pistol and one regarding the Sig Sauer Pistol—in support of his claim to the above items. *See* Documents from Mr. Bryant, Jr. attached hereto as **Exhibit D**. The Receiver has requested from Mr. Bryant any documentation to support ownership of the Old single barrel 12 gauge shotgun and the Rifle – 8 mm German Mauser but to date has received no further documentation. The Receiver defers to the Court as to the decision regarding whether to liquidate these disputed items in light of the above claims and documents.

21. The Receiver brings this Motion seeking permission to liquidate the personal property found at the Home and Storage Units, to hire liquidation specialists to liquidate the personalty and to incur related expenses of sale (including, but not limited to, reasonable commissions, moving costs, and the like), and to terminate outstanding, recurring monthly leases, as the Receiver is able to negotiate pursuant to the Receivership Order. The Receiver also seeks to approve procedures to sell several large assets that are part of the Receivership Property—the swing set identified by photograph, attached hereto as **Exhibit E** (the “**Swing Set**”), the horse in the Receiver’s possession and identified by photograph, attached hereto as **Exhibit F** (the “**Horse**”), the 1936 Ford Roadster identified by photograph, attached hereto as **Exhibit G** (the “**Roadster**”), the 2013 Cross Country Motorcycle identified by photograph,

attached hereto as **Exhibit H** (the “**Motorcycle**”), and to receive authorization to sell additional assets each valued at less than \$10,000 without additional court confirmation. Further, the Receiver requests this Court to release frozen Receivership Assets on deposit with financial institutions into the Receiver’s account.

III.
ARGUMENTS AND AUTHORITIES

A. The Receiver’s proposed plans to liquidate certain Receivership Assets and terminate certain leases maximize the value of the assets, eliminate unnecessary expenses, and preserve judicial resources.

22. It is well-settled that the primary goal of a receivership is to provide a conduit through which assets can be held, liquidated, and distributed to the particular beneficiaries of the receivership. *See, e.g., SEC v. Safety Finance Service, Inc.* 674 F.2d 369, 371 (5th Cir. 1982). In this case, the beneficiaries are the numerous investors and creditors of BUCF and other named Defendants, who the SEC claims orchestrated and operated a scheme to defraud that divested investors of millions of dollars.

23. As stated above, the Receiver seized numerous non-cash assets previously belonging to the Bryant Defendants, some of which are listed on the attached Exhibit A. All of the Exhibit A Assets, including the Swing Set and Horse, constitute Receivership Assets within the meaning of this Court’s May 15, 2017 Order Appointing Receiver.

24. District courts have broad powers and wide discretion to determine the appropriate relief in an equity receivership, including liquidation of receivership assets. *See SEC v. Safety Finance Service, Inc.* 674 F.2d 369, 373 (5th Cir. 1982) (holding that the court overseeing the receivership is given “wide discretionary power” in light of “the concern for orderly administration”).

25. To assist courts in this purpose, 28 U.S.C. § 2004 governs the sale of personal

property, stating:

Any personalty sold under any order or decree of any court of the United States shall be sold in accordance with section 2001 of this title [28 USCS § 2001], unless the court orders otherwise.

26. 28 U.S.C. § 2001 governs the procedure for conducting sales of real property. As it pertains to public (rather than private) sales, 28 U.S.C. § 2001(a) states:

(a) Any realty or interest therein sold under any order or decree of any court of the United States shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part of the property is located, or upon the premises or some parcel thereof located therein, as the court directs. Such sale shall be upon such terms and conditions as the court directs. Property in the possession of a receiver or receivers appointed by one or more district courts shall be sold at public sale in the district wherein any such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county, parish, or city, as such court directs, unless the court orders the sale of the property or one or more parcels thereof in one or more ancillary districts.

27. As the statute pertains to private sales, 28 U.S.C. § 2001(b) provides, in relevant part:

After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby.

28. Ultimately, when structuring the sale of personal property, the Court has discretion under the relevant statutes to establish procedures or approve proposed procedures that are well-tailored to suit the needs and circumstances of a particular case. 28 U.S.C. § 2004.

