

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

In re:

GWG HOLDINGS, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

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

**GWG LITIGATION TRUSTEE AND SUCCESSOR WIND DOWN TRUSTEE'S  
JOINT MOTION TO REFER NON-JACKSON WALKER RELATED MATTERS TO A  
BANKRUPTCY JUDGE**

[Relates to ECF Nos. 2733, 2771, and 2801]

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT <https://ecf.txsb.uscourts.gov/> WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

TO THE HONORABLE CHIEF JUDGE ALIA MOSES:

Michael I. Goldberg, in his capacity as the Trustee of the GWG Litigation Trust (the "Litigation Trustee") of the GWG Litigation Trust ("Litigation Trust"), and Tom A. Howley, in his capacity as Successor Wind Down Trustee (the "Successor Wind Down Trustee") of the GWG Wind Down Trust ("Wind Down Trust"), respectfully move the Court to refer all non-Jackson Walker related matters currently pending in this case to a United States Bankruptcy Judge in the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, were: 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). Information regarding these chapter 11 cases is available at [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com).

Southern District of Texas. In support thereof, the Litigation Trustee and Successor Wind Down Trustee (together, the “Trustees”) state as follows:

### **INTRODUCTION**

1. The Trustees respectfully seek an order referring all adversary proceedings and motions that do not concern (a) Jackson Walker LLP’s post-petition representation of GWG or (b) former Bankruptcy Judge Jones (“Jones”) role as mediator in this bankruptcy case (“Non-JW Matters”) to a bankruptcy judge so that those matters may proceed without delay toward adjudication and approval under the Bankruptcy Code, the Confirmed Plan, and the Confirmation Order.<sup>2</sup>

2. Since his appointment in August 2023, the Litigation Trustee has filed multiple adversary and arbitration proceedings, primarily arising from a series of pre-petition transactions between GWG Holdings, Inc. (together with its subsidiaries, “GWG”), a company named Beneficient, and entities affiliated with Bradley K. Heppner (“Heppner”), Beneficient’s founder and former chairman of GWG’s board of directors. Two such adversary proceedings are currently pending, which include claims against Heppner-related entities and trusts that received approximately \$140 million in GWG funds and counsel that represented certain of those entities. In both cases, motions to dismiss by the remaining parties have been fully briefed since December 2024 and September 2025, respectively, but remain awaiting hearing dates. In addition, the Litigation Trustee has reached multiple settlements that have been awaiting court approval since October 2025, including one settlement that affects how settlement proceeds will be distributed among the Wind Down Trust’s beneficiaries. These adversary proceedings and settlement motions

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<sup>2</sup> The GWG Litigation Trust was formed effective August 1, 2023 upon the effective date of the Confirmed Plan. *See Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Further Modified Second Amended Joint Chapter 11 Plan, In re GWG*, Case No. 22-90032, ECF No. 1952 (“Confirmation Order”); *see also id.* Ex. A (“Confirmed Plan”), Ex. B (“Wind Down Trust Agreement”), and Ex. C (“Litigation Trust Agreement”).

primarily concern prepetition transactions that occurred long before Jackson Walker represented GWG as debtors' counsel and Jones served as mediator in GWG's bankruptcy case.

3. The Litigation Trustee and Successor Wind Down Trustee also anticipate that additional adversary proceedings, settlement motions, and essential administrative motions will be filed in the coming months that likewise concern prepetition events or are otherwise unrelated to Jackson Walker's representation of GWG or Jones' role as mediator. Among those anticipated filings are motions that will resolve a critical gating issue affecting when the Wind Down Trust may begin making distributions to its beneficiaries—including GWG's former bondholders—as well as motions seeking to extend the dissolution deadlines of the Litigation Trust and Wind Down Trust so that the trusts may continue their work to maximize recoveries and distribute proceeds.

