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**No. 22-11036**

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**IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT**

**In the Matter of Highland Capital Management, L.P.,**

**Debtor**

**THE CHARITABLE DAF FUND, L.P.; CLO HOLDCO, LIMITED;  
MARK PATRICK; SBAITI & COMPANY, P.L.L.C.;  
MAZIN A. SBAITI; JONATHAN BRIDGES,**

**APPELLANTS**

**v.**

**HIGHLAND CAPITAL MANAGEMENT, L.P.,**

**APPELLEE.**

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**In the Matter of Highland Capital Management, L.P.,**

**Debtor.**

**JAMES DONDERO,**

**APPELLANT,**

**v.**

**HIGHLAND CAPITAL MANAGEMENT, L.P.,**

**APPELLEE.**



193405424070800000000001

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
CASE NO. 3:21-CV-01974-X

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**NOTICE OF ENTRY OF ORDER APPROVING STIPULATION  
FINALLY RESOLVING ALL LITIGATION CONCERNING A  
PRIOR CONTEMPT ORDER AND RELATED PROCEEDINGS**

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PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz

John A. Morris

Gregory V. Demo

Hayley R. Winograd

10100 Santa Monica Blvd.

Los Angeles, CA 90067

(310) 277-6910

HAYWARD PLLC

Melissa S. Hayward

Zachery Z. Annable

10501 N. Central Expy, Ste. 106

Dallas, Texas 75231

Tel: (972) 755-7100

KRAMER LEVIN NAFTALIS &

FRANKEL LLP

Roy T. Englert, Jr.

Matthew M. Madden

Shikha Garg

Paul Brzyski

2000 K Street NW, 4th Floor

Washington, DC 20006

(202) 775-4500

*Counsel for Appellee*

**NOTICE OF ENTRY OF ORDER APPROVING STIPULATION FINALLY  
RESOLVING ALL LITIGATION CONCERNING A PRIOR CONTEMPT  
ORDER AND RELATED PROCEEDINGS**

Highland Capital Management, L.P. (“HCMLP”), appellee in the above-referenced matter, hereby gives notice of the entry of that certain *Order Approving Stipulation Finally Resolving All Litigation Concerning a Prior Contempt Order [Dkt. 2660] and Related Proceedings [Bankr. Dkt. No. 4107]* (the “Bankruptcy Court Order”) in that certain chapter 11 case styled *In re Highland Capital Management, L.P.*, case no. 19-34054-sgj11 (the “Bankruptcy Case”), pending before the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”). The Bankruptcy Court Order, among other things, approved that certain *Stipulation Resolving All Litigation Concerning a Prior Contempt Order and Related Proceedings [Bankr. Dkt. No. 4103]* (the “Stipulation”) by and between HCMLP, The Charitable DAF Fund LP (“DAF”), CLO Holdco Ltd. (“CLOH”), Sbaiti & Company PLLC (“Sbaiti & Co.”), Mazin Sbaiti (“Sbaiti”), Jonathan Bridges (“Bridges”), Mark Patrick (“Patrick”), and James Dondero (“Dondero”, and together with DAF, CLOH, Sbaiti & Co., Sbaiti, Bridges, and Patrick, the “Respondents”, and the Respondents and HCMLP together as the “Parties”). A copy of the Bankruptcy Court Order is attached hereto as **Exhibit 1**.

*[Remainder of Page Intentionally Blank]*

Date: July 3, 2024

**HAYWARD PLLC**

/s/ Zachery Z. Annable

Melissa S. Hayward  
Texas Bar No. 24044908  
MHayward@HaywardFirm.com  
Zachery Z. Annable  
Texas Bar No. 24053075  
ZAnnable@HaywardFirm.com  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Tel: (972) 755-7100  
Fax: (972) 755-7110

-and-

**PACHULSKI STANG ZIEHL &  
JONES LLP**

Jeffrey N. Pomerantz (CA Bar No. 143717)  
John Morris (NY Bar No. 2405397)  
Gregory V. Demo (NY Bar No. 5371992)  
Hayley Winograd (NY Bar No. 5612569)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760  
E-mail: [jpomerantz@pszjlaw.com](mailto:jpomerantz@pszjlaw.com)  
[jmorris@pszjlaw.com](mailto:jmorris@pszjlaw.com)  
[gdemo@pszjlaw.com](mailto:gdemo@pszjlaw.com)  
[hwinograd@pszjlaw.com](mailto:hwinograd@pszjlaw.com)

-and-

**KRAMER LEVIN NAFTALIS &  
FRANKEL LLP**

Roy T. Englert, Jr.  
Matthew M. Madden  
Shikha Garg  
Paul Brzyski  
2000 K Street NW, 4th Floor  
Washington, DC 20006  
Tel: (202) 775-4500  
E-mail: [renglert@kramerlevin.com](mailto:renglert@kramerlevin.com)  
[mmadden@kramerlevin.com](mailto:mmadden@kramerlevin.com)  
[sgarg@kramerlevin.com](mailto:sgarg@kramerlevin.com)  
[pbrzyski@kramerlevin.com](mailto:pbrzyski@kramerlevin.com)

*Counsel for Appellee*

**CERTIFICATE OF SERVICE**

I hereby certify that on July 3, 2024, the foregoing notice was electronically filed using the appellate CM/ECF system. I further certify that all participants in this case are registered CM/ECF users and that service will be accomplished via CM/ECF.

