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and Acis Capital Management GP, LLC

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

In re: § **Chapter 11**
§
HIGHLAND CAPITAL MANGEMENT, § **Case No. 19-34054-sgj11**
L.P., §
§
Debtor. §
§

**ACIS CAPITAL MANAGEMENT, L.P. AND
ACIS CAPITAL MANGEMENT GP, LLC'S MOTION TO COMPEL**

Plaintiffs Acis Capital Management, L.P. and Acis Capital Management GP, LLC (collectively, "Acis") move to compel defendant James Dondero to respond substantively to Acis' recent discovery requests, and would show the Court as follows:

I. INTRODUCTION

As the Court is aware, Plaintiffs' claims against defendant James Dondero are centered largely on Dondero causing numerous fraudulent transfers and similarly actionable conduct whilst



owing fiduciary duties to Plaintiffs. Plaintiffs allege that Dondero personally benefitted from these fraudulent transfers and his self-dealing. Core to the concept of damages for such self-dealing, both for the breach of his fiduciary duties to Plaintiffs and recompense for his self-dealing that benefitted him at Plaintiffs' expense, is the concept of disgorgement: if, as Plaintiffs allege, Dondero personally benefited, Plaintiffs are entitled to damages in the amount of the benefits (among other damages).

The only way for Plaintiffs to know the proper amount of such disgorgement is to conduct discovery into the value of the benefits Dondero obtained. Thus, Plaintiffs served discovery targeted at precisely this issue. The result: Dondero utterly refused to respond substantively, choosing instead to lodge the same cookie cutter objection to each request.

Plaintiffs conferred in earnest with Dondero, to no avail. The Court's intervention is needed to resolve this issue.

II. PERTINENT FACTS

Plaintiffs filed suit against Defendant James Dondero on April 11, 2020, alleging that Defendant had "orchestrated a massive scheme to fraudulently transfer Acis's assets" to his own benefit and to ensure that Acis's wrongly-ousted co-founder "would collect nothing for his hard-fought Arbitration Award" against Acis. Plaintiffs also sued Dondero and others on numerous counts of breaching their fiduciary duties and aiding/abetting such breaches.

On May 13, 2024, in order obtain discovery needed to assess the quantum of damages related to the fiduciary duty counts, including for an order of disgorgement – a measure of damages available for fiduciary breaches such as Plaintiffs claim against Dondero – as well as determining the net economic benefits obtained by Dondero as a result of his fraudulent transfers, Plaintiffs served focused discovery on Dondero. *See* Exhs. 1 and 2. Dondero responded by refusing to

produce any information whatsoever. *See* Exhs. 3 and 4. Instead, Dondero stands on the objection that because Dondero was not a transferee of the alleged fraudulent transactions, the information sought is irrelevant. *Id.* Plaintiffs conferred via phone calls and emails with Dondero’s counsel, urging that the discovery is relevant to both Plaintiff’s entitlement to disgorgement on the fiduciary breach claims, as well as on the fraudulent transfer claims. Dondero maintained his refusal to provide the discovery sought.

III. ARGUMENTS AND AUTHORITIES

A. The requested discovery is relevant to both disgorgement (which is an available remedy for Plaintiffs’ fiduciary duty claims) and to Dondero’s alleged self-dealing.

It is well settled under Delaware law that a defendant found liable for breaching his fiduciary duties “*must* disgorge all profits and equity from the usurpation.” *In re Mobilactive Media, LLC*, No. 5725-VCP, 2013 WL 297950, at *23 (Del. Ch. Jan. 25, 2013) (emphasis added). “An appropriate remedy [for breach of fiduciary duty] *must* take into account the *requirement* that a fiduciary not profit personally from his conduct, and that the beneficiary not be harmed by such conduct. That requirement means that a beneficiary can force a fiduciary to disgorge the benefits that the fiduciary received without a showing of harm to the beneficiary.” *Metro Storage Int’l LLC v. Harron*, 275 A.3d 810, 860 (Del. Ch. 2022), judgment entered sub nom. *In re Metro Storage Intern. LLC v. Harron* (Del. Ch. 2022) (emphasis added).

In conferring on Dondero’s refusal to respond substantively to the discovery in question, Dondero’s counsel sought cover behind the notion that because Plaintiffs have not specifically pleaded for disgorgement as a remedy, they are not entitled to that relief. This is simply incorrect. Disgorgement is an available remedy for Dondero’s serial breaches of fiduciary duty and self-dealing, without the need to be expressly pleaded. *LQD Bus. Fin., LLC v. Rose*, No. 19 C 4416, 2022 WL 4109715, at *6 (N.D. Ill. Sept. 8, 2022) (“[Plaintiff] did not specifically plead a

disgorgement theory of damages, but that is not dispositive. Federal Rule of Civil Procedure 54 explains that a ‘final judgment should grant the relief to which each party is entitled, even if the party has not demanded that relief in its pleadings.’ In other words, a party is not required to plead a specific theory of damages—in this case disgorgement—to recover under that theory.”).

Within the claim for breach of fiduciary duties lies the bedrock principle that a fiduciary cannot profit from his own self-dealing. Thus, discovery into the benefits Dondero personally received from his misdeeds is not only relevant to the quantum of disgorgement damages; rather, the very fact that Dondero benefitted – as alleged – is relevant to the very existence of self-dealing and therefore, to a fiduciary breach. Proof of Dondero personally benefitting from his actionable conduct – i.e., self-dealing – establishes that Dondero breached his fiduciary duty of loyalty to Acis. *See, e.g., Midland Grange No. 27 Patrons of Husbandry v. Walls*, No. CIV.A. 2155-VCN, 2008 WL 616239, at *7 (Del. Ch. Feb. 28, 2008) (plaintiff may prove breach of the fiduciary duty of loyalty either by showing that Dondero “(1) ‘stood on both sides of the transaction and dictated its terms in a *self-dealing* way,’ or (2) ‘received in the transaction a *personal benefit* that was not enjoyed by the shareholders generally.” (citing *In re Coca-Cola Enterprises, Inc. S’holders Litig.*, 2007 WL 3122370, at *4 (Del. Ch. Oct. 17, 2007)).

This is, of course, what Plaintiffs have alleged occurred.

Disgorgement is an available remedy here. Plaintiffs are entitled to discovery geared toward establishing his quantum of damages. The discovery sought is also directly relevant to establishing that Dondero engaged in self-dealing, thereby proving his fiduciary duty breach.

B. Plaintiffs are also entitled to discovery into the economic benefits to Dondero of the fraudulent transfers he directed.

Dondero does not urge that discovery into the economic benefits that accrued to Dondero is per se irrelevant in a fraudulent transfer case. Instead, he objects that the discovery is irrelevant because Plaintiffs do not allege that Dondero is a transferee.

Dondero is wrong.

As set forth in Section III.A. of Plaintiffs' Response to Defendant's Motion to Dismiss Portions of Plaintiffs' First Amended Complaint (Dkt. #122), Plaintiffs have alleged that Dondero was a transferee. Plaintiffs understand that the Court is well familiar with the argument and cases set forth in Dkt. #122, as well as the cases set forth in Plaintiffs' Supplemental Brief Regarding Pending Motion to Dismiss (Dkt. #129). Therefore, Plaintiff incorporates as if fully set forth herein, Section III.A. of Dkt #122 and the entirety of Dkt. #129.