4. Because the Litigation Trust and Wind Down Trust were created under the Confirmed Plan as mechanisms to administer estate assets and distribute recoveries to creditors, referral to a bankruptcy judge will promote efficient implementation of the Confirmed Plan and ensure that these matters proceed expeditiously before a court familiar with the bankruptcy case and the trusts established under it. Both the Litigation Trustee and the Successor Wind Down Trustee support this request, and referral will not prejudice any party because it simply allows Non-JW Matters—many of which are already fully briefed or awaiting hearing dates—that are neither part of the Jackson Walker fee dispute nor involve claims against Judge Jones to proceed before a bankruptcy judge while all Jackson Walker and Jones-related proceedings continue before this Court.

### **PROCEDURAL BACKGROUND**

5. On April 9, 2025, Your Honor granted the U.S. Trustee's Motion for Withdrawal of the Reference in each of the 34 bankruptcy cases concerning the conduct of Judge Jones, Elizabeth Freeman, and Jackson Walker. ECF No. 2572. On April 11, 2025, Your Honor thereafter

reassigned and referred back to Judge Isgur the various matters that are neither (i) part of the Jackson Walker fee dispute nor (ii) claims against Judge Jones pursuant to 28 U.S.C. § 157(a). ECF No. 2574.

6. On August 4, 2025, Gary Peterson, Chris Nakashima, John English, Jaquetta English, LT-1 Exchange Trust, LT-2 Exchange Trust, LT-3 Exchange Trust, LT-4 Exchange Trust, LT-5 Exchange Trust, LT-6 Exchange Trust, LT-7 Exchange Trust, LT-8 Exchange Trust, LT-9 Exchange Trust, LT-12 Exchange Trust, LT-14 Exchange Trust, LT-15 Exchange Trust, LT-17 Exchange Trust, LT-18 Exchange Trust, LT-19 Exchange Trust, and LT-20 Exchange Trust (the “Peterson Plaintiffs”) filed a motion to recuse Judge Isgur as presiding judge of the GWG bankruptcy. ECF No. 2733.

7. Your Honor’s November 3, 2025 order granted the Peterson Plaintiffs’ motion and recused Judge Isgur from this case and related matters and provided that the GWG case would be transferred to another United States Bankruptcy Judge in the Southern District of Texas, leaving Non-JW Matters on hold pending reassignment. ECF No. 2771. Since that recusal, all Non-JW Matters have been on hold pending the appointment of a new bankruptcy judge.

**OVERVIEW OF PENDING AND UPCOMING MATTERS  
UNRELATED TO JACKSON WALKER**

8. The Plan and Confirmation Order established the Litigation Trust for the purpose of prosecuting or settling certain of the Debtors’ causes of action. *See* Plan Art. I(A)(161). Since his appointment as Trustee of the Litigation Trust in August 2023, the Litigation Trustee has investigated several targets and claims and filed multiple adversary and arbitration proceedings arising out of GWG’s pre-petition relationship with Beneficient and Heppner, who was recently

indicted based on substantially similar allegations.<sup>3</sup> The Litigation Trustee has also reached several pre- and post-suit settlements with multiple parties. To date, the Bankruptcy Court has approved settlements totaling \$91.3 million in gross proceeds, which are expected to result in approximately \$55 million in distributions to the Wind Down Trust's beneficiaries in accordance with the preordained waterfall as set forth in the Plan.

9. The work of the Litigation Trust and Wind Down Trust remains ongoing, however. Several adversary proceedings and other matters remain pending, including settlement motions that impact how much and when proceeds recovered thus far by the Litigation Trust will be distributed to the Wind Down Trust's beneficiaries. The Non-JW Matters currently being managed by the Litigation Trustee include:<sup>4</sup>

