



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

100 F Street, N.E.
Washington, D.C. 20549

**DIVISION OF
ENFORCEMENT**

October 22, 2014

The Honorable Shira A. Scheindlin
United States District Judge
Southern District of New York
United States Courthouse
500 Pearl Street, Room 1620
New York, New York 10007-1312

Re: SEC v. Wyly, et al. 1:10-cv-5760

Dear Judge Scheindlin:

I write to address the potential impact of the bankruptcy filing by Sam Wyly on October 19, 2014, and to address the letter filed by bankruptcy counsel for Mr. Wyly addressing the same issue (ECF 490). The bankruptcy filing should have no impact on the Commission's case against the Estate of Charles Wyly and the Commission's request for a temporary asset freeze, expedited discovery, and full accounting with respect to the Estate of Charles Wyly. With respect to Defendant Sam Wyly, we do not yet know the long term impact of the bankruptcy case because we have not yet determined whether it was filed in good faith. As previously noted, Sam Wyly possesses sufficient global assets to pay the anticipated judgment by this Court. His bankruptcy filing appears to be designed, in part, to mount a collateral attack against the findings of this Court and to shift any efforts to collect this Court's judgment to a different forum that has not had the benefit of overseeing the jury trial or reviewing the evidence presented during the course of the remedies hearing. ECF 490 at 4-5 (the effect of the bankruptcy case "is to accept and fulfill the invitation of this Court for *another court* to make a *judicial determination* of the liability and exact amount that may be due to the IRS" and noting that tax claims are something "the speedy bankruptcy court is highly experienced in doing").

The bankruptcy petition also appears to be motivated by the SEC's request for a temporary asset freeze and to delay providing an accounting of Sam Wyly's assets. The petition was filed within days of the SEC's most recent letter in support a temporary asset freeze and the documents filed in support of the petition acknowledge the express goal of avoiding a temporary asset freeze. *See* Exh. 1, Expedited Motion For Order On Estate Administration at ¶28 ("Both the Debtor and his non-SEC creditors face a serious detriment in the alternative, and chaotic, pathway if, but for the automatic stay, the SEC were to unilaterally race to pursue its pecuniary and collection remedies in the District Court in New York through such non-statutory remedies and procedures as 'asset freezes' and other steps to attempt to collect on its money judgment") and ¶29 (the "trusts and their assets are or may be the property of the Debtor's bankruptcy estate" and is therefore "protected by the automatic stay").¹

¹ Mr. Wyly's bankruptcy filings seek expeditious relief for himself. He seeks an extension of time, however, to file the required financial schedules, including a schedule of assets and

Mr. Wyly's concerns that the SEC would be advantaged over other creditors appear misplaced. Mr. Wyly's Voluntary Petition, attached as Exhibit 2, lists his purported creditors. The SEC and the IRS are the two largest creditors. The Department of Justice attorney representing the IRS in the bankruptcy proceeding advised the Commission that they support its motion for a temporary asset freeze. Many of the remaining creditors appear to be Mr. Wyly's corporate alter egos (he apparently owes \$44 million to the Wrangler Trust and Security Capital, presumably based on loans to himself), or friends with relatively small claims. For example, Sam Wyly has hundreds of millions of dollars but owes the Dallas Country Club \$383.20. Similarly, Mr. Wyly owes \$4,530.71 to Bickel & Brewer – a law firm that would have received a significant portion of the \$100 million Mr. Wyly spent litigating against the government.

However, Mr. Wyly's effort to avoid an asset freeze is based on a false legal premise. The Bankruptcy Code's automatic stay provisions do nothing to divest this Court of jurisdiction over the Commission's claims against Sam Wyly and the Commission disputes that its "proposed asset-freeze motion is automatically stayed as to the properties of the Sam Wyly bankruptcy estate."² ECF 490 at 1. As the defense acknowledged, the Bankruptcy Code explicitly permits the Commission to continue its action through judgment. *See* 11 U.S.C. § 362(b)(4). Specifically, any act otherwise stayed under Sections 362(a)(1), (2), (3) or (6) is not stayed with respect to "the commencement or continuation of an action or proceeding by a governmental unit ... to enforce such governmental unit's ... judgment other than a monetary judgment, obtained in an action or proceeding by the governmental unit to enforce such governmental unit's or organization's police or regulatory power[.]" 11 U.S.C. § 362(b)(4). Congress specifically amended the governmental exception to the stay in 1998 to make clear that governmental regulatory actions are explicitly excepted from Section 362(a)(3), which stays "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." *See* 11 U.S.C. § 362(b)(4) (specifically referencing section (a)(3) in describing exception to stay for actions by governmental unit). Thus, the Commission's request for an asset freeze, an accounting, and additional discovery are not affected by the bankruptcy filing and this Court continues to have the jurisdiction to enforce such orders. *SEC v. Reynolds*, No. 08-CV-438-B, 2011 WL 903395, at *4 (N.D. Tex. March 16, 2011) (holding that neither asset freeze nor contempt proceedings for violating asset freeze was stayed by defendant's bankruptcy filing); *SEC v. Wolfson*, 309 B.R. 612, 617-22 (D. Utah 2004) (same); *SEC v. Bilzerian*, 131 F. Supp. 2d 10, 14 (D.D.C. 2001) ("Requiring an accounting of assets does not violate the automatic stay."); *see also SEC v. First Fin. Group of Texas*, 645 F.2d

liabilities and statement of his financial affairs – information that the SEC would seek immediately were this Court to order an accounting. [Expedited Motion Seeking Extension of Time to File Schedules, Statement of Financial Affairs, and Statement of Current Monthly Income at 3-4] [ECF Doc. 7].

² This Court has jurisdiction to determine the extent to which Section 362 limits the relief requested by the SEC in this case. *In re Baldwin-United Corporation Litig.*, 765 F.2d 343, 347 (2d Cir. 1985) ("The court in which the litigation claimed to be stayed is pending has jurisdiction to determine not only its own jurisdiction but also the more precise question whether the proceeding pending before it is subject to the automatic stay."); *SEC v. Thrasher*, No. 92-CIV-6987 (JKF), 2002 WL 523279, *1 (S.D.N.Y. April 8, 2002).

429, 436-40 (5th Cir. 1981) (affirming district court's appointment of a receiver after petition for bankruptcy was filed); cf. *SEC v. Brennan*, 230 F.3d 65, 71 (2d Cir. 2000).³

Moreover, the defense's argument that "the filing of the Chapter 11 case alleviate[s] any need for 'asset freezing,'" lacks any foundation in fact. Sam Wyly is acting as the debtor in possession in his bankruptcy proceeding which gives him control over the property of the estate and its assets. No third party fiduciary has been appointed such as a separate trustee in bankruptcy or receiver. "Although debtors-in-possession are supposed to act as fiduciaries and stand in the shoes of a trustee in bankruptcy, the Court cannot find that this 'duty' alone offers sufficient protection of the assets." *F.T.C. v. R.A. Walker & Associates, Inc.*, 37 B.R. 608, 612 (D.D.C. 1983). Given the unfettered control of assets held in the off-shore entities enjoyed by Sam Wyly, we believe that it is essential that all of the assets associated with the Debtor should be under the control of an objective third party, either pursuant to an asset freeze in the District Court action or a Chapter 11 Trustee. For example, Mr. Wyly's proposed budget is attached as Exhibit 3 and allows for the following expenses in the first 6 months: (1) \$684,350 towards Wyly Family Office (line 26), and (2) \$194,724 "to individuals who provide assistance on the Debtor's writing and publishing projects," presumably ghost writers (line 28). According to the budget, Mr. Wyly intends to spend \$1.285 million in the next six month *before* legal expenses are taken into account (and \$3.72 million including legal expenses).⁴

Moreover, the bankruptcy proceeding does not address the potential dissipation of offshore assets by third parties. This is an Article III Court that has the inherent equitable power to issue an injunction that encompasses conduct by third parties. This is particularly important in the present case where the majority of the assets that could be used to satisfy the Court's anticipated judgment are offshore and it is unclear whether they will be included in the bankruptcy estate. The Commission applauds any effort to domesticate these assets and include them in Sam Wyly's estate as part of a bankruptcy proceeding.⁵ However, with no asset freeze

³ In *SEC v. Brennan*, 230 F.3d at 71, the Circuit held that Section 362(b)(4) permits the continued prosecution of the government's action to include entry of money judgment against the debtor in a proceeding to enforce the government's police or regulatory power, but that an order requiring defendant to repatriate assets in an offshore trust after the money judgment had been entered was not permitted. That is not the case here. There has been no final judgment entered in this case and the SEC therefore is not seeking to enforce a money judgment. As the Second Circuit explicitly recognized, "up to the moment when liability is definitively fixed by entry of judgment, the government is acting in its police and regulatory capacity." 230 F.3d at 73. Unlike *Brennan*, the SEC is not seeking to exercise control over assets, nor is it seeking an order requiring any payment of money.

⁴ Since he has only filed his proposed budget which purports to disclose his monthly income – and not the additional financial schedules listing his assets and liabilities – the bankruptcy proceeding is no substitute for the accounting of his assets that the SEC has requested in this case.

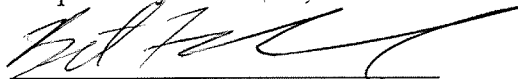
⁵ The position Mr. Wyly is taking with respect to these assets in the bankruptcy proceeding is not entirely clear. He continues to aver, contrary to the jury's verdict, that he does not control or beneficially own these assets. However, he also asserts that, if the Commission's position is correct, the assets are part of his bankruptcy estate and thus exempt from any collection activity in this action. Samuel Wyly's Expedited Motion for Order on Estate Administration in the Northern District of Texas at ¶29 (attached hereto as Exhibit 1).

in place, third parties could direct the offshore trustees to transfer, distribute or otherwise deplete the trusts' assets before they can be domesticated and included in Mr. Wyly's Chapter 11 estate. Even if the assets were domesticated rather quickly, they would be under Mr. Wyly's control as a debtor-in-possession. In this circumstance, the District Court's injunctive power is a necessary complement to the powers of the bankruptcy court.

Sam Wyly is proposing a process where, as a debtor-in-possession in a Chapter 11 case, he will both control his assets and enjoy the right to propose his own Chapter 11 plan to distribute those assets. He plans to exercise that control by spending more than \$1.7 million a year on personal employees and autobiographers while simultaneously claiming to be incapable of paying this Court's anticipated judgment or the IRS.⁶ It is well-recognized that when a defendant is ordered to pay disgorgement, "he must pay what he is capable of paying, even if making the payment results in a diminution of his income or his relatively comfortable standard of living." *SEC v. Musella*, 818 F. Supp. 600, 602 (S.D.N.Y. 1993).

