

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 22-90032 (MI) (Jointly
Administered)

**MOTION OF LITIGATION TRUSTEE AND SETTLING DEFENDANTS FOR ENTRY
OF BAR ORDER IN CONNECTION WITH SETTLEMENT OF ADVERSARY
PROCEEDING**

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the Court may consider evidence at the hearing and may decide the motion at the hearing. Represented parties should act through their attorney.

A hearing will be conducted on this matter on April 16, 2025, at 2:30 p.m. (prevailing Central Time) in Courtroom 401, 4th floor, 515 Rusk Street, Houston, Texas 77002. You may participate in the hearing either in person or by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the following URL: <https://www.gotomeet.me/JudgeIsgur>.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (6955); and GWG DLP Funding Holdings VI, LLC (6955). The location of Debtor GWG Holdings, Inc.'s principal place of business and the Debtors' service address is 325 N. St. Paul Street, Suite 2650 Dallas, TX 75201. Further information regarding the Debtors and these chapter 11 cases is available at the website of the Debtors' claims and noticing agent: <https://donlinrecano.com/gwg>. "**GWG**" as used herein refers to GWG Holdings, Inc. and its affiliated debtors and debtors in possession.

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The Trustee² and Defendants Bradley K. Heppner, Beneficient Fiduciary Financial, L.L.C. and any predecessor or successor trustee (in his or its capacity as Trustee of The Collective Collateral Trust I, The Collective Collateral Trust II, The Collective Collateral Trust III, The Collective Collateral Trust IV, The Collective Collateral Trust V, The Collective Collateral Trust VI, The Collective Collateral Trust VII, The Collective Collateral Trust VIII, The LT-1 Liquid Trust, The LT-2 Liquid Trust, The LT-5 Liquid Trust, The LT-7 Liquid Trust, The LT-8 Liquid Trust, and The LT-9 Liquid Trust), Funding Trust Management, L.L.C., LiquidTrust Management, L.L.C., Peter T. Cangany, Jr., Thomas O. Hicks, Bruce W. Schnitzer, Murray T. Holland, Timothy L. Evans, David F. Chavenson, Beneficient f/k/a The Beneficient Company Group, L.P., The Beneficient Company Group (USA) LLC, Beneficient Capital Company, LLC, Beneficient Capital Company II, LLC, Beneficient Company Holdings, LP, CT Risk Management, L.L.C., and Beneficient Management, LLC (the “**Settling Defendants**”) file this motion pursuant to 11 U.S.C. § 105(a) for entry of an order in connection with the Settlement Agreement barring claims against any of the Released Defendants Releasees for alleged injuries to GWG that were or could have been asserted by the Trust (the “**Motion**”), and in support thereof respectfully state as follows:

INTRODUCTION

1. The parties’ Settlement Agreement in the adversary proceeding styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090 (the “**Adversary Proceeding**”), if approved by the Court, commits the entirety of the remainder of the Settling Defendants’ D&O insurance proceeds, leaving none for potential civil claims that might be asserted by other creditors of GWG attempting

² Capitalized terms used but not defined herein are defined in the Settlement Agreement (ECF No. 2533-1) (the “**Settlement Agreement**”), attached as an exhibit to the GWG Litigation Trustee’s Motion for Entry of an Order Approving Settlement Agreement (ECF No. 2533) (the “**2019 Motion**”).

to assert claims on behalf of the estate or otherwise. Through this Motion, the Trustee and the Settling Defendants seek an order ensuring that in exchange for this substantial commitment of settlement consideration, the Settling Defendants receive complete peace from claims asserting that they caused injury to GWG's estate.

2. The Trustee has the exclusive authority to bring and settle claims on behalf of GWG's estate. The Trustee has other pending litigation with overlapping factual allegations related to some of the same transactions that the Trustee challenged in the Adversary Proceeding. Entry of a bar order is necessary to ensure that others—in the currently pending proceedings or otherwise—do not seek to hold the Settling Defendants (and their affiliated Released Defendants Releasees) secondarily responsible for alleged injuries to GWG by asserting contribution or third-party claims. This result is fully consistent with the statutory framework for contribution claims in Chapter 33 of the Texas Civil Practice and Remedies Code.