1. Liquidation of furniture, fixtures, equipment, and other items as well as termination of certain leases is necessary to reduce Receivership expenses and preserve value for the Receivership Estate.

29. Courts have authorized a court-appointed receiver to wind down the receivership business, liquidate assets, and terminate administrative costs that would result in diminished assets for the receivership estate. *See, e.g., Jones v. Wells Fargo Bank, N.A.*, 666 F.3d 955, 966 (5th Cir. 2012) (noting with approval district court's authorization to permit receiver to liquidate receivership assets); *SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80 (2d Cir. 2002) (affirming SEC-appointed receiver's plan to liquidate receivership assets); *U.S. Commodity Futures Trading Comm'n v. PrivateFX Global One Ltd.*, Nos. 09-1540, 09-1541, 2012 WL 1229540, at *3 (S.D. Tex. Feb. 2, 2012) (recognizing receiver's authority to liquidate assets of receivership estate); *SEC v Byers*, 637 F. Supp. 2d 166, 174-76 (S.D.N.Y. 2009) (district court has jurisdiction to approve SEC-appointed receiver's plan to liquidate receivership assets).

30. Here, BUCF is not a viable business, as its only operations appear to be paying money out to investors from currently undetermined sources. Bryant and BUCF promised investors their funds would be safely preserved in secure escrow accounts and used for the sole purpose of serving as proof of funds to enable BUCF to secure a line of credit with which to pursue a mortgage-related investment program resulting in 30% returns. However, no secure escrow accounts existed, and there was no mortgage-related investment program. *See* Complaint, Dkt. No. 1, at ¶ 3. In reality, and directly contrary to representations they made, the Bryant Defendants commingled investor funds in a single deposit account controlled by Bryant, from which he, among other things, (a) funneled approximately \$16.2 million to the Wammel Defendants; (b) misappropriated \$4.8 million to fund his personal living expenses; (c) transferred \$1.37 million to Relief Defendant Goodspeed; and (d) paid out at least \$140,000 to Relief Defendant Bryant, Jr., all without investors' consent or knowledge. *Id.*

31. Moreover, the Receiver has located nominal liquid assets in comparison to the outstanding liabilities of the Receivership, and the Receiver has an immediate need to reduce Receivership expenses, including those directly related to the personalty.

32. As part of her duties, and pursuant to 28 U.S.C. § 2004 and 28 U.S.C. § 2001 and this Court's discretion to approve procedures well-tailored to the factual circumstances, the Receiver requests that she be allowed to market and sell via public and private sale where necessary the furniture, fixtures, equipment, and other items located at the Home and the Storage Property and listed in Exhibit A through property liquidators who will organize, arrange, display and sell the personal effects in efforts to maximize recovery and efficiency. The Receiver further requests that she be authorized to terminate the aforementioned leases (that have not already been terminated) that give rise to needless recurring monthly expenses.

33. Allowing the Receiver to liquidate the furniture, fixtures, equipment, and other items located at the Home and the Storage Property and listed in Exhibit A through private sales (where necessary) to third parties will most expeditiously further the goals of the Receivership. *See SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n.9 (9th Cir. 1986).

34. While a private sale of real estate must adhere to the specific requirements of 28 U.S.C. § 2001 as to the number of bids and a court hearing to confirm the sale, subjecting the sale of certain items of personal property to the same stringent requirements may be oppressive for the Court, and for the efficiency of the Receivership. For this reason, and pursuant to the express permission granted by 28 U.S.C. § 2004, the Receiver requests that any private sale of the furniture, fixtures, equipment, and other items located at the Home and the Storage Property and listed in Exhibit A be exempted from the requirements of 28 U.S.C. § 2001 applied to real property, because most assets require the expertise of property liquidators to recover the maximal

value in the most time-efficient manner for the Receivership. The express language of 28 U.S.C. § 2004 permits the Court such latitude in approving such an arrangement.

35. Accordingly, this Court should authorize liquidation of the furniture, fixtures, equipment, personalty, and other items located at the Home and the Storage Property and listed in Exhibit A, payment of the associated costs, and termination of ongoing but unnecessary leases because these actions are not only warranted under the circumstances, but also necessary to preserve value for the Receivership Estate.