As the Court noted in *F.T.C. v. R.A. Walker & Associates, Inc.*, 37 B.R. at 612, "Given the freedom of a debtor-in-possession and the charges which are involved in this case, to lift the freeze order without a trustee or receiver to take control would be to leave the defendants free to dispose of their assets virtually at will." The Commission and the IRS represent Mr. Wyly's two largest creditors and both support a temporary asset freeze in this case. While the Commission acknowledges that an experienced jurist has been appointed to oversee the bankruptcy case, and the Commission is willing to engage in global settlement discussions with Mr. Wyly and the IRS, neither development should be used to permit Sam Wyly to spend millions on unnecessary and lavish personal expenses. This Court should exercise its authority to preserve the status quo by issuing an asset freeze. Such a freeze would not represent an order requiring any payment of money (which would implicate the Circuit's opinion in *Brennan*). "The purpose of the freeze is to prevent dissipation of the assets. ... [T]he freeze is the best way—indeed the only way—to accomplish this purpose at this time." *Id.* Appropriate carve outs to the asset freeze can be negotiated after full disclosure has taken place.

Respectfully submitted,



Bridget M. Fitzpatrick
Supervisory Trial Counsel
(202) 551-4678
fitzpatrickbr@sec.gov

cc via e-mail: all counsel of record
David L. Kornblau, Esq.
Stewart H. Thomas, Esq.

⁶ For the purposes of this Letter, the SEC has focused on the larger line items but many of the other expenses included in Mr. Wyly's proposed budget are exorbitant and unjustified, including more than \$13,500 in monthly household expenses. Moreover, he is proposing to pay family expenses from the bankruptcy estate such as over \$29,000 a month for the mortgage on his wife's bookstore, \$19,000 a year in landscaping costs, and nearly \$7,000 a month to support unspecified family and friends.

Josiah M. Daniel, III

EXHIBIT 1

Josiah M. Daniel, III, SBT # 05358500
James J. Lee, SBT # 12074550
Paul E. Heath, SBT # 09355050
Rebecca L. Petereit, SBT # 24062776
VINSON & ELKINS LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214-220-7700
Fax: 214-220-7716
jdaniel@velaw.com; jimlee@velaw.com
pheath@velaw.com; rpetereit@velaw.com

PROPOSED COUNSEL FOR THE DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

SAMUEL E. WYLY,

DEBTOR

§
§
§
§
§
§
§

Case No. 14-35043

Chapter 11

**EXPEDITED MOTION FOR ORDER ON
ESTATE ADMINISTRATION**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Samuel E. Wyly, the above-referenced debtor and debtor in possession (the “Debtor” or “Sam”) files this *Expedited Motion for Order on Estate Administration* (the “Motion”) to obtain an Order that, inter alia, confirms his authority to: (a) pay his ordinary living and business expenses; and (b) continue to utilize Highland Stargate Ltd. (“Highland Stargate”), in coordination with Lain, Faulkner & Co, P.C. (“LainFaulkner”), for the express purpose of fulfilling his duties and obligations as a

debtor in possession. In support of the Motion, the Debtor respectfully submits the following:

JURISDICTION AND PROCEDURAL BACKGROUND

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. On October 19, 2014 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), thereby commencing the above-captioned bankruptcy case (the “Case”).
4. Pursuant to Bankruptcy Code §§ 1107(a) and 1108, the Debtor is continuing to operate and manage his business as debtor in possession.
5. Contemporaneously with the filing of this Motion, the Debtor filed the *Motion for Entry of an Order Scheduling an Expedited Hearing on First Day Motions and Applications Filed by the Debtor*, which includes a request to hear this Motion on an expedited basis.

STATEMENT OF FACTS

6. Unlike most Chapter 11 filings, the Debtor’s necessity for filing this Case was not due to excessive current expenses over current revenues. Instead, the Debtor filed for protection under Chapter 11 of the Bankruptcy Code due to the massive costs of investigations and then litigation brought by the Securities and Exchange Commission (“SEC”) and the collection activity being pursued against the Debtor with respect to an interlocutory order of that court, as explained below. The

SEC's very large asserted claim amount is based upon a district court's estimate of tax amounts, but the IRS has not assessed any tax, creating great uncertainty and the need for relief under the procedures afforded by Chapter 11 of the Bankruptcy Code. In addition, the Debtor has multiple other creditors and claims that need and deserve fair treatment. While the Debtor has substantial assets, he does not have the ability to pay the full amount of all asserted claims at the present time; and resolution and possible monetization of his assets also requires the tools of Chapter 11.

7. Sam is a resident, citizen, and businessman of Dallas, Texas. Born in 1934 in Lake Providence, Louisiana, he worked his way through Louisiana Tech University and then earned a Masters of Business Administration from the University of Michigan on a scholarship. He came to Texas for boot camp at Lackland Air Force Base in San Antonio. His business career began in Dallas in 1958 with a job in computer services at IBM and then became a manager with Honeywell's computer division.

8. After those jobs, Sam began a now-lifetime of entrepreneurship, first creating a computing start-up company located at SMU with Sun Oil Company of Richardson as a major customer. His companies created significant numbers of jobs and opportunities for many thousands of people—200,000 estimated by his biographer. His companies' growth fattened the 401(k) accounts of tens of thousands of employees. Companies he either founded or acquired and grew substantially include University Computing, Earth Resources, Bonanza

Steakhouses, Gulf Insurance, Sterling Software, Sterling Commerce, Michaels Stores, and Green Mountain Energy Company.

9. Sam has also experienced some business failures, such as the Frost Bros. retail chain. Frost Bros. failed to reorganize in Chapter 11 and was liquidated during the mid-1980s oil and real estate crash in Texas that took down nine of the state's ten largest banks. Sam's companies Sterling Software and Michaels Stores survived this downturn.

10. He tried, at great personal cost, to break up the Bell Telephone monopoly with a start-up named Datran, a "telephone company for computers" as it was characterized by Gene Bylinsky of Fortune magazine. Today, it is called the internet. That effort (1969-1976) lost \$100 million of Sam's own and other people's money—half of which was recovered by his antitrust suit settled by the Bell monopoly after three and a half years.

11. Sterling Software was sold for \$4 billion in March 2000, just before the dot.com crash. Michaels Stores was sold for \$6 billion in 2006, a year before the crash of 2008. A Michael's IPO investor paid 67¢ and received \$44. In short, Sam did a good job for his investors, his employees, and the community.

12. Sam has always had a substantial public profile. The press has covered his work and his entrepreneurship steadily and in detail since the 1960s. The record of the Debtor's business history is well documented and easily available in his biography, BEYOND TALLULAH, HOW SAM WYLY BECAME AMERICA'S BOLDEST BIG-TIME ENTREPRENEUR, by Dennis Hamilton, published in 2011, and additionally

in Sam’s autobiography, 1,000 DOLLARS & AN IDEA, published in 2008 by Newmarket Press.

13. With the benefit of his half-century career in business and his experiences in public service, Sam has acquired in these later years the status of a public intellectual or, in today’s lingo, a “thought leader.” For example, in 2012 he published TEXAS GOT IT RIGHT!, which has been cited by the Dallas Federal Reserve Bank¹ and has been favorably reviewed and has engendered significant public policy debates within Texas and around the nation. It spells out why jobs and people are moving from California, New York, and Illinois to Texas and the southeastern and Rocky Mountain states. It has consistently been on Amazon.com’s bestseller list in its category—ranked No. 5 as of last week. At present 850,000 copies of Sam’s three books are in print, a number of which he has gifted to high school and college teachers. At present, he is close to publishing a significant book on the topic of immigration, to be titled THE IMMIGRANT SPIRIT: HOW NEWCOMERS ENRICH AMERICA. He is currently at work on another entrepreneurial book titled SOUL OF AN ENTREPRENEUR and ON TEXAS TWO, a follow-up to TEXAS GOT IT RIGHT!

14. In addition to writing and publishing, the Debtor is the owner of one of America’s great independent book stores, Explore Booksellers in Aspen, Colorado; he purchased the building in 2008 in order to save it from demolition and development into condominiums, and he leases it to an entity that is owned by his

¹ PIA M. ORRENIUS ET AL, IMMIGRATION AND THE TRANSFORMATION OF THE TEXAS ECONOMY at 2 n.9 (Dallas Federal Reserve Bank, Nov. 2013).

wife and that conducts the book selling business.² Sam has promoted literacy and books for many years including as a member of the Aspen Writers' Foundation, the Texas Historical Society, and other literary and American history causes.

15. Sam has always generously contributed to charitable and public institutions, both those visible such as the Wyly Tower of Learning at Louisiana Tech, and the Sam Wyly Hall at the University of Michigan, but also to hundreds of efforts to educate and aid the young, the old, and the poor. His public spiritedness is reflected in his setting up, back in 1968, the Sam Wyly Foundation to help minority businessmen, which resulted in his eight years of work in public service as chairman of a Presidential Advisory Commission working on ways to help Presidents Nixon and Ford try to fulfill campaign promises of "Black Capitalism" at a time when fifty American cities were in crisis. He also helped to start the KERA educational TV channel in Dallas, and Jim Lehrer has told many audiences that, "Without Sam Wyly, there would be no *NewsHour*."

16. The Debtor does not currently serve as an officer or director of any public company, and has not since eight years ago, in 2006. In 2014, at age 80, the Debtor's occupations are, in summary, researching, writing, and publishing books on entrepreneurship, state and national history, and public policy, owning an independent book store, and managing his assets.

17. Over the past ten years, the Debtor has paid more than \$200 million in federal income taxes. In 2013, his Medicare tax alone was \$2.4 million. Over the

² Due to the financial distress caused by the defense of SEC claims discussed herein, the Debtor has previously put the bookstore property up for sale, reluctantly.

past five decades his federal taxes have averaged about a third of his income. For more than the last ten years, the Debtor has endured and dealt with multiple tax agency and securities agency investigations and audits resulting from the offshore investments and transactions he and his deceased brother Charles Wyly³ made two decades ago, namely the establishment of trusts on the Isle of Man (“IOM”) and the transfer of stocks and stock options in exchange for annuities during the early and mid-1990s.