3. The proposed bar order here complies with the applicable legal requirements for such orders. It seeks to bar only claims interrelated with the claims in this case and that seek to hold the Settling Defendants liable for alleged injuries to GWG; it does not seek to bar third parties (if any) that can assert individualized, non-derivative injuries based on their individual dealings with the Settling Defendants or GWG. Accordingly, the Supreme Court's recent *Purdue Pharma* opinion has no bearing on this Motion.

4. The Court should grant this Motion and enter the accompanying proposed order.

JURISDICTION AND VENUE

5. The United States Bankruptcy Court for the Southern District of Texas has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Confirmation Order (ECF No. 1952). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The basis for the relief

requested herein is section 105 of title 11 of the United States Code, the Confirmation Order, and Federal Rule of Bankruptcy Procedure 9019.

RELEVANT FACTUAL BACKGROUND

I. GWG’s Confirmed Bankruptcy Plan Gives the Trustee the Exclusive Right to Pursue Claims Based on Alleged Injuries to GWG.

6. On June 20, 2023, the Court entered its Confirmation Order (ECF No. 1952) (the “**Confirmation Order**”) confirming GWG’s bankruptcy plan (Exhibit A to ECF No. 1952) (the “**Plan**”). The Plan provides that the Trustee has exclusive authority to prosecute and settle claims based on alleged injuries to GWG. *See* Plan Article I.A.106 (“Initial Litigation Trust Assets” include “the Retained Causes of Action”), Article I.A. 121 (“Litigation Trust” is “established . . . for the purpose of prosecuting or settling the Retained Causes of Action”), Article I.A.124 (“Litigation Trustee . . . shall . . . prosecute and/or settle the Retained Causes of Action”), Article I.A.163 (“Retained Causes of Action” includes “Causes of Action belonging to the Debtors or their Estates that are not released pursuant to this Plan or other Final Order”), Article IV.E.1 (“The Litigation Trust will . . . hold all Retained Causes of Action”), Article IV.E.2 (“The Litigation Trustee shall have the sole authority to make decisions and take action with respect to the Initial Litigation Trust Assets [and] the Retained Causes of Action”), Article IV.Q (“The Litigation Trust, through its authorized agents or representatives, shall retain and may exclusively enforce any and all Retained Causes of Action. The Litigation Trust shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgement any such Causes of Action . . .”).

II. The Trustee Files this Adversary Proceeding, and the Parties Engage in Hard Fought Litigation.

7. As set forth in more detail in the 9019 Motion, the Trustee brought this Adversary Proceeding against numerous defendants in early 2024, and the parties engaged in hard fought

litigation. At the time of the filing of this Motion in early 2025, numerous substantive motions consisting of over 900 pages of briefing were pending. *See* ECF Nos. 58, 63, 74, 81 (Motion to Withdraw Reference), ECF Nos. 60, 75, 80, 133, 134 (Motion to Transfer Venue), ECF Nos. 61, 62, 101, 104, 110, 111, 113, 114, 117, 132, 138 (Motions to Dismiss).

III. The Trustee and the Settling Defendants Agree to Settle After Extensive Discussions with Experienced Mediators.

8. As described in more detail in the 9019 Motion and the Settlement Agreement, the Trustee and the Settling Defendants entered into the Settlement Agreement only after extensive negotiations that pre-dated the filing of this case and lasted more than a year. The discussions were facilitated by the Hon. W. Royal Furgeson (Ret.) and David Murphy of Phillips ADR Enterprises LLC. On November 24, 2024, Judge Furgeson and Mr. Murphy presented a mediators' proposal to the parties. On December 16, 2024, after additional discussions, the parties agreed in principle to the terms of the settlement.

IV. The Settling Defendants Commit All of Their Insurance to Facilitate the Settlement, Which Does Not Include Other Non-Settling Defendants.