The bottom line is that Plaintiffs have alleged Dondero is a transferee, and his objection to the contrary is incorrect and provides no cover.

C. The discovery requested is tailored to establishing the economic benefits to Dondero of his fiduciary breaches and self-dealing.

The Court is well familiar with Plaintiffs' allegations that at the relevant times Dondero created, owned and presided over an intricate web of entities. The discovery at issue seeks to determine the economic benefits Dondero derived from those entities. From that perspective, the discovery is very narrowly tailored, as can be seen from the requests themselves. *See* Exhs. 1-2. That the number of entities listed in the interrogatories is large, is of Dondero's doing, not Plaintiffs'. Dondero created this web; it falls to Plaintiffs to get to the truth of how much economic benefit traveled via that web to Dondero. Plaintiffs cannot do that without fulsome responses to these six interrogatories and production of the documents sought.

D. Dondero urged only one objection – that based on the transferee issue – so all others are waived.

Dondero made no objections other than those directly related to Plaintiffs' alleged lack of allegations that Dondero is a transferee. Thus, all other objections are at this point untimely and are thus waived. The fact is that the discovery at issue is directly related to (a) Dondero's status as one who is alleged to have breached his fiduciary duties, (b) engaged in self-dealing, and (c) is alleged to be a transferee of fraudulent transfers. Dondero did not timely object on any basis related to (a) or (b) and has waived any such objections.

IV. CONCLUSION

The discovery sought is directly relevant and tailored to damages available to Plaintiffs under their pleaded theories of breach of fiduciary duty and self-dealing. Dondero has urged no timely objections that the discovery is improperly tailored for those purposes. On that basis alone, this Motion should be granted. Moreover, the sole objection Dondero did timely urge, the notion that Plaintiffs have not pleaded that Dondero is a transferee, is simply wrong.

For these reasons, Plaintiffs respectfully request the Court grant this Motion and order Dondero to provide the information and documents sought.

Respectfully submitted,

/s/ Shawn Bates
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**COUNSEL FOR ACIS CAPITAL
MANAGEMENT, L.P.**

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that he conferred, both by phone and with detailed information sent by email, with Dondero's counsel; and that after those conferrals, Dondero's counsel remains opposed to the relief sought in this Motion.

/s/ Shawn M. Bates
Shawn M. Bates

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 22, 2024, a true and correct copy of the foregoing document was served by electronic transmission via the Court's CM/ECF system upon all parties registered to receive electronic notice in this adversary proceeding.

/s/ Shawn M. Bates
Shawn M. Bates

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

In re:	§	Case No. 18-30264-SGJ-11
	§	Case No. 18-30265-SGJ-11
ACIS CAPITAL MANAGEMENT, L.P., ACIS CAPITAL MANAGEMENT GP, LLC,	§	(Jointly Administered Under Case No. 18-30264-SGJ-11)
	§	
Debtors.	§	Chapter 11

ACIS CAPITAL MANAGEMENT, L.P., ACIS CAPITAL MANAGEMENT GP, LLC, Reorganized Debtors,	§	
	§	
	§	Adversary No. 20-03060-SGJ
Plaintiffs,	§	
	§	
vs.	§	
	§	
JAMES DONDERO, FRANK WATERHOUSE, SCOTT ELLINGTON, HUNTER COVITZ, ISAAC LEVENTON, JEAN PAUL SEVILLA, THOMAS SURGENT, GRANT SCOTT, HEATHER BESTWICK, WILLIAM SCOTT, AND CLO HOLDCO, LTD.,	§	
	§	
Defendants.	§	

ACIS' SECOND SET OF INTERROGATORIES TO JAMES DONDERO

To: James Dondero, by and through his attorney of record, Michael Lang, CRAWFORD, WISHNEW & LANG PLLC, 1700 Pacific Ave., Suite 2390, Dallas, Texas 75201.

Pursuant to Federal Rule of Bankruptcy Procedure 7033, Plaintiffs Acis Capital Management, L.P. and Acis Capital Management GP hereby request that Defendant James Dondero answer these interrogatories within thirty days of service. Defendant is also requested to supplement his answers fully and in a timely fashion.



Respectfully Submitted,

AHMAD, ZAVITSANOS & MENSING, PLLC

/s/ Shawn M. Bates

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**COUNSEL FOR ACIS CAPITAL MANAGEMENT, LP
AND ACIS CAPITAL MANAGEMENT GP, LLC**

CERTIFICATE OF SERVICE

I certify that on May 13, 2024, a true and correct copy of the foregoing was served by electronic mail to the counsel of record listed below.

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COUNSEL FOR JAMES DONDERO

/s/ Thomas Cooke

Thomas Cooke

INSTRUCTIONS

The following instructions are applicable to each Interrogatory unless otherwise stated.

1. Separate Interrogatories. Each Interrogatory is to be read, construed and responded to separately and independently without reference to or being limited by any other request.
2. Construing And and/or Or. “And,” “and/or,” and “or” are to be construed either disjunctively or conjunctively, whichever is appropriate so as to bring within the scope of these Interrogatories any information or documents which might otherwise be considered beyond their scope.
3. Asserting Privilege. If a claim of privilege is asserted with respect to any Interrogatory, in whole or in part, or if you refuse to answer any Interrogatory on any other ground, specify the exact basis of your claim that such Interrogatory need not be answered with sufficient specificity to permit the Court to determine the validity of your objection or position. In the event you file a proper and timely objection to a portion of an Interrogatory, please respond to all portions of the Interrogatory which do not fall within the scope of your objection. For example, if you object to an Interrogatory on the grounds that it is too broad insofar as it covers time periods which you contend are not relevant to this litigation, you should answer as to all time periods which you concede are relevant.
4. Supplementing Responses. These interrogatories are continuing so as to require supplemental responses in accordance with Rule 26 of the Federal Rules of Civil Procedure if information is obtained upon the basis of which You learn that any of the respective answers were incorrect or incomplete when made or that the answer, though correct and complete when made, is no longer true and complete.
5. Identifying a Person. When an interrogatory asks You to “identify” a person, provide the information listed below, to the extent known, with respect to the person. Once a person has been identified in compliance with this paragraph, only the name of that person needs to be listed in response to later discovery requesting the identification of the person.
 - a. The person’s full name;
 - b. Present or last known address;
 - c. Telephone number; and
 - d. The present or last known place of employment and job title when referring to a natural person.
6. Identifying a Document. When an interrogatory asks You to “identify” a document, provide the information listed below, to the extent known, with respect to the document. Once a document has been identified in compliance with this paragraph, only the title or other abbreviated, clear identifier of the document needs to be listed in response to later discovery requesting the identification of the document.
 - a. The type of document;
 - b. The general subject matter of the document;
 - c. The date of the document;
 - d. The names and addresses of the authors and recipients of the document;

