

THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.



RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: \_\_\_\_\_  
Print Name: Bernard HAISSELY  
Title: President

June 21, 2010

Date

SUCCESSOR PROTECTOR:

\_\_\_\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

Date

*EXECUTION VERSION*

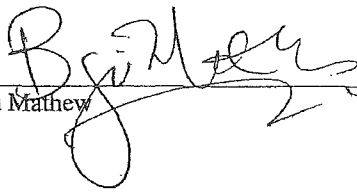
EXHIBIT P

Form of Manila Related Parties' Assignments

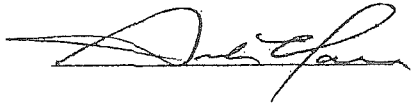
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [\_\_\_\_\_], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Quantec, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010

  
\_\_\_\_\_  
Biju Mathew

IN THE PRESENCE OF:

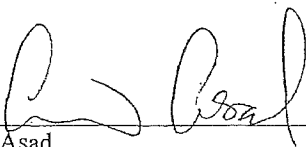
  
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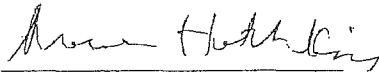
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Quantec, Inc. represented by certificate No. 10, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-9, 2010

  
\_\_\_\_\_  
Amir Asad

IN THE PRESENCE OF:

  
\_\_\_\_\_

*EXECUTION VERSION*

STOCK POWER

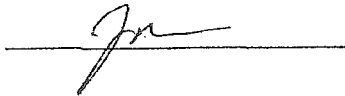
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [\_\_\_\_\_], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Quantec, Inc. represented by certificate No. 11, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010



\_\_\_\_\_  
Rohit Krishan

IN THE PRESENCE OF:

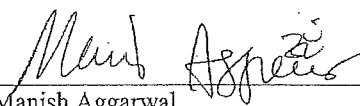


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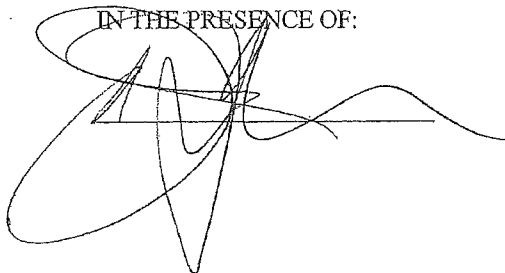
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Quantec, Inc. represented by certificate No. 12, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7/9, 2010

  
\_\_\_\_\_  
Manish Aggarwal

IN THE PRESENCE OF:

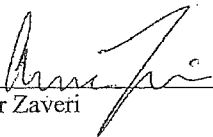
  
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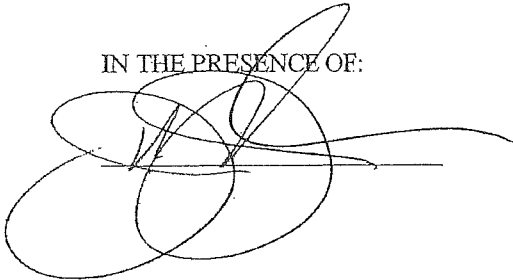
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Quantec, Inc. represented by certificate No. 13, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7/5, 2010

  
\_\_\_\_\_  
Amer Zaveri

IN THE PRESENCE OF:

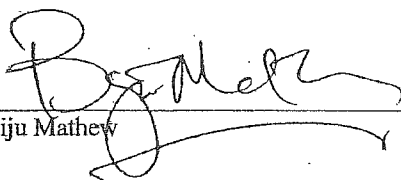
  
\_\_\_\_\_

*EXECUTION VERSION*

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [\_\_\_\_\_], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 3, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010

  
\_\_\_\_\_  
Biju Mathew

IN THE PRESENCE OF:



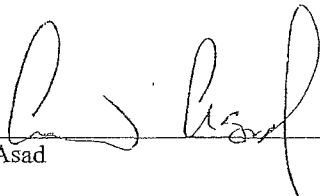


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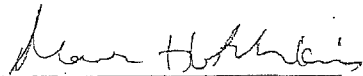
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 4, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-9, 2010

  
\_\_\_\_\_  
Amir Asad

IN THE PRESENCE OF:


  
\_\_\_\_\_

*EXECUTION VERSION*

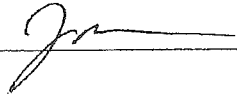
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [\_\_\_\_\_], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 5, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010

  
\_\_\_\_\_  
Rohit Krishan

IN THE PRESENCE OF:

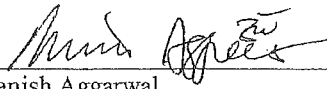
  
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*EXECUTION VERSION*

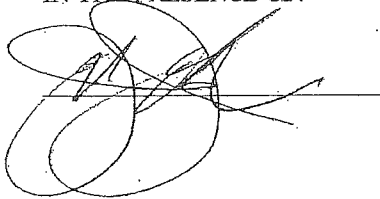
STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-9, 2010

  
\_\_\_\_\_  
Manish Aggarwal

IN THE PRESENCE OF:

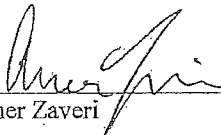
  
\_\_\_\_\_

*EXECUTION VERSION*

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint \_\_\_\_\_ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-9, 2010

  
\_\_\_\_\_  
Amer Zaveri

IN THE PRESENCE OF:

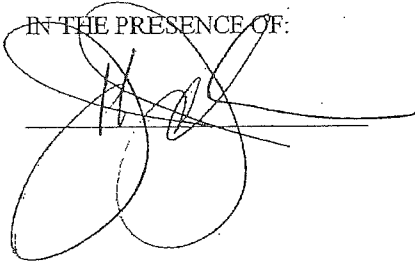
  
\_\_\_\_\_

EXHIBIT P

Form of PN Management Limited Resignation

RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR  
PROTECTOR OF THE MMSK TRUST

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers, Asiastrust Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, PN Management Limited is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, PN Management Limited wishes to appoint a successor Protector of the Trust; and

WHEREAS, PN Management Limited (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein.

NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint Cook Islands Trust Protectors Limited as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby accept its appointment as Protector of the Trust.

3. Pursuant to Article V.D., Article III.G. and Article XIX of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Protector and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED



THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.



RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: \_\_\_\_\_  
Print Name: Bernad HAISLY  
Title: President

June 21, 2010  
Date

SUCCESSOR PROTECTOR:

\_\_\_\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

RESIGNING PROTECTOR:

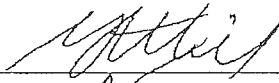
PN MANAGEMENT LIMITED

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LTD.

By:   
Print Name: ANTHONY WILL  
Title: AUTHORISED SIGNATORY

18 August 2010  
Date



EXHIBIT O

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE  
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

WHEREAS, the Protector desires to appoint GCSL Trustees Limited as successor Trustee of the Trust.

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.

2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.

3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Successor Trustee under the above indemnity shall not extend to the Liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the

Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertakings and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations relate to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED  
ALL DIRECTORS LIMITED  
BY ITS ONLY AUTHORISED OFFICER

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

8/23/2010  
Date

SUCCESSOR TRUSTEE

Appointment Accepted

GCSL TRUSTEES LIMITED

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_  
by its nominee

\_\_\_\_\_  
Date

ACKNOWLEDGED

PN MANAGEMENT LIMITED,  
Protector of The MMSK Trust

By: \_\_\_\_\_  
Print name: Bernard Hanly  
Title: President

21 June 2010  
Date

*EXECUTION VERSION*

**EXHIBIT R**

Form of PN Management Limited Resignation

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE  
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.

2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.

3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and, officers, and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the Liabilities of the Successor Trustee under the above indemnity shall not extend to the liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend

**EXECUTION VERSION**

only to the Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertaking and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations related to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

**RESIGNING TRUSTEE**

ASIATRUST LIMITED

ATP DIRECTORS LIMITED  
BY ITS DULY AUTHORISED OFFICER

By: \_\_\_\_\_  
Print name: LESLEY KATOA & LISA IRD  
Title: \_\_\_\_\_

9th July, 2010  
Date

**SUCCESSOR TRUSTEE**

Appointment Accepted

GCSL TRUSTEES LIMITED

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

ACKNOWLEDGED

PN MANAGEMENT LIMITED,  
Protector of The MMSK Trust

By: \_\_\_\_\_  
Print name: Bernard Henry  
Title: President

21 June 2010  
Date

*EXECUTION VERSION*

**Joinder Agreement**

WHEREAS, the Trust is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, the Protector (as defined above) desires for GCSL Trustees Limited to (i) acknowledge receipt of a copy of the Settlement Agreement; and (ii) in its capacity as successor Trustee of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, GCSL Trustees Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

GCSL TRUSTEES LIMITED

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

SUPPLEMENTAL AGREEMENT  
TO  
MUTUAL SETTLEMENT AND RELEASE AGREEMENT

1. **Parties and Background.** The parties (collectively, the "Parties," and individually, a "Party") to this Supplemental Agreement to Mutual Settlement and Release Agreement (this "Agreement") are described as follows.

(a) Jeffrey Baron ("Baron") is an individual who resides and is domiciled in Carrollton, Dallas County, Texas. Baron is the primary beneficiary of The Village Trust (the "Trust").

(b) Ondova Limited Company (d/b/a Compana, LLC) is a Texas limited liability company ("Ondova"), which serves as the registrar for the domain names referenced in Section 4 of this Agreement.

(c) Asiatrust Limited ("Asiatrust" or the "Trustee") is a company that is organized under the laws of the Cook Islands, in its corporate capacity and as trustee of The Village Trust. Asiatrust is a wholly owned subsidiary of Asiatic Trust Pacific Limited, which is headquartered in Singapore and which is owned by private individuals who reside in Australia, Singapore, and the Cook Islands. Asiatrust provides trustee services and corporate management services for clients who create, and/or are beneficiaries of, trust and entity structures situated in the Cook Islands. In exchange for these services, Asiatrust charges an initial acceptance fee, a flat annual fee every year thereafter, and to the extent that any additional work is required over and above ordinary trust administration and entity maintenance, such work is charged by the hour. Asiatrust typically employs outside counsel to perform work that is outside the scope of Asiatrust's fiduciary services. Currently, Asiatrust has engaged the law firms of Hitchcock Evert, LLP; Hohmann, Taube & Summers, LLP; and West & Associates, LLP to provide assistance with litigation matters; and Asiatrust has engaged the law firm of Schurig Jetel Beckett Tackett ("SJB T") to provide assistance with accounting, bookkeeping, tax reporting, and business management matters.

(d) Stowe Protectors Ltd. ("Stowe" or the "Protector") is a company organized under the laws of the British Virgin Islands, in its corporate capacity and as protector of the Trust. Stowe is wholly owned by attorneys who are members of the Swiss law firm, Schellenberg Wittmer; one of the largest law firms in Switzerland. Stowe provides independent protectorship services for various international trusts. These services include consenting to distributions from, and contributions to, such trusts; changing the jurisdiction and governing law of such trusts; and removing and replacing the trustees of such trusts. In exchange for these services, Stowe charges an initial acceptance fee, a flat annual fee every year

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thereafter, and to the extent that Stowe is called upon to exercise its powers as a protector, such work is charged by the hour.

2. **Trustee and Protector Succession.** The Parties agree to extend the date that the Trustee and Protector will resign to no later than September 30, 2010. Baron agrees to confirm the names of the new trustee and the new protector no later than September 15, 2010. However, Baron's failure to confirm the names of the new trustee and the new protector by September 15, 2010, shall not change the date that the Trustee and Protector may resign, and all risks associated with the failure to timely appoint a new protector and a new trustee shall be assumed by Baron. The Parties further agree that the documents attached hereto as Exhibit "A" and Exhibit "B" to this Agreement will be used to effectuate the change in the office of trustee and protector.

3. **Fees and Expenses**

(a) Attorneys' Fees for June and July 2010. The Parties agree that the Trustee will pay no more than \$175,000.00 collectively to the law firms of Hitchcock Evert LLP; Hohmann, Taube & Summers, LLP; West & Associates, LLP; and SJBT for legal services rendered in the months of June and July 2010, and shall pay no other legal fees or expenses except as expressly provided in this Agreement or otherwise approved by order of Court.

(b) Trustee and Protector Fees for June and July 2010. The Parties agreed on July 12 that the Trustee will pay the regularly occurring Trustee and Protector fees for services rendered in the months of June and July 2010, then estimated to be approximately \$12,000. Subsequently, the Trust presented total bills, including for services rendered prior to June, 2010 totaling \$20,658.33. The Trustee intends to pay the \$20,658.33 to satisfy all outstanding Trustee and Protector fees. Baron consents only to the Trust paying \$12,000 of the \$20,658.33 and not to any further or other payments in respect of such Trustee and Protector fees. Pronske & Patel, P.C. ("P&P") has agreed to credit any amounts actually paid under this paragraph against the claimed fees from Mr. Baron to P&P, provided, however, that such credit will be given only if Mr. Baron makes mutually acceptable arrangements for the payment of P&P's claimed fees, whether from the Trust or any other source.

(c) Attorneys' Fees for the Period of Time between August 1, 2010, and the Date that the New Trustee and Protector Commence Serving. The Parties agree that between August 1, 2010, and the date that the new trustee and protector commence serving, SJBT will continue to: (i) provide administrative and accounting support for the Trust; (ii) provide business and accounting support, for the following LLCs that are owned by the Trust (the "LLCs"): Iguana Consulting LLC, Novo Point LLC,

Quantec LLC; Shiloh, LLC, Javelina, LLC; (iii) prepare and file the 2009 Forms 1041 and 3520A for the Trust, as well as any forms (including without limitation tax forms) that are necessary to be filed for entities owned by the Trust (including without limitation LLCs and corporations), provided that the Parties understand that the Forms 5471 are forms that are required to be prepared by Baron and attached to his Form 1041 and therefore will not be completed by SJBT; and (iv) perform all tasks necessary to transition the LLCs and the Trust assets to a successor trustee. For that work, the Trustee and the LLCs will pay SJBT a combined amount of \$1,000.00 per calendar day. If it is necessary for the Trustee to employ litigation counsel or to ask SJBT to perform additional services between August 1, 2010, and the date that the new Trustee and Protector commence serving, the Trustee will pay such litigation counsel's and SJBT's fees and expenses in addition to the amounts described above that will be paid to SJBT, only upon express approval by all Parties or upon approval by order of Court. Any Party who unreasonably withholds approval will be liable for any consequential damage to the trust assets.

(d) Trustee and Protector Fees for the Period of Time between August 1, 2010, and the Date that the New Trustee and Protector Commence Serving. The Parties agree that for the period of time between August 1, 2010, and the date that the new trustee and protector commence serving, the Trustee will pay the regularly occurring Trustee and Protector fees for services rendered during that time period.

(e) Trust and LLC Expenses. The Parties agree that all third party fees and expenses (limited to registration fees, amounts required under the Mutual Settlement and Release Agreement, amounts required by this Agreement, governmental charges, and directors' fees, provided that these fees do not exceed \$5,000.) will be paid by the Trustee on a timely basis until the date that the new trustee and protector commence serving.

**4. Release and Discharge.** The Parties also agree that the RELEASE and DISCHARGE provisions set forth in the Mutual Settlement and Release Agreement shall be extended through to the date that a new trustee and a new protector commence serving, regardless of whether any claims or causes of action have yet accrued.

Executed by the Parties, to be effective as of 19 August 2010.

  
Jeffrey Baron

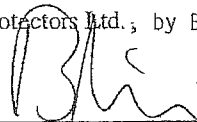
Ondova Limited Company (d/b/a Compana, LLC)

By: \_\_\_\_\_  
Daniel J. Sherman  
Chapter 11 Bankruptcy Trustee

Asiatrust Limited

By: \_\_\_\_\_  
Authorized signatories

Stowe Protectors Ltd., by Bernard Vischer, Director

By:  \_\_\_\_\_  
Authorized signatory

Iguana Consulting LLC  
by Novquant LLC, its Manager

By: \_\_\_\_\_  
Authorized signatories

Novo Point LLC  
by Novquant LLC, its Manager

By: \_\_\_\_\_  
Authorized signatories

Quantec LLC  
by Novquant LLC, its Manager

By: \_\_\_\_\_  
Authorized signatories

Ondova Limited Company (d/b/a Compana, LLC)

By: \_\_\_\_\_  
Daniel J. Sherman  
Chapter 11 Bankruptcy Trustee

Asiatrust Limited

**ATP DIRECTORS LIMITED**  
BY ITS DULY AUTHORISED OFFICER

By: \_\_\_\_\_  
Authorized signatories

Stowe Protectors Ltd.

By: \_\_\_\_\_  
Authorized signatory

Iguana Consulting LLC

by Novquant LLC, its Manager

**ATP DIRECTORS LIMITED**  
BY ITS DULY AUTHORISED OFFICER

-director/manager of Novquant LLC

By: \_\_\_\_\_  
Authorized signatories

Novo Point LLC

by Novquant LLC, its Manager

**ATP DIRECTORS LIMITED**  
BY ITS DULY AUTHORISED OFFICER

director/manager of Novquant LLC

By: \_\_\_\_\_  
Authorized signatories

Quantec LLC

by Novquant LLC, its Manager

**ATP DIRECTORS LIMITED**  
BY ITS DULY AUTHORISED OFFICER

director/manager of Novquant LLC

By: \_\_\_\_\_  
Authorized signatories

**RESIGNATION OF TRUSTEE, APPOINTMENT OF SUCCESSOR TRUSTEE, AND  
DESIGNATION OF GOVERNING LAW  
OF THE VILLAGE TRUST**

WHEREAS, on December 30, 2005, Jeffrey Baron, as Settlor (the "Settlor"), Asiatrust Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The Village Trust (the "Trust");

WHEREAS, PN Management Limited resigned as Protector of the Trust and Stowe Protectors Ltd. was appointed the Protector of the Trust on February 3, 2009;

WHEREAS, Stowe Protectors Ltd. is currently serving as Protector of the Trust (the "Protector");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XVII of the Trust Deed;

WHEREAS, Asiatrust Limited desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein;

WHEREAS, the Protector desires to appoint Southpac Trust International, Inc., as successor Trustee of the Trust;

WHEREAS, the Trust is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 by an Order signed July 28, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, the Protector desires for Southpac Trust International, Inc. to (i) acknowledge receipt of a copy of the Settlement Agreement and (ii) in its capacity as successor Trustee of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement.

NOW, THEREFORE, the parties hereto agree to the following:

1. The Resigning Trustee does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and the Resigning Trustee is hereby

discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.

2. Stowe Protectors Ltd., as Protector, does hereby appoint Southpac Trust International, Inc. as successor Trustee of the Trust (the "Successor Trustee") to exercise all powers and discretions granted to the Trustee under the Trust Deed.

3. The Successor Trustee does hereby accept its appointment as successor Trustee of the Trust and hereby (i) acknowledges receipt of a copy of the Settlement Agreement; (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement; and (iii) covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below), pursuant to Article III.B.3. and Article XVII, to release and indemnify the Resigning Trustee and its directors, officers, employees and its successors in title against any and all liabilities, actions, proceedings, claims, undertakings, obligations, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the Liabilities of the Successor Trustee under the above release and indemnity shall not extend to the Liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above release and indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The provisions of this document shall take effect on September 29, 2010 (the "Effective Date"). Upon the Effective Date, the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

5. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

6. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

7. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

SUCCESSOR TRUSTEE

Appointment Accepted

SOUTHPAC TRUST INTERNATIONAL, INC.

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

ACKNOWLEDGED

STOWE PROTECTORS LTD.,  
Protector of The Village Trust

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR  
PROTECTOR OF THE VILLAGE TRUST

WHEREAS, on December 30, 2005, Jeffrey Baron, as Settlor (the "Settlor"), Asiastust Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The Village Trust (the "Trust");

WHEREAS, PN Management Limited resigned as Protector of the Trust and Stowe Protectors Ltd. was appointed the Protector of the Trust on February 3, 2009;

WHEREAS, Stowe Protectors Ltd. is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XVII of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, Stowe Protectors Ltd. wishes to appoint a successor Protector of the Trust;

WHEREAS, Stowe Protectors Ltd. (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein;

WHEREAS, the Trust is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 by an Order signed July 28, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, the Resigning Protector desires for the Successor Protector (as defined below) to (i) acknowledge receipt of a copy of the Settlement Agreement and (ii) in its capacity as successor Protector of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement.



NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint [REDACTED] as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby (i) accept its appointment as Protector of the Trust, (ii) acknowledge receipt of a copy of the Settlement Agreement; and (iii) covenants and agrees, in its capacity as Protector of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

3. Pursuant to Article V.D., Article III.G. and Article XVII of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to release and indemnify the Resigning Protector and its directors, officers, employees and its successors in title against any and all liabilities, actions, proceedings, claims, undertakings, obligations, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED THAT the Liabilities of the Trustee under the above release and indemnity shall not extend to the Liabilities that arise from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above release and indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector does hereby resign as Protector of the Trust.

5. The provisions of this document shall take effect on September 30, 2010.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.

RESIGNING PROTECTOR

STOWE PROTECTORS LTD.

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

SUCCESSOR PROTECTOR

████████████████████

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

ACKNOWLEDGED

SOUTH PAC TRUST INTERNATIONAL, INC.,  
Trustee of The Village Trust

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date

TAB 8

**Urbanik, Raymond**

---

**From:** Beebe, Annette  
**Sent:** Thursday, June 20, 2013 4:37 PM  
**To:** Urbanik, Raymond  
**Subject:** Good Standing Information

This is what the Comptroller provides now. They seem to be up to date.

## Franchise Tax Account Stat

As of: 06/20/2013 04:35:35 PM

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**This Page is Not Sufficient for Filings with the Secretar**

Obtain a certification for filings with the Secretary of S

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### PETFINDERS, LLC

Texas Taxpayer Number 32045541854  
Mailing Address 7337 WOODTHRUSH DR  
DALLAS, TX 75230-4237  
Right to Transact Business in Texas ACTIVE  
State of Formation TX  
Effective SOS Registration Date 11/07/2011  
Texas SOS File Number 0801503780  
Registered Agent Name LISA KATZ  
Registered Office Street Address 7337 WOODTHRUSH DRIVE  
DALLAS, TX 75230

[https://ourcpa.cpa.state.tx.us/coa/servlet/cpa.app.coa.CoaGetTp?Pg=tpid&Search\\_Nm=Petfinder%20&Button=search&Search\\_ID=32045541854](https://ourcpa.cpa.state.tx.us/coa/servlet/cpa.app.coa.CoaGetTp?Pg=tpid&Search_Nm=Petfinder%20&Button=search&Search_ID=32045541854)

TAB 9

**DOMAIN NAME TRANSFER AGREEMENT**

This Domain Name Transfer Agreement (the "Agreement") is entered into and made effective as of the date of its full execution ("Effective Date"), by and between Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company ("Ondova") and Discovery Communications, LLC, a Delaware limited liability company located at One Discovery Place, Silver Spring, Maryland 20910 ("Discovery"). The Trustee and Discovery are sometimes referred to collectively as the "Parties" or individually as a "Party."

WHEREAS, Discovery is the owner of trademark rights in the word "PETFINDER";

WHEREAS, Ondova is the registrant of the domain name <petfinders.com> ("Domain Name") and registered and used the Domain Name without authorization from Discovery;

WHEREAS, on July 27, 2009, Ondova filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, thereby initiating a bankruptcy proceeding styled *In re: Ondova Limited Company*, Case No. 09-34784-SGJ ("Bankruptcy Proceeding") in the United States Bankruptcy Court for the Northern District of Texas ("Court");

WHEREAS, in conjunction with the Bankruptcy Proceeding, the Domain Name became property of Ondova's bankruptcy estate, and as such the Trustee is entitled to sell and/or transfer the Domain Name subject to the approval of the Court;

WHEREAS, the Trustee and Discovery reached an agreement by which the Trustee has agreed to transfer the Domain Name to Discovery in exchange for payment of twenty-five thousand U.S. dollars (US \$25,000);

WHEREAS, on October 7, 2011, the Trustee filed with the Court the Trustee's Motion for Authority to Sell Property of the Estate Pursuant to 11 U.S.C. § 363(b) ("Motion"), and said Motion sets forth the sale terms ("Sale Terms") for the transfer of the Domain Name from the Trustee to Discovery (a copy of the Motion is attached hereto as **Exhibit 1**);

WHEREAS, on November 15, 2011, after notice and hearing, the Court entered an order ("Order") granting the Motion and ordering the Parties to effectuate the transfer of the Domain Name from the Trustee to Discovery in accordance with the Order and the Sale Terms (a copy of the Order is attached hereto as **Exhibit 2**);

WHEREAS, the Parties acknowledge and agree that the Motion and Order are incorporated in this Agreement as if fully set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Trustee hereby sells, transfers, assigns, and delivers to Discovery, and Discovery hereby purchases and acquires, all right, title, and interest in and to the Domain Name, the goodwill pertaining thereto, and all related rights.

2. In consideration for the sale, transfer, assignment, and delivery of the Domain Name to Discovery, Discovery agrees to wire transfer to the Trustee the amount of twenty-five thousand U.S. dollars (US \$25,000) (the "Purchase Price") by Friday, December 9, 2011. The Trustee will initiate the transfer of the Domain Name using a Go Daddy domain transfer procedure on December 8, 2011.

The below signatory for Trustee represents and warrants that he/she is fully authorized to enter into and execute this Agreement, to act on behalf of and bind the Trustee, and to assign, transfer, sell, and deliver the Domain Name as contemplated in this Agreement.

3. Discovery and the Trustee (for himself and Ondova's estate) and their employees, agents, attorneys, affiliates, and any successors, fully release each other from any and all claims and causes of action, whether known or unknown, absolute or contingent, matured or unmatured, foreseeable or unforeseeable, previously existing, presently existing or hereafter discovered, at law, in equity or otherwise, whether arising by statute, common law, in contract, in tort or otherwise, of any kind, character or nature whatsoever related to the Domain Name, except for causes of action relating to any breach of this Agreement or the Sale Terms contained in the Motion, or any violation of the Court's Order relating to the transfer of the Domain Name to Discovery.

4. This Agreement may be signed in counterparts, and each counterpart shall be binding on the Parties as if an original. Electronic or facsimile signatures shall be considered as valid signatures as of the date of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN

DISCOVERY COMMUNICATIONS, LLC

By: *Daniel J. Sherman*

By: \_\_\_\_\_

Name: *Daniel J. Sherman*

Name: \_\_\_\_\_

Title: *Chapter 11 trustee*

Title: \_\_\_\_\_

Date: *12/8/11*

Date: \_\_\_\_\_

2. In consideration for the sale, transfer, assignment, and delivery of the Domain Name to Discovery, Discovery agrees to wire transfer to the Trustee the amount of twenty-five thousand U.S. dollars (US \$25,000) (the "Purchase Price") by Friday, December 9, 2011. The Trustee will initiate the transfer of the Domain Name using a Go Daddy domain transfer procedure on December 8, 2011.