9. Pursuant to the Settlement Agreement, the Settling Defendants have agreed to provide all of the remaining limits on the applicable insurance policies as settlement consideration, with the exception of an agreed holdback for the Settling Defendants and other insureds to use in certain specified pending legal proceedings. Any unused portion of that holdback will revert to the Trustee as additional settlement consideration. The Settlement Agreement would resolve the Trustee's claims only against the Settling Defendants.³

³ The Defendants not included in the settlement are The Bradley K. Heppner Family Trust, The Heppner Family Home Trust, The Highland Business Holdings Trust, The Highland Investment Holdings Trust, Beneficient Holdings, Inc., Bradley Capital Company, L.L.C., Research Ranch Operating Company, L.L.C., Elmwood Bradley Oaks, L.P., HCLP Credit Company, L.L.C., HCLP Nominees, L.L.C., and Highland Consolidated, L.P.

V. A Key Term of the Settlement Agreement Is that the Trustee and the Settling Defendants Will Use Their Best Efforts to Secure a Bar Order.

10. One of the key terms of the mediators' proposal as agreed to by the Trustee and the Settling Defendants and as memorialized in the Settlement Agreement is that the settling parties would use their best efforts to secure a bar order from this Court in favor of the Released Defendants Releasees. The bar order is proposed to apply to any Claims based on alleged injuries to GWG or its estate that may be asserted against any of the Released Defendants Releasees by non-Parties related to the allegations in the Adversary Proceeding and/or the putative securities class action that is also being settled in the Settlement Agreement and is pending in the Northern District of Texas before Judge Boyle.

11. Although the settlement is not contingent on the Court entering a bar order, the Trustee's agreement to use his best efforts to obtain a bar order is integral to the Settlement Agreement. Indeed, the Settling Defendants would not have accepted the mediators' proposal or agreed to the Settlement Agreement without this key term.

VI. The Trustee Has Other Pending Litigation With Allegations that Overlap with the Allegations in this Adversary Proceeding.

12. Relevant to the bar order sought through this Motion, the Trustee has brought other actions with factual allegations and legal theories that overlap with the allegations and claims asserted in this Adversary Proceeding. These actions include *Goldberg v. Sabes*, Adv. Pro. No. 24-03089, *Goldberg v. Foley & Lardner LLP*, Adv. Pro. No. 24-03199, and an arbitration proceeding against one of GWG's auditors. See ECF No. 2475 in Case No. 22-90032, at 4 ("In June 2024, the Litigation Trustee commenced an arbitration proceeding against one of the Debtors' former auditors."). For example, the claims in *Goldberg v. Foley Lardner LLP* relate to the Essex Transaction, \$65 million loan, and \$79 million investment agreement that are also at issue in this

adversary proceeding. The Trustee could conceivably bring other actions with overlapping allegations as well.

13. The Settling Defendants are giving up all of their applicable D&O insurance coverage in connection with settling the Trustee’s claims against them brought on behalf of the GWG estate. A bar order is necessary to give the Settling Defendants (and their associated Released Defendants Releasees) complete peace from potential attempts by parties in these other proceedings to try to hold the Released Defendants Releasees secondarily liable—through contribution, cross-claims, or otherwise—for the alleged injuries to GWG that the Trustee asserts in those proceedings.

ARGUMENT

I. Applicable Legal Standards for Bar Orders

14. Courts have the discretion to prevent the filing of third-party claims, and “[t]his discretion includes the approval of settlement agreements which deal with third-party actions against those released” *McDonald v. Union Carbide Corp.*, 734 F.2d 182, 184 (5th Cir. 1984). “If the cross-claims that the district court seeks to extinguish through the entry of a bar order arise out of the same facts as those underlying the litigation, then the district court may exercise its discretion to bar such claims in reaching a fair and equitable settlement.” *Tittle v. Enron Corp.*, 228 F.R.D. 541, 559 (S.D. Tex. 2005) (quoting *In re U.S. Oil & Gas Litig.*, 967 F.2d 489, 494, 496 (11th Cir. 1992)). A bankruptcy court can enter a bar order in connection with the settlement of an adversary proceeding pursuant to 11 U.S.C. § 105(a) and Fed. R. Civ. P. 16. *E.g.*,

Lehman Brothers, Inc. v. Munford, Inc. (In re Munford, Inc.), 97 F.3d 449, 454-55 (11th Cir. 1996); *Fetner v. Hotel Street Cap., L.L.C.*, 2021 WL 1022585, at *3 (E.D. Va. Feb. 5, 2021).⁴

