

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

**ORDER SETTING SHOW CAUSE HEARING**

On this day, the Court considered Plan Administrator Gregory S. Milligan’s (“Plan Administrator”) Motion for Contempt and for Sanctions and Request for Show Cause Hearing (“Motion”) related to the claim that Defendants Nelson Partners, LLC, Nelson Brothers Property Management, Inc. d/b/a Nelson Partners Property Management, Inc. and Patrick Nelson (collectively, the “Nelson Parties”) failed to comply with the Stipulation and Plan of Liquidation (“Plan”), the Temporary Injunction, signed by the Court on April 25, 2022 (“TI Order”), the Order Granting Emergency Motion to Approve Sale, signed by the Court on October 21, 2022, (“Emergency Sale Order”), and the Temporary Restraining Order, signed by the Court on November 18, 2022 (“Temporary Restraining Order”) (together, “Orders”). Having considered the pleadings, Plan, Motion, any supplement, any response or reply to the Motion, the record, the Orders, arguments of counsel, and the parties’ December 19, 2022 Rule 11 agreement read into the record, the Court finds and orders that Plan Administrator’s Motion is **GRANTED** as follows:

**IT IS HEREBY ORDERED** that Patrick Nelson and corporate representatives for Nelson Partners, LLC and Nelson Brothers Property Management, Inc. d/b/a Nelson Partners Property

Management, Inc. are commanded to appear before the Honorable Karin Crump, Travis County Civil and Family Courts Facility, 250<sup>th</sup> District Court, 1700 Guadalupe, 9<sup>th</sup> Floor, Austin, Texas 78701 at 9:00 a.m. on February 24, 2023, then and there to show cause why they should not be held in contempt for:

- a. Violating and disregarding the Court's Orders by improperly receiving as much as \$14,760,000 from the Sol y Luna sale transaction despite the Order enjoining the Nelson Parties from:
  - i. Transferring, or causing any entity under Nelson's control to assign, encumber or transfer any beneficial interest in any of the Liquidating Properties; and
  - ii. Assigning or transferring control of any of the Liquidating Properties to any person or entity, except as authorized by the Plan or expressed approval of the Court:
- b. Violating the Liquidation Plan by taking as much as \$14,760,000 from the Sol y Luna sale transaction in unauthorized transfers.
- c. Violating the October 21 Emergency Sale Order, which expressly provided "any net proceeds flowing to the Nelson Parties cannot be distributed to the Nelson Parties, pending further order of this Court."
- d. Misrepresenting to the Plan Administrator certain amounts to be deposited with the Plan Administrator at the October 21, 2022 hearing on the Sol y Luna sale transaction.
- e. Violating the Temporary Restraining Order by failing to deposit \$14,760,000 into the Court's registry.

**IT IS FURTHER ORDERED** that the clerk of this Court issue a citation and all writs necessary to (1) Patrick Nelson, (2) Nelson Brothers Property Management, Inc. d/b/a Nelson Partners Property Management, Inc., and (3) Nelson Partners, LLC to appear before Judge Karin Crump at the time and date set forth herein to show cause why they should not be adjudged to be in contempt of Court.

**IT IS SO ORDERED.**

Signed this 12th day of January, 2023.

  
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JUDGE PRESIDING  
KARIN CRUMP  
250TH DISTRICT COURT