*/s/ Zachery Z. Annable* \_\_\_\_\_  
Attorney for Appellee

# **EXHIBIT 1**



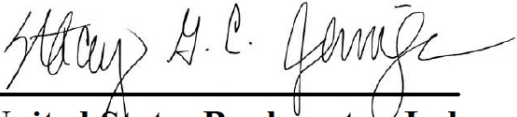
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**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.

Signed June 26, 2024

  
United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,  
  
Reorganized Debtor.

Chapter 11

Case No. 19-34054-sg

**ORDER APPROVING  
STIPULATION FINALLY RESOLVING ALL LITIGATION CONCERNING A PRIOR  
CONTEMPT ORDER [DKT. 2660] AND RELATED PROCEEDINGS**

Having considered the *Stipulation Finally Resolving All Litigation Concerning a Prior Contempt Order and Related Proceedings* [Docket No. 4103] (the “Stipulation”), a copy of which is attached as **Exhibit A**, jointly filed by Highland Capital Management, L.P. (“HCMLP”), the reorganized debtor in the above-referenced bankruptcy case, DAF, CLOH, Sbaiti & Co., Sbaiti, Bridges, Patrick, and Dondero,<sup>1</sup>

**IT IS HEREBY ORDERED THAT:**

1. The Stipulation is **APPROVED**.

<sup>1</sup> Capitalized terms not defined shall have the meanings ascribed to them in the Stipulation.



2. The Remand Order is vacated as **MOOT**.
3. The Stipulation shall become effective immediately upon entry of this Order.
4. The Parties are directed to file Notice of Entry of this Order on the docket in the (a) District Court, Civ. Action No. 3:21-cv-01974-X, and (b) Fifth Circuit, Case No. 22-11036.
5. The Court shall retain jurisdiction over all disputes arising out of or otherwise concerning the interpretation and enforcement of the Stipulation and this Order.

###End of Order###

APPROVED AS TO FORM AND SUBSTANCE:

**PACHULSKI STANG ZIEHL & JONES LLP**

Jeffrey N. Pomerantz (CA Bar No. 143717)  
John A. Morris (NY Bar No. 2405397)  
Gregory V. Demo (NY Bar No. 5371992)  
Hayley R. Winograd (NY Bar No. 5612569)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760  
Email: jpomerantz@pszjlaw.com  
jmorris@pszjlaw.com  
gdemo@pszjlaw.com  
hwinograd@pszjlaw.com

-and-

**HAYWARD PLLC**

*/s/ Zachery Z. Annable*

---

Melissa S. Hayward (Texas Bar No. 24044908)  
Zachery Z. Annable (Texas Bar No. 24053075)  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Telephone: (972) 755-7100  
Facsimile: (972) 755-7110  
Email: MHayward@HaywardFirm.com  
ZAnnable@HaywardFirm.com

*Counsel for Highland Capital Management, L.P.*

**SCHAERR | JAFFE LLP**

/s/ Erik S. Jaffe

Erik S. Jaffe  
Lead Counsel  
Brian J. Field  
Aaron Gordon  
1717 K Street NW, Suite 900  
Washington, DC 20006  
Telephone: (202) 787-1060  
ejaffe@schaerr-jaffe.com

-and-

**SBAITI & COMPANY PLLC**

Mazin A. Sbaiti  
Jonathan Bridges  
JPMorgan Chase Tower  
2200 Ross Avenue  
Suite 4900W  
Dallas, TX 75201  
Telephone: (214) 432-2899  
mas@sbautilaw.com

*Counsel for Appellants The Charitable DAF Fund, L.P.;  
CLO Holdco, Ltd.; Mark Patrick; Sbaiti & Company, PLLC;  
Mazin A. Sbaiti; and Jonathan Bridges*

**LEVINGER PC**

/s/ Jeffrey S. Levinger

Jeffrey S. Levinger  
jlevinger@levingerpc.com  
J. Carl Cecere (of counsel)  
ccecere@cecerepc.com  
1700 Pacific Ave., Suite 2390  
Dallas, Texas 75201  
Telephone: 214-855-6817  
Facsimile: 214-817-4509