- a) **The D&O Adversary Proceeding**, *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090, which involves claims against certain former GWG directors and officers, Beneficient, and entities related to Beneficient and Mr. Heppner. The Bankruptcy Court approved in June 2025 a settlement with Beneficient and GWG's former directors and officers (the "D&O Settlement"), which became final on February 13, 2026. *See* ECF No. 173. The D&O Settlement did not resolve claims against certain Heppner-affiliated entities for pre-petition transactions and conduct, which remain pending. Those entities filed several motions, including to dismiss, withdraw the reference, and transfer venue. Those motions are fully briefed and remain pending.
- b) **The Holland & Knight Adversary Proceeding**, *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064, which asserts RICO and related common-law claims arising out of defendants' representation of certain Heppner-affiliated entities in pre-petition transactions. Defendants' motion to dismiss has been fully briefed, and the parties have been awaiting a hearing date since September 26, 2025.

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<sup>3</sup> <https://www.justice.gov/usao-sdny/pr/former-ceo-and-board-chairman-charged-fraud-scheme-directed-public-company>.

<sup>4</sup> Notably, this Motion does not seek relief related to any GWG matters that do involve Jackson Walker. For example, the Litigation Trustee's Motion to Intervene for the limited purpose of opposing Plaintiffs' Motion for Limited Special Appointment and/or Derivative Standing in *Peterson, et al. v. David R. Jones, et al.*, Case No. 4:25-cv-2761 (ECF No. 49) remains pending before Your Honor. Per Your Honor's Order on February 5, 2026, the GWG Settlement Motion between the GWG Litigation Trust and Jackson Walker would be heard at the consolidated trial on the Vacatur Motions and will remain abated until Your Honor reviews Chief Judge Rodriguez's forthcoming report and further recommendations on the consolidated trial. *In re Professional Matters Concerning the Jackson Walker Law Firm*, Case No. 4:23-cv-4787 (ECF No. 181).

- c) **The RLF Settlement Motion**, a proposed \$5 million settlement with Richards, Layton & Finger, P.A., which served as pre-petition counsel to GWG and is the subject of a motion filed October 3, 2025. ECF No. 2749. The RLF Settlement Motion remains pending without a hearing date.
- d) **The Beneficient Settlement Motion**, a proposed settlement with Beneficient, filed October 3, 2025, which would channel all monetary recoveries from Heppner-related entities—whether obtained by the Litigation Trustee or by Beneficient—exclusively to the Litigation Trust for distribution under the Confirmed Plan, and establish a cooperative framework to coordinate claims. ECF No. 2750. The Beneficient Settlement Motion remains pending without a hearing date.
- e) **The PCA Settlement Motion**, a proposed settlement with Paul Capital Advisors, LLC and affiliates, filed October 3, 2025, which resolves pre-petition claims and provides for a \$1.9 million payment to the Litigation Trust and withdrawal of proofs of claim totaling approximately \$400 million. ECF No. 2751. The PCA Settlement Motion remains pending without a hearing date.

10. Importantly, the Successor Wind Down Trustee has reviewed each of the non-Jackson Walker settlement motions discussed above (the “Pending Settlement Motions”) and has been apprised of the status of each of the pending adversary proceedings described above. The Successor Wind Down Trustee fully supports the Pending Settlement Motions and agrees with the Litigation Trustee that allowing these Non-JW Matters to proceed before a bankruptcy judge will aid the efficient administration of the trusts’ affairs, including by increasing and expediting distributions to the Wind Down Trust’s beneficiaries.

11. Of particular note, the Pending Settlement Motions, if approved, will impact not just the amount the Wind Down Trust can distribute, but also when it can distribute funds to its beneficiaries. Specifically, in addition to a settlement payment of \$1.9 million, the PCA Settlement resolves the PCA Parties’ proofs of claim, which constitute \$400 million of the \$404 million Series B WDT Interests (representing general unsecured claims). As a result, if the PCA Settlement is approved, the Series B WDT Interests in the Wind Down Trust will be reduced from \$400 million

to approximately \$5 million (with one remaining contingent claim to resolve), allowing the Wind Down Trust to distribute more to GWG’s former bondholders, which hold Series A WDT Interests. Resolving the PCA Parties’ proofs of claim—along with the “Indenture Diminution Claim” discussed below—is a gating issue that must be resolved before the Wind Down Trust can begin distributing any funds to GWG’s former bondholders.