18. As a result of these transactions, in 2004, the IRS opened an audit on the Debtor’s tax returns, and it has opened an audit on every one of his tax years since then, now holding open ten years’ worth of audits, with which the Debtor has always cooperated; but to date the IRS has not assessed any tax amount against him additional to his payment of taxes at the highest ordinary income rates on the cash received from the annuities.

19. Also in 2004, the SEC launched an investigation, and in 2005 the U.S. Senate Permanent Subcommittee on Investigations conducted a televised public inquiry into the Debtor’s finances and published a report in 2005 that detailed the Debtor’s financial transactions involving the offshore entities. That report was followed five years later by the Civil Action against the Debtor and his brother⁴ in 2010. On fourteen counts of securities violations in connection with the IOM transactions, the SEC originally sought \$1.4 billion, but after some rulings by the

³ Charles Wyly died in an automobile accident on August 7, 2011.

⁴ The SEC continued this litigation against Charles’ probate estate.

District Court, the SEC ultimately sought a total of about \$550 million⁵ on nine counts. The Debtor has vigorously denied such allegations and any liability on such claims.

20. His legal expenses in dealing with these federal government investigations (they have interviewed and deposed about 200 people over more than ten years, and Sam has had to have a lawyer present, plus pay travel, accounting, and “expert witness” expenses). The cost to Sam has been about \$100 million.

21. The first phase of the SEC’s civil lawsuit⁶ finally went to trial⁷ from March 31 to May 7, 2014, and resulted in a jury verdict against the Debtor on nine counts. (Others, including averments of insider trading on \$32 million were dismissed.) The nine counts ranged from failures to disclose to other regulatory violations.⁸ Then, from August 4 to August 12, 2014, the District Court conducted an evidentiary hearing on the subject of remedies.

⁵ “To put that in perspective, that’s the amount the SEC got from Goldman Sachs in 2010, the largest penalty ever imposed on a Wall Street firm.” *The Debtor Wyly’s \$550 Million Problem*, D MAGAZINE (Feb. 2014).

⁶ The record of the Civil Action is largely publicly available, not only via PACER, but also in the very large number of published decisions that its four year course has generated. See *SEC v. Wyly*, 788 F. Supp. 2d 92 (S.D.N.Y. 2011); *SEC v. Wyly*, 2011 WL 3851129 (S.D.N.Y. Jun. 17, 2011); *SEC v. Wyly*, 2011 WL 2732245 (S.D.N.Y. Jul. 5, 2011); *SEC v. Wyly*, 2011 WL 3055396 (S.D.N.Y. Jul. 19, 2011); *SEC v. Wyly*, 2011 WL 3366491 (S.D.N.Y. Jul. 27, 2011); *SEC v. Wyly*, 2011 WL 3427193 (S.D.N.Y. Jul. 28, 2011); *SEC v. Wyly*, 2011 WL 3841591 (S.D.N.Y. Aug. 18, 2011); *SEC v. Wyly*, 2011 WL 4055408 (S.D.N.Y. Aug. 19, 2011); *SEC v. Wyly*, 860 F. Supp. 2d 275 (S.D.N.Y. 2012); *SEC v. Wyly*, 2012 WL 414457 (S.D.N.Y. Jan. 30, 2012); *SEC v. Wyly*, 950 F. Supp. 2d 547 (S.D.N.Y. 2013); *SEC v. Wyly*, 2013 WL 2951960 (S.D.N.Y. Jun. 13, 2013); *SEC v. Wyly*, 2014 WL 3401105 (S.D.N.Y. Jul. 10, 2014); *SEC v. Wyly*, 2014 WL 3739415 (S.D.N.Y. Jul. 29, 2014); *SEC v. Wyly*, 2014 WL 4792229 (S.D.N.Y. Sep. 25, 2014).

⁷ The media observed that, after its defeat in its securities enforcement civil action against Mark Cuban of Dallas, this was a trial “[t]he SEC can’t afford to lose.” Loren Steffy, *Wyly Like a Fox: Sam Wyly v. the SEC*, TEXAS MONTHLY (June 2014).

⁸ Specifically, the counts are: (1) Section 10(b) and Rule 10b-5 of the Exchange Act; (2) Section 17(a) of the Securities Act; (3) Section 13(d) and Rules 13d-1 and 13d-2 of the Exchange Act; (4) Section 14(a) and Rules 14a-3 and 14a-9 of the Exchange Act; (5) Section 16(a) and Rules 16a-2 and 16a-3 of

22. On September 25, 2014, the District Court entered an interlocutory Opinion and Order that measured the amount the District Court held that the Debtor must “disgorge” by the amount of taxes the Court estimated that he avoided on profits realized on the sale of securities, plus a smaller amount representing 25% of profit on certain securities sold. Altogether, the District Court held that “Sam Wyly must disgorge \$123,836,958.76”⁹ with “prejudgment interest for the 22 year entire period through December 1, 2014,” as to be specifically calculated by the SEC. On October 15, 2014, the SEC advised the District Court that it calculated the prejudgment interest to be \$74,281,866.04, resulting in a total requested disgorgement award of \$198,118,824.80. The District Court also indicated that it would permanently enjoin the Debtor from any future violations.

23. Then on October 8, 2014, the SEC sent a letter and proposed order to the District Court requesting “an asset freeze, financial discovery, and an accounting of [the Debtor’s] assets” and, additionally, an asset freeze covering not only the Debtor and his co-defendant, the probate estate of Charles Wyly, but also all of his “agents, servants, employees, family members, assigns, attorneys, or trustees,” none of whom are parties in the Civil Action and against whom no claims have ever been asserted.

the Exchange Act; (6) Section 5 of the Securities Act; (7) Aiding and Abetting Violations of Section 13(a) and Rule 13a-1 of the Exchange Act; (8) Aiding and Abetting Violations of Section 14(a) and Rules 14a-3 and 14a-9 of the Exchange Act; and (9) Aiding and Abetting Violations of Section 13(d).

⁹ *SEC v. Wyly*, No. 1:10-cv-05760-SAS, 2014 WL 4792229 at *23 (S.D.N.Y., Sep. 25, 2014). The District Court order also held that the probate estate of the Debtor’s deceased brother “Charles Wyly must disgorge \$63,881,743.97” plus prejudgment interest.

24. The problem presented, and a principal cause of this Chapter 11 bankruptcy, is that the Debtor lacks the funds or assets sufficient to pay such disgorgement amount in full. As the District Court observed, “By any reasonable measure, the disgorgement and prejudgment interest awarded in this proceeding [is] *staggering* and among the largest awards ever imposed against individual defendants.”¹⁰ The expense to the Debtor of legal fees and other significant costs of defending this massive litigation over more than four years, not to mention dealing with the IRS’s investigations over more than ten years, has literally drained his financial resources.¹¹ Moreover, the disgorgement amount is founded on an estimate of *taxes* that the District Court believed should have been paid by the Debtor, but with uncertainty as to whether and how such amounts, if truly owed, would in fact be paid over to, or credited by, the Internal Revenue Service (“IRS”), whose audits are pending and whose potential claim amounts are unknown.

25. The Debtor has been compelled by these circumstances to initiate this Chapter 11 case in order to invoke the equitable claim-and-distributional provisions of bankruptcy law. The purpose of the petition is not to avoid or sidestep the SEC’s regulatory function, but consonantly to use the Chapter 11 process, as legally allowable and possible, to recover and administer all properties of his estate, domestic and possibly offshore, to maximize and monetize difficult assets, to pay the

¹⁰ *Id.* at *23 (emphasis added).

¹¹ In addition, the recession of recent years has had a negative impact on his finances.

allowable¹² claims of *every* claimant, including the IRS and SEC. The Debtor intends to utilize the platform of Chapter 11 and the forum afforded by this Bankruptcy Court for substantial, and no doubt difficult, negotiations required for a complete resolution of all issues presented by this filing.¹³ These are the good faith reasons motivating the Debtor's decision to file this Chapter 11 case.

26. Focusing on the largest claimant, the SEC: the District Court's disgorgement order is, in bankruptcy terms, a "claim," or asserted right to a payment, monetary or pecuniary in nature, and therefore its collection is stayed by the automatic stay. The SEC does not hold a final judgment,¹⁴ and the Debtor intends to, and commits to the Court that he will promptly, engage in negotiations with the SEC about its asserted claim, and at the same time with the IRS about any claim to be asserted by it, and about the means for orderly distributions upon such claim or claims, pursuant to a plan. It will be necessary for any claim of the IRS to be resolved in connection with the resolution of the SEC claim, and in fact the

¹² Bankruptcy Code § 502(b) ("if objection to a claim is made, the court . . . shall determine the amount of such claim . . . as of the date of the filing of the petition, and shall allow such claim in such amount . . . to the extent that . . . such claim is [enforceable against the debtor and property of the debtor, under any agreement or applicable law . . .]").

¹³ Important precedents or models for the Debtor's invocation of Chapter 11 in order to address claims and assets and resolving all issues by reaching settlements with principal parties including the IRS, regulatory agencies, and other claimants are the Chapter 11 cases of the Hunt brothers from back in 1988-1989. See *In re Nelson Bunker Hunt* and *In re William Herbert Hunt*, Bankruptcy Case Nos. 388-35726-HCA-11 and 388-35725-HCA-11, respectively, that were filed in this Bankruptcy Court and that resulted in consensually confirmed plans of reorganization, in about fifteen months, that were co-proposed by the debtors and by the settling parties, namely, the IRS, the Peruvian silver mining company, and other major claimants.

¹⁴ Sam intends to appeal once an appealable judgment has been entered by the District Court.

determination whether or not the Debtor owes any additional tax amount,¹⁵ which the Debtor is presenting to the Bankruptcy Court by a motion under Bankruptcy Code § 505, harmonizes with the resolution of the District Court's disgorgement order.¹⁶

27. Moreover, the Chapter 11 case does not disadvantage the SEC because this Chapter 11 case is timely filed¹⁷; the Debtor will, with the assistance and oversight of his financial advisor, Dennis Faulkner and the firm of LainFaulkner, provide full information and continuous asset and financial monitoring and reporting to this Court, the SEC, the IRS, and other creditors; and all properties of the Debtor's bankruptcy estate are safeguarded in custodia legis with this Court and are protected by the automatic stay. The Debtor commits to this Court to bargain for and work to create a fair plan that will recover and maximize the value of all estate assets, including the possible repatriation of offshore assets, and provide for the orderly treatment, resolution, and payment of all allowed claims from available and recovered properties. Any possible repatriation of the corpus of

¹⁵ The IRS has been auditing for more than ten years, but has not made any assessment or other presentation of a "bill" to be paid, additional to the tax amounts the Debtor has in fact paid each year.