2. Private sales for high-value assets, including the Swing Set, the Horse, the Roadster, and the Motorcycle, maximize value to the Receivership Estate and constitute the most time and cost-efficient method of liquidation.

36. The Receivership Estate contains assets of value, including the Swing Set, the Horse, the Roadster, and the Motorcycle. Because these assets are likely of greater value to the Receivership Estate if they are sold through private sale, the Receiver contends that the most time and cost-efficient method for liquidating the Swing Set, the Horse, the Roadster, and the Motorcycle is to offer them for private sale.

37. The Receiver proposes initially marketing the Swing Set, the Horse, the Roadster, and the Motorcycle for sale to appropriate third parties. Because the Swing Set, the Horse, the Roadster, and the Motorcycle are of value, a private sale as described (where possible) may result in a greater recovery for the Receivership.

38. Thus, as part of her duties, and pursuant to 28 U.S.C. § 2004 and 28 U.S.C. § 2001, the Receiver requests that she be allowed to market and sell the Swing Set, the Horse, the Roadster, and the Motorcycle through a private sale, which would likely result in a greater recovery to the Receivership Estate than sales at a public online auction.

39. Allowing the Receiver to liquidate the Swing Set, the Horse, the Roadster, and the Motorcycle through private sales to third parties will most expeditiously further the goals of the Receivership. *See SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n.9 (9th Cir. 1986).

40. While a private sale of real estate must adhere to the specific requirements of 28 U.S.C. § 2001 as to the number of bids and a court hearing to confirm the sale, subjecting the sale of certain items of personal property to the same stringent requirements may be oppressive for the Court, and for the efficiency of the Receivership. For this reason, and pursuant to the express permission granted by 28 U.S.C. § 2004, the Receiver requests that any private sale of the Swing Set and the Horse be exempted from the requirements of 28 U.S.C. § 2001 applied to real property, because the assets at issue are valued at less than \$20,000. The express language of 28 U.S.C. § 2004 permits the Court such latitude in approving such an arrangement.

41. Further, the Receiver is confirming whether any outstanding or perfected liens exist against the Roadster and the Motorcycle, and she will give notice of the intent to sell to any purported lienholders. The Receiver proposes to satisfy any existing liens on sale of the respective vehicle and reserves her right to come to the Court to the extent that any dispute arises with respect to the existence or satisfaction of any lien.

42. Accordingly, this Court should authorize the Receiver to dispose of the Swing Set, the Horse, the Roadster, and the Motorcycle through private sales, as private sales would benefit the Receivership Estate and are well-tailored to suit the needs and circumstances in this case.

3. **This Court should authorize the Receiver to sell additional assets valued at less than \$10,000 without further court confirmation in order to maximize the value of the assets and preserve judicial resources.**

43. Additional personal property assets and assets affixed to or recovered in the Home and also recovered in the Storage Unit may be located and identified in the course of the Receiver's work. Because many of these assets may be relatively low in value, the Receiver requests the Court's permission to sell any assets valued at less than \$10,000 through the procedures described in this Motion, without additional court confirmation. This will permit the Receiver to expeditiously maximize the value of the assets while allowing the Court to most efficiently maximize its limited resources and time.

44. Allowing the Receiver to liquidate additional personal property assets and assets affixed to the Home without additional court confirmation and through private sales (where necessary) to third parties will most expeditiously further the goals of the Receivership. *See SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n.9 (9th Cir. 1986).

45. While a private sale of real estate must adhere to the specific requirements of 28 U.S.C. § 2001 as to the number of bids and a court hearing to confirm the sale, subjecting the sale of certain items of personal property to the same stringent requirements may be oppressive for the Court, and for the efficiency of the Receivership. For this reason, and pursuant to the express permission granted by 28 U.S.C. § 2004, the Receiver requests that any private sale of additional personal property assets and assets affixed to the Home be exempted from the requirements of 28 U.S.C. § 2001 applied to real property, because the assets at issue are each valued at less than \$10,000. The express language of 28 U.S.C. § 2004 permits the Court such latitude in approving such an arrangement.

