



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed January 13, 2021

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Plaintiff,

vs.

HIGHLAND CAPITAL MANAGEMENT FUND
ADVISORS, L.P., NEXPOINT ADVISORS, L.P.,
HIGHLAND INCOME FUND, NEXPOINT
STRATEGIC OPPORTUNITIES FUND,
NEXPOINT CAPITAL, INC., AND CLO
HOLDCO, LTD,

Defendants.

§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§
§ Adversary Proceeding No.
§
§ 21-03000-sgj
§
§
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§
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§

¹ The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.



**AGREED ORDER GRANTING DEBTOR'S MOTION FOR A TEMPORARY
RESTRAINING ORDER AGAINST CERTAIN ENTITIES OWNED AND/OR
CONTROLLED BY MR. JAMES DONDERO**

The parties subject to this Temporary Restraining Order are: (1) Highland Capital Management Fund Advisors, L.P., (2) NexPoint Advisors, L.P., (3) Highland Income Fund, (4) NexPoint Strategic Opportunities Fund, (5) NexPoint Capital, Inc., and (6) CLO Holdco, Ltd. (collectively, the “Defendants”).

Having considered (a) the pleadings filed in this adversary proceeding and in the Debtor's bankruptcy case; and (b) the agreement of the Debtor and the Defendants to the form and substance of this Order; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and after due deliberation and sufficient cause appearing therefor and for the reasons set forth in the record on this Motion, it is

HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The Defendants are temporarily enjoined and restrained from: (a) interfering with or otherwise impeding, directly or indirectly, the Debtor's business, including but not limited to the Debtor's (i) management of the CLOs, (ii) decisions concerning the purchase or sale of any assets on behalf of the CLOs, or (iii) contractual rights to serve as the CLOs' portfolio manager (or other similar title); (b) otherwise violating section 362(a) of the Bankruptcy Code; (c) seeking to terminate the portfolio management agreements and/or servicing agreements between the Debtor and the CLOs (collectively, (a)-(c) constitute the “Prohibited Conduct”);² (d) conspiring,

² For the avoidance of doubt, this Order does not enjoin or restrain the Defendants from seeking judicial relief upon proper notice or from objecting to any motion filed in the above-referenced bankruptcy case.

colluding, or collaborating with (x) Mr. Dondero, (y) any entity owned and/or controlled by Mr. Dondero, and/or (z) any person or entity acting on behalf of Mr. Dondero or any entity owned and/or controlled by him, to, directly or indirectly, engage in any Prohibited Conduct; and (e) engaging in any Prohibited Conduct with respect to any of the Successor Parties.

3. The Defendants are directed to provide a copy of this Order to each of their respective officers, directors, employees, and agents, within twenty-four (24) hours of the Court's entry of this Order on the docket.

4. This Order shall remain in effect until the earlier of: (a) the entry by this court of an order on Debtor's motion for a preliminary injunction, a hearing on which shall be held in conjunction with the Debtor's confirmation hearing currently scheduled for January 26 through January 28, 2021, or at a date thereafter; and (b) February 15, 2021.

5. The Court shall retain exclusive jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

AGREED AS TO FORM AND SUBSTANCE:

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