*Attorneys for Appellant  
James Dondero*

**EXHIBIT A**

PACHULSKI STANG ZIEHL & JONES LLP  
Jeffrey N. Pomerantz (CA Bar No. 143717)  
John A. Morris (NY Bar No. 2405397)  
Gregory V. Demo (NY Bar No. 5371992)  
Hayley R. Winograd (NY Bar No. 5612569)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760  
Email: jpomerantz@pszjlaw.com  
jmorris@pszjlaw.com  
gdemo@pszjlaw.com  
hwinograd@pszjlaw.com

-and-

HAYWARD PLLC  
Melissa S. Hayward (Texas Bar No. 24044908)  
Zachery Z. Annable (Texas Bar No. 24053075)  
10501 N. Central Expy., Ste. 106  
Dallas, Texas 75231  
Telephone: (972) 755-7100  
Facsimile: (972) 755-7110  
Email: MHayward@HaywardFirm.com  
ZAnnable@HaywardFirm.com

*Counsel for Highland Capital Management, L.P.*

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,  
  
Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj

**STIPULATION FINALLY RESOLVING ALL LITIGATION CONCERNING A PRIOR  
CONTEMPT ORDER AND RELATED PROCEEDINGS**

This stipulation (the “Stipulation”) is made by and among Highland Capital Management, L.P. (“HCMLP”), the reorganized debtor in the above-referenced bankruptcy case, The Charitable DAF Fund LP (“DAF”), CLO Holdco Ltd. (“CLOH”), Sbaiti & Company PLLC (“Sbaiti & Co.”), Mazin Sbaiti (“Sbaiti”), Jonathan Bridges (“Bridges”), Mark Patrick (“Patrick”), and James

Dondero (“Dondero”, and together with DAF, CLOH, Sbaiti & Co., Sbaiti, Bridges, and Patrick, the “Respondents”, and the Respondents and HCMLP together as the “Parties”), by and through their respective undersigned counsel.

### RECITALS

**WHEREAS**, on April 23, 2021, Highland filed a *Motion for an Order Requiring the Violators to Show Cause Why They Should Not Be Held in Civil Contempt for Violating Two Court Orders* and supporting documentation [Docket Nos. 2235, 2236, 2237, 2247] (the “Motion”) in the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”);

**WHEREAS**, on May 14, 2021, the Respondents filed their respective objections to the Motion [Docket Nos. 2309, 2312, and 2313] (collectively, the “Objections”);

**WHEREAS**, on May 21, 2021, Highland filed its omnibus reply to the Objections [Docket No. 2349];

**WHEREAS**, on August 3, 2021, the Bankruptcy court issued a *Memorandum Opinion and Order Holding Certain Parties and Their Attorneys in Civil Contempt of Court for Violations of Bankruptcy Court Orders* [Docket No. 2660] (the “Bankruptcy Court Order”);

**WHEREAS**, on September 28, 2022, after the Respondents appealed the Bankruptcy Court Order and the Parties briefed the appeal, the United States District Court for the Northern District of Texas (the “District Court”) issued a *Memorandum Opinion and Order* affirming in part and vacating in part the Bankruptcy Court Order [Civ. Action No. 3:21-cv-01974-X, Docket No. 49] (the “District Court Order”);

**WHEREAS**, on April 26, 2024, after the Respondents appealed the District Court Order and the Parties briefed and argued the appeal, the United States Court of Appeals for the Fifth Circuit (the “Fifth Circuit”) issued an opinion and judgment in which it vacated the District Court

Order and remanded to the District Court for further proceedings in accordance with the judgment (Case No. 22-11036, Docket No. 140-1) (the “Fifth Circuit Opinion and Judgment”);

**WHEREAS**, on May 6, 2024, the District Court remanded the action to the bankruptcy court for further proceedings [Civ. Action No. 3:21-cv-01974-X, Docket No. 57];

**WHEREAS**, on May 21, 2024, the Bankruptcy Court issued an *Order in Response to District Court’s and Fifth Circuit’s Remand Regarding Bankruptcy Court’s August 4, 2021 Sanctions Order* [Docket No. 4070] (the “Remand Order”) in which the Bankruptcy Court established a briefing schedule to govern the remanded proceeding;

**WHEREAS**, subject to the Bankruptcy Court’s approval, in order to conserve resources and eliminate litigation risks, the Parties have negotiated in good faith to finally and fully resolve all claims, disputes, and issues concerning the Motion, the Bankruptcy Court Order, District Court Order, the Fifth Circuit Opinion and Judgment, and the Remand Order on the terms set forth herein,