The below signatory for Trustee represents and warrants that he/she is fully authorized to enter into and execute this Agreement, to act on behalf of and bind the Trustee, and to assign, transfer, sell, and deliver the Domain Name as contemplated in this Agreement.

3. Discovery and the Trustee (for himself and Ondova's estate) and their employees, agents, attorneys, affiliates, and any successors, fully release each other from any and all claims and causes of action, whether known or unknown, absolute or contingent, matured or unmatured, foreseeable or unforeseeable, previously existing, presently existing or hereafter discovered, at law, in equity or otherwise, whether arising by statute, common law, in contract, in tort or otherwise, of any kind, character or nature whatsoever related to the Domain Name, except for causes of action relating to any breach of this Agreement or the Sale Terms contained in the Motion, or any violation of the Court's Order relating to the transfer of the Domain Name to Discovery.

4. This Agreement may be signed in counterparts, and each counterpart shall be binding on the Parties as if an original. Electronic or facsimile signatures shall be considered as valid signatures as of the date of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

**DANIEL J. SHERMAN**

**DISCOVERY COMMUNICATIONS, LLC**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: \_\_\_\_\_

Name: JAIN LANGRIDGE

Title: \_\_\_\_\_

Title: VP, DIGITAL / GM, PETFINDER

Date: \_\_\_\_\_

Date: 12/09/11



**TAB 10**



Train Station Building, 10 East Chestnut Avenue, Merchantville, NJ 08109

PHONE: 856.675.1130 • 800.682.2187 • FAX: 856.675.1133 • www.gexchange.com

Checks Payable to: Global Exchange Group  
Wire Payments via: Global Exchange Group, A Division of Fulton Bank, N.A.  
Bank: HSBC Bank USA, N.A.  
Address: 90 Christiana Road, New Castle, DE 19720  
Account Number: 000158445  
ABA Number: 021001088  
SWIFT Code: MRMDUS33

**Client**

***Arent Fox LLP***

Attn: Kimberly Chapman  
1050 Connecticut Ave, NW  
Washington, DC 20036

Phone: (202)857-6000 Fax: (202)857-6395

<b>Transaction Type</b>	Wire-Buy
<b>Invoice Number</b>	WB56642
<b>Date</b>	09-Dec-2011
<b>Payment Method</b>	Line Of Credit
<b>Trade Entered By</b>	Lori Ann Miller

Line	Currency	Wire Detail Information	Foreign Amount	Rate	Total
1	USD	Daniel J. Sherman, Ch 11 Trustee for Ondova Bridger Insight System Check Performe 9-Dec-2011 11:04 AM Acct: 4429128323 Bank: Bank of America ABA: 026009593 Addr: 901 Main Street Dallas, TX 75201 Invoice(s): 08DEC11	25,000.00	1	\$25,000.00
<b>Sub Total</b>					\$25,000.00
<b>Service Charge</b>					\$5.00
<b>Wire Total</b>					\$25,005.00

**GLOBAL EXCHANGE GROUP****INTERNATIONAL PAYMENT SOLUTIONS**

Global Exchange understands the complexities of the international payment process — from providing real-time exchange rates, to processing direct from foreign invoices, to data integration, to security administration. Our award-winning client services team works to reduce the time and cost associated with transferring funds globally.

Global Exchange's portfolio of solutions addresses your organization's needs at every point along the payment processing lifecycle. From providing competitive exchange rates, to processing direct from foreign invoices, to data integration, to security administration, to managing the entire accounts payable process from start to finish — we have your money covered.

**PROCESSING**

ONES<sup>SM</sup>Step payment process includes:

<b>InvoicePAY</b> <sup>SM</sup>	Direct invoice processing.
<b>GlobalFX</b> <sup>®</sup>	Online processing and reporting.
<b>DirectFX</b> <sup>SM</sup>	Phone, fax, or email file transfer.
<b>VendorALERT</b> <sup>SM</sup>	Vendor interface.

**FEES**

Processing Fees	\$0	International Draft	\$3.00
International Wire Transfer	\$15.00	Check Collection	\$3.00
USD Wire Transfer	\$45.00	Incoming Wire Transfer	\$15.00

*\*Global Exchange acknowledges that the preceding fees are standardized charges. Volume discounts may apply.*

**SETTLEMENT**

- Automated Clearing House (ACH): Call for details
- Wire Payment: Wire settlement instructions provided on Transaction Confirmation.

**CLIENT FOCUS**

Our dedicated team of experts specialize in international banking, foreign exchange, finance, cost recovery, and technology. Global Exchange's long-held values of innovation and integrity, our commitment to surpass traditional commercial banking relationships, and our guaranteed customer satisfaction have solidified our reputation as the premier choice in global payment processing. Each Global Exchange client benefits from our unencumbered dedication to security, innovation, technology, and an ever-evolving relationship.

**CONTACT US**

**Phone** 800.682.2187 | 856.675.1130  
**Fax** 856.675.1133  
**Email** info@gexchange.com  
**Web** www.gexchange.com  
**Mailing Address** Global Exchange Group, A Division of Fulton Bank, N.A.  
 Train Station Building  
 10 East Chestnut Avenue  
 Merchantville, NJ 08109

**DISCLOSURE**

Global Exchange Group acts solely in connection with its Client and all its entities, subsidiaries or interrelated business associated with the Client. The Client is required to settle trading activity which is locked-in and/or confirmed on its behalf by the Global Exchange Group.

Terms are based on information provided to Global Exchange Group by its Client. Global Exchange Group does not guarantee the accuracy or completeness of any such information, and therefore assumes no liability for any loss resulting from information received. Terms, prices and structure in this profile are subject to change based on market conditions, are indicative only, and do not constitute an offer of commitment. All final prices are subject to market conditions at time of transaction and upon credit approval (if applicable).

It is the responsibility of the Global Exchange Client to fund Global Exchange Group for any international banking transactions performed on their behalf. Therefore, Global Exchange Group assumes no liability for any loss resulting from the Client's improper trading activity, incorrect projections, bankruptcy or anything having to do with the incompleteness of an international transaction through Global Exchange Group. Additionally, Global Exchange Group is not acting as its client's agent, broker, or fiduciary in any respect in connection with the proposed relationship. The Client shall rely solely on its own evaluation and assessment upon advice from its own financial, legal, tax, accounting or other advisors. Neither Global Exchange Group, its affiliates, associates and correspondents shall be liable for any loss resulting from reliance from any statement, view, recommendation or opinion provided by Global Exchange Group in connection with the proposed transactional relationship.

Global Exchange Group complies with U.S. International Banking Code as well as anti-money laundering and exchange control regulations and OFAC Enforced Sanctions. If the client breaches any laws of the Office of Foreign Assets Control of the U.S. Department of Treasury, Global Exchange Group reserves the right to retain and transmit any moneys or funds to the proper authorities. Global Exchange Group policy states that no international payment or receipt shall be released without funding provided by, and on behalf of the Client.

TAB 11

**United States Bankruptcy Court  
Northern District of Texas  
1100 Commerce Street, Room 1254  
Dallas, Texas 75242-1496**

Chambers of  
Stacey G. C. Jernigan  
Judge

Telephone  
(214) 753-2040

May 4, 2012

Mr. Lyle W. Cayce, Clerk  
United States Court of Appeals  
for the Fifth Circuit  
600 S. Maestri Place  
New Orleans, LA 70130

Re: Case No. 12-10444, In re: Novo Point L.L.C.  
USDC No. 09-34784

Dear Mr. Cayce:

The following is the response of Judge Stacey G. C. Jernigan, the undersigned bankruptcy judge, to the **Petition for Writ of Mandamus**, filed on April 23, 2012, purportedly on behalf of a Petitioner named Novo Point, LLC (hereinafter "Petitioner" or "Novo Point"). This response is also filed for and adopted by the Clerk of the United States Bankruptcy Court for the Northern District of Texas, Tawana C. Marshall ("Bankruptcy Clerk"), whose signature also appears at the bottom of this document.

**I. INTRODUCTION: GENERAL BACKGROUND**

The United States Court of Appeals for the Fifth Circuit (the "Court") is likely aware, by now, that an entity known as **Ondova Limited Company** ("**Ondova**") filed a voluntarily Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, on July 27, 2009 (Case No. 09-34784-SGJ-11). Ondova's former president and sole equity owner is an individual named **Jeffrey Baron** ("**Baron**"). The undersigned bankruptcy judge has presided over the Ondova bankruptcy case since its commencement.

Ondova was formerly in the business of being an internet domain name registrar ("**Registrar**"). Similar to bigger and better-known companies in the marketplace, such as "GoDaddy," Ondova was a type of "middle man" company that, for a fee, would

register a ".com" or ".net" domain name for a person wanting to own and use a domain name (the latter being referred to as a "Registrant"). Ondova performed this "middle man" registration activity pursuant to a license it had from the Internet Corporation for Assigned Names and Numbers ("ICANN")—which is, essentially, a creature of the United States Department of Commerce—and also pursuant to an agreement with Verisign, Inc. ("Verisign")—which is a private corporation that essentially acts as the operator of the huge ".com" and ".net" registries. Verisign is not in any way related to Ondova.

Approximately six weeks after the Ondova bankruptcy case was filed, the undersigned bankruptcy judge ordered the appointment of a Chapter 11 Trustee (the "Ondova Chapter 11 Trustee"), on September 11, 2009 [DE # 85],<sup>1</sup> when certain creditors and the bankruptcy court became concerned that Baron did not understand basic fiduciary duties and did not want to cooperate in many regards. Among other things, Baron hired and fired lawyers repeatedly and did not wish to testify on certain relevant subjects (asserting his Fifth Amendment privilege against self-incrimination, rather than testifying about the business affairs of Ondova). The United States Trustee, thus, appointed an individual named Daniel J. Sherman as the Ondova Chapter 11 Trustee on September 17, 2009 [DE # 98]. No party ever appealed the order directing the appointment of a chapter 11 trustee.

Over the course of the Ondova bankruptcy case, it was reported by parties that there were hundreds of thousands of ".com" and ".net" domain names (perhaps 600,000 in number) that had been owned by Baron, or by various offshore companies/trusts that Baron owned/controlled, or by a joint venture that Baron was a part of, and some even owned by Ondova. Certain of these domain names were subject to claims of copyright-infringement (and posed litigation risks and burdens); certain of these domain names were valuable; and certain of these domain names were not-so-valuable. There was various litigation in both the bankruptcy court and before the United States District Court for the Northern District of Texas, Dallas Division (Judge Royal Furgeson), regarding these domain names. The litigation before Judge Royal Furgeson was styled *NetSphere Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*, Civil Action No. 3:09-CV-0988-F ("Judge Furgeson

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<sup>1</sup> "DE # \_" as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11.

District Court Action"). Eventually, a Mutual Settlement and Release Agreement ("Global Settlement") was reached and approved by the bankruptcy court on July 28, 2010 [DE # 394] that appeared to resolve much of the Ondova bankruptcy case, the Judge Furgeson District Court Action, and many other pending lawsuits and disputes in various courts. There were dozens of parties to this Global Settlement, including Baron and various offshore entities that Baron controlled directly or indirectly. However, Baron almost immediately began hiring and firing more lawyers and undertaking litigation tactics seemingly aimed at undermining the Global Settlement, driving up costs, and delaying the Ondova bankruptcy case. On more than one occasion, parties in the Ondova bankruptcy case referred to Baron's actions as unexplainable and akin to financial suicide. Eventually, District Judge Furgeson appointed a receiver over Baron's assets and personal affairs, in an Order Appointing Receiver, signed by him on November 24, 2010, as clarified by a second order on December 17, 2010 (collectively, the "Receivership Orders"). The Receivership Orders did the following, among other things: (a) put the assets and business affairs of Baron into a personal receivership, with Peter S. Vogel as the Receiver—mostly so that the Global Settlement could be at long-last finalized; (b) clarified that various entities that Baron controlled, including Novo Point (the Petitioner on this Petition for Writ of Mandamus), were parties included as part of the receivership (the "Receivership Parties"); (c) enjoined any person from taking any action with regard to the affairs and business of the Receivership Parties except on direction of the Receiver or his counsel, including the hiring and firing of lawyers; and (d) specified that two attorneys named Thomas Jackson and Joshua Cox were the attorneys-of-record then appearing for Novo Point, who had been hired by Novo Point's then-manager, and that Messrs. Thomas and Cox were the only attorneys with authority to speak for Novo Point. These Receivership Orders are submitted herewith for the Court's ease of reference, as Appendix 1 and 2.

It is against this backdrop that the Petition for Writ of Mandamus has been filed, purportedly by Novo Point, and through attorney Gary Schepps (who is attorney-of-record for Baron in approximately 72 appeals—many of which are consolidated—before this honorable Court, and pertain to both bankruptcy court Ondova orders and District Court Receivership orders). The Petition for Writ of Mandamus seeks for this Court: (a) to direct the Bankruptcy Clerk to accept for filing certain notices of appeal (later herein described) filed in the bankruptcy court, allegedly by Petitioner Novo Point, on August 16, 2011 and August 18, 2011; and (b) also to direct the undersigned bankruptcy judge to vacate an order striking these same notices of appeal [see order

at DE # 648, entered September 6, 2011]. As further described below, the undersigned bankruptcy judge entered its order striking the said notices of appeal out of a concern that attorney Gary Schepps (and another attorney acting with Mr. Schepps, attorney Christopher Payne) were purporting to act for the entity Novo Point without any genuine corporate or legal authority. Specifically, the undersigned bankruptcy judge believed that these attorneys were: (a) acting in violation of District Judge Furgeson's unstayed Receivership Orders; (b) were falsely purporting to take instructions from someone on behalf of Novo Point that had no authority to give instructions; and (c) were orchestrating a sham upon the bankruptcy court, the director of which sham was ultimately Baron. As further explained below, the undersigned bankruptcy judge believes that due process and appeal rights were fully preserved by virtue of the fact that: (a) the Receivership Orders (which were at the heart of the bankruptcy court's ruling striking notices of appeal) were themselves on appeal; and (b) the bankruptcy court, in fact, permitted an appeal of a later order (the "Schepps Bar Order"—later defined) and permitted continued prosecution of any other appeals that were being pursued by Petitioner/Schepps before entry of the Schepps Bar Order.

**II. THE MORE SPECIFIC EVENTS LEADING UP TO PETITION FOR WRIT OF MANDAMUS.**

**A. The Chapter 11 Trustee's Desire to Sell Some Domain Names.**

As mentioned earlier, Ondova was mostly a "middle man" Registrar of ".com" and ".net" domain names. But, as information and evidence has unfolded during the Ondova bankruptcy case, it has become apparent that the Registrants that actually used the middle man registering services of Ondova were not, for the most part, ordinary consumers. Rather, many or most of the domain names that Ondova registered were held in (or owned by) offshore entities that were, in turn, beneficially owned and/or controlled by Baron. But the Ondova Chapter 11 Trustee's due diligence revealed that Ondova actually owned some domain names itself. Thus, on June 22, 2011, the Ondova Chapter 11 Trustee filed a motion with the bankruptcy court seeking permission to sell (through the services of an experienced auctioneer with appropriate industry credentials) eight domain names [DE # 589] that the Chapter 11 Trustee believed were owned by Ondova and might have material value (the "Domain Name Sale Motion").



On July 22, 2011, an objection to the Domain Name Sale Motion was filed by attorneys Dennis Olson and Christopher Payne, purporting to represent the entity known as Novo Point [DE # 597], alleging that the eight domain names identified in the Domain Name Sale Motion could not be sold by the Ondova Chapter 11 Trustee because they were, in fact, owned by Novo Point (hereinafter, the "Olson/Payne Objection to Sale").

The Ondova Chapter 11 Trustee then filed a motion to strike this Olson/Payne Objection to Sale on July 25, 2011 [DE # 598], stating that attorneys Olson/Payne had no authority whatsoever to represent Novo Point (the "Motion to Strike"). In support, the Ondova Chapter 11 Trustee attached the Receivership Orders which, as stated earlier: (a) put the assets and business affairs of Baron into a personal receivership; (b) clarified that various entities that Baron controlled, *including Novo Point*, were parties included as part of the receivership (the "Receivership Parties"); and (c) enjoined any person from taking any actions with regard to the affairs and business of the Receivership Parties except on direction of the Receiver or his counsel, including the hiring and firing of lawyers.

The Receiver filed a pleading supporting the Ondova Chapter 11 Trustee's Motion to Strike the Olson/Payne Objection to Sale in his own pleading called a motion for show of authority, filed July 25, 2011 [DE #602] (the "Motion for Authority").

On July 26, 2011, the bankruptcy court held an evidentiary hearing and: (a) granted in part the Domain Name Sale Motion (allowing the auction/sale of the domain name "mondial.com") [DE # 607] (the "Domain Name Sale Order"); (b) granted the Ondova Chapter 11 Trustee's Motion to Strike the Olson/Payne Objection to Sale [DE # 609] (the "Order Striking Olson/Payne Objection to Sale"); and (c) granted the Receiver's Motion for Authority [DE # 605] ("Order Finding Olson/Payne Have No Authority"). In the bankruptcy court's Order Striking Olson/Payne Objection to Sale, and also in the bankruptcy court's Order Finding Olson/Payne Have No Authority, the bankruptcy court ruled that Olson/Payne had "no authority to represent Novo Point, LLC," *since Novo Point was under the control of the Receiver and Novo Point could not hire and fire lawyers without the Receiver's authority, pursuant to the Receivership Orders*. The bankruptcy court further noted that, although the Receivership Orders were on appeal, they were not subject to any stay pending appeal and that, henceforth, any party/attorney seeking to represent and file pleadings for Novo Point in connection with the Ondova bankruptcy court proceedings *would be required to file a motion asking for authority to do so* and the bankruptcy court would expect live testimony in

connection with any such motion, including testimony from one Lisa Katz—whom attorneys Olson/Payne represented was a Dallas, Texas-based manager and/or attorney for Novo Point that was giving directions for it.

**B. The Notices of Appeal.**

Subsequently, three notices of appeal (plus one amended notice of appeal) were filed with regard to all three of these orders that the bankruptcy court entered after the July 26, 2011 hearing—i.e., specifically, with regard to the Domain Name Sale Order; the Order Striking Olson/Payne Objection to Sale; and the Order Finding Olson/Payne Have No Authority. A motion for stay pending appeal was also filed, with regard to the Domain Name Sale Order. All of these five pleadings [DE ## 610, 612, 613, 614, and 615] were signed by attorney Christopher Payne (but the last four of the five pleadings were actually filed, electronically, by an attorney, Gary Schepps, who represents Baron, personally, in connection with the Judge Furgeson District Court Action and in connection with several dozen appeals filed by Baron, and already pending, at the Fifth Circuit).

To be clear, these notices of appeal are at the heart of the Petition for Writ of Mandamus and they are more thoroughly described as follows:

1. Notice of Appeal<sup>2</sup> [DE #610], filed 8/16/11.
2. Notice of Appeal<sup>3</sup> [DE #612], filed 8/18/11.

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<sup>2</sup> This Notice of Appeal pertained to the Order Finding Olson/Payne Have No Authority [DE # 605], in which the bankruptcy court ruled that attorney Christopher Payne and his firm, and attorney Dennis Olson and his firm, had no authority to appear in the bankruptcy court for Novo Point and that they may not appear before the bankruptcy court in the future for Novo Point without filing first a motion for authority to do so, and any such motion must be supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point).

<sup>3</sup> This Notice of Appeal pertained to the Domain Name Sale Order [DE # 607], in which the bankruptcy court ruled that the Ondova Chapter 11 Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

3. Notice of Appeal<sup>4</sup> [DE #613], filed 8/18/11.
4. Amended Notice of Appeal<sup>5</sup> [DE #614], filed 8/18/11.
5. Motion for Stay Pending Appeal<sup>6</sup> [DE #615], filed 8/18/11.

C. The Ondova Chapter 11 Trustee's Motion to Strike the Notices of Appeal.

The Ondova Chapter 11 Trustee immediately moved to strike these notices of appeal and the motion for stay (and also asked for a show cause hearing on why attorneys Christopher Payne and Gary Schepps should not be held in contempt for gamesmanship in connection with these various pleadings). See DE ## 637 & 640.

The bankruptcy court thereafter held a hearing on September 1, 2011. Attorneys Christopher Payne and Gary Schepps appeared and gave no compelling explanation or authority for why they were continuing to file pleadings for Novo Point (specifically, the Notices of Appeal and Motion for Stay Pending Appeal), particularly, in the face of the unstayed Receivership Orders, the terms of which precluded any attorney or party acting for Novo Point—other than upon instructions of the Receiver. The bankruptcy court thereafter struck the Notices of Appeal ("Order Striking Notices of Appeal"). See DE # 648. The Order Striking Notices of Appeal is attached hereto for the Court's ease of

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<sup>4</sup> This Notice of Appeal pertained to an Order Striking Olson/Payne Objection to Sale Order [DE # 609], granting the Ondova Chapter 11 Trustee's motion to strike the objection to the Domain Name Sale Motion, which objection had been filed purportedly on behalf of Novo Point by attorneys Christopher Payne and Dennis Olson.

<sup>5</sup> This Amended Notice of Appeal (like the Notice of Appeal found at DE # 610), pertained to the Order Finding Olson/Payne Have No Authority [DE # 605], in which the bankruptcy court ruled that Christopher Payne, his firm, Dennis Olson, and Dennis Olson's firm, had no authority to appear in the bankruptcy court for Novo Point and that they may not appear before the bankruptcy court in the future for Novo Point without filing first a motion for authority to do so, which motion would need to be supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point).

<sup>6</sup> This Motion for Stay Pending Appeal pertained to the Domain Name Sale Order [DE # 607], in which the bankruptcy court ruled that the Ondova Chapter 11 Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

reference at Appendix 3. In striking the Notices of Appeal, the bankruptcy court noted (at footnote 7 of the Order Striking Notices of Appeal) that the filing of a notice of appeal is an event of jurisdictional significance, which event has sometimes been stated as divesting a trial court over those aspects of the case involved in the appeal, e.g., *Blinco v. Green Tree Servicing, LLC*, 366 F.3d 1249, 1251 (11th Cir. 2004), *Bradford-Scott Data Corp., Inc. v. Physician Computer Network, Inc.*, 128 F.3d 504, 505 (7th Cir. 1997). However, the bankruptcy court interpreted the relevant rules and case law in this regard to mean that, once an appeal is actually *docketed*, such jurisdiction of the trial court is divested. See, e.g., Rule 60(a) Fed. R. Civ. P. (last sentence). Thus, the undersigned bankruptcy judge believed she still had jurisdiction to strike the Notices of Appeal (since not yet docketed at the District Court) but, in substantively doing so, also stated that she believed that she was ensuring compliance with District Judge Furgeson's unstayed Receivership Orders (declaring that only the Receiver could act for Novo Point).

The undersigned bankruptcy judge also believed she was adhering to basic corporate governance concepts. An entity cannot have two masters; Novo Point, unless and until there is a stay or reversal of the Receivership Orders, can only be governed by the Receiver. This, in addition to being a corporate governance problem, seems equally to present a standing conundrum. The unstayed Receivership Orders appear to confer standing on the Receiver to act for Novo Point. Additionally, the Receiver and District Court have recognized a Mr. Damon Nelson as the designated manager for Novo Point and Joshua Cox and Thomas Jackson as Novo Point's separate attorneys.<sup>7</sup> Allowing different attorneys to suddenly come into a court announcing they have been hired to speak for Novo Point (one of which attorneys just so happens to be the appellate attorney for Baron) seemed offensive to the notion of standing. If a company such as General Motors ("GM") is a debtor in bankruptcy, although there may be many shareholders, creditors, and other parties in interest who have standing to assert a position, they cannot all speak for and as "GM." GM speaks through a board of directors (and it is the board of directors that hires officers and these officers and directors hire attorneys). An individual

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<sup>7</sup> Appendix 2 (the Second Receivership Order) recognizes a Jeff Harbin as manager of Novo Point and Joshua Cox and Thomas Jackson as its attorneys. Later, it has been represented that Mr. Damon Nelson was appointed to succeed Jeff Harbin as Novo Point manager. See, e.g., Appendix 4, p. 17 (line 20) - p. 18 (line 5).

shareholder cannot suddenly highjack the right to direct and take positions for GM (and say "I am GM" in court).<sup>8</sup>

In summary, the undersigned bankruptcy judge believed she was preventing improper gamesmanship (and honoring the Receivership Orders and concepts of standing).

#### D. Gamesmanship?

On the latter subject of "gamesmanship," it is noteworthy to mention that the bankruptcy court, soon after striking the Notices of Appeal, set a show cause hearing on a request by the Ondova Chapter 11 Trustee to hold attorneys Christopher Payne and Gary Schepps in civil contempt of court. Such show cause hearing (with full evidence) was held on October 24, 2011, November 15, 2011, and December 5, 2011. Much of the evidence at these hearings centered around who was instructing Novo Point to object to the Ondova Chapter 11 Trustee's attempted sale of domain names. A witness named Lisa Katz appeared in the bankruptcy court on November 15, 2011. Attorneys Christopher Payne and Gary Schepps had represented at earlier hearings that Lisa Katz was the current manager and an attorney for Novo Point, based in Dallas, who had apparent authority to direct attorneys to take positions for Novo Point. Lisa Katz testified to the undersigned bankruptcy judge that she was currently a part-time high school math tutor, who had attended Texas Wesleyan Law School with attorney Gary Schepps at a time when it was unaccredited and that she had never passed the bar exam, and that she had been called by Gary Schepps and asked to fulfill the operations manager role for Novo Point in spring or summer 2011. Lisa Katz testified that she had done nothing in her role as manager of Novo Point (except for perhaps talk to a couple of people in the Cook Islands a couple of times—she could not remember the names of such people—and learned that there was nothing for her to do yet). Lisa Katz appeared to know very little about Novo Point, the litigation ongoing in the bankruptcy court or District Court, or why she was in court that day. Lisa Katz testified that she had never read any pleadings filed and had never talked to the Receiver nor the manager-of-record of Novo Point (i.e., the manager that is of record in the Receivership Proceeding). Lisa Katz testified that it was her understanding that she could not really do anything for Novo Point, in light of the Receivership.

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<sup>8</sup> Obviously, shareholder derivative actions are a whole different animal.

See Transcript from 11/15/11, pp. 1-40 [DE # 716]. A copy of this Transcript is attached for the Court's ease of reference. Appendix 4.

It is also noteworthy that Gary Schepps asserted his Fifth Amendment privilege against self-incrimination during the show cause hearings described herein, despite repeated statements by the undersigned bankruptcy judge that she had no criminal contempt powers and was simply holding a hearing requested by a party (the Ondova Chapter 11 Trustee) to determine whether court orders were being violated and, thus, whether a finding of civil contempt and sanctions was appropriate.