15. “Settling defendants cannot obtain finality unless a ‘bar order’ is entered by the court. In essence, a bar order constitutes a final discharge of all obligations of the settling defendants and bars any further litigation of claims made by non-settling defendants.” *In re Voluntary Purchasing Grps., Inc. Litig.*, 2002 WL 1269972, at *3 (N.D. Tex. June 5, 2002) (quoting *Franklin v. Kaypro Corp.*, 884 F.2d 1222, 1225 (9th Cir. 1989)). Accordingly, the “settlement bar rule” prevents others from asserting claims against settling defendants. *Id.* at *4. “The rationale underlying this rule is to protect the finality of settlements.” *Id.* “A settling defendant is entitled to a bar against contribution. Any other rule would inhibit settlement of claims” *In re Terra-Drill P’ships Sec. Litig.*, 726 F. Supp. 655, 656 (S.D. Tex. Dec. 8, 1989).

16. In the receivership context, the Fifth Circuit has approved bar orders in connection with settlements where the order precludes “claims arising from the same [conduct]” as challenged in the settled suit between the receiver and the defendant and the barred claims involved “the same loss, from the same entities, related to the same conduct, and arising out of the same transactions and occurrences by the same actors.” *See Zacaria v. Stanford Int’l Bank, Ltd.*, 945 F.3d 883, 898 (5th Cir. 2019). It has also observed that a settlement bar order is particularly appropriate where “continued litigation would eat away at the limited funds available under [the settling defendant’s] ‘wasting’ insurance policy.” *Id.* at 901.

17. When parties seek a bar order in connection with settling an adversary proceeding, courts consider the following four factors: “the interrelatedness of the claims that the bar order

⁴ The Fifth Circuit’s opinion in *Feld v. Zale Corp. (In re Zale Corp.)*, 62 F.3d 746 (5th Cir. 1995) involved, unlike here, (i) a settlement in connection with confirming a bankruptcy plan, and (ii) an attempt to enjoin claims based on alleged injuries to non-debtors.

precludes, the likelihood of the [barred parties] to prevail on the barred claim, the complexity of the litigation, and the likelihood of depletion of the resources of the settling defendants.” *In re Munford, Inc.*, 97 F.3d at 455.

II. The Proposed Bar Order Meets the Applicable Legal Standards.

18. A bar order prohibiting others from attempting to hold the Settling Defendants liable for alleged injuries to GWG satisfies these legal standards.

19. *First*, the claims sought to be barred are interrelated with the estate’s claims. “The test is whether assertion of the claims proposed to be barred could conceivably have an effect on the estate being administered in bankruptcy.” *United States v. Hartog*, 597 B.R. 673, 681 (S.D. Fla. 2019) (quotation marks omitted). There can be no dispute that the claims sought to be barred here are interrelated with the estate’s claims, as the claims sought to be barred are those that seek to recover based on theories of alleged injury to GWG. *See, e.g., Fetner*, 2021 WL 1022585, at *4 (settlement bar order upheld where “recovery on [the barred claims] would have been ensured to the benefit of the bankruptcy estate”). The Confirmation Order and the Plan give the Trustee the exclusive right to pursue these claims.

20. *Second*, the likelihood of barred parties to prevail on the barred claims is speculative at best, as the Settling Defendants would vigorously defend against any claims seeking to hold them liable for alleged injuries to GWG, as they have done throughout the Adversary Proceeding. What is not speculative is that prevailing on any claims against the Settling Defendants would be time-consuming, costly, and difficult, and that the pursuit of such claims would be contrary to the goals of the parties’ Settlement Agreement.

21. *Third*, this litigation and any other potential litigation based on the same factual circumstances is undeniably complex. The Complaint in the Adversary Proceeding is over 300 pages and has generated hundreds of pages of threshold motions. Litigating the challenged

transactions through trial—in this case or in the Trustee’s related cases—would require multiple experts on issues such as valuation and damages.