12. Relatedly, the Successor Wind Down Trustee anticipates filing a motion to resolve another gating issue affecting distributions to the Wind Down Trust’s beneficiaries. The Confirmed Plan provides a specific waterfall as to how the Wind Down Trust must distribute proceeds it receives from the Litigation Trust. Confirmed Plan at Art.VI(C). To summarize, the Confirmed Plan provides that the Wind Down Trust must distribute such proceeds to first pay “Indenture Fee and Expense Claims” and then to Series A1 WDT Interest holders “on account of the Indenture Diminution Claim.” *Id.* Once those amounts are paid in full, net proceeds are then paid on a *pro rata* basis to Series A1, A2, and B WDT Interest holders up to certain amounts, and so on under the Confirmed Plan. *Id.*

13. The Confirmed Plan, however, did not specify the “Indenture Diminution Claim” amount, instead leaving the amount subject to further negotiation. *Id.* at Art. I (99). Upon his recent appointment, the Successor Wind Down Trustee moved expeditiously to better understand the status of this open item and to immediately commence in negotiations with counsel to the Indenture Trustee to resolve this gating item to the preliminary distribution. The Successor Wind Down Trustee is currently negotiating with the Indenture Trustee to determine the amount of the “Indenture Diminution Claim” and will thereafter seek court approval of that resolution. That settlement and court approval of it—like the PCA Settlement—are gating issues that the Trustees

wish to expeditiously resolve so that distributions to GWG’s former bondholders may begin given there is approximately \$55 million available to distribute.

14. In addition to these pending or soon-to-be pending matters, the Litigation Trustee anticipates filing additional adversary proceedings and settlement motions in the coming months that are also Non-JW Matters. The Litigation Trustee has entered into tolling agreements with a number of parties and continues to actively investigate and pursue claims against those parties, which will result in additional adversary proceedings and/or proposed settlements being filed soon.

15. And finally, the Trustees will file motions to extend the dissolution deadlines of the Litigation Trust and Wind Down Trust, which otherwise expire on August 1, 2026, in the near future so that the Trustees may fully administer the assets and perform their respective duties as Trustee of the Litigation Trust and Trustee of the Wind Down Trust. *See* Litigation Trust Agreement § 7.1; Wind Down Trust Agreement § 3.2. As detailed above, the Litigation Trustee’s work remains ongoing, and the Litigation Trustee does not expect to be able to reasonably complete these activities by August 1, 2026.

### **ARGUMENT**

16. Good cause exists to refer the Non-JW Matters to a bankruptcy judge so that they may proceed promptly. The matters identified in this Motion—including adversary proceedings brought by the Litigation Trustee, motions seeking approval of settlements of estate claims, and other administrative motions—are proceedings that arise in or are related to GWG’s chapter 11 case and the implementation of the Confirmed Plan. *See, e.g.*, 11 U.S.C. § 105(a) (A bankruptcy court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”); *see also* Confirmation Order ¶ 35 (“Subject to Article XI of the Plan, pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court retains exclusive jurisdiction with respect to all matters arising from or related to these Chapter 11 Cases, the Plan,

and the implementation of this Confirmation Order, including, without limitation, those matters set forth in Article XI of the Plan.”). These matters are central to the administration of the estate and are unrelated to the separate issues concerning Jackson Walker or Jones. Consequently, segregating them from the remaining estate-administration matters will streamline the proceedings and prevent unnecessary delay in the Trusts’ efforts to collect and distribute funds to their beneficiaries.