¹⁶ In footnote 205 of the Opinion and Order of September 25, 2014, the District Court wrote:

In the event there is a judicial determination that contravenes the legal conclusions of this Opinion and Order—that is, if another court determines that the IOM Trusts are in fact, tax-exempt non-grantor trusts, defendants may pursue all available remedies in this Court, including a motion to vacate the final judgment under Rule 60(b) of the Federal Rules of Civil Procedure. But no such motion will be considered if the IRS, in exercising its discretion, chooses not to proceed with an administrative or civil action against the Wyls.

SEC v. Wyly, No. 1:10-cv-05760-SAS, 2014 WL 4792229 at *18 n.205 (S.D.N.Y., Sep. 25, 2014).

¹⁷ The disgorgement opinion was entered September 25, 2014, by the District Court, which has scheduled a further evidentiary hearing to consider an alternative damages theory on behalf of the SEC on November 17, 2014.

the IOM trusts will present many difficult legal issues and will ultimately likely require the involvement of many persons and entities including, without limitation, the trust protector, trustees, beneficiaries and the IOM courts, together with this Bankruptcy Court.

28. Both the Debtor and his non-SEC creditors face a serious detriment in the alternative, and chaotic, pathway if, but for the automatic stay, the SEC were to unilaterally race to pursue its pecuniary and collection remedies in the District Court in New York through such non-statutory remedies and procedures as “asset freezes” and other steps to attempt to collect on its money judgment. The Chapter 11 process will be far fairer, more efficient, and more effective for all of creditors because “asset freezes” and any other SEC collection activities are not conducted pursuant to any statutory rules or any sort of established, objective, and fair priority and distributional scheme for paying non-SEC creditors (or even paying creditors at all)—in sharp contrast to the Chapter 11 pathway, where the well-defined and clearly understood rules of the Bankruptcy Code and the Bankruptcy Rules will bring everyone to the table and provide a clear, usable framework for the resolution of all sorts of difficult issues, and where the payment of SEC’s claim, if it does not duplicate and overlap the IRS’s claim, can be addressed in the claim-allowance-and-distribution process, of course without impairing the regulatory functions of the SEC.

29. Finally, the SEC has taken the position, and Disgorgement Order has stated, that the Debtor was and is – contrary to his long-standing intent and belief – a “beneficial owner” or “in control” of assets of the offshore trusts that are the focus

of the District Court Action. If the SEC were correct, then those trusts and their assets are or may be property of the Debtor's bankruptcy estate. The Debtor reserves all of his rights on this issue but assures the Court that he would not seek to exercise such control, if he were in fact to have any, without first seeking approval of this Bankruptcy Court. As a prudent debtor in possession, he must and does assert, and he gives notice to the SEC and all claimants, that, under the authority of Bankruptcy Code § 362 and case law such as *Brown v. Chesnut (In re Chesnut)*, 422 F.2d 298 (5th Cir. 2005), such property is property of the estate and is protected by the automatic stay from and after the filing of the Debtor's petition for proper administration in the Bankruptcy Court.

The Debtor's Business Operations and Ordinary Course Expenses

30. The Debtor is an individual with significant business interests and assets, and included among such properties are cash balances in his bank depository accounts of approximately \$12,590,000 as of the Petition Date. Subject to a potential right of setoff in favor of BBVA Compass Bank N.A. ("Compass"), these cash balances are not subject to any known liens or security interests; accordingly, there should not be any significant cash collateral issues for the Court to address and resolve.¹⁸ The Debtor's projected cash receipts (after tax) for 2014 exceed approximately \$6,800,000.¹⁹

¹⁸ The Debtor maintains several depository accounts with Compass. Compass is also the mortgage lender to Explore Booksellers and Bistro Real Estate, LLC ("Explore"). Explore owns a property located at 221 E. Main Street, Aspen, Colorado that is presently listed for sale. A bookstore (owned by the Debtor's wife) is located on the property. The Debtor is the guarantor of the mortgage debt. Compass may assert that it has a right of setoff on the depository accounts based on the Debtor's guaranty obligation. In an abundance of caution, the Debtor will file a motion seeking authority to

31. During the course of this Case, the Debtor anticipates that the majority of his post-petition expenses will likely fall into the following three (3) broad categories:

- a) expenses for ordinary living and business expenses and to maintain estate assets including the payment of his allocable share of costs for Highland Stargate, the Wyly family office;
- b) expenses relating to the administration of this Case including professional fees and costs and fees payable to the United States Trustee (the “UST”); and
- c) expenses, professional fees and costs relating to the conclusion of Case No. 10-05760, the civil action pending in the United States District Court for the Southern District of New York styled *Securities and Exchange Commission v. Samuel Wyly, and Donald R. Miller, Jr., in his Capacity as the Independent Executor of the Will and Estate of Charles J. Wyly, Jr.* (the “Civil Action”) and any appeal arising therefrom.

32. Of course many of the expenditures described in (b) and (c) will be subject to Court review under the provisions of Bankruptcy Code §§ 327, 330 and 331.

use cash collateral. The Debtor reserves all rights with respect to the characterization of his guaranty or any liens or setoff rights in favor of Compass.

¹⁹ Additional funds may be received in excess of this projected amount and will be deposited in the debtor in possession accounts.

33. Highland Stargate is the management company or “family office” that provides a broad range of financial, accounting, payroll, insurance management, tax, and record-keeping functions for the Debtor and many members of his and his deceased brother Charles Wyly’s respective families. Officed in the Crescent Court Building, Highland Stargate maintains a coordinated accounting and cash management system to manage the Debtor’s personal and business expenses, including his cash, receivables, and payables. Highland Stargate has managed the Debtor’s family office for nearly twenty (20) years.

34. On a quarterly basis, the Debtor pays in advance his projected, allocable share of the operating costs of Highland Stargate. The Debtor has already funded these projected costs for the fourth quarter of 2014. These costs include items such as office rent, overhead and payroll/benefits for the ten (10) Highland Stargate office employees. Many of these employees have duties for all family members, while several just deal with the Debtor and his family. The Debtor’s allocable share of the estimated annual costs of Highland Stargate is approximately \$1,200,000.

35. Highland Stargate also: (a) employs and handles the payroll for the Debtor himself and for several persons who work directly for the Debtor, including two (2) individuals who provide assistance to the Debtor with respect to his writing and publishing projects described above, and (b) facilitates payroll for one (1)

individual who provides domestic services to the Debtor.²⁰ The estimated annual cost for the persons described in this paragraph is approximately \$525,345.

36. The Debtor pays most of his other ordinary course expenditures such as property taxes, maintenance and utilities, and personal expenditures directly through his bank accounts as administered by Highland Stargate.

RELIEF REQUESTED

37. Under Bankruptcy Code §§ 363(c), 1108, and 1115, the Debtor is authorized to continue to operate his business, manage his assets, and use property of his bankruptcy estate in the ordinary course of business without notice, a hearing, or court approval (subject, of course, to any cash collateral issues).

38. However, given the size of this case, the Debtor's duty to protect and conserve bankruptcy estate property, the need for transparency and full disclosure, and the positions possibly to be taken by the SEC with respect to matters arising from the Civil Action, the Debtor has filed this motion in an abundance of caution in order to, among other things, obtain entry of an order from this Bankruptcy Court confirming his authority to make expenditures in accordance with the attached budget (the "Budget"). The Budget will govern the Debtor's expenditures for the next 90 days, subject to the right of the Debtor to seek modifications to the Budget and the opportunity for any creditor or other party in interest to file a subsequent objection to proposed expenditures set forth therein. At the end of such period, the Debtor will submit a request to extend the relief or a new Budget.

²⁰ As set forth below, the Debtor, in consultation with the Chief Financial Officer of Highland Stargate and LainFaulkner, will continue to evaluate employee-related issues.

39. The Budget was prepared by Highland Stargate in consultation with the proposed financial advisor for the Debtor, LainFaulkner.²¹ Over the course of the next several weeks, the Debtor will be working with Highland Stargate and LainFaulkner to refine and reduce (where prudent) the amount of his expenses,²² and the Budget will be modified accordingly. LainFaulkner will also be working with the Debtor and Highland Stargate to prepare the required statements, schedules, lists, and other documents required by Bankruptcy Rule 1007 within the time limits established by this Court. Highland Stargate's historical knowledge and records will be invaluable in this endeavor.

40. As noted above, the Debtor files this Motion purely in the interests of transparency and complete disclosure, in an abundance of caution, and in order to obtain an order confirming his authority to: (a) pay his ordinary living and business expenses; and (b) continue to utilize Highland Stargate, with the assistance and supervision of LainFaulkner, for the express purpose of fulfilling his duties and obligations as a debtor in possession. The Debtor intends to work closely with the UST to make the transition to Chapter 11 as orderly as possible, including the opening of a new debtor in possession account(s) at an approved depository bank. Of course, the Debtor will comply with all other guidelines of the UST including the

²¹ By separate application, the Debtor will seek to employ LainFaulkner as his financial advisors and accountants.

²² The Debtor has been steadily reducing his expenses over the past several years and he will endeavor to continue to do so. To provide just two examples, in 2012 Sam downsized both the square footage (to less than a quarter of what it had been, saving in excess of \$1,000,000 per year) and the staff of the family office, and in September 2014, he sold his apartment in New York City.

filing of monthly operating reports (with the assistance and supervision of LainFaulkner) and the maintenance of all appropriate insurance.

NOTICE

41. Notice of this Motion has been provided by e-mail, facsimile, or overnight delivery to: (a) the Office of the UST for the Northern District of Texas; (b) Compass; (c) the Dallas County Tax Office; (d) the Debtor's twenty (20) largest unsecured creditors; (e) those persons or entities that have formally appeared and requested service in the Case pursuant to Rule 9010(b) of the Bankruptcy Rules; and (f) all applicable government agencies to the extent required by the Bankruptcy Rules and the Local Rules, including, but not limited to, the IRS and the SEC.

CONFERENCE WITH THE UNITED STATES TRUSTEE

42. Between the date hereof and the date of the hearing on this Motion, the Debtor intends to work closely with the UST to reach agreement related to the relief requested herein should the UST have objections or concerns.

