

STACY R. SCHIFFMAN, <i>et al</i> ,	§	IN THE DISTRICT COURT OF
<i>Plaintiff</i> ,	§	
v.	§	
NELSON PARTNERS, LLC, NELSON	§	
BROTHERS PROPERTY	§	TRAVIS COUNTY, TEXAS
MANAGEMENT INC. D/B/A NELSON	§	
PARTNERS PROPERTY	§	
MANAGEMENT, INC., NP EQUITY,	§	
LLC, AND PATRICK NELSON,	§	
<i>Defendants</i> ,	§	98th JUDICIAL DISTRICT

---

---

**AGREED ORDER ON ADMINISTRATOR’S POWERS, AUTHORITY, AND  
IMPLEMENTATION PROCEDURES PURSUANT TO PLAN OF LIQUIDATION  
SECTION 5**

---

---

Before the Court is Gregory S. Milligan’s, the Court appointed Administrator of the Plan of Liquidation, Motion to Approve Order on Administrator’s Powers, Authority, and Implementation Procedures Pursuant to Plan of Liquidation Section 5 (the “Motion”).

On April 25, 2022, the Court entered an order (the “Preliminary Approval Order”) preliminarily approving the Stipulation and Plan of Liquidation, dated April 19, 2022 (the “Plan”) and appointing Gregory S. Milligan as the Plan of Liquidation’s Administrator (the “Administrator”).

Pursuant to Plan Section 5, “the Administrator shall have all powers and authorities granted to him by the Court.” The Administrator filed the Motion requesting entry of this Order detailing the Administrator powers, authority, and implementation procedures as set forth below.

The Motion is hereby GRANTED.

Accordingly, the Court ORDERS as follows:

1. No Bond. The Administrator shall not be required to post any bond, surety, or other security for the performance of his duties. The Administrator shall be empowered

to effect all actions and execute all agreements, instruments and other documents necessary to perform his duties under the Plan, this Order or other order of the Court, or as deemed by the Administrator to be necessary and proper to implement the provisions of the Plan.

2. Compensation of the Administrator. The Administrator is entitled to reasonable compensation at the Administrator's ordinary hourly rate of \$600.00.
3. Costs and Expenses of the Administrator. Pursuant to Plan Section 15, the Nelson Parties<sup>1</sup> shall be taxed as costs of Court, the Administrator's costs, and expenses, including the fees and expenses of the Administrator and his retained professionals, without further order of this Court. Upon entry of this Order, the Administrator may serve on the Nelson Parties a summary of all costs, fees and expenses incurred since the Effective Date and, for each month going forward, a monthly summary of the costs, fees and expenses incurred in the relevant month. Any objection by the Nelson Parties to any specific cost, fee, or expense, is waived if not provided to the Administrator in writing within ten (10) calendar days from the Administrator's service of the notice containing the relevant cost, fee, or expense. The Administrator is authorized to pay in full from the Administrator Account all costs, fees and expenses included in each notice on the eleventh (11<sup>th</sup>) calendar day from the Administrator's service of the notice. All amounts paid from the Administrator Account for the Administrator's costs and expenses, including the fees and expenses of the Administrator and his retained professionals, shall be taxed as costs of Court against the Nelson Parties and shall not reduce the Liquidation Proceeds payable by the Nelson Parties pursuant to Plan Section 3. The Court will have exclusive jurisdiction to decide any objection by the Nelson Parties as to any noticed and paid cost, fee or expense on motion of the Administrator or the Nelson Parties.
4. Retention of Professionals by the Administrator. The Administrator may retain and reasonably compensate counsel and other professionals, including a claims agent, to assist in his duties as Administrator on such terms as the Administrator deems appropriate without Court approval. For avoidance of doubt, the Court hereby approves the Administrator's retention of the following professionals as of the Effective Date:
  - a. *HMP Advisory Holdings, LLC d/b/a Harney Partners* as financial advisors with the following rates: Erik White, managing director at \$475.00; and
  - b. *Wick Phillips Gould and Martin, LLP* as counsel with the following rates: Jason M. Rudd, partner at \$695.00 per hour, Catherine Curtis, associate at \$455.00 per hour and Brenda Ramirez, certified paralegal at \$180.00 per hour.

---

<sup>1</sup> All capitalized terms not specifically defined in this Order have the meaning provided in the Plan.