The bankruptcy court took the show cause matter under advisement (as far as whether monetary civil contempt sanctions should be imposed on attorneys Christopher Payne and Gary Schepps). The bankruptcy court has thus far issued no sanctions. However, the bankruptcy court did, on December 15, 2011, based on all the evidence heard (or, in the case of attorney Gary Schepps, not heard)<sup>9</sup> enter a bar order, depriving attorney Gary Schepps from participating any further as an attorney in the Ondova bankruptcy court proceedings (the "Schepps Bar Order") [DE # 728]. In the Schepps Bar Order, the Bankruptcy Clerk was instructed to remove any pleadings and/or appeals filed by attorney Gary Schepps as soon as they were filed. See DE # 728. A follow-up order clarified that Gary Schepps should be permitted to appeal the Schepps Bar Order itself and should not be prohibited from prosecuting any appeal which was being prosecuted prior to the Schepps Bar Order (the "Order Clarifying Schepps Bar Order") [DE # 747]. Both the Schepps Bar Order and the Order Clarifying Schepps Bar Order are attached hereto for ease of reference. Appendix 5 and 6. Gary Schepps subsequently appealed the Schepps Bar Order. DE # 742.

To be clear, not only did the alleged client-representative (Lisa Katz) for Novo Point, wholly emasculate the position of attorneys Gary Schepps and Christopher Payne (*i.e.*, their position that she was in control of Novo Point and had given them instructions for Novo Point), but Gary Schepps behaved with an utter lack of candor and respect to the bankruptcy court by asserting the Fifth Amendment privilege not to testify, rather than explain how he had any corporate or legal authority to file

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<sup>9</sup> This is a reference to Gary Schepps asserting the Fifth Amendment privilege and not testifying.

court papers for Novo Point. Moreover, by late 2011, Gary Schepps had begun filing pleadings for a newly-created entity called Petfinders, LLC, which was now purporting to own one or more domain names that were alleged to be part of the Ondova bankruptcy estate.

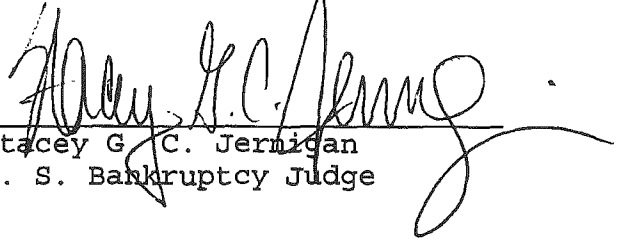
The bankruptcy court believes that the evidence presented, and the positions taken by attorney Gary Schepps, have reflected improper litigation gamesmanship on the part of his ultimate, true client, Baron, and, most importantly, have violated the Receivership Orders (that have, again, been on appeal but not stayed). The bankruptcy court believed, because of the Receivership Orders and basic tenets of corporate governance and standing, that no person had the power to act for Novo Point (including hire attorneys for it) unless the Receiver directed them (and unless/until the Receivership Orders were stayed or reversed or the bankruptcy court was otherwise presented with some sort of credible proof or authority).

### III. CONCLUSION.

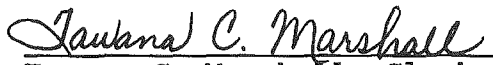
As earlier stated, the Petition for Writ of Mandamus appears to be asking for this Court: (a) to direct the Bankruptcy Clerk to accept for filing the **Notices of Appeal** (described in Section II.B. above) filed in the bankruptcy court purportedly on behalf of Petitioner, Novo Point, on August 16, 2011 and August 18, 2011; and (b) also to direct the undersigned bankruptcy judge to **vacate her Order Striking Notices of Appeal** [see order at DE # 648, entered September 6, 2011]. As further described herein, the undersigned bankruptcy judge entered its Order Striking Notices of Appeal out of a concern that attorney Gary Schepps (and another attorney acting with Mr. Schepps, attorney Christopher Payne) were purporting to act for the entity Novo Point without any genuine corporate authority or legal standing. Specifically, the undersigned bankruptcy judge believed that these attorneys were: (a) acting in violation of District Judge Furgeson's unstayed Receivership Orders; (b) were falsely purporting to take instructions from someone on behalf of Novo Point that had no authority to give instructions; and (c) were orchestrating a sham upon the bankruptcy court, the director of which sham was ultimately Baron. As further explained herein, the undersigned bankruptcy judge believes that due process and appeal rights were fully preserved by virtue of the fact that: (a) the Receivership Orders (which were at the heart of the bankruptcy court's ruling striking notices of appeal) were themselves on appeal; and (b) the bankruptcy court, in fact, permitted an appeal of a later order (the Schepps Bar Order) and permitted continued prosecution of any appeals that were being

pursued by Petitioner/Schepps before entry of the Schepps Bar Order. Moreover, the bankruptcy court gave ample opportunity for "Novo Point" to file a motion and present argument and evidence as to its standing, and it failed to do so. In any event, the undersigned is prepared to immediately respond to any directives issued by this honorable Court as a result of the Petition for Writ of Mandamus.

Respectfully submitted,

  
Stacey G. C. Jernigan  
U. S. Bankruptcy Judge

Adopted by:

  
Tawana C. Marshall, Clerk  
U. S. Bankruptcy Court for the  
Northern District of Texas



**CERTIFICATE OF SERVICE**

This is to certify service of this Response on the parties listed below by electronic transmission and U.S. mail.

Gary N Schepps  
Schepps Law Offices  
5400 LBJ Freeway  
Suite 1200  
Dallas, TX 75240  
legal@schepps.net

**DATED:** May 4, 2012  
**CERTIFIED BY:** /s/ Tawana C. Marshall  
Tawana C. Marshall  
CLERK OF COURT  
US BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

APPENDIX TO LETTER RESPONSE TO THE FIFTH CIRCUIT

- Appendix 1 Order Appointing Receiver signed by Judge Furgeson on November 24, 2010 in U.S.D.C. Case No. 3:09-CV-0988-F [DE # 130]
- Appendix 2 Order Granting the Receiver's Motion to Clarify the Receiver Order with Respect to Novo Point, LLC and Quantec, LLC signed by Judge Furgeson on December 17, 2010 in U.S.D.C. Case No. 3:09-CV-0988-F [DE # 176]
- Appendix 3 Order: (A) Granting, in Substantial Part, Trustee's Motion to: (I) Show Cause Why Christopher Payne and Gary Schepps Should Not Be Held in Contempt and Sanctioned; and (II) Strike Notices of Appeal and Motion to Stay Sale Order [DE #637]; and (B) Setting Show Cause Hearing on October 24, 2011, at 10:30 a.m., as to Actions of Lawyers Christopher Payne and Gary Schepps entered by Judge Jernigan on September 6, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 648]
- Appendix 4 Transcript from hearing held November 15, 2011 (Testimony of Lisa Katz) filed on November 30, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 716]
- Appendix 5 Order Barring Attorney Gary Schepps from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case entered by Judge Jernigan on December 15, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 728]
- Appendix 6 Order Clarifying Order Barring Attorney Gary Schepps from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case entered by Judge Jernigan on January 5, 2012 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 747]

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

NETSPHERE INC.,  
MANILA INDUSTRIES, INC.; and  
MUNISH KRISHAN

Plaintiffs,

vs.

CIVIL ACTION NO. 3-09CV0988-F

JEFFREY BARON and  
ONDOVA LIMITED COMPANY,  
Defendants



ORDER APPOINTING RECEIVER

The Court hereby appoints a receiver and imposes an ancillary relief to assist the receiver as follows:

APPOINTMENT OF RECEIVER

IT IS HEREBY ORDERED that Peter S. Vogel is appointed Receiver for Defendant Jeffrey Baron with the full power of an equity receiver. The Receiver shall be entitled to possession and control over all Receivership Assets, Receivership Parties and Receivership Documents as defined herein, and shall be entitled to exercise all powers granted herein.

RECEIVERSHIP PARTIES, ASSETS, AND RECORDS

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Parties", which term shall include Jeffrey Baron and the following entities:

- Village Trust, a Cook Islands Trust
- Equity Trust Company IRA 19471
- Daystar Trust, a Texas Trust
- Belton Trust, a Texas Trust
- Novo Point, Inc., a USVI Corporation
- Iguana Consulting, Inc., a USVI Corporation
- Quantec, Inc., a USVI Corporation
- Shiloh, LLC, a Delaware Limited Liability Company
- Novquant, LLC, a Delaware Limited Liability Company

APPENDIX 1

**Manassas, LLC, a Texas Limited Liability Company  
Domain Jamboree, LLC, a Wyoming Limited Liability Company  
ID Genesis, LLC, a Utah Limited Liability Company**

and any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority or right to act. The Court hereby enjoins any person from taking any action based upon any presently existing directive from any person other than the Receiver with regard to the affairs and business of the Receivership Parties, including but not limited to proceeding with the transfer of a portfolio of internet domain names ("Domain Names") for which Ondova Limited Company ("Ondova") acted as registrar. Specifically, but without limitation, VeriSign Inc and The Internet Corporation for Assigned Names and Numbers ("ICANN"), and any other entity connected to the transfer of the Domain Names, shall immediately cease such efforts and shall terminate any movement of the Domain Names.

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Assets", which term shall include any and all legal or equitable interest in, right to, or claim to, any real or personal property (including "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes" (as these terms are defined in the Uniform Commercial Code)), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located, and further including any legal or equitable interest in any trusts, corporations, partnerships, or other legal entities of any nature, that are:

1. owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to, any Receivership Party;
2. in the actual or constructive possession of any Receivership Party; or
3. in the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any

other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Receivership Party, including, but not limited to, any assets held by or for any Receivership Party in any account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside of the State of Texas.

IT IS FURTHER ORDERED that the Receiver shall be entitled to any document that any Receivership Party is entitled to possess as of the signing of this order ("Receivership Documents").

IT IS FURTHER ORDERED that all persons who receive actual notice of this Order by personal service or otherwise are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any Receivership Assets.

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Receivership Party, or subject to access by any Receivership Party or under any Receivership Party's control, without providing the Receiver prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing any payments from customers or clients of a Receivership Party;

D. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Receivership Party; or

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Receivership Party or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Receivership Party.

F. The funds, property, and assets affected by this Order shall include both existing assets and assets acquired after the effective date of this Order.

IT IS FURTHER ORDERED that any financial institution, business entity, or person maintaining or having custody or control of any account or other asset of any Receivership Party, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Receivership Party, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. on behalf of, or for the benefit of, any Receivership Party;
2. in any account maintained in the name of, or for the benefit of, or subject to withdrawal by, any Receivership Party; and
3. that are subject to access or use by, or under the signatory power of, any Receivership Party.

B. Deny any person other than the Receiver or his designee access to any safe deposit boxes or storage facilities that are either:

1. titled in the name, individually or jointly, of any Receivership Party; or
2. subject to access by any Receivership Party.

C. Provide the Receiver an immediate statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;
2. The balance of each such account, or a description of the nature and value of such asset;
3. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and
4. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance on said date.

D. Immediately provide the Receiver with copies of all records or other documentation pertaining to each such account or asset, including, but not limited to, originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Immediately honor any requests by the Receiver with regard to transfers of assets to the Receiver or as the Receiver may direct.

#### **DUTIES OF DEFENDANTS REGARDING ASSETS AND DOCUMENTS**

**IT IS FURTHER ORDERED that Defendants shall:**

A. Within three business days following service of this Order, take such steps as are necessary to turn over control to the Receiver and repatriate to the Northern District of Texas all Receivership Documents and Receivership Assets that are located outside of the Northern District of Texas and are held by or for the Receivership Parties or are under the Receivership Parties' direct or indirect control, jointly, severally, or individually;

B. Within three business days following service of this Order, provide Plaintiff and the Receiver with a full accounting of all Receivership Documents and Receivership Assets wherever located, whether such Documents or Assets held by or for any Receivership Party or are under any Receivership Party's direct or indirect control, jointly, severally, or individually, including the addresses and names of any foreign or domestic financial institution or other entity holding the Receivership Documents and Receivership Assets, along with the account numbers and balances; and

D. Immediately following service of this Order, provide Plaintiff and the Receiver access to Defendants' records and Documents held by Financial Institutions or other entities, wherever located.

#### POWERS AND DUTIES OF RECEIVER

IT IS FURTHER ORDERED that the Receiver shall immediately present a sworn statement that he will perform his duties faithfully and shall post a cash deposit or bond in the amount of \$1,000.

IT IS FURTHER ORDERED that in addition to all powers granted in equity to receivers, the Receiver shall immediately have the following express powers and duties:

A. To have immediate access to any business premises of the Receivership Party, and immediate access to any other location where the Receivership Party has conducted business and where property or business records are likely to be located.

B. To assume full control of the Receivership Party by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee or agent of the Receivership Party, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Party;

C. To take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody or under the control of, the Receivership Party, wherever



situated, including without limitation all paper documents and all electronic data and devices that contain or store electronic data including but not limited to computers, laptops, data storage devices, back-up tapes, DVDs, CDs, and thumb drives and all other external storage devices and, as to equipment in the possession or under the control of the Receivership Parties, all PDAs, smart phones, cellular telephones, and similar devices issued or paid for by the Receivership Party.

D. To act on behalf of the Receivership Party and, subject to further order of the Court, to have the full power and authority to take all corporate actions, including but not limited to, the filing of a petition for bankruptcy as the authorized responsible person as to the Receivership Party, dissolution of the Receivership Party, and sale of the Receivership Party.

E. To divert mail.

F. To sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Party and other persons or entities whose interests are now held by or under the direction, possession, custody or control of the Receivership Party.

G. To investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the Receivership Party including, but not limited to, obtaining an accounting of the assets, and preventing transfer, withdrawal or misapplication of assets.

H. To enter into contracts and purchase insurance as advisable or necessary.

I. To prevent the inequitable distribution of assets and determine, adjust, and protect the interests of creditors who have transacted business with the Receivership Party.

J. To manage and administer the business of the Receivership Party until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which include retaining, hiring, or dismissing any employees, independent contractors, or agents.

K. To choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists (collectively, "Professionals"), as each Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order.

L. To make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order.

M. To institute, compromise, adjust, defend, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that each Receiver deems necessary and advisable to preserve or recover the assets of the Receivership Party or that each Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, including but not limited to, the filing of a petition for bankruptcy.

N. To conduct investigations and to issue subpoenas to obtain documents and records pertaining to, or in aid of, the receivership, and conduct discovery in this action on behalf of the receivership estate.

O. To consent to the dissolution of the receivership in the event that the Plaintiff may compromise the claim that gave rise to the appointment of the Receiver, provided, however, that no such dissolution shall occur without a motion by the Plaintiff and service provided by the Plaintiff upon all known creditors at least thirty days in advance of any such dissolution.

#### LIMITATION OF RECEIVER'S LIABILITY

IT IS FURTHER ORDERED that except for an act of gross negligence, the Receiver and the Professionals shall not be liable for any loss or damage incurred by any of the Receivership Parties, their officers, agents, servants, employees and attorneys or any other person, by reason of any act performed or omitted to be performed by the Receiver and the Professionals in connection with the discharge of his or her duties and responsibilities. Additionally, in the

PCL XL error

Subsystem: KERNEL

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Operator: 0x1b

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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

NETSPHERE, INC.,  
MANILA INDUSTRIES., INC., AND  
MUNISH KRISHAN

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PLAINTIFFS,

V.

CIVIL ACTION NO. 3:09-CV-0988-F

JEFFREY BARON AND  
ONDOVA LIMITED COMPANY,

DEFENDANTS.

**THE RECEIVER’S NOTICE OF JUDGE JERNIGAN’S LETTER TO THE FIFTH  
CIRCUIT DETAILING GAMESMANSHIP OF GARY SCHEPPS AND JEFF  
BARON AND THEIR VIOLATIONS OF THE RECEIVERSHIP ORDERS**

As this Court is aware, on or about April 20, 2012, Gary Schepps—on behalf of his client, Jeff Baron—filed with the Fifth Circuit a *Petition for Writ of Mandamus* against the Honorable Stacey G. C. Jernigan and Tawana C. Marshall, clerk for the United States Bankruptcy Court for the Northern District of Texas. [Docket No. 873.] On May 4, 2012, Judge Jernigan sent (and Ms. Marshall adopted) a letter to the Fifth Circuit in response to the petition, a true and correct copy of which is attached hereto as Exhibit A. Judge Jernigan’s letter states, among other things, that:

- (a) Gary Schepps was “***orchestrating a sham*** upon the bankruptcy court, the director of which sham was ultimately Baron”;
- (b) “Gary Schepps ***behaved with an utter lack of candor and respect*** to the bankruptcy court”; and
- (c) “The evidence presented, and the positions taken by attorney Gary Schepps, have reflected improper ***litigation gamesmanship*** on the part of his ultimate, true client, Baron, and most importantly, have ***violated the Receivership Orders.***”

(Exhibit A at pp. 10-11 (emphasis added).)

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

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Dallas, Texas 75201

(214) 999-4667 (facsimile)

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bgolden@gardere.com

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**ATTORNEYS FOR THE RECEIVER,  
PETER S. VOGEL**

**CERTIFICATE OF SERVICE**

On May 9, 2012, Receiver served the foregoing notice via the Court's ECF system.

/s/ Peter L. Loh

Peter L. Loh

# **Exhibit A**

**United States Bankruptcy Court  
Northern District of Texas  
1100 Commerce Street, Room 1254  
Dallas, Texas 75242-1496**

Chambers of  
Stacey G. C. Jernigan  
Judge

Telephone  
(214) 753-2040

May 4, 2012

Mr. Lyle W. Cayce, Clerk  
United States Court of Appeals  
for the Fifth Circuit  
600 S. Maestri Place  
New Orleans, LA 70130

Re: Case No. 12-10444, In re: Novo Point L.L.C.  
USDC No. 09-34784

Dear Mr. Cayce:

The following is the response of Judge Stacey G. C. Jernigan, the undersigned bankruptcy judge, to the **Petition for Writ of Mandamus**, filed on April 23, 2012, purportedly on behalf of a Petitioner named Novo Point, LLC (hereinafter "Petitioner" or "Novo Point"). This response is also filed for and adopted by the Clerk of the United States Bankruptcy Court for the Northern District of Texas, Tawana C. Marshall ("Bankruptcy Clerk"), whose signature also appears at the bottom of this document.

**I. INTRODUCTION: GENERAL BACKGROUND**

The United States Court of Appeals for the Fifth Circuit (the "Court") is likely aware, by now, that an entity known as **Ondova Limited Company** ("Ondova") filed a voluntarily Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, on July 27, 2009 (Case No. 09-34784-SGJ-11). Ondova's former president and sole equity owner is an individual named **Jeffrey Baron** ("Baron"). The undersigned bankruptcy judge has presided over the Ondova bankruptcy case since its commencement.

Ondova was formerly in the business of being an internet domain name registrar ("Registrar"). Similar to bigger and better-known companies in the marketplace, such as "GoDaddy," Ondova was a type of "middle man" company that, for a fee, would

register a ".com" or ".net" domain name for a person wanting to own and use a domain name (the latter being referred to as a "Registrant"). Ondova performed this "middle man" registration activity pursuant to a license it had from the Internet Corporation for Assigned Names and Numbers ("ICANN")—which is, essentially, a creature of the United States Department of Commerce—and also pursuant to an agreement with Verisign, Inc. ("Verisign")—which is a private corporation that essentially acts as the operator of the huge ".com" and ".net" registries. Verisign is not in any way related to Ondova.

Approximately six weeks after the Ondova bankruptcy case was filed, the undersigned bankruptcy judge ordered the appointment of a Chapter 11 Trustee (the "Ondova Chapter 11 Trustee"), on September 11, 2009 [DE # 85],<sup>1</sup> when certain creditors and the bankruptcy court became concerned that Baron did not understand basic fiduciary duties and did not want to cooperate in many regards. Among other things, Baron hired and fired lawyers repeatedly and did not wish to testify on certain relevant subjects (asserting his Fifth Amendment privilege against self-incrimination, rather than testifying about the business affairs of Ondova). The United States Trustee, thus, appointed an individual named Daniel J. Sherman as the Ondova Chapter 11 Trustee on September 17, 2009 [DE # 98]. No party ever appealed the order directing the appointment of a chapter 11 trustee.

Over the course of the Ondova bankruptcy case, it was reported by parties that there were hundreds of thousands of ".com" and ".net" domain names (perhaps 600,000 in number) that had been owned by Baron, or by various offshore companies/trusts that Baron owned/controlled, or by a joint venture that Baron was a part of, and some even owned by Ondova. Certain of these domain names were subject to claims of copyright-infringement (and posed litigation risks and burdens); certain of these domain names were valuable; and certain of these domain names were not-so-valuable. There was various litigation in both the bankruptcy court and before the United States District Court for the Northern District of Texas, Dallas Division (Judge Royal Furgeson), regarding these domain names. The litigation before Judge Royal Furgeson was styled *NetSphere Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*, Civil Action No. 3:09-CV-0988-F ("Judge Furgeson

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<sup>1</sup> "DE # \_\_\_" as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11.



District Court Action"). Eventually, a Mutual Settlement and Release Agreement ("Global Settlement") was reached and approved by the bankruptcy court on July 28, 2010 [DE # 394] that appeared to resolve much of the Ondova bankruptcy case, the Judge Furgeson District Court Action, and many other pending lawsuits and disputes in various courts. There were dozens of parties to this Global Settlement, including Baron and various offshore entities that Baron controlled directly or indirectly. However, Baron almost immediately began hiring and firing more lawyers and undertaking litigation tactics seemingly aimed at undermining the Global Settlement, driving up costs, and delaying the Ondova bankruptcy case. On more than one occasion, parties in the Ondova bankruptcy case referred to Baron's actions as unexplainable and akin to financial suicide. Eventually, District Judge Furgeson appointed a receiver over Baron's assets and personal affairs, in an Order Appointing Receiver, signed by him on November 24, 2010, as clarified by a second order on December 17, 2010 (collectively, the "Receivership Orders"). The Receivership Orders did the following, among other things: (a) put the assets and business affairs of Baron into a personal receivership, with Peter S. Vogel as the Receiver—mostly so that the Global Settlement could be at long-last finalized; (b) clarified that various entities that Baron controlled, including Novo Point (the Petitioner on this Petition for Writ of Mandamus), were parties included as part of the receivership (the "Receivership Parties"); (c) enjoined any person from taking any action with regard to the affairs and business of the Receivership Parties except on direction of the Receiver or his counsel, including the hiring and firing of lawyers; and (d) specified that two attorneys named Thomas Jackson and Joshua Cox were the attorneys-of-record then appearing for Novo Point, who had been hired by Novo Point's then-manager, and that Messrs. Thomas and Cox were the only attorneys with authority to speak for Novo Point. These Receivership Orders are submitted herewith for the Court's ease of reference, as Appendix 1 and 2.

It is against this backdrop that the Petition for Writ of Mandamus has been filed, purportedly by Novo Point, and through attorney Gary Schepps (who is attorney-of-record for Baron in approximately 72 appeals—many of which are consolidated—before this honorable Court, and pertain to both bankruptcy court Ondova orders and District Court Receivership orders). The Petition for Writ of Mandamus seeks for this Court: (a) to direct the Bankruptcy Clerk to accept for filing certain notices of appeal (later herein described) filed in the bankruptcy court, allegedly by Petitioner Novo Point, on August 16, 2011 and August 18, 2011; and (b) also to direct the undersigned bankruptcy judge to vacate an order striking these same notices of appeal [see order

at DE # 648, entered September 6, 2011]. As further described below, the undersigned bankruptcy judge entered its order striking the said notices of appeal out of a concern that attorney Gary Schepps (and another attorney acting with Mr. Schepps, attorney Christopher Payne) were purporting to act for the entity Novo Point without any genuine corporate or legal authority. Specifically, the undersigned bankruptcy judge believed that these attorneys were: (a) acting in violation of District Judge Furgeson's unstayed Receivership Orders; (b) were falsely purporting to take instructions from someone on behalf of Novo Point that had no authority to give instructions; and (c) were orchestrating a sham upon the bankruptcy court, the director of which sham was ultimately Baron. As further explained below, the undersigned bankruptcy judge believes that due process and appeal rights were fully preserved by virtue of the fact that: (a) the Receivership Orders (which were at the heart of the bankruptcy court's ruling striking notices of appeal) were themselves on appeal; and (b) the bankruptcy court, in fact, permitted an appeal of a later order (the "Schepps Bar Order"—later defined) and permitted continued prosecution of any other appeals that were being pursued by Petitioner/Schepps before entry of the Schepps Bar Order.

**II. THE MORE SPECIFIC EVENTS LEADING UP TO PETITION FOR WRIT OF MANDAMUS.**

**A. The Chapter 11 Trustee's Desire to Sell Some Domain Names.**

As mentioned earlier, Ondova was mostly a "middle man" Registrar of ".com" and ".net" domain names. But, as information and evidence has unfolded during the Ondova bankruptcy case, it has become apparent that the Registrants that actually used the middle man registering services of Ondova were not, for the most part, ordinary consumers. Rather, many or most of the domain names that Ondova registered were held in (or owned by) offshore entities that were, in turn, beneficially owned and/or controlled by Baron. But the Ondova Chapter 11 Trustee's due diligence revealed that Ondova actually owned some domain names itself. Thus, on June 22, 2011, the Ondova Chapter 11 Trustee filed a motion with the bankruptcy court seeking permission to sell (through the services of an experienced auctioneer with appropriate industry credentials) eight domain names [DE # 589] that the Chapter 11 Trustee believed were owned by Ondova and might have material value (the "Domain Name Sale Motion").

On July 22, 2011, an objection to the Domain Name Sale Motion was filed by attorneys Dennis Olson and Christopher Payne, purporting to represent the entity known as Novo Point [DE # 597], alleging that the eight domain names identified in the Domain Name Sale Motion could not be sold by the Ondova Chapter 11 Trustee because they were, in fact, owned by Novo Point (hereinafter, the "Olson/Payne Objection to Sale").

The Ondova Chapter 11 Trustee then filed a motion to strike this Olson/Payne Objection to Sale on July 25, 2011 [DE # 598], stating that attorneys Olson/Payne had no authority whatsoever to represent Novo Point (the "Motion to Strike"). In support, the Ondova Chapter 11 Trustee attached the Receivership Orders which, as stated earlier: (a) put the assets and business affairs of Baron into a personal receivership; (b) clarified that various entities that Baron controlled, *including Novo Point*, were parties included as part of the receivership (the "Receivership Parties"); and (c) enjoined any person from taking any actions with regard to the affairs and business of the Receivership Parties except on direction of the Receiver or his counsel, including the hiring and firing of lawyers.