- e. The location of the document;
 - f. The identity of the person who has possession or control of the document; and
 - g. Whether the document has been destroyed, and if so, (a) the date of its destruction, (b) the reason for its destruction, (c) the identity of the persons who destroyed it, and (d) any retention policy directing its destruction.
7. Identifying ESI. When an interrogatory asks You to “identify” electronically stored information, provide the information listed below, to the extent known, with respect to the information. Once electronically stored information has been identified in compliance with this paragraph, only the title or other abbreviated, clear identifier of the electronically stored information needs to be listed in response to later discovery requesting the identification of the electronically stored information.
- a. The format of the electronically stored information;
 - b. The general subject matter of the electronically stored information;
 - c. The date of the electronically stored information;
 - d. The names and addresses of the authors and recipients of the electronically stored information;
 - e. The location of the electronically stored information;
 - f. The identity of the person who has possession or control of the electronically stored information; and
 - g. Whether the electronically stored information has been destroyed, and if so, (a) the date of its destruction, (b) the reason for its destruction, (c) the identity of the person who destroyed it, and (d) any retention policy directing its destruction.
8. Identifying a Tangible Thing. When an interrogatory asks You to “identify” a tangible thing, provide the information listed below, to the extent known, with respect to the tangible thing.
- a. The type of tangible thing;
 - b. The general description of the tangible thing;
 - c. The date of creation of the tangible thing;
 - d. The creator and owner of the tangible thing;
 - e. The location of the tangible thing;
 - f. The identity of the person who has custody of the tangible thing; and
 - g. Whether the tangible thing has been destroyed, and if so, (a) the date of its destruction, (b) the reason for its destruction, (c) the existence and location of any physical remnants of its destruction, (d) the identity of the person who destroyed it, and (e) any retention policy directing its destruction.
9. Describing an Act, Transaction, or Occurrence. When an interrogatory asks You to “describe” an act, transaction, or occurrence, provide the information listed below, to the extent known, with respect to the act, transaction, or occurrence.
- a. The date the act, transaction, or occurrence occurred;
 - b. The place where the act, transaction, or occurrence occurred;

- c. The identity of each person participating in the act, transaction, or occurrence and on whose behalf the person was acting;
 - d. The nature and substance of all communications that occurred in connection with the act, transaction, or occurrence; and
 - e. The identity of all materials referring to or reflecting the act, transaction, or occurrence.
10. Specifying a date. When an interrogatory asks You to “specify” a date, to the extent known, state the exact day, month, and year or state the narrowest approximate time frame.

DEFINITIONS

The following definitions are applicable to each Interrogatory unless otherwise stated. Any terms not otherwise defined shall be given their plain and ordinary meaning.

1. “Acis” means independently and collectively Acis Capital Management GP and Acis Capital Management, L.P. and any agent, contractor, subcontractor, employee, attorney or other person acting on behalf of those entities.
2. “Acis CLOs” means collectively these collateralized loan obligations for which Acis Capital Management, L.P. served as the portfolio manager: Acis CLO 2013-1, Ltd.; Acis CLO 2014-3, Ltd.; Acis CLO 2014-4, Ltd.; Acis CLO 2014-5, Ltd.; Acis CLO 2015-6, Ltd.
3. “ALF” means Acis Loan Funding, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
4. “CLO HoldCo” means CLO HoldCo, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
5. “Highland Advisor” means Highland HCF Advisor, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
6. “Highland Capital” means Highland Capital Management, L.P. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
7. “Highland Funding” means Highland CLO Funding, Ltd., formerly known as ALF, and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
8. “Highland Holdings” means Highland CLO Holdings, LTD. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
9. “Highland Management” means Highland CLO Management, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.

10. “You,” “Your,” and/or “Defendant” means Defendant James Dondero and any agent, contractor, subcontractor, employee, attorney, or other person acting on his behalf.
11. “Documents” is used in the broadest sense contemplated by the FEDERAL RULES OF CIVIL PROCEDURE and includes any and all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, studies, reports, books, summaries or other records of telephone conversations or interviews, summaries or other records of personal conversations, minutes or summaries or other records of meetings and conferences, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time records, instructions, work assignments, visitor records, forecast, statistical data, statistical statements, financial statements, work sheets, work papers, drawings, drafts, graphs, maps, charts, tables, accounts, analytical records, contractors’ reports, consultants’ reports, appraisals, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone bills or records, bills, statements, records of obligation and expenditure, invoices, lists, journals, computer printouts, tabulations, checks, cancelled checks, envelopes or folders or similar containers, studies, surveys, transcripts of testimony, expense reports, microfilm, microfiche, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape photographs, punch cards, programs, data compilations from which information can be obtained (including matter used in data processing), and other printed, written, handwritten, typewritten, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated, or made.
12. “Communication” means any contact whatsoever and any transmission or exchange of words, numbers, graphic material, or other information, either orally, electronically, or in writing, whether made, received, or participated in, and include but are not limited to any conversation, correspondence, letter, note, memorandum, inter-office or intra-office correspondence, telephone call, telegraph, telegram, telex, telecopy, facsimile, e-mail, text message, internet communication, telefax, cable, electronic message, audio or video recording, discussion, face-to-face meeting, or conference of any kind, whether in person, by audio, video, telephone, or any other form.
13. Documents or Communications “regarding” a given subject includes all Documents or Communications that constitute, contain, embody, comprise, reflect, identify, state, refer to, relate to, deal with, comment on, respond to, describe, analysis, or are in any way pertinent to that subject, including, without limitation, Documents concerning the presentation of other Documents.
14. An “indirect” interest in an entity is an interest that one holds indirectly by way of one or more other persons or entities. For example, a person who transfers his interest in Entity A to Entity B but contemporaneously executes documents whereby Entity B continues to pay him dividends from its shares of Entity A has retained an “indirect” interest in Entity A.
15. The singular form of a word shall be interpreted as plural and the plural form of a word shall be interpreted as singular as appropriate to bring within the scope of these requests any information which might otherwise be considered to be beyond their scope.

INTERROGATORIES

INTERROGATORY NO. 14: For each year that you held the below positions, state the amount, in dollars, that you were compensated for that role:

- a. President of Acis GP
- b. President of Highland Capital Management, LP
- c. CEO of Highland Capital Management, LP
- d. Director of Strand Advisors, Inc.

RESPONSE:

INTERROGATORY NO. 15: Identify all persons who have served as trustee of the Dugaboy Investment Trust and the years for which they served.