B. The frozen Bryant Receivership Assets on deposit with financial institutions should be released into the Receiver's account in order for the Receiver to comply with her responsibility to take "custody, control and possession of all Receivership Property."

46. Courts have the "authority to freeze personal assets temporarily and the corollary authority to release frozen personal assets, or lower the amount frozen." *See SEC v. Duclaud Gonzalez de Castilla*, 170 F. Supp. 2d 427, 429 (S.D.N.Y. 2001). Further, courts often release funds on deposit with financial institutions into a receiver's account. *See, e.g., U.S. Commodity Futures Trading Comm'n v. Gresham*, No. 3:09-CV-75-TWT, 2012 WL 1606037, at *5 (N.D. Ga. May 7, 2012); *U.S. Commodity Futures Trading Comm'n v. PrivateFX Global One Ltd.*, No. 09-1540, 2012 WL 1229540, at *3 (S.D. Tex. Feb. 2, 2012) (ordering the release of all funds, held in single or joint account, to be conveyed to Receiver's account); *SEC v. Quiros*, No. 16-CV-21301-GAYLES, 2016 WL 8679312, *3 (S.D. Fla. Apr. 21, 2016) (slip op.) (Order stating financial institutions may release funds as requested by the Receiver).

47. In this case, the Receiver is tasked with taking "custody, control and possession of all Receivership Property." *See* Receivership Order at ¶ 7A. To comply with this responsibility, the Receiver requests that the Court release the frozen Bryant Receivership Assets on deposit with financial institutions into the Receiver's account. The frozen Bryant Receivership Assets are listed in **Exhibit I** and attached hereto (the "**Exhibit I Frozen Assets**").

48. It is necessary for the Receiver to have access to the Exhibit I Frozen Assets in order to make a full accounting of the Receivership Estate and to plan for quarterly reports and ultimately the final report for final distribution. All of the Exhibit I Frozen Assets constitute Receivership Assets within the meaning of this Court's May 15, 2017 Order Appointing Receiver.

49. Notably, when the Exhibit I Frozen Assets were subject to the asset freeze, this Court expressly reserved its authority to order transfers and disbursement of such assets. *See* Dkt. No. 16 at ¶ 19.

50. Therefore, in order to enable the Receiver to comply with her obligation to take “custody, control and possession of all Receivership Property,” the Receiver requests that the Court direct the release of the Exhibit I Frozen Assets into the Receiver’s account.

IV.
PRAYER

WHEREFORE PREMISES CONSIDERED, the Receiver prays that, upon final hearing and consideration of this Motion, the Court will grant the following relief:

- (a) Authorize the Receiver to (i) liquidate the furniture, fixtures, equipment, and other personal property assets from the Home and the Storage Property in Exhibit A, (ii) engage any auctioneers and/or liquidators that the Receiver deems necessary to accomplish the liquidation by public or private sale, (iii) incur related costs, and (iv) deposit the proceeds into the Receiver’s bank account for use in the ordinary course of the Receivership;
- (b) Authorize the Receiver to terminate ongoing leases that the Receiver deems unnecessary to the Receivership;
- (c) Authorize the Receiver to dispose of the Swing Set, the Horse, the Roadster, and the Motorcycle through private sales to third parties;
- (d) Authorize the Receiver to sell any assets valued at less than \$10,000 with the procedures described herein, without additional court confirmation; and
- (e) Direct the release of the Exhibit I Frozen Assets into the Receiver’s account.

The Receiver further prays for such other and further relief, general or special, at law or in equity, to which she may show herself justly entitled.

Dated: July 28, 2017.