The Receiver filed a pleading supporting the Ondova Chapter 11 Trustee's Motion to Strike the Olson/Payne Objection to Sale in his own pleading called a motion for show of authority, filed July 25, 2011 [DE #602] (the "Motion for Authority").

On July 26, 2011, the bankruptcy court held an evidentiary hearing and: (a) granted in part the Domain Name Sale Motion (allowing the auction/sale of the domain name "mondial.com") [DE # 607] (the "Domain Name Sale Order"); (b) granted the Ondova Chapter 11 Trustee's Motion to Strike the Olson/Payne Objection to Sale [DE # 609] (the "Order Striking Olson/Payne Objection to Sale"); and (c) granted the Receiver's Motion for Authority [DE # 605] ("Order Finding Olson/Payne Have No Authority"). In the bankruptcy court's Order Striking Olson/Payne Objection to Sale, and also in the bankruptcy court's Order Finding Olson/Payne Have No Authority, the bankruptcy court ruled that Olson/Payne had "no authority to represent Novo Point, LLC," *since Novo Point was under the control of the Receiver and Novo Point could not hire and fire lawyers without the Receiver's authority, pursuant to the Receivership Orders*. The bankruptcy court further noted that, although the Receivership Orders were on appeal, they were not subject to any stay pending appeal and that, henceforth, any party/attorney seeking to represent and file pleadings for Novo Point in connection with the Ondova bankruptcy court proceedings *would be required to file a motion asking for authority to do so* and the bankruptcy court would expect live testimony in

connection with any such motion, including testimony from one Lisa Katz—whom attorneys Olson/Payne represented was a Dallas, Texas-based manager and/or attorney for Novo Point that was giving directions for it.

**B. The Notices of Appeal.**

Subsequently, three notices of appeal (plus one amended notice of appeal) were filed with regard to all three of these orders that the bankruptcy court entered after the July 26, 2011 hearing—i.e., specifically, with regard to the Domain Name Sale Order; the Order Striking Olson/Payne Objection to Sale; and the Order Finding Olson/Payne Have No Authority. A motion for stay pending appeal was also filed, with regard to the Domain Name Sale Order. All of these five pleadings [DE ## 610, 612, 613, 614, and 615] were signed by attorney Christopher Payne (but the last four of the five pleadings were actually filed, electronically, by an attorney, Gary Schepps, who represents Baron, personally, in connection with the Judge Furgeson District Court Action and in connection with several dozen appeals filed by Baron, and already pending, at the Fifth Circuit).

To be clear, these notices of appeal are at the heart of the Petition for Writ of Mandamus and they are more thoroughly described as follows:

1. Notice of Appeal<sup>2</sup> [DE #610], filed 8/16/11.
2. Notice of Appeal<sup>3</sup> [DE #612], filed 8/18/11.

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<sup>2</sup> This Notice of Appeal pertained to the Order Finding Olson/Payne Have No Authority [DE # 605], in which the bankruptcy court ruled that attorney Christopher Payne and his firm, and attorney Dennis Olson and his firm, had no authority to appear in the bankruptcy court for Novo Point and that they may not appear before the bankruptcy court in the future for Novo Point without filing first a motion for authority to do so, and any such motion must be supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point).

<sup>3</sup> This Notice of Appeal pertained to the Domain Name Sale Order [DE # 607], in which the bankruptcy court ruled that the Ondova Chapter 11 Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

3. Notice of Appeal<sup>4</sup> [DE #613], filed 8/18/11.
4. Amended Notice of Appeal<sup>5</sup> [DE #614], filed 8/18/11.
5. Motion for Stay Pending Appeal<sup>6</sup> [DE #615], filed 8/18/11.

C. The Ondova Chapter 11 Trustee's Motion to Strike the Notices of Appeal.

The Ondova Chapter 11 Trustee immediately moved to strike these notices of appeal and the motion for stay (and also asked for a show cause hearing on why attorneys Christopher Payne and Gary Schepps should not be held in contempt for gamesmanship in connection with these various pleadings). See DE ## 637 & 640.

The bankruptcy court thereafter held a hearing on September 1, 2011. Attorneys Christopher Payne and Gary Schepps appeared and gave no compelling explanation or authority for why they were continuing to file pleadings for Novo Point (specifically, the Notices of Appeal and Motion for Stay Pending Appeal), particularly, in the face of the unstayed Receivership Orders, the terms of which precluded any attorney or party acting for Novo Point—other than upon instructions of the Receiver. The bankruptcy court thereafter struck the Notices of Appeal ("Order Striking Notices of Appeal"). See DE # 648. The Order Striking Notices of Appeal is attached hereto for the Court's ease of

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<sup>4</sup> This Notice of Appeal pertained to an Order Striking Olson/Payne Objection to Sale Order [DE # 609], granting the Ondova Chapter 11 Trustee's motion to strike the objection to the Domain Name Sale Motion, which objection had been filed purportedly on behalf of Novo Point by attorneys Christopher Payne and Dennis Olson.

<sup>5</sup> This Amended Notice of Appeal (like the Notice of Appeal found at DE # 610), pertained to the Order Finding Olson/Payne Have No Authority [DE # 605], in which the bankruptcy court ruled that Christopher Payne, his firm, Dennis Olson, and Dennis Olson's firm, had no authority to appear in the bankruptcy court for Novo Point and that they may not appear before the bankruptcy court in the future for Novo Point without filing first a motion for authority to do so, which motion would need to be supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point).

<sup>6</sup> This Motion for Stay Pending Appeal pertained to the Domain Name Sale Order [DE # 607], in which the bankruptcy court ruled that the Ondova Chapter 11 Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

reference at Appendix 3. In striking the Notices of Appeal, the bankruptcy court noted (at footnote 7 of the Order Striking Notices of Appeal) that the filing of a notice of appeal is an event of jurisdictional significance, which event has sometimes been stated as divesting a trial court over those aspects of the case involved in the appeal, e.g., *Blinco v. Green Tree Servicing, LLC*, 366 F.3d 1249, 1251 (11th Cir. 2004), *Bradford-Scott Data Corp., Inc. v. Physician Computer Network, Inc.*, 128 F.3d 504, 505 (7th Cir. 1997). However, the bankruptcy court interpreted the relevant rules and case law in this regard to mean that, once an appeal is actually *docketed*, such jurisdiction of the trial court is divested. See, e.g., Rule 60(a) Fed. R. Civ. P. (last sentence). Thus, the undersigned bankruptcy judge believed she still had jurisdiction to strike the Notices of Appeal (since not yet docketed at the District Court) but, in substantively doing so, also stated that she believed that she was ensuring compliance with District Judge Furgeson's unstayed Receivership Orders (declaring that only the Receiver could act for Novo Point).

The undersigned bankruptcy judge also believed she was adhering to basic corporate governance concepts. An entity cannot have two masters; Novo Point, unless and until there is a stay or reversal of the Receivership Orders, can only be governed by the Receiver. This, in addition to being a corporate governance problem, seems equally to present a standing conundrum. The unstayed Receivership Orders appear to confer standing on the Receiver to act for Novo Point. Additionally, the Receiver and District Court have recognized a Mr. Damon Nelson as the designated manager for Novo Point and Joshua Cox and Thomas Jackson as Novo Point's separate attorneys.<sup>7</sup> Allowing different attorneys to suddenly come into a court announcing they have been hired to speak for Novo Point (one of which attorneys just so happens to be the appellate attorney for Baron) seemed offensive to the notion of standing. If a company such as General Motors ("GM") is a debtor in bankruptcy, although there may be many shareholders, creditors, and other parties in interest who have standing to assert a position, they cannot all speak for and as "GM." GM speaks through a board of directors (and it is the board of directors that hires officers and these officers and directors hire attorneys). An individual

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<sup>7</sup> Appendix 2 (the Second Receivership Order) recognizes a Jeff Harbin as manager of Novo Point and Joshua Cox and Thomas Jackson as its attorneys. Later, it has been represented that Mr. Damon Nelson was appointed to succeed Jeff Harbin as Novo Point manager. See, e.g., Appendix 4, p. 17 (line 20) - p. 18 (line 5).

shareholder cannot suddenly highjack the right to direct and take positions for GM (and say "I am GM" in court).<sup>8</sup>

In summary, the undersigned bankruptcy judge believed she was preventing improper gamesmanship (and honoring the Receivership Orders and concepts of standing).

#### D. Gamesmanship?

On the latter subject of "gamesmanship," it is noteworthy to mention that the bankruptcy court, soon after striking the Notices of Appeal, set a show cause hearing on a request by the Ondova Chapter 11 Trustee to hold attorneys Christopher Payne and Gary Schepps in civil contempt of court. Such show cause hearing (with full evidence) was held on October 24, 2011, November 15, 2011, and December 5, 2011. Much of the evidence at these hearings centered around who was instructing Novo Point to object to the Ondova Chapter 11 Trustee's attempted sale of domain names. A witness named Lisa Katz appeared in the bankruptcy court on November 15, 2011. Attorneys Christopher Payne and Gary Schepps had represented at earlier hearings that Lisa Katz was the current manager and an attorney for Novo Point, based in Dallas, who had apparent authority to direct attorneys to take positions for Novo Point. Lisa Katz testified to the undersigned bankruptcy judge that she was currently a part-time high school math tutor, who had attended Texas Wesleyan Law School with attorney Gary Schepps at a time when it was unaccredited and that she had never passed the bar exam, and that she had been called by Gary Schepps and asked to fulfill the operations manager role for Novo Point in spring or summer 2011. Lisa Katz testified that she had done nothing in her role as manager of Novo Point (except for perhaps talk to a couple of people in the Cook Islands a couple of times—she could not remember the names of such people—and learned that there was nothing for her to do yet). Lisa Katz appeared to know very little about Novo Point, the litigation ongoing in the bankruptcy court or District Court, or why she was in court that day. Lisa Katz testified that she had never read any pleadings filed and had never talked to the Receiver nor the manager-of-record of Novo Point (*i.e.*, the manager that is of record in the Receivership Proceeding). Lisa Katz testified that it was her understanding that she could not really do anything for Novo Point, in light of the Receivership.

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<sup>8</sup> Obviously, shareholder derivative actions are a whole different animal.

See Transcript from 11/15/11, pp. 1-40 [DE # 716]. A copy of this Transcript is attached for the Court's ease of reference. Appendix 4.

It is also noteworthy that Gary Schepps asserted his Fifth Amendment privilege against self-incrimination during the show cause hearings described herein, despite repeated statements by the undersigned bankruptcy judge that she had no criminal contempt powers and was simply holding a hearing requested by a party (the Ondova Chapter 11 Trustee) to determine whether court orders were being violated and, thus, whether a finding of civil contempt and sanctions was appropriate.

The bankruptcy court took the show cause matter under advisement (as far as whether monetary civil contempt sanctions should be imposed on attorneys Christopher Payne and Gary Schepps). The bankruptcy court has thus far issued no sanctions. However, the bankruptcy court did, on December 15, 2011, based on all the evidence heard (or, in the case of attorney Gary Schepps, not heard)<sup>9</sup> enter a bar order, depriving attorney Gary Schepps from participating any further as an attorney in the Ondova bankruptcy court proceedings (the "Schepps Bar Order") [DE # 728]. In the Schepps Bar Order, the Bankruptcy Clerk was instructed to remove any pleadings and/or appeals filed by attorney Gary Schepps as soon as they were filed. See DE # 728. A follow-up order clarified that Gary Schepps should be permitted to appeal the Schepps Bar Order itself and should not be prohibited from prosecuting any appeal which was being prosecuted prior to the Schepps Bar Order (the "Order Clarifying Schepps Bar Order") [DE # 747]. Both the Schepps Bar Order and the Order Clarifying Schepps Bar Order are attached hereto for ease of reference. Appendix 5 and 6. Gary Schepps subsequently appealed the Schepps Bar Order. DE # 742.

To be clear, not only did the alleged client-representative (Lisa Katz) for Novo Point, wholly emasculate the position of attorneys Gary Schepps and Christopher Payne (i.e., their position that she was in control of Novo Point and had given them instructions for Novo Point), but Gary Schepps behaved with an utter lack of candor and respect to the bankruptcy court by asserting the Fifth Amendment privilege not to testify, rather than explain how he had any corporate or legal authority to file

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<sup>9</sup> This is a reference to Gary Schepps asserting the Fifth Amendment privilege and not testifying.



court papers for Novo Point. Moreover, by late 2011, Gary Schepps had begun filing pleadings for a newly-created entity called Petfinders, LLC, which was now purporting to own one or more domain names that were alleged to be part of the Ondova bankruptcy estate.

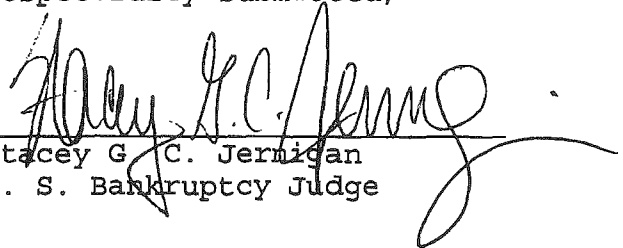
The bankruptcy court believes that the evidence presented, and the positions taken by attorney Gary Schepps, have reflected improper litigation gamesmanship on the part of his ultimate, true client, Baron, and, most importantly, have violated the Receivership Orders (that have, again, been on appeal but not stayed). The bankruptcy court believed, because of the Receivership Orders and basic tenets of corporate governance and standing, that no person had the power to act for Novo Point (including hire attorneys for it) unless the Receiver directed them (and unless/until the Receivership Orders were stayed or reversed or the bankruptcy court was otherwise presented with some sort of credible proof or authority).

### III. CONCLUSION.


As earlier stated, the Petition for Writ of Mandamus appears to be asking for this Court: (a) to direct the Bankruptcy Clerk to accept for filing the **Notices of Appeal** (described in Section II.B. above) filed in the bankruptcy court purportedly on behalf of Petitioner, Novo Point, on August 16, 2011 and August 18, 2011; and (b) also to direct the undersigned bankruptcy judge to **vacate her Order Striking Notices of Appeal** [see order at DE # 648, entered September 6, 2011]. As further described herein, the undersigned bankruptcy judge entered its Order Striking Notices of Appeal out of a concern that attorney Gary Schepps (and another attorney acting with Mr. Schepps, attorney Christopher Payne) were purporting to act for the entity Novo Point without any genuine corporate authority or legal standing. Specifically, the undersigned bankruptcy judge believed that these attorneys were: (a) acting in violation of District Judge Furgeson's unstayed Receivership Orders; (b) were falsely purporting to take instructions from someone on behalf of Novo Point that had no authority to give instructions; and (c) were orchestrating a sham upon the bankruptcy court, the director of which sham was ultimately Baron. As further explained herein, the undersigned bankruptcy judge believes that due process and appeal rights were fully preserved by virtue of the fact that: (a) the Receivership Orders (which were at the heart of the bankruptcy court's ruling striking notices of appeal) were themselves on appeal; and (b) the bankruptcy court, in fact, permitted an appeal of a later order (the Schepps Bar Order) and permitted continued prosecution of any appeals that were being

pursued by Petitioner/Schepps before entry of the Schepps Bar Order. Moreover, the bankruptcy court gave ample opportunity for "Novo Point" to file a motion and present argument and evidence as to its standing, and it failed to do so. In any event, the undersigned is prepared to immediately respond to any directives issued by this honorable Court as a result of the Petition for Writ of Mandamus.

Respectfully submitted,

  
Stacey G. C. Jernigan  
U. S. Bankruptcy Judge

Adopted by:

  
Tawana C. Marshall, Clerk  
U. S. Bankruptcy Court for the  
Northern District of Texas

**CERTIFICATE OF SERVICE**

This is to certify service of this Response on the parties listed below by electronic transmission and U.S. mail.

Gary N Schepps  
Schepps Law Offices  
5400 LBJ Freeway  
Suite 1200  
Dallas, TX 75240  
legal@schepps.net

**DATED:** May 4, 2012  
**CERTIFIED BY:** /s/ Tawana C. Marshall  
Tawana C. Marshall  
CLERK OF COURT  
US BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

APPENDIX TO LETTER RESPONSE TO THE FIFTH CIRCUIT

- Appendix 1 Order Appointing Receiver signed by Judge Furgeson on November 24, 2010 in U.S.D.C. Case No. 3:09-CV-0988-F [DE # 130]
- Appendix 2 Order Granting the Receiver's Motion to Clarify the Receiver Order with Respect to Novo Point, LLC and Quantec, LLC signed by Judge Furgeson on December 17, 2010 in U.S.D.C. Case No. 3:09-CV-0988-F [DE # 176]
- Appendix 3 Order: (A) Granting, in Substantial Part, Trustee's Motion to: (I) Show Cause Why Christopher Payne and Gary Schepps Should Not Be Held in Contempt and Sanctioned; and (II) Strike Notices of Appeal and Motion to Stay Sale Order [DE #637]; and (B) Setting Show Cause Hearing on October 24, 2011, at 10:30 a.m., as to Actions of Lawyers Christopher Payne and Gary Schepps entered by Judge Jernigan on September 6, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 648]
- Appendix 4 Transcript from hearing held November 15, 2011 (Testimony of Lisa Katz) filed on November 30, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 716]
- Appendix 5 Order Barring Attorney Gary Schepps from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case entered by Judge Jernigan on December 15, 2011 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 728]
- Appendix 6 Order Clarifying Order Barring Attorney Gary Schepps from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case entered by Judge Jernigan on January 5, 2012 in Bankruptcy Case No. 09-34784-SGJ-11 [DE # 747]

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

NETSPHERE INC.,  
MANILA INDUSTRIES, INC.; and  
MUNISH KRISHAN

Plaintiffs,

vs.

JEFFREY BARON and  
ONDOVA LIMITED COMPANY,  
Defendants

§  
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CIVIL ACTION NO. 3-09CV0988-F

**ORDER APPOINTING RECEIVER**

The Court hereby appoints a receiver and imposes an ancillary relief to assist the receiver as follows:

**APPOINTMENT OF RECEIVER**

IT IS HEREBY ORDERED that Peter S. Vogel is appointed Receiver for Defendant Jeffrey Baron with the full power of an equity receiver. The Receiver shall be entitled to possession and control over all Receivership Assets, Receivership Parties and Receivership Documents as defined herein, and shall be entitled to exercise all powers granted herein.

**RECEIVERSHIP PARTIES, ASSETS, AND RECORDS**

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Parties", which term shall include Jeffrey Baron and the following entities:

- Village Trust, a Cook Islands Trust
- Equity Trust Company IRA 19471
- Daystar Trust, a Texas Trust
- Belton Trust, a Texas Trust
- Novo Point, Inc., a USVI Corporation
- Iguana Consulting, Inc., a USVI Corporation
- Quantec, Inc., a USVI Corporation
- Shiloh, LLC, a Delaware Limited Liability Company
- Novquant, LLC, a Delaware Limited Liability Company

**APPENDIX 1**

**Manassas, LLC, a Texas Limited Liability Company  
Domain Jamboree, LLC, a Wyoming Limited Liability Company  
ID Genesis, LLC, a Utah Limited Liability Company**

and any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority or right to act. The Court hereby enjoins any person from taking any action based upon any presently existing directive from any person other than the Receiver with regard to the affairs and business of the Receivership Parties, including but not limited to proceeding with the transfer of a portfolio of internet domain names ("Domain Names") for which Ondova Limited Company ("Ondova") acted as registrar. Specifically, but without limitation, VeriSign Inc and The Internet Corporation for Assigned Names and Numbers ("ICANN"), and any other entity connected to the transfer of the Domain Names, shall immediately cease such efforts and shall terminate any movement of the Domain Names.

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Assets", which term shall include any and all legal or equitable interest in, right to, or claim to, any real or personal property (including "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes" (as these terms are defined in the Uniform Commercial Code)), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located, and further including any legal or equitable interest in any trusts, corporations, partnerships, or other legal entities of any nature, that are:

1. owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to, any Receivership Party;
2. in the actual or constructive possession of any Receivership Party; or
3. in the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any

other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Receivership Party, including, but not limited to, any assets held by or for any Receivership Party in any account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside of the State of Texas.

IT IS FURTHER ORDERED that the Receiver shall be entitled to any document that any Receivership Party is entitled to possess as of the signing of this order ("Receivership Documents").

IT IS FURTHER ORDERED that all persons who receive actual notice of this Order by personal service or otherwise are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any Receivership Assets.

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Receivership Party, or subject to access by any Receivership Party or under any Receivership Party's control, without providing the Receiver prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing any payments from customers or clients of a Receivership Party;

D. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Receivership Party; or

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Receivership Party or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Receivership Party.

F. The funds, property, and assets affected by this Order shall include both existing assets and assets acquired after the effective date of this Order.

IT IS FURTHER ORDERED that any financial institution, business entity, or person maintaining or having custody or control of any account or other asset of any Receivership Party, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Receivership Party, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. on behalf of, or for the benefit of, any Receivership Party;
2. in any account maintained in the name of, or for the benefit of, or subject to withdrawal by, any Receivership Party; and
3. that are subject to access or use by, or under the signatory power of, any Receivership Party.

B. Deny any person other than the Receiver or his designee access to any safe deposit boxes or storage facilities that are either:

1. titled in the name, individually or jointly, of any Receivership Party; or
2. subject to access by any Receivership Party.

C. Provide the Receiver an immediate statement setting forth:



1. The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;

2. The balance of each such account, or a description of the nature and value of such asset;

3. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and

4. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance on said date.

D. Immediately provide the Receiver with copies of all records or other documentation pertaining to each such account or asset, including, but not limited to, originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Immediately honor any requests by the Receiver with regard to transfers of assets to the Receiver or as the Receiver may direct.

#### **DUTIES OF DEFENDANTS REGARDING ASSETS AND DOCUMENTS**

**IT IS FURTHER ORDERED that Defendants shall:**

A. Within three business days following service of this Order, take such steps as are necessary to turn over control to the Receiver and repatriate to the Northern District of Texas all Receivership Documents and Receivership Assets that are located outside of the Northern District of Texas and are held by or for the Receivership Parties or are under the Receivership Parties' direct or indirect control, jointly, severally, or individually;

B. Within three business days following service of this Order, provide Plaintiff and the Receiver with a full accounting of all Receivership Documents and Receivership Assets wherever located, whether such Documents or Assets held by or for any Receivership Party or are under any Receivership Party's direct or indirect control, jointly, severally, or individually, including the addresses and names of any foreign or domestic financial institution or other entity holding the Receivership Documents and Receivership Assets, along with the account numbers and balances; and

D. Immediately following service of this Order, provide Plaintiff and the Receiver access to Defendants' records and Documents held by Financial Institutions or other entities, wherever located.

#### POWERS AND DUTIES OF RECEIVER

IT IS FURTHER ORDERED that the Receiver shall immediately present a sworn statement that he will perform his duties faithfully and shall post a cash deposit or bond in the amount of \$1,000.

IT IS FURTHER ORDERED that in addition to all powers granted in equity to receivers, the Receiver shall immediately have the following express powers and duties:

A. To have immediate access to any business premises of the Receivership Party, and immediate access to any other location where the Receivership Party has conducted business and where property or business records are likely to be located.

B. To assume full control of the Receivership Party by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee or agent of the Receivership Party, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Party;

C. To take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody or under the control of, the Receivership Party, wherever

situated, including without limitation all paper documents and all electronic data and devices that contain or store electronic data including but not limited to computers, laptops, data storage devices, back-up tapes, DVDs, CDs, and thumb drives and all other external storage devices and, as to equipment in the possession or under the control of the Receivership Parties, all PDAs, smart phones, cellular telephones, and similar devices issued or paid for by the Receivership Party.

D. To act on behalf of the Receivership Party and, subject to further order of the Court, to have the full power and authority to take all corporate actions, including but not limited to, the filing of a petition for bankruptcy as the authorized responsible person as to the Receivership Party, dissolution of the Receivership Party, and sale of the Receivership Party.

E. To divert mail.

F. To sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Party and other persons or entities whose interests are now held by or under the direction, possession, custody or control of the Receivership Party.

G. To investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the Receivership Party including, but not limited to, obtaining an accounting of the assets, and preventing transfer, withdrawal or misapplication of assets.

H. To enter into contracts and purchase insurance as advisable or necessary.

I. To prevent the inequitable distribution of assets and determine, adjust, and protect the interests of creditors who have transacted business with the Receivership Party.

J. To manage and administer the business of the Receivership Party until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which include retaining, hiring, or dismissing any employees, independent contractors, or agents.

K. To choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists (collectively, "Professionals"), as each Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order.

L. To make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order.

M. To institute, compromise, adjust, defend, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that each Receiver deems necessary and advisable to preserve or recover the assets of the Receivership Party or that each Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, including but not limited to, the filing of a petition for bankruptcy.

N. To conduct investigations and to issue subpoenas to obtain documents and records pertaining to, or in aid of, the receivership, and conduct discovery in this action on behalf of the receivership estate.

O. To consent to the dissolution of the receivership in the event that the Plaintiff may compromise the claim that gave rise to the appointment of the Receiver, provided, however, that no such dissolution shall occur without a motion by the Plaintiff and service provided by the Plaintiff upon all known creditors at least thirty days in advance of any such dissolution.

#### LIMITATION OF RECEIVER'S LIABILITY

IT IS FURTHER ORDERED that except for an act of gross negligence, the Receiver and the Professionals shall not be liable for any loss or damage incurred by any of the Receivership Parties, their officers, agents, servants, employees and attorneys or any other person, by reason of any act performed or omitted to be performed by the Receiver and the Professionals in connection with the discharge of his or her duties and responsibilities. Additionally, in the

event of a discharge of the Receiver either by dissolution of the receivership or order of this Court, the Receiver shall have no further duty whatsoever.

#### PROFESSIONAL FEES

IT IS FURTHER ORDERED that each Receiver and his professionals, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, which compensation shall be derived exclusively from the assets now held by, or in the possession or control of, or which may be received by the Receivership Party or which are otherwise recovered by the Receiver, against which the Receiver shall have a first and absolute administrative expense lien. The Receiver shall file with the Court and serve on the parties a fee application with regard to any compensation to be paid to professionals prior to the payment thereof.

#### COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that the Defendants and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority and discharging the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic account, or digital file or telephonic data in any medium; turning over all accounts, files, and records including those in possession or control of attorneys or accountants; and advising all persons who owe money to the Receivership Party that all debts should be paid directly to the Receiver. Defendants are hereby temporarily restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Party;

B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Party including, but not limited to, books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations, electronically-stored records, or any other papers of any kind or nature;

C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Party or the Receiver;

D. Drawing on any existing line of credit available to Receivership Party;

E. Excusing debts owed to the Receivership Party;

F. Failing to notify the Receiver of any asset, including accounts, of the Receivership Party held in any name other than the name of any of the Receivership Party, or by any person or entity other than the Receivership Party, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody or control of such assets;

G. Doing any act that would, or failing to do any act which failure would, interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court; and

H. Filing, or causing to be filed, any petition on behalf of the Receivership Party for relief under the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (2002), without prior permission from this Court.