RESPONSE:

INTERROGATORY NO. 16: For each year from 2014 – present, state the value in dollars of your interest in the following entities, including indirect ownership interests, loans, or notes:

- a. Acis Capital Management GP, LLC
- b. Acis Capital Management, LP
- c. Highland Capital Management, LP
- d. The Dugaboy Investment Trust
- e. Strand Advisors, Inc.
- f. Neutra, Ltd.
- g. Hunter Mountain Investment Trust
- h. Highland CLO Assets Holdings, Ltd.;
- i. Acis CMOA Trust;
- j. CLO Holdco, Ltd.;
- k. Charitable DAF Holdco, Ltd.
- l. Charitable DAF Fund, LP
- m. Charitable DAF GP, LLC
- n. Highland CLO Funding, Ltd.
- o. Highland HCF Advisor, Ltd.
- p. Pollack, Ltd.
- q. Highland CLO Management, Ltd.
- r. Highland CLO Holdings, Ltd.
- s. Highland Dallas Foundation
- t. Highland Kansas City Foundation
- u. Highland Santa Barbara Foundation

- v. Highland Capital Management, LP Charitable Fund
- w. Rand PE Fund I, LP
- x. Rand Advisors, LLC
- y. Hakusan, LLC
- z. Atlas IDF, LP
- aa. Dolomiti, LLC
- bb. Crown Global “Issuer”
- cc. SALI Multi Series Fund, LLC
- dd. SALI Fund Management, LLC
- ee. SALI Fund Partners, LLC

RESPONSE:

INTERROGATORY NO. 17: For all years from 2014 – present, identify any persons or entities that held an economic interest in Hunter Mountain Investment Trust, including any loans or notes, and your interest in each, including any loans or notes.

RESPONSE:

INTERROGATORY NO. 18: For each year from 2014 – present, state the dollar amount that you received in dividends or payments of any kind from any interest you held, directly or indirectly, in the following entities:

- a. Acis Capital Management GP, LLC
- b. Acis Capital Management, LP
- c. Highland Capital Management, LP
- d. Dugaboy Investment Trust
- e. Strand Advisors, Inc.
- f. Neutra, Ltd.
- g. Hunter Mountain Investment Trust
- h. Highland CLO Assets Holdings, Ltd.;
- i. Acis CMOA Trust;
- j. CLO Holdco, Ltd.;
- k. Charitable DAF Holdco, Ltd.
- l. Charitable DAF Fund, LP
- m. Charitable DAF GP, LLC
- n. Highland CLO Funding, Ltd.
- o. Highland HCF Advisor, Ltd.
- p. Pollack, Ltd.
- q. Highland CLO Management, Ltd.

- r. Highland CLO Holdings, Ltd.
- s. Highland Dallas Foundation
- t. Highland Kansas City Foundation
- u. Highland Santa Barbara Foundation
- v. Highland Capital Management, LP Charitable Fund
- w. Rand PE Fund I, LP
- x. Rand Advisors, LLC
- y. Hakusan, LLC
- z. Atlas IDF, LP
- aa. Dolomiti, LLC
- bb. Crown Global "Issuer"
- cc. SALI Multi Series Fund, LLC
- dd. SALI Fund Management, LLC
- ee. SALI Fund Partners, LLC

RESPONSE:

INTERROGATORY NO. 19: Identify any officer, director, administrator, control person, trustee, or other official position of any kind that you have held in any of the following entities, as well as the nature of your duties and the dates that you held the position:

- a. Dugaboy Investment Trust
- b. Strand Advisors, Inc.
- c. Neutra, Ltd.
- d. Hunter Mountain Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.
- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC
- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.
- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. Rand PE Fund I, LP
- u. Rand Advisors, LLC

- v. Hakusan, LLC
- w. Atlas IDF, LP
- x. Dolomiti, LLC
- y. Crown Global “Issuer”
- z. SALI Multi Series Fund, LLC
- aa. SALI Fund Management, LLC
- bb. SALI Fund Partners, LLC

RESPONSE:

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

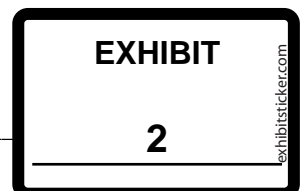
In re:	§	Case No. 18-30264-SGJ-11
	§	Case No. 18-30265-SGJ-11
ACIS CAPITAL MANAGEMENT, L.P., ACIS CAPITAL MANAGEMENT GP, LLC,	§	(Jointly Administered Under Case No. 18-30264-SGJ-11)
	§	
Debtors.	§	Chapter 11

ACIS CAPITAL MANAGEMENT, L.P., ACIS CAPITAL MANAGEMENT GP, LLC, Reorganized Debtors,	§	
	§	
	§	Adversary No. 20-03060-SGJ
Plaintiffs,	§	
	§	
vs.	§	
	§	
JAMES DONDERO, FRANK WATERHOUSE, SCOTT ELLINGTON, HUNTER COVITZ, ISAAC LEVENTON, JEAN PAUL SEVILLA, THOMAS SURGENT, GRANT SCOTT, HEATHER BESTWICK, WILLIAM SCOTT, AND CLO HOLDCO, LTD.,	§	
	§	
Defendants.	§	

ACIS' SECOND REQUESTS FOR PRODUCTION TO JAMES DONDERO

To: James Dondero, by and through his attorney of record, Michael Lang, CRAWFORD, WISHNEW & LANG PLLC, 1700 Pacific Ave., Suite 2390, Dallas, Texas 75201.

Pursuant to Federal Rule of Bankruptcy Procedure 7034, Plaintiffs Acis Capital Management, L.P. and Acis Capital Management GP hereby request that Defendant James Dondero produce for inspection and copying, within thirty days following service of this request, at the offices of AHMAD, ZAVITSANOS, ANAIPAKOS, ALAVI & MENSING P.C., or at such other time



and place as counsel for the parties may agree to, every document specified herein that is within
your possession, custody, or control.

Respectfully Submitted,

AHMAD, ZAVITSANOS & MENSING, PLLC

/s/ Shawn M. Bates

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COUNSEL FOR ACIS

CERTIFICATE OF SERVICE

I certify that on May 13, 2024, a true and correct copy of the foregoing was served by electronic mail to the counsel of record listed below.

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COUNSEL FOR JAMES DONDERO

/s/ Thomas Cooke

Thomas Cooke

DEFINITIONS AND INSTRUCTIONS

The following definitions and instructions are applicable to each request. Any terms not otherwise defined shall be given their plain and ordinary meaning.

1. “Acis” means independently and collectively Acis Capital Management GP and Acis Capital Management, L.P. and any agent, contractor, subcontractor, employee, attorney or other person acting on behalf of those entities.
2. “Acis CLOs” means collectively these collateralized loan obligations for which Acis Capital Management, L.P. served as the portfolio manager: Acis CLO 2013-1, Ltd.; Acis CLO 2014-3, Ltd.; Acis CLO 2014-4, Ltd.; Acis CLO 2014-5, Ltd.; Acis CLO 2015-6, Ltd.
3. “ALF” means Acis Loan Funding, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
4. “CLO HoldCo” means CLO HoldCo, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
5. “Highland Advisor” means Highland HCF Advisor, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
6. “Highland Capital” means Highland Capital Management, L.P. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
7. “Highland Funding” means Highland CLO Funding, Ltd., formerly known as ALF, and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
8. “Highland Management” means Highland CLO Management, Ltd. and any agent, contractor, subcontractor, employee, attorney, or other person acting on its behalf.
9. “You,” “Your,” and/or “Defendant” means Defendant James Dondero and any agent, contractor, subcontractor, employee, attorney, or other person acting on his behalf.
10. “Documents” is used in the broadest sense contemplated by the FEDERAL RULES OF CIVIL PROCEDURE and includes any and all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, studies, reports, books, summaries or other records of telephone conversations or interviews, summaries or other records of personal conversations, minutes or summaries or other records of meetings and conferences, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time records, instructions, work assignments, visitor records, forecast, statistical data, statistical statements, financial statements, work sheets, work papers, drawings, drafts, graphs, maps, charts, tables, accounts, analytical records, contractors’ reports, consultants’ reports, appraisals, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone bills or records, bills, statements, records of obligation and

expenditure, invoices, lists, journals, computer printouts, tabulations, checks, cancelled checks, envelopes or folders or similar containers, studies, surveys, transcripts of testimony, expense reports, microfilm, microfiche, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape photographs, punch cards, programs, data compilations from which information can be obtained (including matter used in data processing), and other printed, written, handwritten, typewritten, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated, or made.