22. *Fourth*, the Settling Defendants’ resources are being depleted. As explained in the 9019 Motion, the Settling Defendants in settling this case are committing the remainder of their applicable D&O insurance policies that will not be used for the defense of other pending proceedings. One way or another, the settlement provides that the Settling Defendants will be left with zero remaining insurance from the applicable policies at the end of the day.

23. The *In re Voluntary Purchasing Groups* case is instructive. The plaintiffs and VPG settled and jointly sought a bar order precluding third-party claims against VPG. *In re Voluntary Purchasing Grps., Inc. Litig.*, 2002 WL 1269972, at *1-2. Over the objection of a third party, the court barred the third party “from bringing any third party actions for contribution against VPG with respect to all causes of action alleged by plaintiffs” except for a claim for injunctive relief. *Id.* at *4. The court noted that VPG had “bought its peace” with the settling plaintiffs and therefore should not be at risk of being secondarily liable to those plaintiffs through third-party claims. *See id.*; *see also In re ClubX, LLC*, 2024 WL 5182335, at *5 (E.D. Va. Dec. 19, 2024) (upholding bar order and stating “[w]ith such a benefit to be conferred on the debtor, it is fair and reasonable to ensure that the bargained for releases that led to the benefit actually result in finality for the settling parties”).

24. The same analysis applies here. The Settling Defendants have agreed to buy peace with the Trustee through the Settlement Agreement. Third parties should not be permitted to seek to hold the Settling Defendants liable for alleged injuries to GWG when they have committed all of their applicable D&O insurance to settle all claims based on those injuries. Moreover, the proposed bar order is integral to the Settlement Agreement in that the Settling Defendants would

not have agreed to settle without the Trustee's commitment to join them in using best efforts to obtain a bar order. Therefore, the proposed bar order should be entered.

25. This result is consistent with the Texas Civil Practice and Remedies Code's provision that "[n]o defendant has a right of contribution against any settling person," which is defined as "a person who has, at any time, paid or promised to pay money . . . to a claimant in consideration of potential liability with respect to the . . . harm for which recovery of damages is sought." Tex. Civ. Prac. & Rem Code §§ 33.011(5), 33.015(d). Similarly, the statute provides that "each liable defendant is entitled to contribution from each person *who is not a settling person* and who is liable to the claimant for a percentage of responsibility but from whom the claimant seeks no relief at the time of submission." *Id.* § 33.016(b) (emphasis added). Accordingly, no defendant (in this or any other action) can seek contribution from a settling party for the same harm. Indeed, this Court has cited the statute in holding that a party "should not seek contribution from [parties] that qualify as 'settling persons.'" *Hill v. Day (In re Today's Destiny, Inc.)*, 388 B.R. 737, 751-52 (Bankr. S.D. Tex. 2008).⁵

⁵ The statute applies to protect settling defendants where, as here, they settled the claims against them in one case, and then a defendant in a separate case potentially seeks to hold them liable for contribution or on third-party claims. *See Werner v. KPMG LLP*, 415 F. Supp. 2d 688, 706 (S.D. Tex. 2006) ("Section 33.015 applies when a defendant asserts contribution rights as between codefendants; Section 33.016 applies when a defendant asserts contribution rights against others not sued by the plaintiff."). Courts have applied the statute to deny a defendant's motion to bring in a third party pursuant to Fed. R. Civ. P. 14. *E.g., WFG Lender Servs., LLC v. SLK Global BPO Servs. Pvt. Ltd.*, 2019 WL 13418433, at *7-8 (S.D. Tex. Jan. 22, 2019) ("SLK's third-party claims against Mission Title are improper because SLK cannot seek recovery from Mission Title due to Mission Title's alleged negligence because these claims have been settled and released. For these reasons the third-party claims against Mission Title should be stricken."); *Manriquez v. United States*, 2004 U.S. Dist. LEXIS 27746, at *6-8 (W.D. Tex. Oct. 28, 2004) ("Because Texas law expressly denies Thomason Hospital any right of contribution from Ramirez, Ramirez cannot be liable to Thomason Hospital for any of Plaintiff's claims against Thomason Hospital, and impleading Ramirez is improper under Rule 14(a).").