PRAYER

The Debtor respectfully requests that the Court enter an Order confirming the Debtor's authority to, inter alia, continue to (i) pay his reasonable living and business expenses as reflected in the attached Budget in the ordinary course of business, and (ii) continue to utilize Highland Stargate (in coordination with LainFaulkner) to process and pay the Debtor's ordinary course living and business expenses. The Debtor also requests such other and further relief to which he may be justly entitled.

Dated October 19, 2014

Respectfully submitted,

VINSON & ELKINS LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214-220-7700
Fax: 214-220-7716

/s/ Josiah M. Daniel, III
Josiah M. Daniel, III, SBT # 05358500
James J. Lee, SBT # 12074550
Paul E. Heath, SBT # 09355050
Rebecca L. Petereit, SBT # 24062776
jdaniel@velaw.com; jimlee@velaw.com
pheath@velaw.com; rpeterreit@velaw.com

PROPOSED COUNSEL FOR THE DEBTOR

CERTIFICATE OF SERVICE

I certify that on October 19, 2014, a copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Josiah M. Daniel, III
One of Counsel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	Case No. 14-35043
	§	
SAMUEL E. WYLY,	§	Chapter 11
	§	
DEBTOR	§	
	§	

**ORDER GRANTING EXPEDITED MOTION FOR ORDER ON
ESTATE ADMINISTRATION**

Upon consideration of the *Expedited Motion for Order on Estate Administration* (the “Motion”)¹ filed by the above-captioned debtor and debtor in possession (the “Debtor”) the Court finds that: (a) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. § 1334(b); (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) the relief requested in the Motion is in the best interests of the Debtor and his estate and creditors; (d) proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; (e) the relief granted herein is necessary to avoid immediate and irreparable harm to these estates; and (f) good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings before the Court in connection with the Motion. Therefore, it is hereby

ORDERED that the Motion is **GRANTED**. It is further

¹ Capitalized terms not defined herein shall have the meaning given to them in the Motion.

ORDERED that the Court hereby confirms the Debtor's authority to continue to pay his ordinary living and business expenses. It is further

ORDERED that the Court hereby confirms the Debtor's authority to continue to utilize Highland Stargate, in coordination with Lain Faulkner, for the express purpose of fulfilling his duties and obligations as a debtor in possession. It is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

END OF ORDER

Submitted by:

VINSON & ELKINS LLP

Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214-220-7700
Fax: 214-220-7716

/s/ Josiah M. Daniel, III

Josiah M. Daniel, III, SBT # 05358500
James J. Lee, SBT # 12074550
Paul E. Heath, SBT # 09355050
Rebecca L. Petereit, SBT # 24062776
jdaniel@velaw.com; jimlee@velaw.com
pheath@velaw.com; rpeterreit@velaw.com

PROPOSED COUNSEL FOR THE DEBTOR

EXHIBIT 2

B1 (Official Form 1)(04/13)

United States Bankruptcy Court Northern District of Texas, Dallas Division		Voluntary Petition										
Name of Debtor (if individual, enter Last, First, Middle): Wyly, Samuel E.		Name of Joint Debtor (Spouse) (Last, First, Middle):										
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):										
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all) xxx-xx-5313		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)										
Street Address of Debtor (No. and Street, City, and State): 3905 Beverly Drive Dallas, TX <div style="text-align: right; margin-top: 5px;">ZIP Code 75205</div>		Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right; margin-top: 5px;">ZIP Code</div>										
County of Residence or of the Principal Place of Business: Dallas		County of Residence or of the Principal Place of Business:										
Mailing Address of Debtor (if different from street address): 300 Crescent Court, Suite 850 Dallas, TX <div style="text-align: right; margin-top: 5px;">ZIP Code 75201</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right; margin-top: 5px;">ZIP Code</div>										
Location of Principal Assets of Business Debtor (if different from street address above):												
Type of Debtor (Form of Organization) (Check one box) <input checked="" type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	Nature of Business (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding										
Chapter 15 Debtors Country of debtor's center of main interests: Each country in which a foreign proceeding by, regarding, or against debtor is pending:	Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.										
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,490,925 (<i>amount subject to adjustment on 4/01/16 and every three years thereafter</i>). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).										
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY										
Estimated Number of Creditors <table style="width: 100%; border-collapse: collapse;"><tr><td><input checked="" type="checkbox"/> 1-49</td><td><input type="checkbox"/> 50-99</td><td><input type="checkbox"/> 100-199</td><td><input type="checkbox"/> 200-999</td><td><input type="checkbox"/> 1,000-5,000</td><td><input type="checkbox"/> 5,001-10,000</td><td><input type="checkbox"/> 10,001-25,000</td><td><input type="checkbox"/> 25,001-50,000</td><td><input type="checkbox"/> 50,001-100,000</td><td><input type="checkbox"/> OVER 100,000</td></tr></table>			<input checked="" type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000
<input checked="" type="checkbox"/> 1-49	<input type="checkbox"/> 50-99		<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000		
Estimated Assets <table style="width: 100%; border-collapse: collapse;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table>			<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion			
Estimated Liabilities <table style="width: 100%; border-collapse: collapse;"><tr><td><input type="checkbox"/> \$0 to \$50,000</td><td><input type="checkbox"/> \$50,001 to \$100,000</td><td><input type="checkbox"/> \$100,001 to \$500,000</td><td><input type="checkbox"/> \$500,001 to \$1 million</td><td><input type="checkbox"/> \$1,000,001 to \$10 million</td><td><input type="checkbox"/> \$10,000,001 to \$50 million</td><td><input type="checkbox"/> \$50,000,001 to \$100 million</td><td><input checked="" type="checkbox"/> \$100,000,001 to \$500 million</td><td><input type="checkbox"/> \$500,000,001 to \$1 billion</td><td><input type="checkbox"/> More than \$1 billion</td></tr></table>		<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion			

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):

Wyly, Samuel E.**All Prior Bankruptcy Cases Filed Within Last 8 Years** (If more than two, attach additional sheet)

Location

Where Filed: **- None -**

Case Number:

Date Filed:

Location

Where Filed:

Case Number:

Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor:

- None -

Case Number:

Date Filed:

District:

Relationship:

Judge:

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)

☐ Exhibit A is attached and made a part of this petition.

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts.)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).

X

Signature of Attorney for Debtor(s)

(Date)

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition.

☒ No.

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☒ Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue

(Check any applicable box)

- ☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- ☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
- ☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes)

- ☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord that obtained judgment)

(Address of landlord)

- ☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and
- ☐ Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.
- ☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):

Wyly, Samuel E.**Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Samuel E. WylySignature of Debtor **Samuel E. Wyly****X** _____

Signature of Joint Debtor

Telephone Number (If not represented by attorney)

October 19, 2014

Date

Signature of Attorney***X** /s/ Josiah M. Daniel, III

Signature of Attorney for Debtor(s)

Josiah M. Daniel, III, SBT #05358500

Printed Name of Attorney for Debtor(s)

Vinson & Elkins LLP

Firm Name

**2001 Ross Avenue
Suite 3700
Dallas, TX 75201**

Address

214-220-7700

Telephone Number

October 19, 2014

Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____

Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

☐ Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____

Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X _____

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. §110; 18 U.S.C. §156.

B 1D (Official Form 1, Exhibit D) (12/09)

United States Bankruptcy Court
Northern District of Texas, Dallas Division

In re Samuel E. Wylly

Debtor(s)

Case No.
Chapter11

**EXHIBIT D - INDIVIDUAL DEBTOR'S STATEMENT OF COMPLIANCE WITH
CREDIT COUNSELING REQUIREMENT**

Warning: You must be able to check truthfully one of the five statements regarding credit counseling listed below. If you cannot do so, you are not eligible to file a bankruptcy case, and the court can dismiss any case you do file. If that happens, you will lose whatever filing fee you paid, and your creditors will be able to resume collection activities against you. If your case is dismissed and you file another bankruptcy case later, you may be required to pay a second filing fee and you may have to take extra steps to stop creditors' collection activities.

Every individual debtor must file this Exhibit D. If a joint petition is filed, each spouse must complete and file a separate Exhibit D. Check one of the five statements below and attach any documents as directed.

☒ 1. Within the 180 days **before the filing of my bankruptcy case**, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, and I have a certificate from the agency describing the services provided to me. *Attach a copy of the certificate and a copy of any debt repayment plan developed through the agency.*

☐ 2. Within the 180 days **before the filing of my bankruptcy case**, I received a briefing from a credit counseling agency approved by the United States trustee or bankruptcy administrator that outlined the opportunities for available credit counseling and assisted me in performing a related budget analysis, but I do not have a certificate from the agency describing the services provided to me. *You must file a copy of a certificate from the agency describing the services provided to you and a copy of any debt repayment plan developed through the agency no later than 14 days after your bankruptcy case is filed.*

☐ 3. I certify that I requested credit counseling services from an approved agency but was unable to obtain the services during the seven days from the time I made my request, and the following exigent circumstances merit a temporary waiver of the credit counseling requirement so I can file my bankruptcy case now. *[Summarize exigent circumstances here.]* _____

If your certification is satisfactory to the court, you must still obtain the credit counseling briefing within the first 30 days after you file your bankruptcy petition and promptly file a certificate from the agency that provided the counseling, together with a copy of any debt management plan developed through the agency. Failure to fulfill these requirements may result in dismissal of your case. Any extension of the 30-day deadline can be granted only for cause and is limited to a maximum of 15 days. Your case may also be dismissed if the court is not satisfied with your reasons for filing your bankruptcy case without first receiving a credit counseling briefing.

☐ 4. I am not required to receive a credit counseling briefing because of: *[Check the applicable statement.] [Must be accompanied by a motion for determination by the court.]*

B 1D (Official Form 1, Exhibit D) (12/09) - Cont.

Page 2

☐ Incapacity. (Defined in 11 U.S.C. § 109(h)(4) as impaired by reason of mental illness or mental deficiency so as to be incapable of realizing and making rational decisions with respect to financial responsibilities.);

☐ Disability. (Defined in 11 U.S.C. § 109(h)(4) as physically impaired to the extent of being unable, after reasonable effort, to participate in a credit counseling briefing in person, by telephone, or through the Internet.);

☐ Active military duty in a military combat zone.

☐ 5. The United States trustee or bankruptcy administrator has determined that the credit counseling requirement of 11 U.S.C. § 109(h) does not apply in this district.

I certify under penalty of perjury that the information provided above is true and correct.