11. “Communication” means any contact whatsoever and any transmission or exchange of words, numbers, graphic material, or other information, either orally, electronically, or in writing, whether made, received, or participated in, and include but are not limited to any conversation, correspondence, letter, note, memorandum, inter-office or intra-office correspondence, telephone call, telegraph, telegram, telex, telecopy, facsimile, e-mail, text message, internet communication, telefax, cable, electronic message, audio or video recording, discussion, face-to-face meeting, or conference of any kind, whether in person, by audio, video, telephone, or any other form.
12. Documents or Communications “regarding” a given subject includes all Documents or Communications that constitute, contain, embody, comprise, reflect, identify, state, refer to, relate to, deal with, comment on, respond to, describe, analysis, or are in any way pertinent to that subject, including, without limitation, Documents concerning the presentation of other Documents.
13. The terms “and” and “or” shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these requests information or Documents which might otherwise be considered to be beyond their scope.
14. The singular form of a word shall be interpreted as plural and the plural form of a word shall be interpreted as singular whenever appropriate in order to bring within the scope of these requests any information which might otherwise be considered to be beyond their scope.
15. Withholding Documents. If any document is withheld, in whole or in part, for any reason, including, but not limited to, any claim of privilege or confidentiality, please state with respect to each document: (a) the privilege or ground under which the document is being withheld; (b) a general description of the subject matter of the document; (c) the author of the document; (d) all persons to whom the document is addressed and all persons to whom copies of the document were furnished, together with their job titles; (e) the date of the document; (f) the present custodian and location of the document; and (g) the paragraph number of the request to which the document is responsive. *See* FED. R. CIV. P. 26(b)(5)(A).
16. Manner of Production. The documents produced in response to these requests shall be organized and labeled to correspond to each particular request for production or produced in the manner kept in Defendants’ ordinary course of business. *See* FED. R. CIV. P. 34(b)(1)(B). Electronically Stored Information (“ESI”) responsive to these requests should

be: (a) produced in its native form or, if necessary, converted into a reasonably usable form and (b) include, or be accompanied by, all available metadata regarding such ESI. *See* FED. R. CIV. P. 34(b)(1)(C).

17. Relevant Time Period. Unless otherwise specified, the requests encompass a time period beginning January 1, 2017 and extending to the present. The requests shall also be deemed continuing, such that any additional documents that You identify, acquire, or become aware of following the date of these requests shall also be considered within the relevant time period of these requests.

REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 20: Produce a copy of your financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements / income statements; and
- f. Tax filings

RESPONSE:

REQUEST FOR PRODUCTION NO. 21: Produce a copy of Hunter Mountain Investment Trust’s financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements / income statements;
- f. Tax filings; and
- g. Documents showing the assets or entities that Hunter Mountain Investment Trust controlled or owned in whole or in part.

RESPONSE:

REQUEST FOR PRODUCTION NO. 22: Produce a copy of Dugaboy Investment Trust’s financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements / income statements;
- f. Tax filings; and
- g. Documents showing the assets or entities that Dugaboy Investment Trust controlled or owned in whole or in part.

RESPONSE:

REQUEST FOR PRODUCTION NO. 23: Produce a copy of Strand Advisors, Inc.'s financial statements since January 1, 2014. For clarification, "financial statements" as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements / income statements;
- f. Tax filings; and
- g. Documents showing the assets or entities that Strand Advisors, Inc. controlled or owned in whole or in part.

RESPONSE:

REQUEST FOR PRODUCTION NO. 24: Produce all documents and communications related to your financial statements, financials, or financial condition from January 1, 2014 to present. For clarification, "financial statements" as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements / income statements;
- f. Tax filings; and
- g. Documents showing the assets or entities that you controlled or owned in whole or in part.

RESPONSE:

REQUEST FOR PRODUCTION NO. 25: Produce all documents regarding, reflecting, or relating to the transfer of The Dugaboy Investment Trust's interest in Highland Capital Management, LP in December 2015. This includes but is not limited to any intercreditor agreement associated with the purported transfer.

RESPONSE:

REQUEST FOR PRODUCTION NO. 26: Produce all documents reflecting communications with or referring to John Honis since January 1, 2014, and relating to or regarding

- a. Highland Capital Management, LP;

- b. Acis Capital Management, LP;
- c. Acis Capital Management GP, LLC;
- d. Hunter Mountain Investment Trust;
- e. Strand Advisors, Inc.;
- f. Dugaboy Investment Trust;
- g. Highland CLO Assets Holdings, Ltd.;
- h. Acis CMOA Trust;
- i. Neutra, Ltd.;
- j. Highland CLO Holdings, Ltd.;
- k. Highland CLO Management, Ltd.;
- l. Pollack, Ltd.;
- m. Highland HCF Advisor, Ltd.;
- n. Highland CLO Funding, Ltd.;
- o. Charitable DAF Holdco, Ltd.;
- p. Charitable DAF Fund, LP;
- q. CLO Holdco, Ltd.;
- r. Rand PE Fund I, LP;
- s. Rand Advisors, LLC
- t. Hakusan, LLC
- u. Dolomiti, LLC
- v. Crown Global “Issuer”
- w. SALI Multi Series Fund, LLC
- x. SALI Fund Management, LLC
- y. SALI Fund Partners, LLC
- z. Highland Capital Management, LP Charitable Fund

RESPONSE:

REQUEST FOR PRODUCTION NO. 27: Produce a copy of any agreement, contract, or note between you or any entity you owned or controlled and the following entities:

- a. Neutra, Ltd.
- b. Hunter Mountain Investment Trust
- c. Strand Advisors, Inc.
- d. Dugaboy Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.
- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC

- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.
- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. CLO Holdco, Ltd.
- u. Rand PE Fund I, LP
- v. Rand Advisors, LLC
- w. Hakusan, LLC
- x. Atlas IDF, LP
- y. Dolomiti, LLC
- z. Crown Global "Issuer"
- aa. SALI Multi Series Fund, LLC
- bb. SALI Fund Management, LLC
- cc. SALI Fund Partners, LLC

RESPONSE:

REQUEST FOR PRODUCTION NO. 28: Produce all documents reflecting communications with or referring to any relationship between yourself and the following entities, including any communications with their director(s), officer(s), trustee(s), authorized signatory or signatories, administrator(s), control person(s), board member(s), and/or investor(s):

- a. Neutra, Ltd.
- b. Hunter Mountain Investment Trust
- c. Strand Advisors, Inc.
- d. Dugaboy Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.
- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC
- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.

- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. Rand PE Fund I, LP
- u. Rand Advisors, LLC
- v. Hakusan, LLC
- w. Atlas IDF, LP
- x. Dolomiti, LLC
- y. Crown Global “Issuer”
- z. SALI Multi Series Fund, LLC
- aa. SALI Fund Management, LLC
- bb. SALI Fund Partners, LLC

RESPONSE:

REQUEST FOR PRODUCTION NO. 29: Produce all documents reflecting any dividend, payment, or other economic benefit that you received or derived, directly or indirectly, from an ownership interest in Highland Capital Management, LP since January 1, 2014.

RESPONSE:

REQUEST FOR PRODUCTION NO. 30: Produce all documents reflecting any dividend, payment, or other economic benefit that any entity you owned, directly or indirectly, in whole or in part, received or derived from an ownership interest in Highland Capital Management, LP since January 1, 2014.

RESPONSE:

Dated: June 12, 2024

Respectfully submitted,

CRAWFORD, WISHNEW & LANG PLLC

By: /s/ Michael J. Lang

Michael J. Lang
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Counsel for Defendant James Dondero

CERTIFICATE OF SERVICE

The undersigned certifies that on June 12, 2024, a true and correct copy of the above and foregoing document was served on all parties and counsel of record.

/s/ Michael J. Lang
Michael J. Lang

DONDERO'S OBJECTIONS AND ANSWERS TO ACIS'S SECOND SET OF INTERROGATORIES

INTERROGATORY NO. 14: For each year that you held the below positions, state the amount, in dollars, that you were compensated for that role:

- a. President of Acis GP
- b. President of Highland Capital Management, LP
- c. CEO of Highland Capital Management, LP
- d. Director of Stand Advisors, Inc.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] ("As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to "preserve the assets of the bankrupt" and not "to render civilly liable all persons who may have contributed in some way to the dissipation of those assets"); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that "recovery under the Bankruptcy Act does not extend to permit a judgment against 'conspirators' who did not receive the property transferred").

INTERROGATORY NO. 15: Identify all persons who have served as trustee of the Dugaboy Investment Trust and the years for which they served.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Dugaboy Investment Trust is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Dondero, in his individual capacity, is a transferee. Nor do Plaintiffs allege Dugaboy Investment Trust is a transferee—either directly or indirectly. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] ("As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero (or any entity he ever owned or controlled outside of the Highland entities) is a transferee, his personal financial information is not discoverable, nor is information about entities in which he may have, at some point in time, held an interest. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984)

(recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

INTERROGATORY NO. 16: For each year from 2014-present, state the value in dollars of your interest in the following entities, including indirect ownership interests, loans, or notes:

- a. Acis Capital Management GP, LLC
- b. Acis Capital Management, LP
- c. Highland Capital Management, LP
- d. Dugaboy Investment Trust
- e. Strand Advisors, Inc.
- f. Neutra, Ltd.
- g. Hunter Mountain Investment Trust
- h. Highland CLO Assets Holdings, Ltd.;
- i. Acis CMOA Trust;
- j. CLO Holdco, Ltd.;
- k. Charitable DAF Holdco, Ltd.
- l. Charitable DAF Fund, LP
- m. Charitable DAF GP, LLC
- n. Highland CLO Funding, Ltd.
- o. Highland HCF Advisor, Ltd.
- p. Pollack, Ltd.
- q. Highland CLO Management, Ltd.
- r. Highland CLO Holdings, Ltd.
- s. Highland Dallas Foundation
- t. Highland Kansas City Foundation
- u. Highland Santa Barbara Foundation
- v. Highland Capital Management, LP Charitable Fund
- w. Rand PE Fund I, LP
- x. Rand Advisors, LLC
- y. Hakusan, LLC
- z. Atlas IDF, LP
- aa. Dolomiti, LLC
- bb. Crown Global “Issuer”
- cc. SALI Multi Series Fund, LLC
- dd. SALI Fund Management, LLC
- ee. SALI Fund Partners, LLC

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See*

Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

INTERROGATORY NO. 17: For all years from 2014- present, identify any persons or entities that held an economic interest in Hunter Mountain Investment Trust, including any loans or notes, and your interests in each, including any loans or notes.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Hunter Mountain Investment Trust is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Dondero, in his individual capacity, is a transferee. Nor do Plaintiffs allege Hunter Mountain Investment Trust is a transferee—either directly or indirectly. Nowhere is that entity mentioned in Plaintiffs' First Amended Complaint. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero (or any entity he ever owned or controlled outside of the Highland entities) is a transferee, his personal financial information is not discoverable, nor is information about entities in which he may have, at some point in time, held an interest. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

INTERROGATORY NO. 18: For each year from 2014- present state the dollar amount that you received in dividends or payments of any kind from any interest you held, directly or indirectly, in the following entities:

- a. Acis Capital Management GP, LLC
- b. Acis Capital Management, LP
- c. Highland Capital Management, LP
- d. Dugaboy Investment Trust
- e. Strand Advisors, Inc.
- f. Neutra, Ltd.
- g. Hunter Mountain Investment Trust
- h. Highland CLO Assets Holdings, Ltd.;
- i. Acis CMOA Trust;
- j. CLO Holdco, Ltd.;
- k. Charitable DAF Holdco, Ltd.
- l. Charitable DAF Fund, LP
- m. Charitable DAF GP, LLC
- n. Highland CLO Funding, Ltd.
- o. Highland HCF Advisor, Ltd.
- p. Pollack, Ltd.
- q. Highland CLO Management, Ltd.
- r. Highland CLO Holdings, Ltd.
- s. Highland Dallas Foundation
- t. Highland Kansas City Foundation
- u. Highland Santa Barbara Foundation
- v. Highland Capital Management, LP Charitable Fund
- w. Rand PE Fund I, LP
- x. Rand Advisors, LLC
- y. Hakusan, LLC
- z. Atlas IDF, LP
- aa. Dolomiti, LLC
- bb. Crown Global “Issuer”
- cc. SALI Multi Series Fund, LLC
- dd. SALI Fund Management, LLC
- ee. SALI Fund Partners, LLC

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984)

(recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

INTERROGATORY NO. 19: Identify any officer, director, administrator, control person, trustee, or other official position of any kind that you have held in any of the following entities, as well as the nature of your duties and dates that you held the position:

- a. Dugaboy Investment Trust
- b. Strand Advisors, Inc.
- c. Neutra, Ltd.
- d. Hunter Mountain Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.
- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC
- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.
- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. Rand PE Fund I, LP
- u. Rand Advisors, LLC
- v. Hakusan, LLC
- w. Atlas IDF, LP
- x. Dolomiti, LLC
- y. Crown Global “Issuer”
- z. SALI Multi Series Fund, LLC
- aa. SALI Fund Management, LLC
- bb. SALI Fund Partners, LLC

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege

that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, information about other entities in which Dondero has held a leadership or equity interest is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

Dated: June 12, 2024

Respectfully submitted,

CRAWFORD, WISHNEW & LANG PLLC

By: /s/ Michael J. Lang

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CERTIFICATE OF SERVICE

The undersigned certifies that on June 12, 2024, a true and correct copy of the above and foregoing document was served on all parties and counsel of record.