IT IS FURTHER ORDERED that:

A. Immediately upon service of this Order upon them, or within such period as may be permitted by the Receiver, Defendants or any other person or entity shall transfer or deliver possession, custody, and control of the following to the Receiver:

1. All assets of the Receivership Party, including, without limitation, bank accounts, web sites, buildings or office space owned, leased, rented, or otherwise occupied by the Receivership Party;

2. All documents of the Receivership Party, including, but not limited to, books and records of accounts, legal files (whether held by Defendants or their counsel) all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents, and other papers;

3. All of the Receivership Party's accounting records, tax records, and tax returns controlled by, or in the possession of, any bookkeeper, accountant, enrolled agent, licensed tax preparer or certified public accountant;

4. All loan applications made by or on behalf of Receivership Party and supporting documents held by any type of lender including, but not limited to, banks, savings and loans, thrifts or credit unions;

5. All assets belonging to members of the public now held by the Receivership Party; and

6. All keys and codes necessary to gain or secure access to any assets or documents of the Receivership Party including, but not limited to, access to their business premises, means of communication, accounts, computer systems or other property;

B. In the event any person or entity fails to deliver or transfer any asset or otherwise fails to comply with any provision of this Paragraph, the Receiver may file ex parte an Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, Writs of Possession or Sequestration or other equitable

writs requested by the Receivers. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county, or any other federal or state law enforcement officer, to seize the asset, document or other thing and to deliver it to the Receivers.

IT IS FURTHER ORDERED that, upon service of a copy of this Order, all banks, broker-dealers, savings and loans, escrow agents, title companies, leasing companies, landlords, ISOs, credit and debit card processing companies, insurance agents, insurance companies, commodity trading companies or any other person, including relatives, business associates or friends of the Defendants, or their subsidiaries or affiliates, holding assets of the Receivership Party or in trust for Receivership Party shall cooperate with all reasonable requests of each Receiver relating to implementation of this Order, including freezing and transferring funds at his or her direction and producing records related to the assets of the Receivership Party.

#### STAY OF ACTIONS

IT IS FURTHER ORDERED that:

A. Except by leave of this Court, during the pendency of the receivership ordered herein, all other persons and entities aside from the Receiver are hereby stayed from taking any action to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, the Receivership Party, any of their partnerships, assets, documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

1. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;
2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody or control of any asset;



attempting to foreclose, forfeit, alter or terminate any interest in any asset, whether such acts are part of a judicial proceeding or are acts of self-help or otherwise;

3. Executing, issuing, serving or causing the execution, issuance or service of, any legal process including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; and

4. Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession, or management of the assets or documents subject to this receivership, or to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party;

B. This Order does not stay:

1. The commencement or continuation of a criminal action or proceeding;  
and

2. Except as otherwise provided in this Order, all persons and entities in need of documentation from the Receiver shall in all instances first attempt to secure such information by submitting a formal written request to the Receiver, and, if such request has not been responded to within 30 days of receipt by the Receiver, any such person or entity may thereafter seek an Order of this Court with regard to the relief requested.

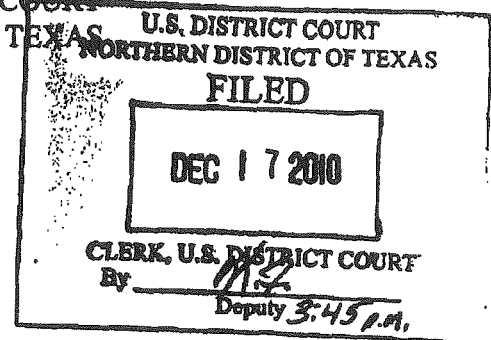
JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this <sup>2</sup>24<sup>th</sup> day of November, 2010

  
\_\_\_\_\_  
JUDGE/PRESIDING

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



NETSPHERE, INC.,  
MANILA INDUSTRIES., INC., AND  
MUNISH KRISHAN

PLAINTIFFS,

V.

JEFFREY BARON AND  
ONDOVA LIMITED COMPANY,

DEFENDANTS.

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CIVIL ACTION NO. 3:09-CV-0988-F

**ORDER GRANTING THE RECEIVER'S MOTION  
TO CLARIFY THE RECEIVER ORDER  
WITH RESPECT TO NOVO POINT, LLC AND QUANTEC, LLC**

CAME ON TO BE HEARD, the Receiver Peter S. Vogel's Motion to Clarify the Receiver Order. The Court considered the Motion and finds as follows:

On November 24, 2010, the Court issued an order appointing Peter S. Vogel as the Receiver for Defendant Jeffrey Baron (the "Receiver Order"). [Docket #124.] The Court declares that the Receiver Order's definition of Receivership Parties has always included Novo Point, LLC and Quantec, LLC (the "Clarification").

The Court further clarifies that, based on the Clarification, the Receiver Order requires that the Receiver Parties (including, without limitation Novo Point, LLC and Quantec, LLC, as well as any individuals representing them) comply with all reasonable instructions given to them by the Receiver relating to the Receiver Order, the Receivership Parties, the Receiver Assets, and the Professionals, including, without limitation, instructions relating to the Receiver's efforts to obtain and maintain access to the Receiver Assets ("Further Clarification").

As specific examples of the Further Clarification (although these are merely examples, and not to be construed as limitations of the Further Clarification), the Court ORDERS that the following shall occur:

1. Jeff Harbin shall meet with counsel for the Receiver at an agreed upon time within one week of the date of this Order, at BBVA Compass Bank, 2301 Cedar Springs Road, Dallas, Texas 75201. Once at the bank, Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary, including documents to effectuate the process for the Receiver and his counsel to obtain joint access to the Receiver Assets, including, without limitation, joint access to the following accounts: checking account #XXXXXX1315 at BBVA Compass, in the name of Novo Point, LLC; checking account #XXXXX1323 at BBVA Compass, in the name of Quantec, LLC; ~~checking account #XXXXXX4043 at BBVA Compass, in the name of Quasar Services, LLC, and checking account #XXXXXX4027 at BBVA~~ pe  
6 ~~Compass.~~ Jeff Harbin shall not withdraw funds, issue checks, make other payments or enter ~~of~~ into or execute any contracts (written or oral) or in any way obligate Novo Point, LLC and/or Quantec, LLC in any other way, above the amount of \$3,000.00 (THREE THOUSAND DOLLARS) without the express written or e-mail authorization by the Receiver or his counsel, and the account shall be set up with the bank with those same restrictions (*i.e.*, permitting the Receiver or his counsel to withdraw funds, issues checks, or make payments above \$3,000 without Mr. Harbin's signature, but not permitting Mr. Harbin to withdraw funds, issue checks, or make payments above \$3,000 without the Receiver's or the Receiver's Counsel's signature). On or before the tenth day of each month, Mr. Harbin shall provide the Receiver and his counsel with a full and complete written accounting for the previous month of all of the accounts

identified in this paragraph, including, all transactions (regardless of whether the transactions involved more or less than \$3,000) and including among other things, (a) an accounting of all withdrawals from any and all of these accounts, (b) checks issued from any and all of these accounts, (c) payments made to any and all of these accounts, (d) deposits into any and all of these accounts, (e) contracts (written or oral) entered into on behalf of Quantec, LLC or Novo Point, LLC, and (f) any other obligations entered into on behalf of Quantec, LLC or Novo Point, LLC.

2. Jeff Harbin shall report to the Receiver and his counsel all communications with Jeff Baron within 48 hours after such communications occur.

*pl* 3. Jeff Harbin shall provide to the Receiver and his counsel all written and e-mail communications occurring since the date of this Order to or from (a) Jeff Baron, (b) Gary Schepps, (c) any other attorney representing Jeff Baron, (d) any other individual purporting to represent or act on behalf of Jeff Baron, (e) Mike Robertson, or (f) any other employee, representative, contractor, or agent of Fabulous.com or any other registrar.

*pl* 4. The Receiver shall have the right to terminate Jeff Harbin immediately (meaning at any time and without prior notice) if the Receiver reasonably believes that Jeff Harbin is not acting in the best interests of Quantec, LLC or Novo Point, LLC, or if the Receiver reasonably believes that Jeff Harbin is not complying with this Order or is working in conjunction with Jeff Baron to obstruct the Receiver from complying with the Receiver Order dated November 24, 2010.

5. Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access to all other *domestic* accounts comprising the Receiver Assets, including, without limitation: Roth Conversion IRA account #XXXXXXXXXX0491 at Dreyfus Investments, in the name of the Bank of New York Mellon Cust f/b/o Jeffrey D. Baron; IRA account #U647003 at Delaware Charter Guarantee & Trust d/b/a Principal Trust Company, in the name of Jeff Baron; Roth IRA account #XXX55 at Sterling Trust Company, in the name of Jeff Baron; money market account #XXXX9290 at Las Colinas Federal Credit Union, in the name of Jeff D. Baron; Roth IRA account #XX471 at Equity Trust Company, in the name of Jeffrey Baron; account #XXX-XXX236 with TD Ameritrade, in the name of Jeffrey Baron; money market account #XX-XXXX0893 at American Century Investments, in the name of Jeffrey D. Baron; checking account #XXXXXX9614 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXXXX5908 at Capital One Bank, in the name of Jeffrey D. Baron; savings account #XXXXXX0961 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXX-XXXXXX7102 at Dreyfus Investments, in the name of Jeffrey D. Baron; money market account #XXX-XXXXXX1818 at Evergreen Investments, in the name of Jeffrey D. Baron; checking account #XXXXXX5728 at Hibernia National Bank, in the name of Jeffrey D. Baron; international stock index fund account #XXXX-XXXXXXXX7792 at The Vanguard Group, in the name of Jeffrey D. Baron; checking account #XXXXXX1261 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1063 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1064 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1065

at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXX2223  
at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXX7831  
at Woodforest National Bank, in the name of Jeffrey D. Baron; commercial checking account  
#XXXXXXXX1811 at NetBank, in the name of Compana LLC; checking account  
#XXXXXXXX3093 at Bank of America, in the name of Diamond Key, LLC; Roth IRA account  
#XXX-XX1396 at Mid-Ohio Securities Corporation, in the name of Equity Trust Co. Cust IRA  
of Jeffrey Baron; checking account #XXXXXXXX8930 at Bank of America, in the name of  
Manassas, LLC; checking account #XXXX7068 at Park Cities Bank, in the name of Manassas,  
LLC; checking account #XXXX1121 at Park Cities Bank, in the name of Novo Point, LLC;  
account #XXXX3100 at Las Colinas Federal Credit Union, in the name of Ondova Limited  
Company; and checking account #XXXX1618 at Park Cities Bank, in the name of Quantec, LLC  
(collectively, the "Baron Domestic Accounts"). For example, but not to be taken as a limitation,  
Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to  
each of the aforementioned financial institutions maintaining the Baron Domestic Accounts  
instructing them immediately to direct any and all funds in Baron Domestic Accounts to the one  
or more of the accounts identified in paragraph 1 of this Order.

6. Jeff Harbin shall immediately execute whatever documents Receiver's counsel  
deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access  
to all *non-domestic* accounts comprising the Receiver Assets, including, without limitation, all  
accounts located in the Cook Islands that are owned, controlled or held by, in whole or in part,  
for the benefit of, or subject to access by, or belonging to any Receivership Party or any other  
corporation, partnership, trust, or any other entity directly or indirectly owned, managed, or

controlled by, or under common control with, any Receivership Party, including, without limitation, Southpac Trust Limited, The Village Trust, Quantec, LLC, Iguana Consulting, LLC, Novo Point, LLC, Iguana Consulting, Inc., and Quantec, Inc. ("Cook Island Accounts"). For example, but not to be taken as a limitation, Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to Brian Mason and Tine Faasili Ponia<sup>o</sup> at Southpac Trust Limited and Adrian Taylor at Asiaticititrust with instructions relating to any and all Cook Island Accounts managed, controlled by, held by, subject to access by Southpac Trust Limited ("Southpac Trust Limited Accounts"), including a copy of this Order and instructions from Mr. Harbin that Brian Mason, Tine Faasili Ponia, or anyone working for or with either of them including Adrian Taylor at Asiaticititrust shall (a) not withdraw any amounts from the Southpac Trust Limited Accounts, (b) not transfer any amounts from those Southpac Trust Limited Accounts, (c) not close the Southpac Trust Limited Accounts, and (d) to take all actions necessary to allow the Receiver and his counsel to gain sole access to and withdraw funds from the Southpac Trust Limited Accounts and direct said funds to one or more of the accounts identified in paragraph 1 of this Order. Nothing in this Order shall be construed either as evidencing or not evidencing that Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts (*i.e.*, the Court is not issuing a ruling at this time as to whether Jeff Harbin, Novo Point, LLC, or Quantec LLC control any of the trusts). Likewise Mr. Harbin's, Novo Point, LLC's and/or Quantec LLC's<sup>x</sup> compliance with this Order and/or the Receiver's instructions shall not be construed either as evidencing or not evidencing that any of Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts.

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7. Jeff Harbin shall immediately execute whatever documents the Receiver or his counsel deem(s) necessary to divert funds to be transferred *by* certain revenue sources (including, but not limited to Netsphere, Hitfarm, Namedrive, Firstlook, Parked, DDC.com, Domainsponsor.com, SEDO, and Trellian / Above) ("Revenue Sources"), *from* whatever accounts the Revenue Sources were currently sending funds *to* one or more of the accounts identified in paragraph 1 of this Order. Further, but not to be taken as a limitation, Jeff Harbin shall immediately upon their presentation execute letters drafted by the Receiver to any internet domain name monetizers instructing the same to direct all funds immediately to one or more of the accounts identified in paragraph 1 of this Order. Mr. Harbin shall not divert or cause to be diverted any funds *by* the Revenue Sources *from* any of the accounts identified in paragraph 1 of this Order *to* any other accounts without prior written or e-mail authorization from the Receiver or his counsel.

8. Without prior written or e-mail authorization of the Receiver or his counsel, Jeff Harbin shall not attempt to retain or terminate any of the Receiver's Professionals, or any employees, contractors, or other service providers of Quantec, LLC or Novo Point, LLC, including, without limitation, hire or fire attorneys, CPAs, consultants, or the like. pe ✓

9. By 9:00 a.m. on December 28, 2010, Thomas Jackson and Joshua Cox shall both file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal services:

- a. Whom do you purport to represent.
- b. When did you commence that representation?
- c. What is the name of the individual who retained you to represent that party(ies)?
- d. Whether you have been paid a retainer, the amount of the retainer, and the account from which the retainer payment was drawn.

10. By 9:00 a.m. on December 28, 2010, Thomas Jackson, Joshua Cox, James Eckels, and Jeff Harbin, and shall each file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal

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- a. The amounts you have received from any Receivership Parties since the date of the Receiver Order ("Post Receiver Order Payments").
- b. Who provided you with the Post Receiver Order Payments.
- c. The account from which the Post Receiver Order Payments was drawn.

**If any of these ORDERS are not strictly followed, the Court ORDERS that the Receiver file a SHOW CAUSE MOTION FOR CONTEMPT.**

SO ORDERED.

DATED: 12/17/2010

  
U.S. District Judge Royal Ferguson

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed September 06, 2011

THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

IN RE: §  
§  
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11  
§  
Debtor. §

ORDER: (A) GRANTING, IN SUBSTANTIAL PART, TRUSTEE'S MOTION TO:  
(I) SHOW CAUSE WHY CHRISTOPHER PAYNE AND GARY SCHEPPS SHOULD NOT  
BE HELD IN CONTEMPT AND SANCTIONED; AND (II) STRIKE NOTICES  
OF APPEAL AND MOTION TO STAY SALE ORDER [DE # 637]; AND  
(B) SETTING SHOW CAUSE HEARING ON OCTOBER 24, 2011, AT 10:30 A.M.,  
AS TO ACTIONS OF LAWYERS CHRISTOPHER PAYNE AND GARY SCHEPPS

I. INTRODUCTION.

The court held a hearing on September 1, 2011 on the Trustee's Motion to: (I) Show Cause Why Christopher Payne and Gary Schepps Should Not Be Held in Contempt and Sanctioned; and (II) Strike Notices of Appeal and Motion to Stay Sale Order (the "Motion") [DE # 637]. Appearing at the hearing, among others, were: (a) the Chapter 11 Trustee for Ondova Limited Company ("Ondova"), Daniel Sherman ("Trustee"); (b) the Trustee's

counsel; (c) counsel for the Receiver, Peter Vogel (the "Receiver"), who was appointed, in 2010, by United States District Judge Royal Furgeson in Civil Action No. 3:09-CV-0988-F, as receiver over Jeffrey Baron, the former principal of Ondova, and related entities (the "Baron Receivership Action"); (d) Joshua Cox, counsel for Novo Point, LLC, which entity is a Baron-related entity that is subject to the Baron Receivership Action (Mr. Cox's authority to act as counsel for Novo Point, LLC was previously approved and/or acknowledged in the Baron Receivership Action); (e) Christopher Payne, an attorney appearing for himself, and who has recently purported to represent Novo Point, LLC in the above-referenced bankruptcy case; and (f) Gary Schepps, an attorney appearing for himself, and who purports to be appellate counsel for Jeffrey Baron and perhaps Baron-related entities.

In the Motion, the Trustee requested that the bankruptcy court strike five pleadings (the "Five Pleadings") that were signed by Christopher Payne and, in all but one case, electronically filed by Gary Schepps. The Five Pleadings were allegedly filed by Payne/Schepps on behalf of *Novo Point, LLC*, which entity—as mentioned above—is related to Jeffrey Baron and is under the control of the Receiver, pursuant to Orders signed by District Judge Royal Furgeson on November 24, 2010, and December 17, 2010. In fact, the main purpose of Judge Furgeson's

Order dated December 17, 2010 was to specifically clarify that the entity Novo Point, LLC was a part of the Baron Receivership Action and any individuals allegedly representing it were to comply with all instructions given to them by the Receiver.<sup>1</sup> Such December 17, 2010 Order was agreed to by Joshua Cox and James Eckles—who were then attorneys for Novo Point, LLC. The Trustee has requested that the Five Pleadings be stricken, since Christopher Payne and Gary Schepps had no authority from the Receiver to file them on behalf of Novo Point, LLC. The Trustee also asked for a Show Cause Order why Christopher Payne and Gary Schepps should not be sanctioned and held in contempt of the bankruptcy court, since the bankruptcy court has previously ruled that Christopher Payne, his firm, Dennis Olson, and Dennis Olson's firm may not appear in the bankruptcy court on behalf of Novo Point, LLC *without first filing a motion for authority to do so, which motion must be supported by compelling evidence, including live testimony from a Brian Mason and Lisa Katz-i.e., the ones who have allegedly given instructions to Christopher Payne to take legal positions for Novo Point, LLC.* See DE ## 605 & 609.

## II. THE FIVE PLEADINGS.

The Five Pleadings that the Trustee asked to have stricken

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<sup>1</sup> The December 17, 2010 Order contained similar clarification provisions concerning a Baron-related entity known as Quantec, LLC.

were:

1. Notice of Appeal<sup>2</sup> [DE # 610], filed 8/16/11.
2. Notice of Appeal<sup>3</sup> [DE # 612], filed 8/18/11.
3. Notice of Appeal<sup>4</sup> [DE # 613], filed 8/18/11.
4. Amended Notice of Appeal<sup>5</sup> [DE # 614], filed 8/18/11.
5. Motion for Stay Pending Appeal<sup>6</sup> [DE # 615], filed 8/18/11.

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<sup>2</sup> This Notice of Appeal pertained to an Order [DE # 605] granting the Receiver's Motion for Show of Authority, in which the bankruptcy court ruled that Christopher Payne, his firm, Dennis Olson, and Dennis Olson's firm had no authority to appear in the bankruptcy court for the entities Novo Point, LLC and Quantec, LLC, and that they may not appear before the bankruptcy court in the future for these entities without filing first a motion for authority to do so, which is supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point, LLC and Quantec, LLC).

<sup>3</sup> This Notice of Appeal pertained to an Order [DE # 607] granting the Trustee's Motion to Sell Property of the Estate ("Sale Motion"), in which the bankruptcy court ruled that the Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

<sup>4</sup> This Notice of Appeal pertained to an Order [DE # 609] granting the Trustee's Motion to Strike the objection to the Trustee's Sale Motion, which objection had been filed purportedly on behalf of Novo Point, LLC by attorneys Christopher Payne and Dennis Olson.

<sup>5</sup> This Amended Notice of Appeal (like the Notice of Appeal found at DE #610), pertained to the Order [DE # 605] granting the Receiver's Motion for Show of Authority, in which the bankruptcy court ruled that Christopher Payne, his firm, Dennis Olson, and Dennis Olson's firm had no authority to appear in the bankruptcy court for the entities Novo Point, LLC and Quantec, LLC and that they may not appear before the bankruptcy court in the future for these entities without filing first a motion for authority to do so, which is supported by compelling evidence including live testimony from Brian Mason and Lisa Katz (the human beings who supposedly gave authority to Payne/Olson to take legal positions for Novo Point, LLC and Quantec, LLC). It is unclear what necessitated the amendment.

<sup>6</sup> This Motion for Stay Pending Appeal pertained to the Order [DE # 607] granting the Trustee's Motion to Sell Property of the Estate (the "Sale Motion"), in which the bankruptcy court ruled that the Trustee may engage in efforts to sell a certain Internet domain name owned by Ondova called "mondial.com."

All of the Five Pleadings were signed by Christopher Payne. Additionally, all of the Five Pleadings except DE #610 were filed electronically by attorney Gary Schepps who, as mentioned above, describes himself as appellant counsel to Jeffrey Baron and Baron's related entities (DE # 610 was hand-filed by Christopher Payne who represented that he is not an E-Filer).

**III. EXPLANATIONS AND ARGUMENTS GIVEN BY CHRISTOPHER PAYNE AND GARY SCHEPPS.**

Christopher Payne represented to the bankruptcy court at the September 1, 2011 hearing that he did not believe a Notice of Appeal fell within the scope of the bankruptcy court's orders banning him from appearing in the bankruptcy court on behalf of Novo Point, LLC, since a Notice of Appeal is essentially directed to the district court. He also represented that he had no choice but to file the Motion for Stay Pending Appeal at the bankruptcy court level, due to Bankruptcy Rule 8005. Gary Schepps allegedly only became entangled in all of this because Christopher Payne does not have the ability to E-File in the bankruptcy court and Schepps agreed to help him. Additionally, Gary Schepps (somehow) does not believe that Notices of Appeal are "pleadings," nor that filing documents with the Bankruptcy Clerk is the same as filing documents with the court.

**IV. RULING.**

The positions now taken by Messrs. Payne and Schepps appear weak at best. The court is more inclined to believe that

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vexatious litigation tactics and gamesmanship are at play. As pointed out by the Trustee, Messrs. Payne and Schepps could have filed motions for authority to file the Notices of Appeal and the Motion for Stay Pending Appeal, and presented evidence and testimony from Brian Mason and Lisa Katz explaining their basis for taking legal actions on behalf of Novo Point, LLC. Mr. Payne and Mr. Schepps do not seem to understand basic notions of corporate governance (at least where this Baron Receivership Action is concerned). Multiple entities cannot speak for or be in control of Novo Point, LLC. Right now, pursuant to a District Court Order, the Receiver has governance and control over Novo Point, LLC. The District Court Order is on appeal. The District Court Order may be overturned. But meanwhile, the Order is not stayed and it controls. Parties who are aggrieved by that Order have standing to appeal it and take legal positions to protect their interests. Such parties might include stakeholders of Novo Point, LLC (such as creditors or shareholders). But Novo Point, LLC—unless and until the District Court's Receivership Orders are reversed—speaks through only one master. The bankruptcy court—despite this seemingly unrefutable fact—gave Mr. Payne the opportunity to file a motion for authority to file pleadings on behalf of Novo Point, LLC, if he wanted to try and convince the bankruptcy court that there is some legal way for Novo Point, LLC to appear and file pleadings in the bankruptcy court absent



instructions to do so from the Receiver. But, rather than file such a motion, Payne decided to ignore that opportunity and attempt an appeal. Even when the court held a hearing on the Trustee's Motion, Messrs. Payne and Schepps showed up in the bankruptcy court with no witnesses and no documentation that might somehow support their authority to act for Novo Point, LLC. **WHEREFORE**, the court now **ORDERS** as follows:

1. The court has jurisdiction over the Trustee's Motion pursuant to 28 U.S.C. § 1334 and 28 U.S.C. § 157(b).<sup>7</sup> The court overrules the arguments of Messrs. Payne and Schepps that the case of *Stern v. Marshall* 131 S. Ct. 63 (2011) deprives a non-Article III court from policing activity of lawyers and parties before the court through mechanisms such as sanctions and contempt.<sup>8</sup>

2. The Five Pleadings are hereby **STRICKEN**.

3. Even if it is somehow not appropriate to strike the

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<sup>7</sup> While this court recognizes that the filing of a notice of appeal is an event of jurisdictional significance, which event has sometimes been stated as divesting a trial court over those aspects of the case involved in the appeal, e.g., *Blinco v. Green Tree Servicing, LLC*, 366 F.3d 1249, 1251 (11th Cir. 2004), *Bradford-Scott Data Corp. Physician Computer Network, Inc.*, 128 F.3d 504, 505 (7th Cir. 1997), this court interprets the relevant rules and case law in this regard to mean that once an appeal is actually docketed, such jurisdiction of the trial court is divested. See, e.g., Fed. R. Civ. P. 60(a) (last sentence).

<sup>8</sup> Accepting the arguments of Messrs. Payne and Schepps, apparently an attorney could strip naked and scream obscenities in the courtroom and there would not be a thing that a non-Article III judge could do about it (except, perhaps, call law enforcement so that the attorney could be arrested).

Motion for Stay Pending Appeal, it is hereby denied since the movant (even if the "movant" had authority) cannot show a likelihood or probability of success on the merits in an appeal; nor that the movant faces irreparable injury if the stay is not granted; nor that a stay would not substantially harm other parties; nor that a stay would serve the public interest.

4. Christopher Payne and Gary Schepps shall file, within 5 days, a statement making the disclosures contemplated by Bankruptcy Rule 2019 (for every entity that Christopher Payne and Gary Schepps allege that they represent in connection with the Ondova bankruptcy matters, the Baron Receivership Action matters, and appeals—and regardless of whether they represent more than one entity).

5. Christopher Payne and Gary Schepps shall appear before this bankruptcy court on October 24, 2011, at 10:30 a.m., and **SHOW CAUSE** why they should not be held in contempt of court and sanctioned for filing the Five Pleadings in apparent violation of the court's Orders appearing at DE ## 605 & 609, and for otherwise purporting to appear and take legal positions for the entity Novo Point, LLC without any legal authority.<sup>9</sup>

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<sup>9</sup> The court acknowledges that Gary Schepps was not named in the Orders that appear at DE ## 605 & 609, but he assisted Christopher Payne in violating those Orders and would in all ways appear to have the same standing problem of Christopher Payne, in that the Receiver has not directed Mr. Schepps to take actions on behalf of Novo Point, LLC.