Signature of Debtor: /s/ Samuel E. Wyly

Samuel E. Wyly

Date: October 19, 2014

Certificate Number: 14751-TXN-CC-024326319



CERTIFICATE OF COUNSELING

I CERTIFY that on October 8, 2014, at 1:38 o'clock PM PDT, Samuel E Wyly received from \$0\$ BK Class Inc., an agency approved pursuant to 11 U.S.C. § 111 to provide credit counseling in the Northern District of Texas, an individual [or group] briefing that complied with the provisions of 11 U.S.C. §§ 109(h) and 111.

A debt repayment plan was not prepared. If a debt repayment plan was prepared, a copy of the debt repayment plan is attached to this certificate.

This counseling session was conducted by internet.

Date: October 8, 2014 By: /s/AMEY AIONO

Name: AMEY AIONO

Title: Certified Credit Counselor

* Individuals who wish to file a bankruptcy case under title 11 of the United States Bankruptcy Code are required to file with the United States Bankruptcy Court a completed certificate of counseling from the nonprofit budget and credit counseling agency that provided the individual the counseling services and a copy of the debt repayment plan, if any, developed through the credit counseling agency. See 11 U.S.C. §§ 109(h) and 521(b).

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

SAMUEL E. WYLY,

DEBTOR

§
§
§
§
§
§
§

Case No.

Chapter 11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of creditors holding the 20 largest unsecured claims against the above-captioned Debtor. This list has been prepared from the Debtor's unaudited books and records. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this Chapter 11 case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. §101,¹ or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtor. Moreover, nothing herein shall affect the Debtor's right to challenge the amount or characterization of any claim at a later date.

	<i>Name of Creditor and Complete Mailing Address Including Zip Code</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted</i>	<i>Nature of Claim (Trade Debt, Bank Loan, Government Contract, Etc.)</i>	<i>Indicate if Claim is Contingent, Unliquidated, or Disputed or Subject to Setoff</i>	<i>Amount of Claim (if Secured Also State Value of Security)</i>
1.	Internal Revenue Service PO Box 7346 Philadelphia, PA 19101-7346	Internal Revenue Service PO Box 7346 Philadelphia, PA 19101-7346	Taxes (current open income tax examination)	Contingent, unliquidated and disputed	

¹ The Debtor anticipates that one or more parties in interest may assert that Wrangler Trust and Security Capital, Ltd. are "insiders". The Debtor reserves all rights with respect to this issue but includes Wrangler Trust and Security Capital, Ltd. as a matter of disclosure and notice.

In re SAMUEL E. WYLY

Case No. 14-

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

(Continuation Sheet)

	<i>Name of Creditor and Complete Mailing Address Including Zip Code</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted</i>	<i>Nature of Claim (Trade Debt, Bank Loan, Government Contract, Etc.)</i>	<i>Indicate if Claim is Contingent, Unliquidated, or Disputed or Subject to Setoff</i>	<i>Amount of Claim (if Secured Also State Value of Security)</i>
2.	U.S. Securities & Exchange Commission 100 F Street, NE Washington, DC 20549-0000	U.S. Securities & Exchange Commission ATTN: Bridget M. Fitzpatrick 100 F Street, NE Washington, DC 20549-0000	Interlocutory Disgorgement Ruling	Disputed	\$198,118,825.16
3.	Wrangler Trust 300 Crescent Court, Suite 850 Dallas TX 75201	Wrangler Trust 300 Crescent Court, Suite 850 Dallas TX 75201	Promissory Note		\$19,000,000.00
4.	Security Capital, Ltd. (in official Liquidation) c/o Mark Longbottom Kinetic Partners The Harbour Centre 42 North Church Street P.O. Box 10387 Grand Cayman Cayman Islands, KY1 1004	Security Capital, Ltd. (in official Liquidation) c/o Mark Longbottom Kinetic Partners The Harbour Centre 42 North Church Street P.O. Box 10387 Grand Cayman Cayman Islands, KY1 1004	Promissory Note		\$15,000,000.00
5.	Security Capital, Ltd. (in official Liquidation) c/o Mark Longbottom Kinetic Partners The Harbour Centre 42 North Church Street P.O. Box 10387 Grand Cayman Cayman Islands, KY1 1004	Security Capital, Ltd. (in official Liquidation) c/o Mark Longbottom Kinetic Partners The Harbour Centre 42 North Church Street P.O. Box 10387 Grand Cayman Cayman Islands, KY1 1004	Promissory Note		\$10,000,000.00

In re SAMUEL E. WYLY

Case No. 14-

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

(Continuation Sheet)

	<i>Name of Creditor and Complete Mailing Address Including Zip Code</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted</i>	<i>Nature of Claim (Trade Debt, Bank Loan, Government Contract, Etc.)</i>	<i>Indicate if Claim is Contingent, Unliquidated, or Disputed or Subject to Setoff</i>	<i>Amount of Claim (if Secured Also State Value of Security)</i>
6.	The Aspen Institute Attn.: Dolores Gorgone, Chief Financial Officer One Dupont Circle, NW Suite 700 Washington, DC 20036-1133	The Aspen Institute Attn.: Dolores Gorgone, Chief Financial Officer One Dupont Circle, NW Suite 700 Washington, DC 20036-1133	Grant commitment		\$600,000.00
7.	Torie Steele 26799 Sea Vista Dr. Malibu, CA 90265-4516	Torie Steele 26799 Sea Vista Dr. Malibu, CA 90265-4516	Contract	Subject to setoff ²	\$500,000.00 (annually)
8.	Melcher Media 124 West 13 th Street New York, NY 10011	Melcher Media 124 West 13 th Street New York, NY 10011	Contract		\$37,000.00
9.	Third Church of Christ, Scientist 4419 Oak Lawn Dallas, TX 75219	Third Church of Christ, Scientist 4419 Oak Lawn Dallas, TX 75219	Grant commitment		\$20,000.00
10.	Thanks-Giving Square P.O. Box 131770 Dallas, TX 75313	Thanks-Giving Square P.O. Box 131770 Dallas, TX 75313	Grant commitment		\$12,500.00
11.	Bickel & Brewer 1717 Main St. Suite 4800 Dallas, TX 75201	Bickel & Brewer 1717 Main St. Suite 4800 Dallas, TX 75201	Contract for services		\$4,530.71
12.	Pearl Cove Landscape P.O. Box 600051 Dallas, TX 75360-0051	Pearl Cove Landscape P.O. Box 600051 Dallas, TX 75360-0051	Contract for services		\$1,619.42

² Ms. Steele's claim is subject to setoff pursuant to the Court Order defining this obligation.

In re SAMUEL E. WYLY

Case No. 14-

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

	<i>Name of Creditor and Complete Mailing Address Including Zip Code</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May be Contacted</i>	<i>Nature of Claim (Trade Debt, Bank Loan, Government Contract, Etc.)</i>	<i>Indicate if Claim is Contingent, Unliquidated, or Disputed or Subject to Setoff</i>	<i>Amount of Claim (if Secured Also State Value of Security)</i>
13.	Dallas Country Club PO Box 678422 Dallas, TX 75267-8422	Dallas Country Club PO Box 678422 Dallas, TX 75267-8422	Membership		\$383.20
14.	Crescent TC Investors, LP PO Box 841772 Dallas, TX 75284-1772	Crescent TC Investors, LP PO Box 841772 Dallas, TX 75284-1772	Contract		Unknown ³
15.	American Express PO Box 650448 Dallas, TX 75265	American Express PO Box 650448 Dallas, TX 75265	Revolving credit account		Unknown
16.	Susman Godfrey 1000 Louisiana, Suite 5100 Houston, TX 77002	Susman Godfrey 1000 Louisiana, Suite 5100 Houston, TX 77002	Professional services		Unknown
17.	Town of Highland Park 4700 Drexel Dr. Dallas, TX 75205	Town of Highland Park 4700 Drexel Dr. Dallas, TX 75205	Utility (water)		Unknown
18.	Citicards Processing Center Des Moines, IA 50363-0005	Citicards Processing Center Des Moines, IA 50363-0005	Revolving credit account		Unknown
19.	Chase Card Services PO Box 94014 Palatine, IL 60094-4014	Chase Card Services PO Box 94014 Palatine, IL 60094-4014	Revolving credit account		Unknown
20.	Green Mountain Energy PO Box 660305 Dallas, TX 75266-0305	Green Mountain Energy PO Box 660305 Dallas, TX 75266-0305	Utility		Unknown

³ Debtor will amend and supplement with respect to all “unknown” claim amounts once more information is obtained and available.

In re SAMUEL E. WYLY

Case No. 14-

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

**Declaration Under Penalty of Perjury
on Behalf of a Corporation**

I, Samuel E. Wyly, declare under penalty of perjury that I have read the foregoing List of Creditors Holding the 20 Largest Unsecured Claims and that it is true and correct to the best of my information and belief.

DATE: October 19, 2014

/s/ Samuel E. Wyly
Samuel E. Wyly

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

In Re:

Samuel E. Wyly

Debtor(s)

Case No.:

§
§
§
§
§
§
§

VERIFICATION OF MAILING LIST

The Debtor(s) certifies that the attached mailing list (*only one option may be selected per form*):

- ☒ is the first mail matrix in this case.
- ☐ adds entities not listed on previously filed mailing list(s).
- ☐ changes or corrects name(s) and address(es) on previously filed mailing list(s).
- ☐ deletes name(s) and address(es) on previously filed mailing list(s).

In accordance with N.D. TX L.B.R. 1007.2, the above named Debtor(s) hereby verifies that the attached list of creditors is true and correct.

Date: October 19, 2014

/s/ Samuel E. Wyly

Samuel E. Wyly

Signature of Debtor

Date: October 19, 2014

/s/ Josiah M. Daniel, III

Signature of Attorney

Josiah M. Daniel, III, SBT #05358500

Vinson & Elkins LLP

2001 Ross Avenue

Suite 3700

Dallas, TX 75201

214-220-7700

xxx-xx-5313

Debtor's Social Security/Tax ID No.

Joint Debtor's Social Security/Tax ID No.