/s/ Michael J. Lang
Michael J. Lang

DONDERO'S OBJECTIONS AND RESPONSES TO ACIS' SECOND REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 20: Produce a copy of your financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements/income statements; and
- f. Tax filings

RESPONSE: Dondero objects to this request as unlimited in time, overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to his own personal financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

REQUEST FOR PRODUCTION NO. 21: Produce a copy of Hunter Mountain Investment Trust’s financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements/income statements; and

- f. Tax filings; and
- g. Documents showing the assets or entities that Hunter Mountain Investment Trust controlled or owned in whole or in part.

RESPONSE: Dondero objects to this request as unlimited in time, overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to Hunter Mountain Investment Trust’s financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Hunter Mountain Investment Trust is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Dondero, in his individual capacity, is a transferee. Nor do Plaintiffs allege Hunter Mountain Investment Trust is a transferee—either directly or indirectly. Nowhere is that entity mentioned in Plaintiffs’ First Amended Complaint. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero (or any entity he ever owned or controlled outside of the Highland entities) is a transferee, his personal financial information is not discoverable, nor is information about entities in which he may have, at some point in time, held an interest. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that are not within Dondero’s possession, custody, or control. Fed. R. Civ. P. 34 (“a party may serve on any other party . . . a request to produce. . . items in the responding party’s possession, custody, or control.”). Specifically, Dondero does not have access to the records of Hunter Mountain Investment Trust. As a result, Dondero responds that after a diligent search, he possesses no responsive documents.

REQUEST FOR PRODUCTION NO. 22: Produce a copy of Dugaboy Investment Trust’s financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements/income statements; and
- f. Tax filings; and
- g. Documents showing the assets or entities that Hunter Mountain Investment Trust controlled or owned in whole or in part.

RESPONSE: Dondero objects to this request as unlimited in time, overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to the financials of Dugaboy Investment Trust for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Dugaboy Investment Trust is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Dondero, in his individual capacity, is a transferee. Nor do Plaintiffs allege Dugaboy Investment Trust is a transferee—either directly or indirectly. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero (or any entity he ever owned or controlled outside of the Highland entities) is a transferee, his personal financial information is not discoverable, nor is information about entities in which he may have, at some point in time, held an interest. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that are not within Dondero’s possession, custody, or control. Fed. R. Civ. P. 34 (“a party may serve on any other party . . . a request to produce. . . items in the responding party’s possession, custody, or control.”). Specifically, Dondero does not have access to the records of the Dugaboy Investment Trust in 2024. As a result, Dondero responds that after a diligent search, he possesses no responsive documents.

REQUEST FOR PRODUCTION NO. 23: Produce a copy Strand Advisors, Inc.’s financial statements since January 1, 2014. For clarification, “financial statements” as used in this request includes but is not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements/income statements; and
- f. Tax filings; and
- g. Documents showing the assets or entities that Hunter Mountain Investment Trust controlled or owned in whole or in part.

RESPONSE: Dondero objects to this request as unlimited in time, overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to Strand Advisors,

Inc.'s financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Strand Advisor's Inc. is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Strand Advisors, Inc., the former general partner of Highland Capital Management, LP, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities themselves. *See, e.g.*, [Dkt. 111 at ¶ 130] ("As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Strand Advisors, Inc. is a transferee, its financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to "preserve the assets of the bankrupt" and not "to render civilly liable all persons who may have contributed in some way to the dissipation of those assets"); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that "recovery under the Bankruptcy Act does not extend to permit a judgment against 'conspirators' who did not receive the property transferred"). Dondero further objects because this request seeks documents and information that are not within Dondero's possession, custody, or control. Fed. R. Civ. P. 34 ("a party may serve on any other party . . . a request to produce. . . items in the responding party's possession, custody, or control."). Specifically, Dondero does not have access to the records of Strand Advisor's Inc. in 2024. As a result, Dondero responds that after a diligent search, he possesses no responsive documents.

REQUEST FOR PRODUCTION NO. 24: Produce all documents and communications related to your financial statements, financials, or financial condition from January 1, 2014 to present. For clarification, "financial statements" as used in this request includes but it not limited to:

- a. Bank statements;
- b. General ledgers reflecting assets and liabilities;
- c. Balance sheets;
- d. Profits & Loss statements;
- e. Cash flow statements/income statements; and
- f. Tax filings; and
- g. Documents showing the assets or entities that Hunter Mountain Investment Trust controlled or owned in whole or in part.

RESPONSE: Dondero objects to this request as unlimited in time, overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to his own personal financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. For similar reasons, Dondero objects to this request as harassing. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not

relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).

REQUEST FOR PRODUCTION NO. 25: Produce all documents regarding, reflecting, or relating to the transfer of The Dugaboy Investment Trust’s interest in Highland Capital Management, LP in December 2015. This includes but is not limited to any intercreditor agreement associated with the purported transfer.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. Dugaboy Investment Trust is not a party to this lawsuit or an alleged transferee of any transaction Plaintiffs challenge. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request. Plaintiffs never allege that Dondero, in his individual capacity, is a transferee. Nor do Plaintiffs allege Dugaboy Investment Trust is a transferee—either directly or indirectly. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero (or any entity he ever owned or controlled outside of the Highland entities) is a transferee, his personal financial information is not discoverable, nor is information about entities in which he may have, at some point in time, held an interest. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that are not within Dondero’s possession, custody, or control. Fed. R. Civ. P. 34 (“a party may serve on any other party . . . a request to produce. . . items in the responding party’s possession, custody, or control.”). Specifically, Dondero does not have access to the records of the Dugaboy Investment Trust in 2024. As a result, Dondero responds that after a diligent search, he possesses no responsive documents.

REQUEST FOR PRODUCTION NO. 26: Produce all documents reflecting communications with or referring to John Honis since January 1, 2014, and relating to or regarding

- a. Highland Capital Management, LP;
- b. Acis Capital Management , LP;
- c. Acis Capital Management GP, LLC;
- d. Hunter Mountain Investment Trust;
- e. Strand Advisors, Inc.;
- f. Dugaboy Investment Trust;
- g. Highland CLO Assets Holdings, Ltd.;
- h. Acis CMOA Trust;
- i. Neutra, Ltd.;
- j. Highland CLO Holdings, LTd.;
- k. Highland CLO Management, Ltd.;
- l. Pollack, Ltd.;
- m. Highland HCF Advisor, Ltd.;
- n. Highland CLO Funding, Ltd;
- o. Charitable DAF Holdco, Ltd;
- p. Charitable DAF Fund, LP.;
- q. CLO Holdco, Ltd.;
- r. Rand PE Fund I, LP;
- s. Rand Advisors, LLC
- t. Hakusan, LLC
- u. Dolomiti, LLC
- v. Crown Global “Issuer”
- w. SALI Multi Series Fund, LLC
- x. SALI Fund Management, LLC
- y. SALI Fund Partners, LLC
- z. Highland Capital Management, LP Charitable Fund

RESPONSE: Dondero objects to this request as overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to his own personal financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. For similar reasons, Dondero objects to this request as harassing. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer

Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, neither his own personal financial information, nor information about entities in which Dondero once owned at interest, is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that are not within Dondero’s possession, custody, or control. Fed. R. Civ. P. 34 (“a party may serve on any other party . . . a request to produce. . . items in the responding party’s possession, custody, or control.”). By way of example, Dondero does not have any financial information related to any Acis or Highland entity. That information was maintained on Acis and Highland servers, to which Dondero no longer has access. It is for that reason that Highland has produced documents in this case.