Respectfully submitted,

By: /s/ Timothy E. Hudson

Timothy E. Hudson
State Bar No. 24046120
Tim.Hudson@tklaw.com

Katharine Battaia Clark
State Bar No. 24046712
Katie.Clark@tklaw.com

Mackenzie S. Wallace
State Bar No. 24079535
Mackenzie.Wallace@tklaw.com

THOMPSON & KNIGHT LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Telephone: (214) 969-1700
Facsimile: (214) 969-1751

COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on July 28, 2017, I electronically filed the foregoing document with the Clerk for the United States District Court, Eastern District of Texas. The electronic case filing system (ECF) will send a Notice of Electronic Filing (NEF) to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. The foregoing document will also be sent to all counsel of record via the method identified below:

Via Electronic Mail:

COUNSEL FOR PLAINTIFF:

Jason P. Reinsch
Jessica B. Magee
U.S. SECURITIES AND EXCHANGE COMMISSION
Fort Worth Regional Office
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
Telephone: (817) 900-2601

MOTION OF RECEIVER (I) FOR ORDER AUTHORIZING LIQUIDATION AND TERMINATION OF CERTAIN LEASES, (II) TO APPROVE PROCEDURES TO SELL CERTAIN PERSONAL PROPERTY, AND (III) TO RELEASE FUNDS FROM CERTAIN FROZEN BANK ACCOUNTS INTO THE RECEIVER'S ACCOUNT – PAGE 18

524662 000002 19645054.4

Facsimile: (917) 978-4927

reinschj@sec.gov

mageej@sec.gov

PRO SE

By Electronic Mail:

Thurman P. Bryant, III

Treybryant03@gmail.com

COURTESY COPIES SENT TO THE FOLLOWING:

Via Electronic Mail:

Toby M. Galloway

KELLY, HART & HALLMAN LLP

201 Main Street, Suite 2500

Fort Worth, TX 76102

Telephone: (817) 332-2500

Facsimile: (817) 878-9280

Toby.galloway@kellyhart.com

Jimmy Ardoin

ARDOIN LAW PLLC

2118 Smith Street, Suite 200

Houston, TX 77002

Telephone: (713) 574-8900

jimmy@ardoinlawpllc.com

COUNSEL FOR CERTAIN RELIEF DEFENDANTS

/s/ Timothy E. Hudson

Timothy E. Hudson

CERTIFICATE OF CONFERENCE

Mackenzie S. Wallace, counsel for the Receiver, and counsel for Plaintiff, conferred on July 28, 2017, in compliance with the meet and confer requirement in Local Rule CV-7(h). Counsel for Plaintiff is not opposed to the relief sought in this Motion.

Mackenzie S. Wallace, counsel for the Receiver, and Certain Relief Defendants conferred on July 28, 2017, in compliance with the meet and confer requirement in Local Rule CV-7(h). Counsel for the Wammel Defendants has not indicated whether he is opposed or unopposed to the relief sought in this Motion. No such agreement as to this Motion could be reached with Thurman P. Bryant, Jr. Discussions between counsel for the Receiver and Mr. Bryant Jr. have conclusively ended in an impasse, leaving an open issue for the Court to resolve.

Mackenzie S. Wallace, counsel for the Receiver, and Defendant Thurman P. Bryant, III conferred on July 28, 2017, in compliance with the meet and confer requirement in Local Rule CV-7(h). Defendant Thurman P. Bryant, III is opposed to the relief sought in this Motion. No such agreement as to this Motion could be reached. Discussions between counsel for the Receiver and Defendant Thurman P. Bryant, III have conclusively ended in an impasse, leaving an open issue for the Court to resolve.

/s/ Timothy E. Hudson

Timothy E. Hudson

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The relief requested in the Motion is **GRANTED**.
2. The Receiver is authorized to (i) liquidate the furniture, fixtures, equipment, and other personal property assets from the Home and the Storage Property in Exhibit A, (ii) engage any auctioneers and/or liquidators that the Receiver deems necessary to accomplish the liquidation by public or private sale, (iii) incur related costs, and (iv) deposit the proceeds into the Receiver's bank account for use in the ordinary course of the Receivership.
3. The Receiver is authorized to terminate ongoing leases that the Receiver deems unnecessary to the Receivership.
4. The Receiver is authorized to dispose of the Swing Set, the Horse, the Roadster, and the Motorcycle through private sales to third parties.
5. The Receiver is authorized sell any assets valued at less than \$10,000 with the procedures described in the Motion, without additional court confirmation.
6. The funds listed in Exhibit I are to be released into the Receiver's account.

IT IS SO ORDERED.