All Right Pest Control
P.O. Box 870016
Mesquite, TX 75150

American Express
PO Box 650448
Dallas, TX 75265

Apex Security
PO Box 410482
Salt Lake City, UT 84141-0482

AT&T
PO Box 105414
Atlanta, GA 30348-5414

AT&T
PO Box 5014
Carol Stream, IL 60197-5014

Atmos Energy
PO Box 790311
Saint Louis, MO 63179-0311

Bank of America
PO Box 851001
Dallas, TX 75285-1001

Bank of America
PO Box 851001
Dallas, TX 75285-1001

BBVA Compass Mortgage
PO Box 830927
Birmingham, AL 35283-0927

Bickel & Brewer
1717 Main St.
Suite 4800
Dallas, TX 75201

Cardmember Services
PO Box 94014
Palatine, IL 60094-4014

Chase Card Services
PO Box 94014
Palatine, IL 60094-4014

Citicards
Processing Center
Des Moines, IA 50363-0005

Compass Bank
PO Box 830927
Birmingham, AL 35283-0927

Consolidated Edison
PO Box 1702
New York, NY 10116-1702

Crescent TC Investors, LP
PO Box 841772
Dallas, TX 75284-1772

Dallas Country Club
PO Box 678422
Dallas, TX 75267-8422

Dallas County Tax Office
John R. Ames, CTA
500 Elm Street
Dallas, TX 75202-3304

Dennis S. Faulkner
Lain, Faulkner & Co., P.C.
400 N. St. Paul Suite 600
Dallas, TX 75201

Direct TV
PO Box 78626
Phoenix, AZ 85062-8626

Donald P. Lan, Jr.
Kroney Morse Lan, P.C.
12221 Merit Drive, Suite 825
Dallas, TX 75251

Explore Booksellers & Bistro LLC
Explore Booksellers & Bistro Real Estate
221 E. Main St.
Aspen, CO 81611

Extra Space Storage
18530 N. Dallas Parkway
Dallas, TX 75287

Gary Hepburn
First Names(Isle of Man) Limited
International House
Castle Hill, Victoria Road
Douglas, Isle of Man IM2 4RB

Green Mountain Energy
PO Box 660305
Dallas, TX 75266-0305

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101-7346

Internal Revenue Service
Centralized Insolvency Operation
PO Box 21126
Philadelphia, PA 19114-0326

Josiah M. Daniel
VINSON & ELKINS LLP
2001 Ross Avenue, Suite 3700
Dallas, TX 75201

Kim Dent
Inter-Continental Management
Prospect Chambers, Prospect Hill
Douglas, Isle of Man IM1 1ET

Krauter and Co
Attn: Lisa Walker
16250 Knoll Trail, Suite 100
Dallas, TX 75248

Kutak Rock LLP
Attn.: Micah J. Halverson, Esq.
1801 California Street, Suite 3100
Denver, CO 80202

Maverick Capital
300 Crescent Court, 18th floor
Dallas, TX 75201

Melcher Media
124 West 13th Street
New York, NY 10011

Mosquito Nix
2150 Chenault Drive
Carrollton, TX 75006

Pearl Cove Landscape
PO Box 600051
Dallas, TX 75360-0051

Rebecca L. Petereit
VINSON & Elkins LLP
2001 Ross Avenue, Suite 3700
Dallas, TX 75201

Rob Adams
Sr. VP Wealth Management
BBVA Compass
8080 N. Central Expressway Suite 400
Dallas, TX 75206

Roberts Pool Service
455 South Railroad St.
Lewisville, TX 75057

Samuel E. Wyly
300 Crescent Court, Suite 850
Dallas, TX 75201

Securities and Exchange Commission
Attn: Bridget M. Fitzpatrick
100 F Street, NE
Washington, DC 20549

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Security Capital, Ltd.
c/o Mark Longbottom/Kinetic Partners
The Harbour Centre, 42 North Church St.
PO Box 10387, Grand Cayman
Cayman Islands, KY1 1004

Security Capital, Ltd.
c/o Mark Longbottom/Kinetic Partners
The Harbour Centre, 42 North Church St.
PO Box 10387, Grand Cayman
Cayman Islands, KY1 1004

Susman Godfrey LLP
1000 Louisiana, Suite 5100
Houston, TX 77002

Susman Godfrey LLP
1000 Louisiana, Suite 5100
Houston, TX 77002

Thanks-Giving Square
P.O. Box 131770
Dallas, TX 75313

The Aspen Institute
Attn.: Dolores Gorgone, CFO
One Dupont Circle, NW
Suite 700
Washington, DC 20036-1133

Third Church of Christ, Scientist
4419 Oak Lawn
Dallas, TX 75219

Time Warner Cable

Torie Steele
26799 Sea Vista Dr.
Malibu, CA 90265-4516

Town of Highland Park
4700 Drexel Dr.
Dallas, TX 75205

United States Trustee
1100 Commerce Street, Room 976
Dallas, TX 75242

Wrangler Trust
300 Crescent Court, Suite 850
Dallas, TX 75201

Wyly Family Members
300 Crescent Court, Suite 850
Dallas, TX 75201

EXHIBIT 3

Josiah M. Daniel, III, SBT # 05358500
 James J. Lee, SBT # 12074550
 Paul E. Heath, SBT # 09355050
 Rebecca L. Petereit, SBT # 24062776
VINSON & ELKINS LLP
 Trammell Crow Center
 2001 Ross Avenue, Suite 3700
 Dallas, Texas 75201-2975
 Tel: 214-220-7700
 Fax: 214-220-7716
 jdaniel@velaw.com; jimlee@velaw.com
 pheath@velaw.com; rpetereit@velaw.com

PROPOSED COUNSEL FOR THE DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION**

IN RE:

**SAMUEL E. WYLY,

 DEBTOR**

§
§
§
§
§
§
§

**Case No. 14-35043

 Chapter 11**

SUPPLEMENTAL DOCUMENT IN SUPPORT OF FIRST DAY MOTIONS

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Samuel E. Wyly, the above-referenced debtor and debtor in possession (the “Debtor” or “Sam”) hereby submits the attached budget as developed in conjunction with Lain, Faulkner & Co., P.C. (the “Budget”) as referenced in the *Expedited Motion for Order on Estate Administration* [Docket No. 5] and *Expedited Motion for Interim and Final Orders Approving Use of Cash Collateral and Grant of Adequate Protection* [Docket No. 6] (collectively, the “Motions”) and in support of the Motions.

Dated October 21, 2014

VINSON & ELKINS LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214-220-7700
Fax: 214-220-7716

/s/ Josiah M. Daniel, III
Josiah M. Daniel, III, SBT # 05358500
James J. Lee, SBT # 12074550
Paul E. Heath, SBT # 09355050
Rebecca L. Petereit, SBT # 24062776
jdaniel@velaw.com; jimlee@velaw.com
pheath@velaw.com; rpeterreit@velaw.com

PROPOSED COUNSEL FOR THE DEBTOR

CERTIFICATE OF SERVICE

I certify that on October 21, 2014, I caused a copy of the foregoing document to be served (i) by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas; (ii) via overnight delivery on all parties indicated on the attached proposed Limited Master Service List; and (iii) by e-mail or facsimile to those persons indicated on the Limited Master Service List.

/s/ Josiah M. Daniel, III
One of Counsel

Proposed budget

Line #		Nov Month 1	Dec Month 2	Jan Month 3	Feb Month 4	Mar Month 5	Apr Month 6	Total
1	Beginning balance (see note)	\$ 12,813,839	\$ 15,411,162	\$ 14,831,748	\$ 13,853,145	\$ 13,407,860	\$ 13,088,574	\$ 12,813,839
2	Plus: Receipts							
3	Annuity income (see note)	3,197,608	-	-	-	-	-	3,197,608
4	Highland Stargate salary	1,717	1,717	1,717	1,717	1,717	1,717	10,305
5	Social Security	2,695	2,695	2,695	2,695	2,695	2,695	16,170
6	Great Western annuity	1,848	1,848	1,848	1,848	1,848	1,848	11,090
7	CA Harvest Plan (401k) (see note)	-	14,872	-	-	-	-	14,872
8	Arlington Stoneridge	149	149	149	149	149	149	892
9	I Shares Dividend (JP Morgan) (see note)	-	26,000	-	-	26,000	-	52,000
10	Sub-total	3,204,018	47,281	6,409	6,409	32,409	6,409	3,302,937
11	Minus: Disbursements							
12	Dallas residence							
13	Taxes (see note)	-	-	(81,142)	-	-	-	(81,142)
14	Insurance (see note)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(28,348)
15	Utilities (see note)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(15,000)
16	Services (see note)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(13,199)
17	Cable / phone (see note)	(750)	(750)	(750)	(750)	(750)	(750)	(4,499)
18	Storage space	(204)	(204)	(204)	(204)	(204)	(204)	(1,224)
19	Club charges	(383)	(383)	(383)	(383)	(383)	(383)	(2,299)
20	Auto insurance	(807)	(807)	(807)	(807)	(807)	(807)	(4,839)
21	Household maintenance and expenses (see note)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(12,000)
22	Sub-total - Dallas residence	(13,568)	(13,568)	(94,710)	(13,568)	(13,568)	(13,568)	(162,551)
23	Family Office							
24	Monthly allocation (see note)	-	-	(309,320)	-	-	(309,320)	(618,641)
25	Monthly billed (see note)	-	-	(32,855)	-	-	(32,855)	(65,710)
26	Sub-total - Family Office	-	-	(342,175)	-	-	(342,175)	(684,350)
27	Book Business							
28	Monthly billed + expenses (see note)	(32,454)	(32,454)	(32,454)	(32,454)	(32,454)	(32,454)	(194,724)
29	Other							
30	Family blanket valuables policy	(4,025)	(4,025)	(4,025)	(4,025)	(4,025)	(4,025)	(24,150)
31	Out of pocket medical (see note)	(500)	(500)	(500)	(500)	(500)	(500)	(3,000)
32	Support for elderly family/friends (see note)	(6,982)	(6,982)	(6,982)	(6,982)	(6,982)	(6,982)	(41,892)
33	Explore - real estate (see note)	(29,166)	(29,166)	(29,166)	(29,166)	(29,166)	(29,166)	(174,996)
34	Sub-total - Other	(40,673)	(40,673)	(40,673)	(40,673)	(40,673)	(40,673)	(244,038)
35	Total Disbursements (Pre-Legal)	(86,695)	(86,695)	(510,012)	(86,695)	(86,695)	(428,870)	(1,285,663)
36	Legal Defense (see note)							
37	Attorneys	-	(100,000)	(100,000)	-	-	-	(200,000)
38	Appeal	-	(100,000)	(100,000)	(100,000)	(75,000)	(75,000)	(450,000)
39	Other	(210,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(360,000)
40	Sub-total - Legal Defense	(210,000)	(230,000)	(230,000)	(130,000)	(105,000)	(105,000)	(1,010,000)
41	Bankruptcy (see note)							
42	Legal	(200,000)	(200,000)	(150,000)	(150,000)	(100,000)	(100,000)	(900,000)
43	Accounting	(100,000)	(100,000)	(75,000)	(75,000)	(50,000)	(50,000)	(450,000)
44	Other	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(60,000)
45	UST	-	-	(10,000)	-	-	(10,000)	(20,000)
46	Sub-total - Bankruptcy	(310,000)	(310,000)	(245,000)	(235,000)	(160,000)	(170,000)	(1,430,000)
47	Total Disbursements	(606,695)	(626,695)	(985,012)	(451,695)	(351,695)	(703,870)	(3,725,663)
48	Ending Cash	\$ 15,411,162	\$ 14,831,748	\$ 13,853,145	\$ 13,407,860	\$ 13,088,574	\$ 12,391,113	\$ 12,391,113

Budget Notes

General Notes:

- Source of information obtained from Highland Stargate CFO, Keeley Hennington and is based on the Debtor's general financial history.
- Reflected on a cash basis except where specifically noted.