**NOW, WHEREFORE, IT IS HEREBY JOINTLY STIPULATED AND AGREED** as follows:

1. The Parties disagree on the meaning and intent of the Fifth Circuit Opinion and Judgment but (a) agree to seek no further relief, and file no further pleadings (except for a joint motion to approve this Stipulation), in connection with the Motion; (b) agree not to seek additional contempt with respect to the underlying allegations set forth in the Motion; and (c) otherwise reserve the right to make whatever arguments they believe are appropriate in any forum concerning the meaning of the Fifth Circuit Opinion and Judgment and to challenge any other Parties’ arguments about the meaning of the Fifth Circuit Opinion and Judgment;

2. The Respondents agree, individually and collectively, that they shall not assert any claim, or seek leave to assert any claim (through an amended pleading or otherwise), against any Protected Party<sup>1</sup> in any court without obtaining the Bankruptcy Court's prior approval under the Gatekeeper Provisions,<sup>2</sup> to the extent the Gatekeeper Provisions are applicable and in effect;
3. Highland shall return to the DAF the sum of \$239,655.00 that was tendered to secure the original award within five (5) business days of the entry of an order approving this Stipulation (the "Approval Order");
4. The parties shall deem satisfied the bills of costs filed at Docket Nos. 135 and 137 in Case No. 22-11036 and Docket No. 95 in Case No. 22-10189, both pending before the Fifth Circuit; and
5. After the entry of an Approval Order, the Parties shall cooperate in good faith to take all steps necessary to implement this Stipulation, including jointly notifying the District Court and the Fifth Circuit of the entry of an Approval Order.
6. The Parties agree that the Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Stipulation and any Approval Order.

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<sup>1</sup> "Protected Party" refers to any person or entity protected under any of the applicable Gatekeeper Provisions (as that term is defined in footnote 2).

<sup>2</sup> "Gatekeeper Provisions" refers, individually and collectively, to (a) Section 10 of the *Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 339]; (b) Section 5 of the *Order Approving Debtor's Motion Under Bankruptcy Code Sections 105(a) and 363(b) Authorizing Retention of James P. Seery, Jr., as Chief Executive Officer, Chief Restructuring Officer, and Foreign Representative Nunc Pro Tunc to March 15, 2020* [Docket No. 854]; and (c) Section IX.F of the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* [Docket No. 1943, Ex. A].

Dated: June 24, 2024

**PACHULSKI STANG ZIEHL & JONES LLP**

Jeffrey N. Pomerantz (CA Bar No. 143717)  
John A. Morris (NY Bar No. 2405397)  
Gregory V. Demo (NY Bar No. 5371992)  
Hayley R. Winograd (NY Bar No. 5612569)  
10100 Santa Monica Blvd., 13th Floor  
Los Angeles, CA 90067  
Telephone: (310) 277-6910  
Facsimile: (310) 201-0760  
Email: jpomerantz@pszjlaw.com  
jmorris@pszjlaw.com  
gdemo@pszjlaw.com  
hwinograd@pszjlaw.com

-and-

**HAYWARD PLLC**

*/s/ Zachery Z. Annable*

---

Melissa S. Hayward (Texas Bar No. 24044908)  
Zachery Z. Annable (Texas Bar No. 24053075)  
10501 N. Central Expy, Ste. 106  
Dallas, Texas 75231  
Telephone: (972) 755-7100  
Facsimile: (972) 755-7110  
Email: MHayward@HaywardFirm.com  
ZAnnable@HaywardFirm.com

*Counsel for Highland Capital Management, L.P.*

**SCHAERR | JAFFE LLP**

*/s/ Erik S. Jaffe*

---

Erik S. Jaffe  
Lead Counsel  
Brian J. Field  
Aaron Gordon  
1717 K Street NW, Suite 900  
Washington, DC 20006  
Telephone: (202) 787-1060  
ejaffe@schaerr-jaffe.com

-and-



**SBAITI & COMPANY PLLC**

Mazin A. Sbaiti  
Jonathan Bridges  
JPMorgan Chase Tower  
2200 Ross Avenue  
Suite 4900W  
Dallas, TX 75201  
Telephone: (214) 432-2899  
mas@sbaitilaw.com

*Counsel for Appellants The Charitable DAF Fund, L.P.;  
CLO Holdco, Ltd.; Mark Patrick; Sbaiti & Company, PLLC;  
Mazin A. Sbaiti; and Jonathan Bridges*

**LEVINGER PC**

*/s/ Jeffrey S. Levinger*  
\_\_\_\_\_  
Jeffrey S. Levinger  
jlevinger@levingerpc.com  
J. Carl Cecere (of counsel)  
ccecere@cecerepc.com  
1700 Pacific Ave., Suite 2390  
Dallas, Texas 75201  
Telephone: 214-855-6817  
Facsimile: 214-817-4509

*Attorneys for Appellant  
James Dondero*