26. Similarly, for Delaware law claims, 10 Del. C. § 6304 provides protection for settling defendants from contribution claims where the settlement agreement provides for a judgment reduction. *See* 10 Del. C. § 6304(b) (settling defendant is “relieve[d] . . . from liability to make contribution to another” where agreement “provides for a reduction, to the extent of the pro rata share of the released [party], of the injured person’s damages recoverable against all the other [parties]”). The Settlement Agreement here includes such a provision. Settlement Agreement ¶ 19.a. Accordingly, entry of the proposed bar order is consistent with both the Texas and Delaware statutes.

III. The Proposed Bar Order Is Consistent with *Purdue Pharma*.

27. The recent case of *Harrington v. Purdue Pharma L.P.*, 144 S. Ct. 2071 (2024), does not have any bearing on the entry of a bar order in this case. In *Purdue Pharma*, the Supreme Court held that a bankruptcy court cannot approve nonconsensual releases of claims against non-debtor third parties as part of a plan of reorganization. *See generally id.* As courts recognized before *Purdue Pharma*, a bar order in connection with a settlement is different than a nonconsensual release in connection with a plan of reorganization. *See Markland v. Davis (In re Centro Grp., LLC)*, 2021 WL 5158001, at *2-3 (11th Cir. Nov. 5, 2021).

28. The proposed bar order here is carefully crafted to include only claims that the Trustee has the exclusive right to pursue, a scenario which *Purdue Pharma* did not address. To be clear, the proposed bar order would *not* apply to direct claims of creditors asserting individualized, non-derivative injuries based on their individual dealings with the Settling Defendants. Nothing in *Purdue Pharma* deprives the Trustee of the ability to release estate claims and causes of action against non-debtors or the Court’s ability to prevent end runs around those releases by precluding third parties from seeking to hold settlors responsible for alleged estate injuries. *See In re ClubX, LLC*, 2024 WL 5182335, at *6 (rejecting argument that settlement bar order was impermissible

under *Purdue Pharma* where the bar order would “only include estate causes of action”); *see also In re MCSGlobal Inc.*, 562 B.R. 648, 655 (E.D. Va. Jan. 4, 2017) (holding that standards for release of third-party direct claims did not apply where “the Trustee has been very careful to affirm that he is not seeking a release of third-party claims; rather, the Trustee is seeking a release of the *estate’s* claims that are released in the settlement”). *Purdue Pharma* thus poses no impediment to granting this Motion.

NOTICE

29. Prior to filing of this Motion, the Trustee coordinated with the Wind Down Trustee and her advisors and Stretto regarding service. The Trustee and Wind Down Trustee wish to ensure the broadest possible notice. A Service List was created that includes all parties on the master mailing matrix, including all WDT Interest holders. Further, the service list now includes individual indirect WDT Interest holders identified by the Wind Down Trustee during this case. Service will occur by First Class US Mail on all parties and also by e-mail whenever possible. Stretto will file an affidavit of service with the Service List attached. Further, this Motion will be posted on the GWG Trust website, and the Trustee will provide notice of this Motion to counsel to all parties (a) against whom the Trustee is pursuing claims, or (b) with whom the Trustee has entered into tolling agreements.

CONCLUSION

WHEREFORE, for the forgoing reasons, the Court should grant the Motion and enter the proposed order submitted herewith, and the Trustee and the Settling Defendants should be granted such other relief as may be appropriate.

Dated: March 7, 2025

Respectfully submitted,

REID COLLINS & TSAI LLP

By: /s/ Nathaniel Palmer

William T. Reid, IV

Tex. Bar No. 00788817

S.D. Tex. Bar No. 17074

Nathaniel J. Palmer (admitted *pro hac vice*)

Tex. Bar No. 24065864

Joshua J. Bruckerhoff

Tex. Bar. No. 24059504

S.D. Tex. Bar No. 1049153

Morgan M. Menchaca

Tex. Bar No. 24103877

S.D. Tex. Bar No. 3697565

Dylan Jones (admitted *pro hac vice*)

Tex. Bar No. 24126834

1301 S. Capital of Texas Hwy

Building C, Suite 300

Austin, Texas 78746

(512) 647-6100

wreid@reidcollins.com

npalmer@reidcollins.com

jbruckerhoff@reidcollins.com

mmenchaca@reidcollins.com

djones@reidcollins.com

Michael J. Yoder (admitted *pro hac vice*)