Line Item Notes:

Line item 1: The cash balance includes the Debtor's book balance of cash on hand as of October 19, 2014.

Line item 3: Annuity income is received on an annual basis (typically October). The Debtor's 2014 annuity income has been estimated as follows:

Annuity Income (received annually in October-November)

		Collection Est
<u>To be received:</u>	<u>Gross</u>	<u>Net of Tax</u>
West Carroll	\$ 942,157	\$ 565,294
Richland Limited	1,130,589	678,353
Morehouse Limited	964,416	578,650
Sarnia Limited	2,292,185	1,375,311
Sub-total	5,329,347	3,197,608
 <u>Already received (included in cash balance)</u>		
Devotion Limited	5,711,781	3,427,069
 <u>No payment expected in the near term</u>		
Moberly Limited	8,028,598	-
Locke Limited	9,932,801	-
Audubon Limited	5,793,464	-
Yurta Faf Limited	1,007,096	-
Sub-total	24,761,959	-
 Total	\$ 35,803,087	\$ 6,624,677

Line item 7: Represents a required minimum distribution from the Debtor's 401k account and has typically been initiated on an annual basis and received in December.

Line item 9: Represents dividends paid on a quarterly basis.

Line item 13: Represents annual property tax payment estimated to be paid in January 2015. Amounts not currently set aside as an escrow or reserve.

Budget Notes

Line item 14: Represents monthly property insurance premium. Historically amounts are paid on an annual basis in May (however are reflected on an accrual basis herein for the anticipated 2015 payment).

Line items 15-17: See detail attached.

Line item 21: Represents estimates for grocery and household expenses paid via credit cards.

Line item 24: As further detailed in the Debtor's Motion for Order on Estate Administration, on a quarterly basis, the Debtor pays in advance his projected allocable share of the operating costs of Highland Stargate.

Line item 25: Also as further detailed in the Debtor's Motion for Order on Estate Administration, the Debtor pays in advance costs for the Debtor for several persons who work directly for the Debtor. Additional detail is attached for the current proposed payments.

Line item 28: Represents expenses relating to individuals who provide assistance on the Debtor's writing and publishing projects as further described in the Debtor's Expedited Motion for Order on Estate Administration [Docket No. 5].

Line item 31: Represents estimates for additional medical expenses relating to out of network and out of pocket charges. Estimates are based on current levels (historical amounts have fluctuated and have been as high as \$16,000 per month).

Line item 32: Represents monthly humanitarian support provided to elderly family and friends and is subject to change.

Line item 33: Real estate funding reflects mortgage payment amounts related to the Explore property as further described in the Debtor's Expedited Motion for Order on Estate Administration [Docket No. 5]. The Debtor is a guarantor of the mortgage debt.

Lines 36-40: Reflects the estimated accruals for expenses, professional fees and costs relating to the conclusion of Case No. 10-05760 a civil action pending in the United States District Court for the Southern District of New York styled Securities and Exchange Commission v. Samuel Wyly, and Donald R. Miller, Jr. in his Capacity as the Independent Executor of the Will and Estate of Charles J. Wyly, Jr. (the "District Court Action") and any appeal arising therefrom. This amount may be increased to reflect additional fees/costs of an expert witness.

Lines 41-46: Reflects the estimated Bankruptcy expenses for the administration of the Debtor's case including professional fees, costs and fees payable to the United States Trustee. Retainers have been paid and are further detailed in the respective professionals (Case Professionals) applications for employment. The fees and costs are reflected on an accrual basis (actual payments would be made pursuant to Court Order as further proposed in the Debtor's Motion to Establish Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Case Professionals).

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

SAMUEL E. WYLY,

DEBTOR.

§
§
§
§
§
§

CASE NO. 14-35043

(Chapter 11)

LIMITED MASTER SERVICE LIST
as of October 21, 2014

DEBTOR

Samuel E. Wyly
300 Crescent Court, Suite 850
Dallas TX 75201

DEBTOR'S PROFESSIONALS

PROPOSED DEBTOR'S COUNSEL

Vinson & Elkins LLP
Attn: Josiah M. Daniel, III
Rebecca L. Petereit
2001 Ross Avenue, Suite 3700
Dallas, TX 75201
Email: jdaniel@velaw.com
Email: rpetereit@velaw.com
Fax: 214.220.7716

PROPOSED SPECIAL TRIAL COUNSEL

Susman Godfrey LLP
Attn: Harry Susman
1000 Louisiana, Suite 5100
Houston, TX 77002
Email: Hsusman@susmangodfrey.com

PROPOSED FINANCIAL ADVISORS

Lain, Faulkner & Co., P.C.
Attn: Dennis S. Faulkner
400 N. St. Paul Suite 600
Dallas, TX 75201
Email: dfaulkner@lainfaulkner.com

PROPOSED SPECIAL TAX COUNSEL

Krone Morsey Lan, P.C.
Attn: Donald P. Lan, Jr.
12221 Merit Drive, Suite 825
Dallas, TX 75251
Email: dlan@kmlaw.com

U.S. TRUSTEE

Mary Frances Durham
Trial Attorney
United States Department of Justice
Office of the United States Trustee
1100 Commerce Street, Room 976
Dallas, TX 75242
Email: maryfrances.durham@usdoj.gov

GOVERNMENTAL AGENCIES

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101-7346

Internal Revenue Service
Centralized Insolvency Operation
PO Box 21126
Philadelphia, PA 19114-0326

Leo Carey
Bankruptcy Specialist
Internal Revenue Service
1100 Commerce
MC 5027 DAL
Dallas, TX 75242
Email: Leo.V.Carey@irs.gov

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Angie Dodd
Securities and Exchange Commission
175 W. Jackson Blvd., Suite 900
Chicago, IL 60604
Fax: (312) 353-7398
Email: dodda@sec.gov

Securities and Exchange Commission
Attn: Bridget M. Fitzpatrick
Hope Augustini
100 F Street, NE
Washington, DC 20549
Email: FitzpatrickBr@SEC.GOV

Office of the United States Attorney
3rd Floor, 1100 Commerce Street
Dallas, Texas 75242-1699

SECURED CREDITORS

BBVA Compass Bank N.A.
PO Box 830927
Birmingham AL 35283

BBVA Compass Bank N.A.
Attn: Rob Adams
Senior Vice President-Wealth
Management
8080 N. Central Expressway Suite 400
Dallas, TX 75206
Facsimile: 214.346.6483
Email: rob.adams@bbvacompass.com

Kutak Rock LLP
Attn.: Micah J. Halverson, Esq.
1801 California Street, Suite 3100
Denver, Colorado 80202
Email: Micah.Halverson@KutakRock.com

Dallas County Tax Office
Attn: John R. Ames, CTA
500 Elm Street
Dallas TX 75202

TWENTY LARGEST UNSECURED CREDITORS

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101-7346

Securities and Exchange Commission
Attn: Bridget M. Fitzpatrick
100 F Street, NE
Washington, DC 20549-0000
Email: FitzpatrickBr@SEC.GOV

Wrangler Trust
300 Crescent Court, Suite 850
Dallas TX 75201

Green Mountain Energy
PO Box 660305
Dallas, TX 75266-0305

Security Capital, Ltd. (in official
Liquidation)
c/o Mark Longbottom
Kinetic Partners
The Harbour Centre
42 North Church Street
P.O. Box 10387
Grand Cayman
Cayman Islands, KY1 1004

The Aspen Institute
Attn.: Dolores Gorgone, Chief Financial
Officer
One Dupont Circle, NW
Suite 700
Washington, DC 20036-1133

Torie Steele
26799 Sea Vista Dr.
Malibu, CA 90265-4516

Melcher Media
124 West 13th Street
New York, NY 10011

Third Church of Christ, Scientist
4419 Oak Lawn
Dallas, TX 75219

Thanks-Giving Square
P.O. Box 131770
Dallas, TX 75313

Bickel & Brewer
1717 Main St.
Suite 4800
Dallas, TX 75201

Pearl Cove Landscape
P.O. Box 600051
Dallas, TX 75360-0051

Dallas Country Club
PO Box 678422
Dallas, TX 75267-8422

Crescent TC Investors, LP
PO Box 841772
Dallas, TX 75284-1772

American Express
PO Box 650448
Dallas, TX 75265

Susman Godfrey LLP
Attn: Harry Susman
1000 Louisiana, Suite 5100
Houston, TX 77002
Hsusman@susmangodfrey.com

Town of Highland Park
4700 Drexel Dr.
Dallas, TX 75205

Citicards
Processing Center
Des Moines, IA 50363-0005

Chase Card Services
PO Box 94014
Palatine, IL 60094-4014

**NOTICE OF APPEARANCE PARTIES AND
PARTIES REQUESTING NOTICE**

Counsel for Dallas County

Laurie Spindler Huffman
LINEBARGER GOGGAN BLAIR &
SAMPSON, LLP
2777 N. Stemmons Freeway
Suite 1000
DALLAS, TX 75207
Telephone: (214) 880-0089
Facsimile: (469) 221-5003
Email: dallas.bankruptcy@publicans.com

Counsel for Town of Highland Park,

Highland Park ISD

Elizabeth Banda Calvo
Perdue, Brandon, Fielder, Collins & Mott,
L.L.P.
P.O. Box 13430
Arlington, TX 76094-0430
Telephone: (817) 461-3344
Facsimile: (817) 860-6509
Email: ebc Calvo@pbfc m.com