5. Administrator Account. Pursuant to Plan Sections 3 and 6, instead of depositing funds in the registry of the Court, the Administrator is authorized to open, maintain, and administer account or accounts at TriState Capital Bank to hold all Net Proceeds and Liquidation Proceeds pending distribution. The Administrator may invest the Net Proceeds and Liquidation Proceeds only in cash and Government Securities (as defined in section 2(a)(16) of the Investment Company Act of 1940, as amended). The Administrator may open and maintain such other separate accounts as needed in his sole business judgment to receive, hold, and disperse funds other than Liquidation Proceeds, including Net Proceeds and any other funds received from the Nelson Parties to pay the Administrator's fees, costs, and expenses.
6. Distributions. Pursuant to Plan Section 5(b), the Administrator shall apply to the Court prior to issuing any distributions of the Liquidation Proceeds, which application may propose distribution procedures. The Administrator is authorized to distribute that portion of the Net Proceeds necessary to pay all costs, fees and expenses provided for in Paragraphs 3 and 7 of this Order without further order of the Court.
7. Indemnification. The Administrator and the Administrator's agents and professionals (each, an "Indemnified Party" and collectively, the "Indemnified Parties"), shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Administrator, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Administrator, provided, however, such indemnity shall not apply to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted from the willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts. The Nelson Parties shall pay any indemnification claim of the Indemnified Parties pursuant to Plan Section 15. Any Indemnified Party shall be entitled to advances from the Administrator Account, or in the event the Administrator Account lacks sufficient funds, the Nelson Parties, to cover its actual and reasonably anticipated expenses of defending itself in any action threatened against or brought against it as a result of any act or omission, actual or alleged, of the Indemnified Party in its capacity as such. Within ten (10) business days after a written request by an Indemnified Party to the Nelson Parties and the Administrator, the Administrator shall, in accordance with such request, (a) pay such expenses on behalf of the Indemnified Party from the Administrator Account, (b) advance to the Indemnified Party cash in amount sufficient to pay such expenses from the Administrator Account, or (c) reimburse the Indemnified Party for such expenses from the Administrator Account; provided that the Indemnified Party shall provide an undertaking to repay promptly any amounts so paid, advanced, or reimbursed upon the entry of a Final Order finding that such Indemnified Party was not entitled to indemnity under this Paragraph 7. In the event the Administrator Account lacks sufficient funds to fully satisfy any obligation to any Indemnified Party, within ten

(10) business days after a written request by an Indemnified Party to the Nelson Parties, the Nelson Parties shall, in accordance with such request, (a) pay such expenses on behalf of the Indemnified Party, (b) advance to the Indemnified Party cash in amount sufficient to pay such expenses, or (c) reimburse the Indemnified Party for such expenses; provided that the Indemnified Party shall provide an undertaking to repay promptly any amounts so paid, advanced, or reimbursed upon the entry of a Final Order finding that such Indemnified Party was not entitled to indemnity under this Paragraph 7.

8. Reliance. The Administrator is entitled to rely, in good faith, on the advice of his retained professionals and on information provided by the Nelson Parties and their counsel and the Intervenors and their counsel.
9. Retention of Jurisdiction. This Order is without prejudice to the Court approving further Administrator powers, authority, or procedures. To the fullest extent permitted by law, the Court hereby retains exclusive jurisdiction over the Plan, including, without limitation, jurisdiction to resolve any and all controversies, suits and issues that may arise in connection therewith, including, without limitation, this Order, including without limitation, any action against the Administrator or any professional retained by the Administrator, in each case in its capacity as such. Upon a motion by the Administrator, the Court may enter an order relieving the Administrator, his agents, professionals, and employees of any further duties, discharging, and releasing the Administrator.

SO ORDERED.

SIGNED ON THE 21st DAY OF JULY, 2022.



\_\_\_\_\_  
The Honorable Karin Crump  
Travis County District Court Presiding

**AGREED AS TO FORM:**

/s/ Jason M. Rudd

Jason M. Rudd, Tex. Bar No. 24028786  
[jason.rudd@wickphillips.com](mailto:jason.rudd@wickphillips.com)  
Catherine A. Curtis, Tex. Bar No. 24095708  
[catherine.curtis@wickphillips.com](mailto:catherine.curtis@wickphillips.com)  
WICK PHILLIPS GOULD & MARTIN, LLP  
3131 McKinney Avenue, Suite 500  
Dallas, TX 75204  
(214) 692-6200

***Counsel for Plan Administrator***

/s/ Greg C. Noschese

Greg C. Noschese, Tex. Bar No. 00797164  
[gnoschese@munsch.com](mailto:gnoschese@munsch.com)  
Courtney L. Sauer, Tex. Bar No. 24066026  
[csauer@munsch.com](mailto:csauer@munsch.com)  
Aynsley K. Young, Tex. Bar No. 24102674  
[ayoung@munsch.com](mailto:ayoung@munsch.com)  
Brandon M. Stendara, Tex. Bar No. 24121148  
[bstendara@munsch.com](mailto:bstendara@munsch.com)  
MUNSCH HARDT KOPF & HARR, PC  
500 N. Akard Street, Suite 3800  
Dallas, TX 75204  
(214) 855-7500

***Counsel for Defendants***

/s/ Jennifer A. Lloyd

Jennifer A. Lloyd, Tex. Bar No. 2401305  
[jlloyd@millerlloyd.com](mailto:jlloyd@millerlloyd.com)  
MILLER LLOYD, P.C.  
500 West 5<sup>th</sup> Street, Suite 700  
Austin, TX 78701  
(512) 694-5578

- and -

Robert W. Brownlie, CA. Bar No. 138793  
[robert.brownlie@brownliehansen.com](mailto:robert.brownlie@brownliehansen.com)  
BROWNLIE HANSEN, LLP  
10920 Via Frontera, Suite 550  
San Diego, CA 92127  
(858) 357-8001

***Counsel for Plaintiff James V. Parziale,  
Trustee of the Parziale Family Trust,  
derivatively on behalf of NP Skyloft DST***

/s/ D. Douglas Brothers

D. Douglas Brothers, Tex. Bar No. 03084500  
[dbrothers@gbkh.com](mailto:dbrothers@gbkh.com)  
GEORGE BROTHERS KINCAID &  
HORTON, LLP  
114 West 7<sup>th</sup> Street, Suite 1100  
Austin, TX 78701  
(512) 495-1400

***Counsel for Plaintiff Schiffman, et al,  
individually and derivatively on behalf of NP  
Skyloft DST***