REQUEST FOR PRODUCTION NO. 27: Produce a copy of any agreement, contract, or note between you or any entity you owned or controlled and the following entities:

- a. Neutra, Ltd.
- b. Hunter Mountain Investment Trust
- c. Strand Advisors, Inc.
- d. Dugaboy Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.
- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC
- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.
- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. CLO Holdco, Ltd.
- u. Rand PE Fund I, LP
- v. Rand Advisors, LLC
- w. Hakusan, LLC
- x. Atlas IDF, LP
- y. Dolomiti, LLC
- z. Crown Global “Issuer”
- aa. SALI Multi Series Fund, LLC

bb. SALI Fund Management, LLC
cc. SALI Fund Partners, LLC

RESPONSE: Dondero objects to this request as overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to his own personal financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. For similar reasons, Dondero objects to this request as harassing. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.,* [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, neither his own personal financial information, nor information about entities in which Dondero once owned an interest, is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that are not within Dondero’s possession, custody, or control. Fed. R. Civ. P. 34 (“a party may serve on any other party . . . a request to produce . . . items in the responding party’s possession, custody, or control.”). By way of example, Dondero does not have any financial information related to any Acis or Highland entity. That information was maintained on Acis and Highland servers, to which Dondero no longer has access. It is for that reason that Highland has produced documents in this case.

REQUEST FOR PRODUCTION NO. 28: Produce all documents reflecting communications with or referring to any relationship between yourself and the following entities, including any communications with their director(s), officer(s), trustee(s), authorized signatory or signatories, administrator(s), control person(s), board member(s), and/or investor(s):

- a. Neutra, Ltd.
- b. Hunter Mountain Investment Trust
- c. Strand Advisors, Inc.
- d. Dugaboy Investment Trust
- e. Highland CLO Assets Holdings, Ltd.;
- f. Acis CMOA Trust;
- g. CLO Holdco, Ltd.;
- h. Charitable DAF Holdco, Ltd.

- i. Charitable DAF Fund, LP
- j. Charitable DAF GP, LLC
- k. Highland CLO Funding, Ltd.
- l. Highland HCF Advisor, Ltd.
- m. Pollack, Ltd.
- n. Highland CLO Management, Ltd.
- o. Highland CLO Holdings, Ltd.
- p. Highland Dallas Foundation
- q. Highland Kansas City Foundation
- r. Highland Santa Barbara Foundation
- s. Highland Capital Management, LP Charitable Fund
- t. Rand PE Fund I, LP
- u. Rand Advisors, LLC
- v. Hakusan, LLC
- w. Atlas IDF, LP
- x. Dolomiti, LLC
- y. Crown Global “Issuer”
- z. SALI Multi Series Fund, LLC
- aa. SALI Fund Management, LLC
- bb. SALI Fund Partners, LLC

RESPONSE: Dondero objects to this request as overly broad and unduly burdensome on the basis that it seeks literally any document related in any way to his own personal financials for a more than 10-year period. In fact, the time period for which Plaintiffs seek this information predates any allegation of misconduct by Dondero and is not reasonably tailored to lead to any discoverable or relevant information. For similar reasons, Dondero objects to this request as harassing. Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs’ own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.*, [Dkt. 111 at ¶ 130] (“As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis’s valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, neither his own personal financial information, nor information about entities in which Dondero once owned at interest, is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to “preserve the assets of the bankrupt” and not “to render civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”). Dondero further objects because this request seeks documents and information that

are not within Dondero's possession, custody, or control. Fed. R. Civ. P. 34 ("a party may serve on any other party . . . a request to produce. . . items in the responding party's possession, custody, or control."). By way of example, Dondero does not have any financial information related to any Acis or Highland entity. That information was maintained on Acis and Highland servers, to which Dondero no longer has access. It is for that reason that Highland has produced documents in this case.

REQUEST FOR PRODUCTION NO.29: Produce all documents reflecting any dividend, payment, or other economic benefit that you received or derived, directly or indirectly, from an ownership interest in Highland Capital Management, LP since January 1, 2014.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.,* [Dkt. 111 at ¶ 130] ("As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to "preserve the assets of the bankrupt" and not "to render civilly liable all persons who may have contributed in some way to the dissipation of those assets"); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that "recovery under the Bankruptcy Act does not extend to permit a judgment against 'conspirators' who did not receive the property transferred").

REQUEST FOR PRODUCTION NO. 30: Produce all documents reflecting any dividend, payment, or other economic benefit that any entity you owned, directly or indirectly, in whole or in part, received or derived from an ownership interest in Highland Capital Management, LP since January 1, 2014.

RESPONSE: Dondero objects to this request because it seeks information that is beyond the scope of discovery. *See* Fed. R. Civ. P. 26(b). Specifically, this request seeks information that will not have any propensity to make any fact at issue more or less likely, and therefore is not relevant. *See* Fed. R. Evid. 401. To the extent Plaintiffs claim this information is discoverable or relevant in connection with their newly added fraudulent transfer claims, Plaintiffs' own allegations defeat any potential relevance of the information responsive to this request, because they never allege that Dondero, in his individual capacity, is a transferee. Rather, Plaintiffs allege the challenged transfers were made to Highland entities. *See, e.g.,* [Dkt. 111 at ¶ 130] ("As previously found by this Court, the actions of Highland Capital and its affiliates were controlled by Dondero. As described in detail herein, Dondero masterminded and directed Highland Capital and its affiliates to commit the series of fraudulent transfers and other fraudulent schemes in order to denude Acis of its assets and transfer Acis's valuable business to the Highlands) (emphasis added). Because Plaintiffs have not and cannot allege Dondero is a transferee, his personal financial information is not discoverable. *See* Fed. R. Civ. P. 26; *Mack v. Newton*, 737 F.2d 1343, 1358 (5th Cir.1984) (recognizing that holding nontransferee liable for fraudulent transfer is inconsistent with purpose of fraudulent transfer statutes which is to "preserve the assets of the bankrupt" and not "to render

civilly liable all persons who may have contributed in some way to the dissipation of those assets”); *Jackson v. Star Sprinkler Corp.*, 575 F.2d 1223, 1234 (8th Cir.1978) (holding that “recovery under the Bankruptcy Act does not extend to permit a judgment against ‘conspirators’ who did not receive the property transferred”).