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**IT IS SO ORDERED.**

**###END OF ORDER###**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**IN RE:** ) Case No. 09-34784-sgj11  
 ) Chapter 11  
 )  
**ONDOVA LIMITED COMPANY,** )  
 ) Courtroom 1  
 ) 1100 Commerce Street  
**Debtor.** ) Dallas, Texas 75242-1496  
 )  
 ) November 15, 2011  
 ) 4:30 P.M.

**TRANSCRIPT OF TESTIMONY OF LISA KATZ  
BEFORE HONORABLE JUDGE STACEY G. C. JERNIGAN  
UNITED STATES BANKRUPTCY JUDGE**

**APPEARANCES:**

For Daniel J. Sherman, Munsch, Hardt Kopf & Harr PC  
Chapter 11 Trustee: By: RAYMOND J. URBANIK, ESQ.  
LEE J. PANNIER, ESQ.  
500 North Akard Street, Suite 3800  
Dallas, Texas 75201-6659

For Netsphere: Locke Lord Bissell Liddell  
By: JOHN MacPETE, ESQ.  
2200 Ross Avenue, Suite 2200  
Dallas, Texas 75201

**ECRO:** Dawn Harden

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Proceedings recorded by electronic sound recording, transcript  
produced by transcription service.

**APPEARANCES:**  
(Continued)

For Christopher Payne: Shackelford Melton & McKinley  
By: NICOLE T. LeBOEUF, ESQ.  
3333 Lee Parkway, Tenth Floor  
Dallas, Texas 75219

For Receiver,  
Peter Vogel: Gardere, Wynne & Sewell  
By: PETER LOH, ESQ.  
1601 Elm Street, Suite 3000  
Dallas, Texas 75201

For NovoPoint, LLC: Schepps Law Firm  
By: GARY NATHAN SCHEPPS, ESQ.  
Drawer 670804  
Dallas, Texas 75367

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EXHIBITS

		<u>ID</u>	<u>EVID</u>
CAP-21	Document	20	
CAP-22	Management agreement	6	
CAP-31	Attorney/Client agreement	7	

Katz - Direct

4

1 (As requested, only the testimony of Ms. Katz is transcribed)

2 THE COURT: Lisa Katz, you've been called to the  
3 witness stand. If you could come up here and raise your right  
4 hand, the Court Reporter will swear you in, and then you'll  
5 take a seat.

6 LISA KATZ, CREDITOR'S WITNESS, SWORN

7 DIRECT EXAMINATION

8 BY MS. LEBOEUF:

9 Q Okay. Ms. Katz, thank you for coming today. I'm Nicole  
10 Leboeuf, attorney for Christopher A. Payne. And would you  
11 please tell the Court your full name?

12 A My full name that I go by is Lisa Katz.

13 Q Okay.

14 A Actually my -- my real first name is Elissa.

15 Q Okay. Would you spell that for the Court?

16 A E-L-I-S-S-A.

17 Q Would you tell the Court about your education briefly?

18 A Okay. I have an undergraduate degree in mathematics,  
19 statistics being the emphasis, and I worked as an actuarial  
20 student for a while. I also have a law degree, but I never  
21 passed the bar, and I don't -- so I've never practiced law.

22 I also have some certifications. A CCIM, which is a  
23 commercial real estate investment certification.

24 Q Okay.

25 A Certified financial planning. I have a couple of

Katz - Direct

5

1 mediation designations. And --

2 Q Are you currently employed?

3 A I am.

4 Q And how are you employed?

5 A I just began yesterday working -- teach a math class at a  
6 private school in North Dallas. And in the summertime, I teach  
7 at Hockaday, geometry, and public speaking, and study skills.

8 Q Okay. Have you been a teacher for some time?

9 A Off and on, yes. For a while.

10 Q Have you ever given testimony in a court of law?

11 A Yes.

12 Q Okay. And are you represented by counsel here today?

13 A No.

14 Q Would you tell this Court what is your relationship with  
15 NovoPoint, LLC and Quantec, LLC?

16 A I was hired to be their operations manager.

17 Q When were you hired to do that?

18 A Early summer.

19 Q Of this year?

20 A Um-hum, of 2011.

21 Q And how did become involved with them?

22 A I was asked for my résumé and I submitted it. I didn't  
23 hear from them for a while, and then was called to be hired.

24 Q Okay. What did you understand your role would be as  
25 manager?



Katz - Direct

6

1 A To operate the business which consisted of thousands of  
2 domain names. Hire and fire, if need be.

3 Q Okay. If you would turn in your white notebook to Exhibit  
4 22, which is marked CAP-22 at the bottom right. Do you see  
5 this management agreement?

6 A Um-hum.

7 Q I'm sorry. You'll have to answer out loud.

8 A Yes.

9 Q Thank you.

10 A I'm sorry.

11 Q And if you'll turn to the back of this agreement, does  
12 your signature appear on the last page?

13 A Yes.

14 Q Is this a true and correct copy of the management  
15 agreement entered between Corporate Director Management  
16 Services as manager of NovoPoint, LLC and yourself as employee?

17 A Yes.

18 Q And do I see a list of duties and responsibilities that  
19 were given to you on Pages 1, 2, and 3?

20 A Yes.

21 Q Did you get to fulfill any of those duties?

22 A I'm sorry. Would you repeat that?

23 Q Did you get to fulfill any of those duties?

24 A No.

25 Q Why not?

Katz - Direct

7

1 A Because shortly after this was executed, I was told that  
2 the company was in receivership, and in bankruptcy, and so it  
3 would be a while before I could do anything.

4 Q Did you, in fact, retain counsel on behalf of NovoPoint  
5 and Quantec, LLC in your role as manager?

6 A I did.

7 Q And if you'd turn to CAP-31 in the same notebook, it's at  
8 the end of the very back. Is Exhibit CAP-31 a true and correct  
9 copy of an attorney/client engagement and fee agreement that  
10 you entered into with Christopher Payne wherein you were  
11 representing and signing on behalf of NovoPoint, LLC and  
12 Quantec, LLC?

13 A Yes.

14 Q If you'd turn to the last page, would you confirm that  
15 that is your signature that appears twice on the last page?

16 A Yes.

17 Q And then if we look at each page of this document, I can  
18 see the initials LK at the bottom right, was that you who  
19 initialed each page?

20 A Yes.

21 Q Thank you. Ms. Katz, have you ever met Jeff Baron?

22 A No.

23 Q Have you ever spoken to him?

24 A No.

25 Q Going back to the retention of Chris Payne as attorney for

Katz - Direct

8

1 NovoPoint and Quantec, who recommended Chris Payne?

2 A Gary Schepps.

3 Q And you see him sitting here in the courtroom, correct?

4 A I see Gary.

5 Q Yes.

6 A Yes, um-hum.

7 Q And what was your understanding of why Mr. Payne was being  
8 retained by NovoPoint and Quantec?

9 A Because of their receivership.

10 Q Did you communicate to Mr. Payne the details of the  
11 representation, what was needed, what he was going to be  
12 retained to do?

13 A No.

14 Q Who did?

15 A I really don't know. I could guess, but I really don't  
16 know.

17 Q Who do you think communicated that?

18 A Gary Schepps.

19 Q All right. What was the scope of Mr. Payne's  
20 representation, to your knowledge?

21 A That he was representing the companies on bankruptcy.

22 Q Okay.

23 MS. LEBOEUF: I'll pass the witness.

24 THE COURT: Okay. Cross.

25 CROSS-EXAMINATION

Katz - Cross/Loh

9

1 BY MR. LOH:

2 Q Ms. Katz, my name is Peter Loh. I represent the receiver  
3 in a corresponding matter that is pending in the District Court  
4 before a judge named Royal Furguson. Are you familiar with  
5 that matter?

6 A No.

7 Q Do you know who the receiver is?

8 A No.

9 Q Do --

10 A No, I don't.

11 Q Do you know -- have you ever heard of a gentleman by the  
12 name of Peter Vogel?

13 A Yes, but not in relation to this.

14 Q Okay. How do you know Mr. Vogel?

15 A I've heard his name in Dallas. Is he not -- I might have  
16 heard him speak on something. Is it -- I was on the Board of  
17 the Vogel Alcove; I believe he's related --

18 Q That's right.

19 A -- to that family.

20 Q That's right. That's a charity that's associated with his  
21 family. But you don't -- you don't know of Mr. Vogel with  
22 regard to these legal proceedings --

23 A Correct.

24 Q -- in this Court?

25 A Correct.

Katz - Cross/Loh

10

1 Q Or the court -- Judge Furguson's court in the District  
2 Court that I referred to.

3 A Correct.

4 Q Okay. Let's go back to some of the background that you  
5 touched on with Ms. Leboeuf. You said you have a math degree,  
6 is that right?

7 A Correct.

8 Q And where is that degree from?

9 A Clark University.

10 Q And where is that?

11 A Worcester, Massachusetts.

12 Q Okay. And you said you have a law degree.

13 A Yes.

14 Q Okay. And where's the law degree from?

15 A Texas Wesleyan.

16 Q Is that in Fort Worth?

17 A Yes.

18 Q And you didn't take the bar?

19 A I did; I didn't pass it.

20 Q I understand. When did you graduate?

21 A Officially '94.

22 Q '94.

23 A December of '94.

24 Q Okay. '94?

25 A Wait, wait. You know what, I'm not sure. I'm going to

Katz - Cross/Loh

11

1 have to -- because I was in that first class and we weren't  
2 allowed to take the bar, and all that, and I'd have to go look  
3 at my diploma. It might have been '92, I'm not sure.

4 Q And when did you graduate from Clark University?

5 A 1966.

6 Q And what's your address in Dallas, ma'am?

7 A 7337 Woodthrush, W-O-O-D-T-H-R-U-S-H, Drive.

8 Q And you said you're a math teacher, is that right?

9 A Right now I'm -- yes.

10 Q Okay.

11 A I've been tutoring and teaching math.

12 Q Okay. Do you have a full-time employment or is it --

13 A No, it's part-time.

14 Q And you tutor individual students or --

15 A Yes.

16 Q Okay. Are you married, ma'am?

17 A No.

18 Q Do you have children?

19 A Yes.

20 Q And what are the names of your children?

21 A Scott, who's a pediatrician; Mark, who's a lawyer; and  
22 Brian, who is very retarded and lives in a group home.

23 Q Are their names -- last names Katz, as well?

24 A They're all Katz.

25 Q And you said you were hired to be the operations manager

Katz - Cross/Loh

12

1 of NovoPoint, LLC and Quantec, LLC.

2 A Yes.

3 Q Who hired you?

4 A Through the -- you know, I'm not sure exactly.

5 Q Okay. Let's start kind of with a more basic question.

6 How were you -- when's the first time you ever learned about,  
7 or heard of NovoPoint, LLC or Quantec, LLC?

8 A I don't remember exactly. It had to be --

9 Q What's your best recollection?

10 A Late spring.

11 Q Late spring. And how were you contacted, or how did you  
12 learn about these two entities?

13 A Excuse me. I think -- I believe it was through Gary  
14 Schepps.

15 Q Gary Schepps, okay. Do you want some water? Take --

16 A I do.

17 Q Yeah.

18 (Pause)

19 Q And Mr. Schepps contacted you?

20 A Um-hum.

21 Q Did you know Mr. Schepps before this initial contact?

22 A Yes.

23 Q Okay. How did you know Mr. Schepps?

24 A I've known him for several years. I think he was in the  
25 class behind me in law school.

Katz - Cross/Loh

13

1 Q So, was that the beginning of your relationship with Mr.  
2 Schepps is in law school?

3 A Yes.

4 Q And you had kept in touch, or known where each other were  
5 throughout the -- through those intervening years, all the way  
6 up into the spring, 2011?

7 A Yes.

8 Q Okay. So, you've known Mr. Schepps on and off for 16 or  
9 17 years, is that right?

10 A Yeah, I'm -- I guess.

11 Q Yeah, I'm just trying to --

12 A Yeah, I'm -- I -- yeah, I'm --

13 Q Okay.

14 A Since probably 1990, '91.

15 Q Okay. And that's the year you think you graduated from  
16 law school, is that right?

17 A No, I think --

18 Q Or was that when you were a first year in law school, and  
19 you first met him?

20 A Now I know; I started in September of '89.

21 Q Okay.

22 A And went -- and actually went for like 27 months straight,  
23 but then couldn't graduate until the school received  
24 accreditation, and I'd have to look at my diploma.

25 Q But sometime during your attendance at Texas Wesleyan, you



Katz - Cross/Loh

14

1 met Mr. Schepps.

2 A Yes.

3 Q And Mr. Schepps reached out to you sometime in the spring  
4 of this year, 2011, for your retention or employment as the  
5 manager -- the purported manager of NovoPoint, LLC and Quantec,  
6 LLC, is that right?

7 A That's correct.

8 Q And what did Mr. Schepps tell you about the position of  
9 manager of NovoPoint, LLC and Quantec, LLC?

10 A He said he thought I'd be a good candidate for this  
11 position.

12 Q Do you understand -- did you -- did he explain why he  
13 thought you would be a good candidate?

14 A Yeah, because of my background in math, also having worked  
15 for some tech companies.

16 Q And what tech companies did you work for?

17 A I worked for Micrographics, which wrote software. I  
18 worked for Telvista, which is actually a telecommunications  
19 company. And now I'm forgetting, there's a third one, and I  
20 can't remember the name.

21 Q Okay. How were you hired to be the manager, was there  
22 some document you signed or -- what kind of formalized your  
23 position as the purported manager of NovoPoint, LLC and  
24 Quantec, LLC?

25 A This management agreement.

Katz - Cross/Loh

15

1 Q Do you recall signing that?

2 A Yes.

3 Q and what have you done up through today -- from the spring  
4 of 2011 up through today, what have you done to fulfill any of  
5 the duties that are spelled out in the management agreement?

6 A I haven't done anything.

7 Q You haven't done anything. You -- and the management  
8 agreement, ma'am, is -- let's be clear for the record. What  
9 tab is it at?

10 A 21.

11 Q And that's -- is there a designation at the bottom that  
12 says CAP-21?

13 A Yes.

14 Q Okay.

15 A Wait a minute.

16 Q Do you report to anyone, Ms. Katz, as the manager of  
17 Quantec, LLC or NovoPoint, LLC?

18 A I've spoken to the people in Cook Islands a couple of  
19 times.

20 Q And who were those people?

21 A I can't remember their names. I was --

22 Q Have you ever spoken to a person named Narida Crocombe?

23 A I -- I don't remember.

24 Q Brian Mason?

25 A I'm -- I don't know.

Katz - Cross/Loh

16

1 Q How did you communicate with the people in the Cook  
2 Islands?

3 A They called me.

4 Q So, it was solely by telephone?

5 A Yes.

6 Q Do you know when those conversations were?

7 A No, I don't.

8 Q Do you know the contents of those conversations?

9 A We just talked about the fact that we really couldn't be -  
10 - you know, there was nothing to do.

11 Q And why wasn't there anything to do?

12 A Because the companies were in receivership.

13 Q So, am I correct in saying that the people in the Cook  
14 Islands recognized that the companies were under the control of  
15 the receiver?

16 MS. LEBOEUF: Objection; calls for a legal  
17 conclusion.

18 THE COURT: Overruled.

19 THE WITNESS: Would you repeat that question?

20 MR. LOH: Yeah.

21 BY MR. LOH:

22 Q So, would it be fair to say that the Cook -- the people in  
23 the Cook Islands that you were talking to recognized that the  
24 companies were under the control of the receiver, Peter Vogel?

25 A I -- I don't know.

Katz - Cross/Loh

17

1 Q They didn't explain to you why there wouldn't be anything  
2 to do for this interim period of time?

3 A I don't recall the conversation. I'm sorry.

4 Q What have you done, Ms. Katz, to prepare to take over  
5 management of the companies when and if that time was to ever  
6 come?

7 A Oh, I have a fairly sufficient home office with a couple  
8 of computers, and printers, and so forth.

9 Q Have you spoken with anybody that you might need to hire  
10 to help you run the operations of the companies?

11 A No.

12 Q Have you familiarized yourself with what the companies do  
13 at all?

14 A Yes.

15 Q And up until today, have you, at all -- have you ever  
16 tried to reach out to the receiver, Peter Vogel, to talk to him  
17 about your position as the manager of NovoPoint, LLC or  
18 Quantec, LLC?

19 A No, I have not.

20 Q And is it your -- do you know a gentleman by the name of  
21 Damon Nelson?

22 A No.

23 Q I'll submit to you that Mr. Nelson is the Court-appointed  
24 permanent manager of NovoPoint, LLC and Quantec, LLC. So,  
25 you've never -- you've never spoken to or tried to contact Mr.

Katz - Cross/Loh

18

1 Nelson?

2 A (No verbal response)

3 Q Do you have any idea of what Mr. Nelson is doing on a day-  
4 to-day basis on behalf of the NovoPoint, LLC or Quantec, LLC?

5 A No.

6 Q Have you participated in --

7 MR. LOH: Let me back up.

8 BY MR. LOH:

9 Q Have you ever spoken to a gentleman by the name of Josh  
10 Cox?

11 A No.

12 Q Mr. Cox has appeared in this Court, and in the District  
13 Court on -- as a lawyer on behalf of Quantec, LLC and  
14 NovoPoint, LLC, are you aware of that fact?

15 A No.

16 Q Okay. Have you ever spoken to another lawyer who has  
17 appeared on behalf of the LLCs by the name of James Eckels?

18 A No.

19 Q Are you familiar with a gentleman by the name of --  
20 another lawyer by the name of Tom Jackson?

21 A Yes.

22 Q Okay. And tell me the nature of your knowledge of who Tom  
23 Jackson is.

24 A Years ago, I was working for a company called the  
25 Mediation Group. And we officed in a building off of Turtle

Katz - Cross/Loh

19

1 Creek, and Tom Jackson was one of the lawyers in that building.

2 Q I want to make sure that we're talking about the same Tom  
3 Jackson. Do you remember what this -- the Tom Jackson you  
4 know, do you remember what his specialty was as an attorney?

5 A No.

6 Q Do you remember if it was divorce or family law?

7 A I don't believe that was his specialty, I honestly don't  
8 know.

9 Q Okay. But have you ever spoken with an attorney in Dallas  
10 by the name of Tom Jackson with regard to this matter --

11 A No.

12 Q -- before this Court? Have you ever spoken to the  
13 trustee, this gentleman right here in the light brown suit,  
14 Daniel Sherman?

15 A No.

16 Q Have you ever spoken to his attorney, Ray Urbanik, who's  
17 sitting right here at trustee's counsel -- table?

18 A No.

19 Q Have you ever spoken to John MacPete is sitting next to me  
20 there in the dark colored suit who represents the Netsphere  
21 parties?

22 A No.

23 Q Okay. Do you know what Netsphere is?

24 A No.

25 Q Have you ever read the order appointing Mr. Vogel as the

Katz - Cross/Loh

20

1 receiver over NovoPoint and Quantec, LLC?

2 A No.

3 Q When and if you were ever to assume the management and  
4 control of NovoPoint, LLC and Quantec, LLC, Ms. Katz, what do  
5 you understand your job assignments or your job duties would  
6 be? Are they just spelled out in that document that we were  
7 talking about?

8 A Yes. I would have to review them --

9 Q Okay.

10 A -- because I haven't read that in a while.

11 Q Okay. Do you understand them to be anything other than  
12 what's in that document?

13 A I would have to review them. I haven't read them in a  
14 while.

15 Q Why don't you take a couple minutes to look at the  
16 document and tell me if you think that your duties go beyond  
17 what's articulated in -- I believe that's CAP-21, is that  
18 right?

19 (Pause)

20 Q Do you understand your duties --

21 A Yes.

22 Q -- to go beyond that document? Anything else -- there's a  
23 list of duties in that document. Do you understand your duties  
24 to be anything beyond what's listed in there?

25 A No.

Katz - Cross/Loh

21

1 Q Okay. Are you familiar, ma'am, with an entity called  
2 Petfinders, LLC?

3 A Yes.

4 Q Okay. And what's -- tell me about what you know about  
5 Petfinders, LLC?

6 MS. LEBOEUF: Your Honor, I'd object that that's not  
7 relevant to this hearing pertaining to your order for Mr. Payne  
8 to show cause why he should not be held in contempt.

9 THE COURT: Response.

10 MR. LOH: It's relevant, Your Honor, in the sense  
11 that Lisa Katz is supposedly the manager for NovoPoint, LLC and  
12 Quantec, LLC. There's a new entity that's already -- that's  
13 been formed called Petfinders, LLC, which she's also supposedly  
14 a registered agent of. And I'd like to get into her authority  
15 to form that entity, and I think that's relevant for what's  
16 gone on in general with regard to Mr. Schepps' and Mr. Payne's  
17 representations to the Court.

18 THE COURT: I'll overrule.

19 THE WITNESS: I apologize. Repeat the --

20 MR. LOH: I'll repeat the question.

21 BY MR. LOH:

22 Q Are you -- are you familiar with an entity called  
23 Petfinders, LLC?

24 A Yes.

25 Q Okay. And do you know about Petfinders, LLC?



Katz - Cross/Loh

22

1 A Only that it was formed for tax purposes to clarify some  
2 situation. I really know very little about it.

3 Q Do you know why you were designated as the registered  
4 agent of Petfinders, LLC?

5 A Not really.

6 Q Were you told that you were going to be designated as the  
7 registered agent of Petfinders, LLC?

8 A Yes.

9 Q When were you told?

10 A About a week or so ago.

11 Q DO you know that it's -- that Mr. Schepps has taken the  
12 position with this Court that Petfinders, LLC controls a domain  
13 name called Petfinders.com?

14 A Yes.

15 Q Okay. And what do you know about that?

16 A Only what you just said.

17 Q Okay. Is it -- is it your personal contention, ma'am, as  
18 the registered agent for Petfinders, LLC that Petfinders, LLC  
19 controls the domain name Petfinders.com?

20 A Yes.

21 Q And what's the basis of that contention?

22 A Just that I was told that, and that's -- that's it.

23 Q Have you, as manager -- the purported manager of  
24 NovoPoint, LLC or Quantec, LLC done anything to respond to UDRP  
25 actions that have been filed against domain names under the

Katz - Cross/Loh

23

1 control of NovoPoint, LLC and Quantec, LLC?

2 A Please define UDRP.

3 Q It's a -- it's otherwise known as the Uniform Domain Name  
4 Resolution Policy.

5 A Okay. And then repeat the question.

6 Q Have you done anything to respond to actions filed under  
7 the Uniform Domain Name Resolution Policy against domain names  
8 that are under the control of NovoPoint, LLC or Quantec, LLC?

9 A No.

10 Q Okay. Have you done anything with regard to tax filings  
11 on behalf of NovoPoint, LLC or Quantec, LLC?

12 A No.

13 Q Have you done anything with regard to the culling or  
14 deletion of domain names that are under the control of  
15 NovoPoint, LLC or Quantec, LLC?

16 A No.

17 Q Have you done anything with regard to the retention or  
18 payment of renewal fees for domain names under the control of  
19 NovoPoint, LLC or Quantec, LLC?

20 A No.

21 Q Have you done anything, ma'am, with regard to response --  
22 responding to the solicitation of inquiries for the purchase of  
23 domain names under the control of NovoPoint, LLC or Quantec,  
24 LLC?

25 A No.

Katz - Cross/Loh

24

1 Q Have you been paid, ma'am?

2 A No.

3 Q Why not?

4 A My understanding that there were -- were no funds  
5 available.

6 Q And why is that?

7 A Because the company is in receivership.

8 Q Who do you consider your boss to be with regard to your  
9 duties as manager of NovoPoint, LLC or Quantec, LLC?

10 A I honestly don't know.

11 Q Do you know about any bank accounts that are under the  
12 control of NovoPoint, LLC or Quantec, LLC?

13 A No.

14 Q Do you know about any funds, ma'am, that are held at a  
15 bank account at a HSBC or Hong Kong Shanghai Banking  
16 Corporation account in Hong Kong?

17 MS. LEBOEUF: Objection. Again, Your Honor, I think  
18 we're going way beyond relevancy to this hearing and the scope.

19 MR. LOH: The receiver, Your Honor, has information  
20 that has led him to believe that there are receivership assets  
21 subject to the receiver order that are under -- in a -- in a  
22 bank account at an HSBC account in Hong Kong. And I want to  
23 know if Ms. Katz knows about those funds, and how the receiver  
24 can get at them.

25 It also goes to what her involvement has been with

Katz - Cross/Loh

25

1 the LLCs as the purported manager.

2 MS. LEBOEUF: Again, this sounds like a receiver's  
3 deposition concerning, you know, what assets he may or may not  
4 attach. It really doesn't pertain to this scope of inquiry  
5 before this Court.

6 This Court asked that Lisa Katz be brought here to  
7 talk about what she knew about the engagement of Mr. Payne.  
8 She's here. She can be questioned on that. But going into  
9 where the receivership assets are is beyond the scope.

10 MR. LOH: No, it's directly relevant, Your Honor,  
11 because they've tendered this lady as someone who has the  
12 authority to hire Mr. Payne, who dealt with Mr. Payne  
13 supposedly, or dealt with Mr. Schepps and held herself out as  
14 the manager. And a manager of the corporations would know  
15 where the money is.

16 THE COURT: Okay. I'm going to overrule and allow a  
17 little latitude, but not a lot. Okay?

18 BY MR. LOH:

19 Q Do you know where any other assets -- and I mean money,  
20 property, any other things that the LLCs own or control where  
21 those things would be?

22 A No.

23 Q Okay. Have you ever paid any bills on behalf of the LLCs?  
24 And by LLCs, I mean NovoPoint, LLC and Quantec, LLC.

25 A No.

Katz - Cross/Loh

26

1 Q Have you ever hired anyone besides Mr. Payne on behalf of  
2 NovoPoint, LLC or Quantec, LLC?

3 A No.

4 Q I believe you were -- you talked about this already, but  
5 do you know who an individual by the name of Jeff Baron is?

6 A No.

7 Q Okay. Have you ever spoken -- you've never spoken to a  
8 Mr. Baron?

9 A No.

10 Q Okay. Do you know who a gentleman by the name of Isaac  
11 Katz is? Have you ever heard that name?

12 A I've heard the name, but I don't know who it is.

13 Q Do you know that to be someone who works with Mr. Schepps?

14 A I -- it could be.

15 Q Okay. You've never spoken with an Isaac Katz who works  
16 with Mr. Schepps in relation to any of these proceedings?