Tex. Bar No. 24056572

1601 Elm Street, Ste 4200

Dallas, Texas 75201

(214) 420-8912

myoder@reidcollins.com

Tarek F.M. Saad (admitted *pro hac vice*)

Tex. Bar No. 00784892

420 Lexington Avenue, Suite 2731

New York, NY 10170

(212) 344-5203

tsaad@reidcollins.com

Counsel for the GWG Litigation Trustee

ALLEN OVERY SHEARMAN STERLING US LLP

By: /s/ R. Thaddeus Behrens

R. Thaddeus Behrens

Texas Bar No. 24029440

thad.behrens@aoshearman.com

Daniel H. Gold

Texas Bar No. 24053230

daniel.gold@aoshearman.com

Ian E. Roberts

Texas Bar No. 24056217

ian.roberts@aoshearman.com

Matthew A. McGee

Texas Bar No. 24062527

matt.mcgee@aoshearman.com

William D. Marsh

Texas Bar No. 24092762

billy.marsh@aoshearman.com

The Link at Uptown

2601 Olive Street, 17th Floor

Dallas, TX 75201

Tel.: (214) 271-5777

Counsel for Defendants Beneficient Capital Company, L.L.C.; Beneficient Capital Company II, L.L.C.; Beneficient Company Holdings, L.P.; Beneficient Management, L.L.C.; CT Risk Management, L.L.C.; The Beneficient Company Group (USA), L.L.C.; The Beneficient Company Group, L.P.; Thomas O. Hicks; Bruce W. Schnitzer; LiquidTrust Management, L.L.C.; Funding Trust Management, L.L.C.; and Beneficient Fiduciary Financial, L.L.C. in its capacity as Trustee of The Collective Collateral Trust I, The Collective Collateral Trust II, The Collective Collateral Trust III, The Collective Collateral Trust IV, The Collective Collateral Trust V, The Collective Collateral Trust VI, The Collective Collateral Trust VII, The Collective Collateral Trust VIII, The LT-1 Liquid Trust, The LT-2 Liquid Trust, The LT-5 Liquid Trust, The LT-7 Liquid Trust, The LT-8 Liquid Trust, and The LT-9 Liquid Trust

QUINN EMANUEL URQUHART & SULLIVAN, LLP

By: /s/ James C. Tecce

James C. Tecce
NY Bar No. 2919926
295 Fifth Avenue
New York, NY 10016
(212) 849-7199
jamestecce@quinnemanuel.com

*Counsel for Defendant Bradley K. Heppner,
individually*

O'MELVENY & MYERS LLP

By: /s/ Timothy S. Durst

Timothy S. Durst
Tex. Bar No. 00786924
S.D. Tex. Bar No. 19715
2801 N. Harwood Street, Ste. 1600
Dallas, TX 75201
(972) 360-1923
tdurst@omm.com

Counsel for Defendant David F. Chavenson

CLEARY GOTTlieb STEEN & HAMILTON, LLP

By: /s/ Nowell D. Bamberger

Matthew C. Solomon
DC Bar No. 187816
Nowell D. Bamberger
DC Bar No. 989157
2112 Pennsylvania Avenue NW, Ste. 1000
Washington, DC 20037-3229
(202) 974-1500
msolomon@cgsh.com
nbamberger@cgsh.com

Roger B. Cowie
LOCKE LORD, LLP
Tex. Bar No. 00783886
S.D. Tex. Bar No. 18886
rcowie@lockelord.com

2200 Ross Avenue, Suite 2800
Dallas, Texas 75201
Telephone: (214) 740-8000
Facsimile: (214) 740-8800

Counsel for Defendant Timothy L. Evans

S. MICHAEL MCCOLLOCH PLLC

By: /s/ S. Michael McColloch

S. Michael McColloch
Tex. Bar No. 13431950
S.D. Tex. Bar No. 3398015
6060 N. Central Expressway, Ste. 500
Dallas, TX 75206
(214) 643-6055
smm@mccolloch-law.com

