

WHEREAS, on September 16, 2024, the Fifth Circuit issued its opinion and judgment affirming the Final Judgments entered in the above-referenced action in favor of Highland Capital Management, L.P. (“Plaintiff”) and against Defendants;²

WHEREAS, on November 5, 2024, the Fifth Circuit’s judgment was issued as the mandate;

WHEREAS, on November 6, 2024, Plaintiff filed the Motion and supporting declaration (*see* Docket No. 224);

WHEREAS, on November 26, 2024, Defendants filed their response in opposition to the Motion (Docket No. 228) (the “Opposition”);

WHEREAS, on November 28, 2024, Plaintiff filed its reply to the Opposition (Docket No. 229) (the “Reply”) (Docket No. 229);

WHEREAS, on November 28, 2024, in response to issues raised by Plaintiff on November 27, 2024, Defendants filed an amended response in partial opposition to the Motion (Docket No. 230);

WHEREAS, as of November 29, 2024, the aggregate amount owed by Defendants on the Final Judgments, inclusive of interest at the Federal Judgment Rate calculated in accordance with the Final Judgments and 28 U.S.C. § 1961, was \$73,865,408.86;

WHEREAS, as of November 29, 2024, the aggregate Total Cash Security in the Registry of the Clerk of the Court to secure the Final Judgments in Plaintiff’s favor was \$73,723,827.91;

WHEREAS, Plaintiff and each of the Defendants desire to settle and finally resolve all disputes regarding the Final Judgments, the Total Cash Security, and the Motion, on the terms set forth in this Stipulated and Agreed Order;

² Capitalized terms used but not defined in this Order have the meanings ascribed to them in Plaintiff’s *Motion for an Order of Withdrawal Pursuant to 28 U.S.C. § 2042 with Respect to the Judgments Entered Against Defendants* [Docket No. 223] (the “Motion”).

WHEREAS, Defendants may seek review of the underlying dispute by way of petition for certiorari to the United States Supreme Court, and that if they do so, Plaintiff will oppose such review;

WHEREAS, the Court finds and concludes that: (a) notice of the Motion was adequate and no additional notice of the Motion is required; (b) the Court has jurisdiction to consider the Motion and the stipulated agreement contained herein; (c) venue is proper under 28 U.S.C. § 1409; (d) the Parties agreement to this Stipulated and Agreed Order is binding, and (e) the relief requested in the Motion and the agreements of the parties contained herein are appropriate. Accordingly,

IT IS ORDERED that:

1. The Motion is **GRANTED** on the agreed and stipulated terms set forth below.
2. Defendants shall collectively receive \$75,000 from the Total Cash Security and Plaintiff shall receive the remaining Total Cash Security (the “Allocation”).
3. To effectuate the Allocation, the Clerk is directed to promptly pay \$75,000.00 to Judgement Debtor NexPoint Advisors, L.P. (“NPA”), as set forth in **Column C** below:

<i>A. Defendant</i>	<i>B. Registry Cash Security in Registry as of 11/29/24</i>	<i>C. Payment of \$75,000.00³</i>	<i>D. Balance Remaining to be Paid to Plaintiff (plus interest)</i>
James Dondero	\$10,792,267.78	\$0.00	\$10,792,267.78
NexPoint Real Estate Partners, LLC	\$14,173,314.35	\$0.00	\$14,173,314.35
NexPoint Asset Management, L.P.	\$12,934,945.44	\$0.00	\$12,934,945.44
NexPoint Advisors, L.P.	\$27,701,736.24	\$75,000.00	\$27,626,736.24
Highland Capital Management Services, Inc.	\$8,121,564.10	\$0.00	\$8,121,564.10
Aggregate TOTAL	\$73,723,827.91	\$75,000.00	\$73,648,827.91

³ NPA shall be responsible for allocating the Allocation among the Judgment Debtors.

4. The Clerk is further directed to promptly pay to Plaintiff from the Registry (a) all remaining amounts of Total Cash Security securing the Final Judgments against each of the Defendants as of November 29, 2024,⁴ *plus* (b) all interest earned or accrued on the Total Cash Security from November 29, 2024 to the date of payment to Plaintiff.

5. Upon payment of all remaining Total Cash Security to Plaintiff as required by paragraph 4 hereof (Column D plus all interest earned or accrued on the Total Cash Security to the date of payment to Plaintiff), each of the Final Judgments shall be deemed satisfied and neither the Plaintiff nor any of the Defendants shall have any claims against the other with respect to the Final Judgments, the Motion, or the Total Cash Security, all of which are deemed released by this Stipulated and Agreed Order.

6. The Clerk is directed to accept on a confidential basis written electronic transfer instructions from Defendant NPA's Counsel (identified below) so as to promptly transfer the aggregate \$75,000.00 Allocation to NPA (as provided in paragraph 3, Column C of this Stipulated and Agreed Order) to be allocated to the other Defendants by NPA,. Defendant NPA's Counsel shall provide such written instructions to the Clerk promptly upon execution of this agreement.

7. The Clerk is directed to accept on a confidential basis written electronic transfer instructions from Plaintiff's Counsel (identified below) so as to promptly transfer to Plaintiff from the Registry the entire Total Cash Security as provided in paragraph 4 hereof except for the \$75,000.00 provided in paragraph 3 hereof, which balance of the Total Cash Security when received by Plaintiff shall be applied in full satisfaction of the Final Judgments.

⁴ For the avoidance of doubt, after payment of the total of \$75,000.00 as required by paragraph 2 hereof, the remaining Total Cash Security as of November 29, 2024 will be \$73,648,827.91 in the aggregate (**Column D above**).

8. Nothing herein precludes the Defendants from seeking review of the underlying dispute by way of petition for certiorari to the United States Supreme Court, and that if they do so, Plaintiff will oppose such review, and that nothing herein precludes either from taking such steps or other action in each's own interest if the decision and order of the Fifth Circuit is reversed, including Plaintiff's rights to seek the full amounts of the Final Judgments and all amounts owed under the underlying notes.

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9. This Court retains exclusive jurisdiction and authority to hear and determine all matters arising from or related to this action, including the terms and implementation of this Stipulated and Agreed Order.

STIPULATED AND AGREED THIS 9TH DAY OF DECEMBER 2024

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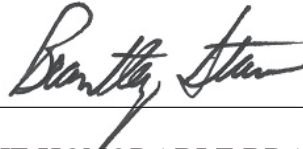
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*Counsel for Defendants James Dondero, NexPoint
Advisors, HCMS, and NexPoint Real Estate*

IT IS SO ORDERED THIS 12TH DAY OF DECEMBER 2024.



THE HONORABLE BRANTLEY STARR
UNITED STATES DISTRICT JUDGE