17. Under 28 U.S.C. § 157(a), district courts may refer cases under title 11 and proceedings arising under, arising in, or related to cases under title 11 to bankruptcy judges. Consistent with that statutory framework, district courts retain authority to determine whether particular proceedings should proceed before a bankruptcy judge. Referral is particularly appropriate here because the bankruptcy court will likely be required to address additional issues relating to the administration of the Litigation Trust and Wind Down Trust in the near future, including requests to extend the dissolution deadlines of those trusts and other matters arising under the Confirmed Plan and governing trust agreements. Because those issues are intertwined with the Litigation Trustee’s prosecution and resolution of the Retained Causes of Action, referral will ensure efficient and consistent supervision of plan implementation.

18. The relief requested is intended solely to allow Non-JW Matters to proceed in the ordinary course before a bankruptcy judge. The Trustees do not seek to alter this Court’s oversight of the Jackson Walker- or Jones-related proceedings. Rather, the requested referral would simply permit the bankruptcy court to resume its traditional role in supervising claims resolution, litigation, and settlements arising from the Retained Causes of Action and the implementation of the Confirmed Plan. Allowing those matters to proceed in parallel with the Jackson Walker and

Jones proceedings will promote efficiency while preserving this Court's authority over the issues currently before it.

**PRAYER**

WHEREFORE, the Litigation Trustee and Successor Wind Down Trustee respectfully request entry of an order:

- a) Referring to a United States Bankruptcy Judge for the Southern District of Texas all pending adversary proceedings and motions identified in Paragraph 4(a)–(e) above, and any related proceedings or requests for relief that do not concern Jackson Walker's representation of GWG or Jones' role as mediator;
- b) Authorizing the Bankruptcy Court to conduct all necessary proceedings, including hearings and determinations on dispositive motions, approval of settlements, pretrial management, and, as applicable, entry of final orders and judgments consistent with governing law; and
- c) Granting such other and further relief as is just and proper.

**Dated:** March 16, 2026

**REID COLLINS & TSAI LLP**

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*Successor Wind Down Trustee*

**CERTIFICATE OF SERVICE**

I, Nathaniel J. Palmer, certify that on March 16, 2026, caused a true and correct copy of this Motion to Refer Non-Jackson Walker Related Matters to a Bankruptcy Judge to be served by the Court's CM/ECF system on all parties entitled to notice. In addition, the Successor Wind Down Trustee posted this Motion on the GWG website as an additional notice measure for the beneficiaries of the Wind Down Trust.

/s/ Nathaniel J. Palmer  
Nathaniel J. Palmer

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

In re:

GWG Holdings, Inc., *et al.*<sup>1</sup>

Debtors.

Chapter 11

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

**ORDER GRANTING GWG LITIGATION TRUSTEE AND SUCCESSOR WIND  
DOWN TRUSTEE'S JOINT MOTION TO REFER NON-JACKSON WALKER  
RELATED MATTERS TO A BANKRUPTCY JUDGE**

Before the Court is the *GWG Litigation Trustee and Successor Wind Down Trustee's Joint Motion to Refer Non-Jackson Walker Related Matters to a Bankruptcy Judge* (the "Motion"). The Court, having reviewed the Motion, the responses and objections thereto, the applicable law, and the arguments of counsel, is of the opinion that the Motion is with merit. It is hereby ordered that the Motion is **GRANTED**. It is therefore:

**ORDERED** that all pending adversary proceedings and motions identified in the Motion, and any related proceedings or requests for relief that do not concern Jackson Walker's representation of GWG or Jones' role as mediator are referred to \_\_\_\_\_, United States Bankruptcy Judge for the Southern District of Texas, who is authorized to conduct all necessary proceedings, including hearings and determinations on dispositive motions, approval of settlements, pretrial management, and, as applicable, entry of final orders and judgments consistent with governing law.

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<sup>1</sup> The Debtors in these chapter 11 cases (these "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, were: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (none); and GWG DLP Funding Holdings VI, LLC (none). 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>.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable Alia Moses  
Chief United States District Judge