Karen Cook
KAREN COOK PLLC
Tex. Bar No. 12696860
S.D. Tex. Bar No. 2837418
6060 N. Central Expressway, Ste. 500
Dallas, TX 75206
(214) 643-6054
karen@karencooklaw.com

Frank J. Wright
LAW OFFICES OF FRANK J. WRIGHT, PLLC
Tex. Bar No. 22028800
S.D. Tex. Bar No. 753096
1800 Valley View Lane, Suite 250
Farmers Branch, TX 75234
(214) 935-9100
frank@fjwright.law

Counsel for Defendant Murray T. Holland

FLETCHER HELD, PLLC

By: /s/ Kenneth P. Held

Kenneth P. Held
Tex. Bar No. 24030333
S.D. Tex. Bar No. 29197

808 Travis Street, Suite 1553
Houston, Texas 77002
(713) 255-0414
kheld@fletcherheld.com

Counsel for Defendant Peter T. Cangany, Jr.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 7, 2025, the foregoing was served on all counsel of record in compliance with the Federal Rules of Civil Procedure.

/s/ Nathaniel Palmer

Nathaniel Palmer

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

Case No. 22-90032 (MI) (Jointly
Administered)

**ORDER GRANTING MOTION OF LITIGATION TRUSTEE AND SETTling
DEFENDANTS FOR ENTRY OF BAR ORDER IN CONNECTION WITH
SETTLEMENT OF ADVERSARY PROCEEDING
[Relates to Adv. Docket No. 2533]**

Upon consideration of the Motion of Litigation Trustee and Settling Defendants for Entry of Bar Order in Connection with Settlement of Adversary Proceeding (the “**Motion**”)² filed by the Trustee and the Settling Defendants; and the Court having reviewed the Motion, the supporting pleadings, and any responses thereto; and the Court having determined that the legal and factual bases set forth in the Motion entitle the Trustee and the Settling Defendants to the relief granted therein; and after due deliberation and sufficient cause appearing therefore, it is hereby ORDERED that:

1. The Motion is GRANTED in its entirety.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (6955); and GWG DLP Funding Holdings VI, LLC (6955). The location of Debtor GWG Holdings, Inc.’s principal place of business and the Debtors’ service address is 325 N. St. Paul Street, Suite 2650 Dallas, TX 75201. Further information regarding the Debtors and these chapter 11 cases is available at the website of the Debtors’ claims and noticing agent: <https://donlinrecano.com/gwg>.

² Capitalized terms used but not defined herein have the meaning ascribed in the Motion and/or in the Settlement Agreement (ECF No. 2533-1) (the “**Settlement Agreement**”), attached as an exhibit to the GWG Litigation Trustee’s Motion for Entry of an Order Approving Settlement Agreement (ECF No. 2533) (the “**9019 Motion**”).

2. Pursuant to the Confirmation Order and Plan, the Trustee has the exclusive right to prosecute claims and seek to recover for alleged injuries to GWG.

3. Upon the Effective Date, the Court permanently bars, restrains, and enjoins all non-Parties to the Settlement Agreement from directly, indirectly, or through a third party instituting, reinstituting, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against any of the Settling Defendants or any of the Released Defendants Releasees, any action, lawsuit, cause of action, liability, claim, investigation, demand, levy, complaint, or proceeding of any nature (with the exception of any claims or demands for contractual indemnification, including but not limited to indemnification rights pursuant to corporate articles of incorporation or bylaws) in any forum that (i) in any way relates to, is based upon, arises from or is connected with the allegations in the Trust Action and/or the allegations in the Class Action, and (ii) seeks to hold any of the Settling Defendants or any of the Released Defendants Releasees liable or responsible for alleged injuries to GWG or its estate. Nothing in this paragraph precludes any third party from asserting any direct claims for any injuries that the third party itself suffered.

4. This Order does not prevent any non-Party who is now or is in the future alleged to be responsible for any portion of the alleged injuries in the Trust Action and/or the Class Action from seeking a settlement credit or other reduction in any judgment obtained against such non-Party to the extent provided for under applicable law.

5. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation, interpretation, or enforcement of this Order.

Signed: _____, 2025

Marvin Isgur
United States Bankruptcy Judge