17 A No.

18 MR. LOH: Pass.

19 THE COURT: All right. Other cross.

20 CROSS-EXAMINATION

21 BY MR. URBANIK:

22 Q Good afternoon, Ms. Katz. I'm Ray Urbanik and I represent  
23 Mr. Sherman, the trustee of Ondova.

24 A Ms. Katz, you testified that you first became involved in  
25 this matter in spring of 2011, is that correct?

Katz - Cross/Urbanik

27

1 A Um-hum.

2 Q Who introduced you to the Cook Islands entities, or  
3 people, or business, whatever they're called, who made that  
4 introduction?

5 A It was Mr. Schepps.

6 Q Okay. Did you know Mr. Schepps as Mr. Baron's personal  
7 attorney, did you know that?

8 A No.

9 Q You did not, okay. Did you have to be interviewed to get  
10 the position you got under the management agreement?

11 A (No verbal response).

12 Q Were you in an interview?

13 A Not -- not physically; over the phone, yes.

14 Q You were -- you did interview over the phone?

15 A I talked to someone in the Cook Islands --

16 Q You did.

17 A -- I believe.

18 Q Okay. Thank you. Who drafted the management -- I'm sorry  
19 -- yeah, the management agreement. It's my Exhibit 3, I forgot  
20 the exhibit number in your book. But the agreement that  
21 employed you.

22 A I don't know.

23 Q You don't know who drafted it?

24 A No, I would just assume that it's from the corporation,  
25 but I didn't.

Katz - Cross/Urbanik

28

1 Q Did you negotiate some of the terms and conditions of this  
2 agreement?

3 A No.

4 Q Okay. Did you hire counsel to help you with this  
5 agreement?

6 A No.

7 Q Okay. Who drafted the engagement agreement to hire Mr.  
8 Payne?

9 A I -- I'm not sure.

10 Q Who first gave you this management agreement?

11 A Mr. Schepps.

12 Q Who gave you the engagement agreement for Mr. Payne?

13 A Mr. Schepps.

14 MR. URBANIK: I'll pass the witness, Judge.

15 THE COURT: Any other cross?

16 CROSS-EXAMINATION

17 BY MR. MacPETE:

18 Q Good afternoon, Ms. Katz. My name is John MacPete. I  
19 represent the Netsphere parties in this case. Do you take  
20 direction from Mr. Schepps?

21 A Not really.

22 Q Mr. Schepps is the person who brought you in, correct?

23 A (No verbal response)

24 Q Mr. Schepps -- can you articulate out loud for the record,  
25 please?

Katz - Cross/MacPete

29

1 A Yes.

2 Q Thank you. Mr. Schepps participated in the telephone  
3 interview that you had, correct?

4 A No.

5 Q No. Okay. But you don't remember the name of the person  
6 that you talked to in the Cook Islands?

7 A No, sir.

8 Q Okay. Did you do anything to actually determine whether  
9 you were talking to somebody that had authority to speak for  
10 the company, and to hire you?

11 A No.

12 Q Did you rely on Mr. Schepps for that?

13 A Well, I did and I had spoke with different people,  
14 different names and, you know, so, I mean, once or twice, so I  
15 -- I made the assumption that they were who they said they  
16 were.

17 Q So, in essence, you relied on your friend who was bringing  
18 you in that you were talking to the right people, and that they  
19 had authority to hire you, right?

20 A Yes.

21 Q And you understood when you were getting hired that there  
22 was litigation going on, correct?

23 A No.

24 Q You didn't --

25 A I didn't know that.



Katz - Cross/MacPete

30

1 Q Okay. When did you first learn that there was litigation?

2 A At some point, this -- I want to say early summer, I  
3 guess, or it may --

4 Q So, you had been the manager for three, four, five months  
5 before you actually learned there was litigation?

6 A No, I mean I became the manager -- I don't know what the  
7 actual time lapse was.

8 Q Well, can you give -- can you give us an approximation of  
9 how long it was that you were serving as the manager before you  
10 learned there was litigation?

11 A I'd say it was a matter of weeks.

12 Q Matter of weeks. And you learned about the litigation  
13 from Mr. Schepps?

14 A Yes.

15 Q And what did Mr. Schepps tell you about the litigation?

16 A Just that it was in receivership, and there wasn't -- you  
17 know, until it came out of receivership, there wasn't going to  
18 be anything to do.

19 Q Okay. Did -- except you were -- you were tasked with  
20 hiring counsel for the litigation, right?

21 A Um-hum, yes.

22 Q And that counsel reported to you?

23 A No.

24 Q Okay. So, you hired Mr. Payne, but who was Mr. Payne  
25 taking direction from, Mr. Schepps?

Katz - Cross/MacPete

31

1 A I don't know.

2 Q How many conversations have you had with Mr. Schepps about  
3 the litigation?

4 A Only a couple. I think -- I was anxious to start working,  
5 so I kept asking him when I could start. He just said it was  
6 in litigation, and that was it.

7 Q So --

8 A Or receiver.

9 Q -- you initiated the conversation. So, after you heard  
10 about the receivership, and you were told there wasn't much for  
11 you to do, you would just periodically call Mr. Schepps and  
12 say, "Hey, what's going on? I'd like to get working."

13 A Yes.

14 Q Okay. And he would just tell you, "We're still in a  
15 receivership, there's nothing to do."

16 A Right.

17 Q Okay. He didn't consult with you about litigation  
18 strategy, correct?

19 A Correct.

20 Q The people whose names you can't remember that you talked  
21 to in the Cook Islands didn't discuss litigation strategy with  
22 you either, correct?

23 A Correct.

24 Q And Mr. Payne didn't discuss litigation strategy with you  
25 either, correct?

Katz - Cross/MacPete

32

1 A I don't believe so.

2 Q Did anybody else that I haven't covered talk to you at all  
3 about the litigation, seek your approval for filing any  
4 documents, or in any other way talk to you about the  
5 litigation?

6 A No.

7 Q And as you sit here today, your understanding is is that  
8 you are the U.S. manager for the company, right?

9 A Yes.

10 Q And it's your responsibility to hire and supervise  
11 counsel, correct?

12 A (No verbal response)

13 Q It's one of your duties.

14 A It -- I'm not exactly sure.

15 Q Well, in fact, you did hire counsel, right?

16 A I did.

17 Q And it's your believe that you had the authority to do  
18 that under the management agreement, right?

19 A Yes.

20 Q In fact, it says that you can hire employees, correct?

21 A Yes.

22 Q And that would include counsel, right?

23 A Yes.

24 Q That was your understanding. And you are responsible for  
25 the day-to-day management of the business, correct?

Katz - Cross/MacPete

33

1 MS. LEBOEUF: Objection; the document speaks for  
2 itself as to the scope of her authorities, as well as the  
3 territory of her authorities.

4 THE COURT: Overruled.

5 THE WITNESS: I'm sorry, would you --

6 BY MR. MacPETE:

7 Q You are responsible for the day-to-day management of the  
8 business, correct?

9 A No. My understanding is that once the companies came out  
10 of receivership, then I would be responsible for the rest of  
11 the duties or for the duties. But until that occurs, I'm not  
12 or I don't have anything to do, which is why I haven't done  
13 anything.

14 Q Well, let me back up, okay? Because I want to make sure  
15 that my question is clear. As far as you understand, you are  
16 responsible for the day-to-day management of the business right  
17 now, correct?

18 A No.

19 MS. LEBOEUF: Objection; asked and answered.

20 THE COURT: Overruled.

21 THE WITNESS: No.

22 BY MR. MacPETE:

23 Q Okay. Well, I think you've said you don't have anything  
24 to do because the entity is in receivership.

25 A Yes.

Katz - Cross/MacPete

34

1 Q But you remain the person who is responsible for the day-  
2 to-day management of the business, even though there's nothing  
3 to do, correct?

4 A That's not really my understanding.

5 Q Okay. Well, tell the Court what your understanding is of  
6 what your authority is and whose managing the business while  
7 it's in the receivership.

8 A It's my understanding that nobody's really managing it  
9 because it can't begin until it comes out of receivership.

10 Q Okay. So, let me see if I understand this correctly. You  
11 are the manager of NovoPoint, LLC and Quantec, LLC, correct?

12 A Yes.

13 Q And you have been duly appointed by the member of those  
14 entities, in other words, the owner, right?

15 A Yes.

16 MS. LEBOEUF: Objection, Your Honor. It  
17 mischaracterizes the document. She entered into an agreement  
18 with the manager. She was hired to be a Texas manager as an  
19 employee employed by the manager. And by asking these  
20 questions that mischaracterized the document, it is interfering  
21 with the record in this case.

22 MR. MacPETE: Your Honor, counsel is testifying.

23 THE COURT: Okay. Overruled. Reask the question,  
24 please.

25 BY MR. MacPETE:

Katz - Cross/MacPete

35

1 Q You are the manager for NovoPoint, LLC and Quantec, LLC  
2 right now.

3 MS. LEBOEUF: Objection; the document speaks for  
4 itself and it mischaracterizes the document and her prior  
5 testimony.

6 THE COURT: Okay. Overruled. She can answer to the  
7 best of her understanding.

8 THE WITNESS: Please repeat the question. I'm sorry.

9 BY MR. MacPETE:

10 Q Right now, regardless of whether you have anything to do,  
11 you are the manager of NovoPoint, LLC and Quantec, LLC,  
12 correct?

13 A I believe so.

14 Q Okay. And what that means basically -- at least in the  
15 United States -- that the buck stops there, in essence, right?  
16 You're the big cheese. The big cheese with nothing to do, but  
17 you're the big cheese, right?

18 MS. LEBOEUF: Objection; vague, confusing --

19 THE COURT: Overruled.

20 MS. LEBOEUF: -- misleading.

21 A My understanding is that while it's in bankruptcy, there's  
22 nothing I could do.

23 Q But you are the person in charge, even though you have  
24 nothing to do, right?

25 A Yes.

Katz - Cross/MacPete

36

1 Q And as the person in charge, you're telling this Court you  
2 don't have anything to do because you recognize the legitimacy  
3 of the receivership order entered by Judge Furguson, correct?

4 A Yes.

5 Q And --

6 MR. MacPETE: I have nothing further, Your Honor.

7 THE COURT: All right. I have some questions for  
8 you, Ms. Katz, before we allow Ms. Leboeuf to do redirect.

9 Let me ask this: How much time have you spent on  
10 your duties for NovoPoint and Quantec?

11 THE WITNESS: Very -- excuse me -- very little.

12 THE COURT: Okay. Do you spend any time on a weekly  
13 basis?

14 THE WITNESS: At this time, no.

15 THE COURT: Okay. When you say "very little," I mean  
16 do you mean less than ten hours ever, do you mean less than two  
17 hours? Less than 50 hours? Can you give me an idea of what  
18 you mean by very little?

19 THE WITNESS: Less than, say, two hours.

20 THE COURT: Less than two hours since last spring of  
21 2011.

22 THE WITNESS: Yes.

23 THE COURT: Okay. Well, is it safe to say that  
24 you've probably never read any pleadings file in any of the  
25 Federal Courts by NovoPoint or Quantec?

Katz - Court

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1 THE WITNESS: That's correct.

2 THE COURT: So, you've never read any of the  
3 pleadings filed in the Bankruptcy Court, the District Court,  
4 Fifth Circuit, anywhere else by NovoPoint and Quantec?

5 THE WITNESS: Correct. Who would have read those  
6 pleadings?

7 THE WITNESS: I -- I don't know. I would -- I don't  
8 know for sure.

9 THE COURT: Okay. Earlier I think you said you  
10 didn't know who your boss was. Okay. So, is there any person  
11 -- and I'm not talking about a lawyer, Mr. Schepps or Mr.  
12 Payne. Is there some person at NovoPoint or Quantec that you  
13 report to, answer to, interact with in any way?

14 THE WITNESS: No.

15 THE COURT: No.

16 THE WITNESS: Except for the -- those -- the few  
17 conversations which basically said until the companies are out  
18 of receivership, there's really nothing to do.

19 THE COURT: Okay. So, you've had a few conversations  
20 with a person or persons in the Cook Islands --

21 THE WITNESS: Yes.

22 THE COURT: -- in the spring, 2011.

23 THE WITNESS: Yes.

24 THE COURT: And you don't remember the names of those  
25 people?



Katz - Court

38

1 THE WITNESS: No.

2 THE COURT: Was it ever anything more than just "the  
3 companies are in a receivership, there's really nothing for you  
4 to do at this point"?

5 THE WITNESS: That's correct.

6 THE COURT: Okay. If I asked you have you ever heard  
7 of mondeal.com (phonetic), what would your answer be, yes or  
8 no?

9 THE WITNESS: How do you -- no, I think.

10 THE COURT: Can you give me any examples of domain  
11 names that you are aware that NovoPoint or Quantec claims to  
12 own?

13 THE WITNESS: No.

14 THE COURT: All right. Do you, by chance, get any  
15 mail for NovoPoint or Quantec?

16 THE WITNESS: I don't get my mail every day, but I --  
17 no.

18 THE COURT: Okay. All right. We'll allow redirect,  
19 and briefly. I'm already late to an engagement, so --

20 MS. LEBOEUF: Thank you, Your Honor. I'll be very  
21 brief.

22 THE COURT: Okay.

23 REDIRECT EXAMINATION

24 BY MS. LEBOEUF:

25 Q Ms. Katz, I've heard you use two terms interchangeably, do

Katz - Redirect

39

1 you know enough to tell the Court what the difference is  
2 between the trustee and a receiver?

3 A I'd have to do a little review.

4 Q Okay. And do you have -- I believe you testified you  
5 don't have knowledge of the receivership case, is that correct?

6 A Correct.

7 Q Is it fair to say that you have never spoken to Mr.  
8 Christopher Payne about Petfinders, LLC or Petfinders.com?

9 A That's correct.

10 Q Okay. And is it fair to say, as it says on Page 1 of CAP-  
11 22 in your engagement letter that the scope of your employment  
12 was limited to the companies' affairs in Texas?

13 A Yes.

14 Q Okay. It doesn't say anything about its affairs in Hong  
15 Kong, or The Cook Islands, or anywhere else, does it?

16 A No.

17 MS. LEBOEUF: Thank you. Pass the witness.

18 THE COURT: All right. Any recross on that redirect?

19 MULTIPLE SPEAKERS: No, Your Honor.

20 THE COURT: All right. We're going to have to  
21 adjourn. You're excused, Ms. Katz.

22 (Whereupon, the testimony of Ms. Katz concludes at 5:15 P.M.)

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CERTIFICATE

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

/s/ Karen Hartmann AAERT CET\*\*D0475 Date: November 16, 2011  
TRANSCRIPTS PLUS, INC.

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U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

*[Handwritten Signature]*  
United States Bankruptcy Judge

Signed December 14, 2011

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re: §  
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ  
Debtor. § (Chapter 11)  
§  
§

**ORDER BARRING ATTORNEY GARY SCHEPPS FROM APPEARING/PARTICIPATING  
FURTHER IN ONDOVA LIMITED COMPANY BANKRUPTCY CASE**

The above-referenced bankruptcy judge, on the 5<sup>th</sup> day of December, 2011, conducted its third day of hearing on this court's Order: (A) Granting, in Substantial Part, Trustee's Motion to: (i) Show Cause Why Christopher Payne and Gary Schepps Should Not be Held in Contempt and Sanctioned; and (ii) Strike Notices of Appeal and Motion to Stay Sale Order [Docket No. 637]; and (B) Setting Show Cause Hearing on October 24, 2011, at 10:30 a.m., as to actions of Lawyers Christopher Payne and Gary Schepps ("Order"), entered on September 6, 2011 [Docket No. 648], and also conducted the second day of hearing on the Receiver's Motion to Strike Pleading and Second Motion to Show Cause as to Why Gary Schepps Should Not be Held in Contempt and Sanctioned ("Receiver's Motion") filed on November 8, 2011 [Docket No. 678].

APPENDIX 5

Since the first two days of hearings on these matters took place (on October 24, 2011 and November 15, 2011), this court has been advised that Gary Schepps continues to file pleadings and appeals in connection with this Bankruptcy Case, purportedly on behalf of Jeffrey Baron, Novo Point, LLC and a newly created entity called Petfinders, LLC. Based on the evidence presented at the three days of hearings on these matters, this court believes that Gary Schepps represents the interests of Jeffrey Baron—no matter which new or old entity he from time-to-time purports to represent. The court further believes that Gary Schepps's activities in the Bankruptcy Case are intended to be obstructionist, are not pursued in good faith or for legitimate purposes under the Bankruptcy Code, and reflect a lack of candor to the court.

This court has observed on various occasions throughout this Bankruptcy Case that Jeffrey Baron has a long-history of playing "musical lawyers" in litigation. See DE # 56, p. 4. The Bankruptcy Case of Ondova Limited Company ("Ondova") was filed on July 27, 2009. By September 1, 2009, Jeffrey Baron was already seeking to terminate Ondova's very able and competent bankruptcy counsel and this court was expressing concern about Jeffrey Baron's understanding of his fiduciary duties of an officer of an entity in bankruptcy. On September 2, 2009, the court issued its first Show Cause Order expressing concern about shenanigans with lawyers. *Id.* By one year later, on September 17, 2010, the court was issuing a second Show Cause Order [DE # 445] expressing frustration regarding Jeffrey Baron's pattern of hiring and firing dozens of lawyers and the negative impact this was having on the ability to administer the Ondova Bankruptcy Case. On October 12, 2010, this court issued a Report and Recommendation [DE # 484], stating that Jeffrey Baron would not be allowed to continue to hire and fire additional attorneys in this Bankruptcy Case, which Report further noted that this court had told Jeffrey Baron that he could either retain his then-attorneys Gary Lyon and Martin Thomas through the end of the Bankruptcy case or else he could proceed *pro se*. Subsequently, the District Court (Judge Royal Furgeson), appointed a Receiver over Jeffrey Baron since he continued to hire and fire lawyers in irrational fashion.

Perhaps Jeffrey Baron has forgotten these events. This court has not. This court will not allow Gary Schepps or any other new attorneys to participate in the Bankruptcy Case on behalf of Jeffrey Baron. Based on the evidence presented, the court determines that Gary Schepps's alleged representation of different entities—Novo Point or Petfinders, LLC—is a sham. This court gave the opportunity to Mr. Schepps to put on a witness who might explain a cogent basis for Mr. Schepps's position that he has authority to speak for these two alleged entities. Mr. Schepps took the Fifth Amendment. Another witness that was put on (an individual named Lisa Katz, an alleged manager for Novo Point—who happens to be a high school math tutor who attended Texas Wesleyan Law School with Gary Schepps) knew nothing about these entities. Her testimony indicated that she was not managing Novo Point nor giving any lawyers legal instructions. This court finds and concludes that all pleadings filed by Gary Schepps, in any capacity, in this Bankruptcy Case should be immediately barred and enjoined. It is accordingly, ORDERED that

1. Gary Schepps, clearly being found to have no authority to act for Novo Point, LLC, Petfinders LLC and / or Jeffrey Baron, shall file no further pleadings and / or appeals of any kind in the Ondova Limited Company bankruptcy, Case No. 09-34784-sgj-11;

2. The Clerk for the United States Bankruptcy Court for the Northern District of Texas is directed to remove any pleadings and / or appeals filed by Gary Schepps electronically as soon as they are filed;

3. No responses are required to be filed by counsel relating to any pleadings or appeals filed by Gary Schepps in this Bankruptcy Case;

4. In the event Gary Schepps files any pleadings in violation of this Order, this court will conduct a show cause hearing and issue appropriate sanctions against Gary Schepps.

IT IS SO ORDERED

### END OF ORDER ###

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**  
TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

*Henry H. C. [Signature]*  
United States Bankruptcy Judge

Signed January 03, 2012

THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

IN RE: §  
§  
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,  
§  
Debtor. §

ORDER CLARIFYING ORDER BARRING ATTORNEY GARY SCHEPPS FROM  
APPEARING/PARTICIPATING FURTHER IN ONDOVA LIMITED COMPANY  
BANKRUPTCY CASE [DE #728]

This ORDER clarifies the Order Barring Attorney Gary Schepps from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case [DE # 728] (henceforth, the "Schepps Bar Order").

The Schepps Bar Order, among other things, provided that attorney Gary Schepps shall file no further pleadings and/or appeals of any kind in the Ondova Limited Company bankruptcy case and that the Bankruptcy Clerk is directed to remove any pleadings and/or appeals filed by Gary Schepps electronically as soon as they are filed.

Case: 12-10444 Document: 00511845345 Page: 96 Date Filed: 05/04/2012  
Case 3:09-cv-00988-F Document 912 Filed 05/09/12 Page 99 of 99 PageID 49227  
Case 09-34784-sgj11 Doc 747 Filed 01/05/12 Entered 01/05/12 10:04:45 Desc  
Main Document Page 2 of 2

This order clarifies that: (a) Gary Schepps is not prohibited from appealing the Schepps Bar Order itself; and (b) Gary Schepps is not prohibited from continuing to prosecute any appeal for which a Notice of Appeal was filed prior to the Schepps Bar Order. With these two exceptions/clarifications, the Schepps Bar Order stands.

**IT IS SO ORDERED.**

**###END OF ORDER###**

TAB 12

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET



**The following constitutes the ruling of the court and has the force and effect therein described.**

**United States Bankruptcy Judge**

**Signed December 14, 2011**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:	§	
	§	Case No. 09-34784-SGJ
ONDOVA LIMITED COMPANY,	§	(Chapter 11)
	§	
Debtor.	§	

**ORDER BARRING ATTORNEY GARY SCHEPPS FROM APPEARING/PARTICIPATING FURTHER IN ONDOVA LIMITED COMPANY BANKRUPTCY CASE**

The above-referenced bankruptcy judge, on the 5<sup>th</sup> day of December, 2011, conducted its third day of hearing on this court's *Order: (A) Granting, in Substantial Part, Trustee's Motion to: (i) Show Cause Why Christopher Payne and Gary Schepps Should Not be Held in Contempt and Sanctioned; and (ii) Strike Notices of Appeal and Motion to Stay Sale Order [Docket No. 637]; and (B) Setting Show Cause Hearing on October 24, 2011, at 10:30 a.m., as to actions of Lawyers Christopher Payne and Gary Schepps ("Order")*, entered on September 6, 2011 [Docket No. 648], and also conducted the second day of hearing on the *Receiver's Motion to Strike Pleading and Second Motion to Show Cause as to Why Gary Schepps Should Not be Held in Contempt and Sanctioned ("Receiver's Motion")* filed on November 8, 2011 [Docket No. 678].



Since the first two days of hearings on these matters took place (on October 24, 2011 and November 15, 2011), this court has been advised that Gary Schepps continues to file pleadings and appeals in connection with this Bankruptcy Case, purportedly on behalf of Jeffrey Baron, Novo Point, LLC and a newly created entity called Petfinders, LLC. Based on the evidence presented at the three days of hearings on these matters, this court believes that Gary Schepps represents the interests of Jeffrey Baron—no matter which new or old entity he from time-to-time purports to represent. The court further believes that Gary Schepps's activities in the Bankruptcy Case are intended to be obstructionist, are not pursued in good faith or for legitimate purposes under the Bankruptcy Code, and reflect a lack of candor to the court.

This court has observed on various occasions throughout this Bankruptcy Case that Jeffrey Baron has a long-history of playing “musical lawyers” in litigation. See DE # 56, p. 4. The Bankruptcy Case of Ondova Limited Company (“Ondova”) was filed on July 27, 2009. By September 1, 2009, Jeffrey Baron was already seeking to terminate Ondova's very able and competent bankruptcy counsel and this court was expressing concern about Jeffrey Baron's understanding of his fiduciary duties of an officer of an entity in bankruptcy. On September 2, 2009, the court issued its first Show Cause Order expressing concern about shenanigans with lawyers. *Id.* By one year later, on September 17, 2010, the court was issuing a second Show Cause Order [DE # 445] expressing frustration regarding Jeffrey Baron's pattern of hiring and firing dozens of lawyers and the negative impact this was having on the ability to administer the Ondova Bankruptcy Case. On October 12, 2010, this court issued a Report and Recommendation [DE # 484], stating that Jeffrey Baron would not be allowed to continue to hire and fire additional attorneys in this Bankruptcy Case, which Report further noted that this court had told Jeffrey Baron that he could either retain his then-attorneys Gary Lyon and Martin Thomas through the end of the Bankruptcy case or else he could proceed *pro se*. Subsequently, the District Court (Judge Royal Furgeson), appointed a Receiver over Jeffrey Baron since he continued to hire and fire lawyers in irrational fashion.

Perhaps Jeffrey Baron has forgotten these events. This court has not. This court will not allow Gary Schepps or any other new attorneys to participate in the Bankruptcy Case on behalf of Jeffrey Baron. Based on the evidence presented, the court determines that Gary Schepps's alleged representation of different entities—Novo Point or Petfinders, LLC—is a sham. This court gave the opportunity to Mr. Schepps to put on a witness who might explain a cogent basis for Mr. Schepps's position that he has authority to speak for these two alleged entities. Mr. Schepps took the Fifth Amendment. Another witness that was put on (an individual named Lisa Katz, an alleged manager for Novo Point—who happens to be a high school math tutor who attended Texas Wesleyan Law School with Gary Schepps) knew nothing about these entities. Her testimony indicated that she was not managing Novo Point nor giving any lawyers legal instructions. This court finds and concludes that all pleadings filed by Gary Schepps, in any capacity, in this Bankruptcy Case should be immediately barred and enjoined. It is accordingly, ORDERED that

1. Gary Schepps, clearly being found to have no authority to act for Novo Point, LLC, Petfinders LLC and / or Jeffrey Baron, shall file no further pleadings and / or appeals of any kind in the Ondova Limited Company bankruptcy, Case No. 09-34784-sgj-11;

2. The Clerk for the United States Bankruptcy Court for the Northern District of Texas is directed to remove any pleadings and / or appeals filed by Gary Schepps electronically as soon as they are filed;

3. No responses are required to be filed by counsel relating to any pleadings or appeals filed by Gary Schepps in this Bankruptcy Case;

4. In the event Gary Schepps files any pleadings in violation of this Order, this court will conduct a show cause hearing and issue appropriate sanctions against Gary Schepps.

IT IS SO ORDERED

### END OF ORDER ###

TAB 13

**REFORM, APPEAL****U.S. Bankruptcy Court  
Northern District of Texas (Dallas)  
Bankruptcy Petition #: 12-37921-sgj7***Date filed:* 12/18/2012*Assigned to:* Stacey G. Jernigan  
Chapter 7  
Involuntary***Debtor*****Jeffrey Baron**  
P.O. Box 111501  
Dallas, TX 75011  
DALLAS-TX  
SSN / ITIN: xxx-xx-9133represented by **Christopher M. Albert**  
Busch Ruotolo & Simpson, LLP  
100 Crescent Court, Suite 250  
Dallas, TX 75201  
214-855-2880  
Fax : 214-855-2871  
Email: [albert@buschllp.com](mailto:albert@buschllp.com)**Stephen Rudolph Cochell**  
The Cochell Law Firm  
7026 Old Katy Road, Suite 259  
Houston, TX 77024  
(713) 980-8796  
Fax : (713) 980-1179  
Email: [srcochell@cochellfirm.com](mailto:srcochell@cochellfirm.com)**Mark Stromberg**  
Stromberg Stock  
5420 LBJ Frwy, Suite 300  
2 Lincoln Centre  
Dallas, TX 75240  
972-458-5353  
Fax : 972-770-2156  
Email: [mark@strombergstock.com](mailto:mark@strombergstock.com)**Edwin E. Wright, III**  
Abrams Centre  
9330 LBJ Fwy, Suite 1400  
Dallas, TX 75243  
(972) 499-3406  
Fax : (972) 231-9150  
Email: [wright@edwright.com](mailto:wright@edwright.com)***Trustee*****John H. Litzler**  
1412 Main St., 24th Flr.  
Dallas, TX 75202  
(214) 752-0999represented by **Kevin D. McCullough**  
Rochelle McCullough L.L.P.  
325 N. St. Paul St., Ste. 4500  
Dallas, TX 75201  
(214)953-0182

Fax : (214)953-0185

Email: [kdm@romclawyers.com](mailto:kdm@romclawyers.com)**U.S. Trustee****UST U.S. Trustee**

1100 Commerce Street  
 Room 976  
 Dallas, TX 75242-1496  
 214-767-8967

**Interim Trustee****John H. Litzler, Gap Trustee**

1412 Main St., 24th Flr.  
 Dallas, TX 75202  
 (214) 752-0999

represented by **John H. Litzler**

1412 Main St., 24th Flr.

Dallas, TX 75202

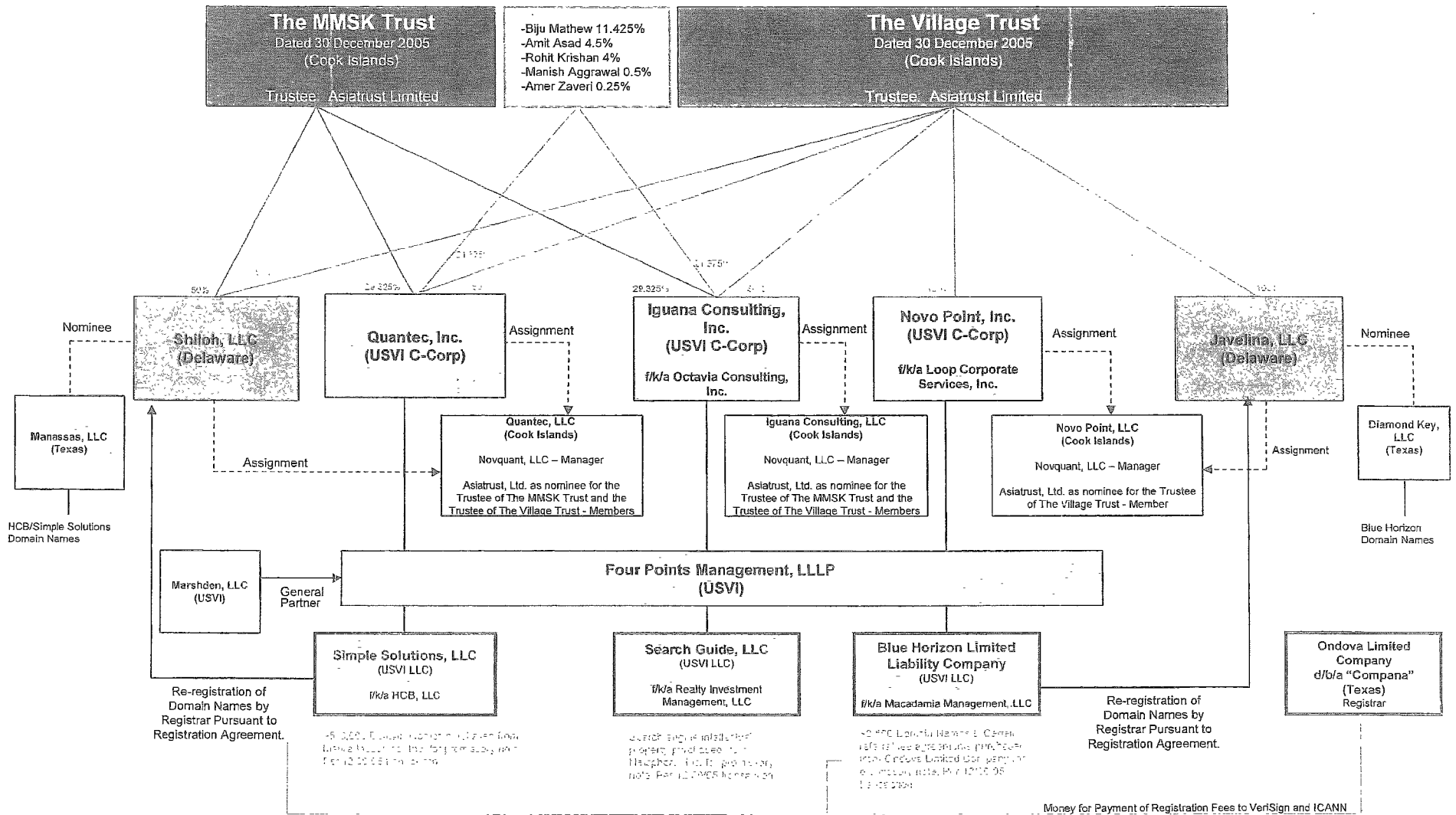
(214) 752-0999

Email: [msanchez@lssmllp.com](mailto:msanchez@lssmllp.com)**Kevin D. McCullough**

(See above for address)

Filing Date	Docket Text
12/18/2012	<u>1</u> (4 pgs) Chapter 7 involuntary petition. Fee Amount \$306 Re: Jeffrey Baron Filed by Pronske & Patel, P.C., Shurig Jetel Beckett Tackett, Dean Ferguson, Gary G. Lyon, Robert Garrey, Powers Taylor, LLP, Jeffrey Hall (Pronske, Gerrit)
12/18/2012	<u>2</u> (2 pgs) Notice of Appearance and Request for Notice by Gary G. Lyon filed by Creditor Michael B. Nelson, Petitioning Creditors Robert Garrey, Gary G. Lyon. (Lyon, Gary)
12/19/2012	<u>3</u> (7 pgs) Emergency Motion to appoint trustee Filed by Petitioning Creditors Dean Ferguson, Robert Garrey, Jeffrey Hall, Gary G. Lyon, Powers Taylor, LLP, Pronske & Patel, P.C., Shurig Jetel Beckett Tackett (Pronske, Gerrit)
12/19/2012	<u>4</u> (5 pgs) Motion for expedited hearing(related documents <u>3</u> Motion to appoint trustee) Filed by Petitioning Creditors Dean Ferguson, Robert Garrey, Jeffrey Hall, Gary G. Lyon, Powers Taylor, LLP, Pronske & Patel, P.C., Shurig Jetel Beckett Tackett (Pronske, Gerrit)
12/19/2012	<u>5</u> (2 pgs) Involuntary summons issued on Jeffrey Baron . (RE: related document (s) <u>1</u> Chapter 7 involuntary petition. Fee Amount \$306 Re: Jeffrey Baron Filed by Pronske & Patel, P.C., Shurig Jetel Beckett Tackett, Dean Ferguson, Gary G. Lyon, Robert Garrey, Powers Taylor, LLP, Jeffrey Hall) Answer due by 1/9/2013. (Davis, T.)
	<u>6</u> (4 pgs) Notice of hearing filed by Petitioning Creditors Dean Ferguson, Robert Garrey, Jeffrey Hall, Gary G. Lyon, Powers Taylor, LLP, Pronske & Patel, P.C., Shurig Jetel Beckett Tackett (RE: related document(s) <u>3</u> Emergency Motion to appoint trustee Filed by Petitioning Creditors Dean Ferguson, Robert Garrey,

TAB 14



**TAB 15**





U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
**ENTERED**  
TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 1, 2013

*Henry G. C. Gammage*  
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

IN RE: §  
§  
Jeffrey Baron, § Case No. 12-37921-SGJ-7  
§  
Debtor. §

ORDER SETTING STATUS CONFERENCE ON JULY 15, 2013 AT 9:30 A.M.

On June 26, 2013, this bankruptcy court issued an Order for Relief in the above-referenced case, along with Findings of Fact and Conclusions of Law in support of such Order. DE ## 239 & 240. Ordinarily, upon the commencement of a Chapter 7 bankruptcy case: (a) a debtor has the duty to cooperate with a bankruptcy trustee and, among other things, turn over his or her non-exempt assets for the trustee to administer (e.g., 11 U.S.C. §§ 521(3), 704(1), (2) & 541(a)(1)); (b) a custodian/receiver also has the duty to deliver to the bankruptcy trustee any property of the

debtor held by or transferred to such custodian, along with the proceeds or profits of such property, and provide an accounting to the bankruptcy trustee (e.g., 11 U.S.C. § 542(b); and (c) other entities, other than a custodian, which may be in possession, custody, or control of property that the bankruptcy trustee may use, sell or lease, or that the debtor may exempt, shall deliver such property to the bankruptcy trustee and account for such property (e.g., 11 U.S.C. § 542(a)). This court is aware that a federal equity Receiver has been in place with regard to assets and businesses of the Debtor since November 2010. See Findings and Conclusions, 6/26/13, DE # 239, ¶¶ 12-19. The Receivership over which the Receiver presided was ultimately declared by the United States Court of Appeals for the Fifth Circuit ("Fifth Circuit") to have been established in error, by Orders issued on December 18, 2012 and April 24, 2013. *Id.* This bankruptcy case was commenced prior to the mandate of the Fifth Circuit having been fully performed, thus the Receiver still holds assets of the Debtor—some or all of which may be nonexempt property of the estate.

Accordingly, the bankruptcy court will hold a status conference on July 15, 2013 at 9:30 a.m. At such status conference, the court intends to accomplish the following:

(a) review the Schedules and Statement of Financial Affairs that, at that point in time, should be filed by the Debtor; (b) review

the accounting that the Receiver prepares, pursuant to Section 543(b)(2)—which this court expects to be filed prior to the status conference; and (c) consider any statements or arguments that parties-in-interest wish to present with regard to how Sections 541-543 can best be complied with. The court will thereafter issue appropriate turnover orders, Reports and Recommendations to the District Court, or allow further briefing and evidentiary hearings if deemed appropriate. The court is particularly concerned with understanding: (a) the ownership structures of certain trusts or entities that the Debtor may have ownership or control over (e.g., Novo Point, LLC and Quantec, LLC), and (b) any alter ego findings that were perhaps made in the Receivership Action (that may or may not be subject to collateral estoppel effect), so that the bankruptcy court can determine whether it has any jurisdiction over these entities and/or whether the equity ownership of these entities must be turned over to the bankruptcy trustee.

**IT IS SO ORDERED.**

\*\*\*\*END OF ORDER\*\*\*\*

**TAB 16**

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
FILED  
JUN 18 2012  
CLERK, U.S. DISTRICT COURT  
By K. Z.  
Deputy 5:20 p.m.

In re  
ONDOVOA LIMITED COMPANY

§  
§  
§  
§  
§

Debtor

Bankruptcy Case No. 09-34784-SGJ

GARY SCHEPPS, JEFFERY BARON,  
PETFINDERS, LLC and NOVO POINT, LLC

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

Appellants

Case No. 12-cv-00416

v.

DANIEL J. SHERMAN,  
CHAPTER 11 TRUSTEE

Appellee

**ORDER ON APPEAL**

This is an appeal from the Order Barring Attorney Gary Schepps ("Schepps") from Appearing/Participating Further in Ondova Limited Company Bankruptcy Case (Case No. 09-34784-SGJ, Doc. No. 728), which bars Schepps from filing any pleadings or appeals in the case below except for his personal appeal of the Bar Order itself. The Court held a status conference on this matter and others arising out of the Ondova Limited Company bankruptcy on April 23, 2012. No formal arguments, however, were made. Having reviewed the parties' briefs and the applicable law, the Court is of the opinion that while it was in the Bankruptcy Court's purview to issue the Bar Order to protect the integrity of the Receivership, the Receivership is in the process of winding down and Gary Schepps is entitled to appeal all orders of the Bankruptcy Court affecting

property now in possession and control of the Receiver on behalf of his client, Jeffrey Baron's ("Baron"), and those entities in which he claims an ownership interest.

### **I. Factual and Procedural Background**

The Bar Order had its origin in earlier Orders that the Bankruptcy Court entered on August 2, 2011 (the "Show Authority Order") and August 9, 2011 (the "Strike Order"). The Show Authority Order found that Novo Point, LLC was represented only by the Receiver and his counsel and ordered Christopher Payne and his firm not to appear again on behalf of Novo Point, LLC without first obtaining an order approving that appearance. The Strike Order more broadly forbade anyone from filing papers on behalf of Novo Point without first obtaining court approval. Although Schepps is not associated with Payne, there is no doubt that he had notice of the Strike Order. Thereafter, Schepps filed at least four papers that were purportedly on behalf of Novo Point.

After these violations of the Strike Order, the Trustee filed his "Motion to: (I) Show Cause Why Christopher Payne and Gary Schepps Should Not Be Held in Contempt and Sanctioned; and (II) Strike Notices of Appeal and Motion to Stay Sale Order, and Brief in Support Thereof on August 25, 2011 (the "Trustee's Show Cause Motion"). This Motion asked that the Court sanction Schepps and make orders to deter further violations. It was served on Schepps through the ECF system.

The Motion to Show Cause was heard on September 1, 2011. Schepps was present. The Bankruptcy Court ordered, among other things, that Schepps file the disclosures concerning his clients required by Bankruptcy Rule 2019 and that Schepps appear October 24, 2011 and show cause why he should not be held in contempt of the

Bankruptcy Court's earlier orders. The Court's order was served on Schepps through the ECF filing system.

Schepps appeared at the October 24, 2011 hearing. That hearing was not concluded in one day, so the Court continued it until November 15, 2011. On November 7, 2011 Schepps filed yet another paper in the Bankruptcy Court. This paper was filed on behalf of Petfinders, LLC, which claimed to be the assignee of all the rights of the owners of Novo Point in the domain name "petfinders.com." Petfinders, LLC had been created by Schepps on the same day he filed the Petfinders paper.<sup>1</sup> The Receiver then filed his "Motion to Strike Pleading and Second Motion to Show Cause as to Why Gary Schepps Should not be Held in Contempt and Sanctioned" (the "Receiver's Second Show Cause Motion").

The original October 24, 2011 hearing was completed after two days of hearing on November 15, 2011 and December 5, 2011. During the December 5, 2011 hearing, Schepps was called as a witness, but refused to answer any substantive questions based on his Fifth Amendment privilege against self incrimination. He referred to the questioning as a "criminal contempt proceeding," and the Bankruptcy Court reiterated that it "has no power and is not attempted to engage in a criminal contempt proceeding."<sup>2</sup> On December 15, 2011 the Bankruptcy Court entered the Bar Order, finding that Schepps had no authority to act for NovoPoint, LLC, Petfinders, LLC, or Baron, and barring him from filing any further pleadings or appeals of any kind. This Order was followed a few

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<sup>1</sup> See Case No. 9-34784-sgj (Doc. No. 687) Transcript of Proceedings

<sup>2</sup> *Id.* (Doc. No. 725).

days later by the Order Clarifying Bar Order, which permits Schepps to appeal the Bar Order itself. Not surprisingly, Schepps promptly appealed the Bar Order to this Court.

## II. Legal Standard

The Court reviews the Bankruptcy Court's findings of fact for clear error, and its conclusions of law *de novo*. *In re SI Restructuring, Inc.*, 542 F.3d 131, 135 (5th Cir. 2008); *In re McLain*, 516 F.3d 301, 307 (5th Cir. 2008). A factual finding is clearly erroneous where, "although there is evidence to support it, the reviewing court on the entire evidence is left with a definite and firm conviction that a mistake has been committed." *Memphis-Shelby County Airport Authority v. Braniff Airways, Inc.*, 783 F.2d 1283, 1287 (5th Cir. 1986) (quoting *Anderson v. City of Bessemer City*, 470 U.S. 564, 573 (1985)). It is insufficient that the reviewing court, upon examining the evidence, would merely have decided differently if sitting as the trier of fact. *Memphis-Shelby County Airport Authority*, 783 F.2d at 1287 (quoting *Anderson*, 470 U.S. at 573). This is so because the Bankruptcy Court, as the trial court, is vested with the crucial opportunity to judge the credibility of witnesses. *Matter of Young*, 995 F.2d 547, 548 (5th Cir.1993).

## III. Discussion

It is well within the Bankruptcy Court's purview to regulate the practice of the lawyers that come before it. *See Chambers v. NASCO, Inc.*, 501 U.S. 32, 43 (1991), *see In re Drago*, 186 F.3d 614, 616 (5th Cir. 1999) and *In re Brooks-Hamilton*, 400 B.R. 238, 246 (9th Cir. BAP 2009) ("[T]he bankruptcy Court had ample authority to suspend Smyth (the appellant) from practice before the bankruptcy courts of the district.").



Schepps violated the Bankruptcy Court's Orders repeatedly, meriting sanction. However, the Orders Schepps violated during the bankruptcy proceedings were derived from this Court's Receivership Order, which, while necessary to progress the proceedings in the Bankruptcy Court, must now yield to the litigants' interest in obtaining a meaningful opportunity for appellate review.

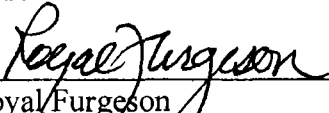
This Court created the Receivership for the express purpose of allowing the Bankruptcy Court to do its job unimpeded by the revolving door of attorneys that Baron was using to delay and obstruct progress in the bankruptcy proceedings. The Bankruptcy Court has now completed its work and the purpose for which the Receiver was appointed is now expiring. It is the Court's goal to end the Receivership as promptly as is reasonably possible. Once the Receivership is dissolved, all property under its control will be returned to Baron. Therefore, the Court is of the opinion that Baron has a derivative interest in the disposition of what he alleges is his property.

The Receiver has made clear that he does not intend to pursue an appeal of the Bankruptcy Court's Orders disposing of property in the Receivership's control on Baron's behalf. Extending the Trustee's argument that Baron has no individual standing to bring the appeal to its logical conclusion, the bankruptcy court's Order disposing of what Baron alleges is his property would be given permanent effect with no opportunity for review. Appellate review is a central tenant of our system of justice and is not something the Court can justly deny Baron, no matter how vexatious his or his attorney's behavior as litigants. Therefore, the Court finds that while sanctioning Schepps was well-within the purview of the Bankruptcy Court, the ongoing effect of the Bar Order

must yield, alongside the Receivership, to the litigants' interest in appellate review. Accordingly, it is ORDERED that Gary Schepps has a right to appear in the District Court as counsel of record for Baron and those entities he claims he owns. Schepps is GRANTED LEAVE TO APPEAL all orders of the Bankruptcy Court allegedly affecting property now in possession and control of the Receiver on Jeffrey Baron's behalf.

IT IS SO ORDERED.

Signed this 18<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Royal Furgeson  
United States Senior District Judge

**TAB 17**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In Re:	§	
Ondova Limited Company	§	
	§	
Gary Schepps, Petfinders, LLC,	§	
Novo Point LLC, and Jeffrey Baron	§	
<i>Appellants</i>	§	
	§	
v.	§	CASE NO. 3:12-cv-00416-F (O)
	§	
Chapter 11 Trustee Daniel J. Sherman	§	
<i>Appellee</i>	§	

**NOTICE OF APPEAL TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT**

Notice is hereby given that Novo Point LLC and Gary Schepps, Appellants, hereby appeal to the United States Court of Appeals for the Fifth Circuit from:

- a. [DOC 19] The District Court’s Order Administratively Closing Case. In light of the Fifth Circuit's recent opinion on this matter (Ordered by Judge Royal Furgeson on 1-7-2013).

Appellant appeals the order under 28 U.S.C. §158(d).

The parties to the orders appealed from and the names, addresses, and telephone numbers of their respective attorneys are as follows:

Appellants: Gary Schepps and Novo Point LLC

Represented on Appeal by:

Gary N. Schepps  
Drawer 670804  
Dallas, Texas 75367  
Telephone (972) 200-0000  
Facsimile (972) 200-0535  
legal@schepps.net

Appellee: Trustee Daniel J. Sherman

Represented by: Raymond J. Urbanik  
Munsch, Hardt, Koph & Harr, PC  
500 N. Akard Street, Suite 3800  
Dallas, Texas 75201-6659  
Telephone (214) 855-7500  
Facsimile (214) 855-7584  
rurbanik@munsch.com

Dated: February 6, 2013.

Respectfully submitted,

/s/ Gary N. Schepps  
Gary N. Schepps  
State Bar No. 00791608  
Drawer 670804  
Dallas, Texas 75367  
Telephone (972) 200-0000  
Facsimile (972) 200-0535  
legal@schepps.net

**APPELLATE COUNSEL  
FOR NOVO POINT LLC**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system and including:

Raymond J. Urbanik  
Munsch, Hardt, Koph & Harr, PC  
500 N. Akard Street, Suite 3800  
Dallas, Texas 75201-6659  
rurbanik@munsch.com

/s/ Gary N. Schepps  
Gary N. Schepps

**TAB 18**

**Urbanik, Raymond**

---

**From:** Mark Stromberg <Mark@strombergstock.com>  
**Sent:** Saturday, June 22, 2013 4:45 PM  
**To:** Urbanik, Raymond  
**Subject:** RE: Fifth Cir.

Ray:

I have not been able to speak with Mr. Baron about this today since you sent me this request after hours on Friday night.

However, in his absence, I inquired of Steve Cochell; he indicated his understanding that Mr. Schepps is not representing Mr. Baron in connection with any matters before the Fifth Circuit. As to LLCs (e.g. Quantec or Novo Point), Mr. Baron has no control over these companies and, as such, no control over their selected counsel.

Mr. Cochell is not certain whether or not Mr. Schepps in fact has valid authority to act on behalf of these entities. While it appears that Mr. Schepps has purported to have such authority, Mr. Cochell informs me that he thinks Mr. Schepps had lost, exceeded or been acting beyond the authority granted by the owner of the member interests of the LLCs, Village Trust, for some unknown period of time.

As to the agreement, I'll be glad to discuss that with you tomorrow afternoon if you like. I'll suggest 1:00 p.m. Let me know if that works.

Sincerely,

*Mark Stromberg*



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---

**From:** Urbanik, Raymond [mailto:RUrbnik@Munsch.com]  
**Sent:** Saturday, June 22, 2013 4:01 PM



**TAB 19**



**ENTERED**  
TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

*Henry H. C. George*  
United States Bankruptcy Judge

Signed November 14, 2011

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re: §  
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ  
Debtor. § (Chapter 11)  
§  
§

**ORDER GRANTING TRUSTEE'S MOTION FOR AUTHORITY TO SELL  
PROPERTY OF THE ESTATE PURSUANT TO 11 U.S.C. § 363(b)**

At Dallas, Texas, in said District, on the 9<sup>th</sup> day of November, 2011, this Court conducted a hearing (the "Hearing") on the Trustee's Motion for Authority to Sell Property of the Estate Pursuant to 11 U.S.C. § 363(b) (the "Motion") [Docket No. 656]<sup>1</sup> filed on October 7, 2011 by Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company. In his Motion, the Trustee requested Court authority to sell the internet domain name petfinders.com ("Domain Name") to Discovery Communications LLC ("Discovery") for the sum of \$25,000.00. Certain responses to the Motion were filed by Peter Vogel, the District Court Receiver appointed over Jeffrey Baron and an entity which filed a late response on November 7, 2011, named Petfinders, LLC (collectively, the "Responses").

<sup>1</sup> All of the capitalized terms used in this Order, unless otherwise indicated, shall have the meanings ascribed to them in the Motion.

Having considered the Motion, the Responses, the evidence presented at the Hearing, and the arguments and representations of counsel, this Court hereby finds as follows:

A. This Court has jurisdiction to hear and to determine the Motion and to grant the relief requested therein pursuant to 28 U.S.C. §§ 157(a) and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of this case and of the Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Motion and the Hearing was appropriate and sufficient under the circumstances, and no further notice is necessary.

C. The relief requested by the Trustee in the Motion is appropriate and in the best interests of the Estate and all parties-in-interest.

D. All Responses filed with respect to the Motion are overruled.

E. The Court heard substantial evidence establishing that the Domain Name is clearly property of the Estate. One party asserting that the Domain Name was its property, Petfinders, LLC, offered no evidence whatsoever to support its position. The Court further heard convincing evidence that Discovery holds numerous trademark registrations on the word "petfinder" and that any use or sale by the Trustee of the Domain Name could lead to claims by Discovery of trademark infringement. Accordingly, the Domain Name is property of the Estate, and the sale of the Domain Name for \$25,000.00 is an exercise of the Trustee's sound business judgment and is in the Estate's best interest under the circumstances.

F. The Court also heard convincing evidence that the proposed sale was negotiated in good-faith and at arms-length and that Discovery is a third-party purchaser with no affiliations with the Debtor, the Estate or the Trustee and, accordingly, Discovery is entitled to the protections afforded to it as a good-faith purchaser under section 363(m) of the Bankruptcy Code.

G. The Trustee is authorized to sell the Domain Name free and clear of all liens, claims, encumbrances, and interests because one or more of the standards set forth in section 363(f) of the Bankruptcy Code have been satisfied.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Motion is APPROVED. It is further

ORDERED that, pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Trustee is immediately authorized to sell the Domain Name to Discovery for \$25,000.00 pursuant to the Sale Terms. It is further

ORDERED that Discovery is directed to close and fund the purchase of the Domain Name in accordance with the Sale Terms. It is further

ORDERED that, thereafter, the Trustee shall take all steps necessary to immediately transfer the Domain Name to Discovery, in accordance with the Sale Terms. It is further

ORDERED that the sale of the Domain Name shall be free and clear of all liens, claims, encumbrances, and interests pursuant to section 363(f) of the Bankruptcy Code. It is further

ORDERED that the Trustee is authorized to execute any and all documents he deems necessary or appropriate to effectuate the sale of the Domain Name. It is further

ORDERED that Discovery is hereby granted all of the protections provided to a "good-faith purchaser" under section 363(m) of the Bankruptcy Code. It is further

ORDERED that this Order shall be effective immediately and the stay provided for in Bankruptcy Rule 6004(h) is waived. It is further

ORDERED that this Court shall retain jurisdiction to hear and resolve any and all disputes that may arise from the implementation of this Order.

### END OF ORDER ###

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Main Document Page 4 of 4

Submitted by:

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Lee J. Pannier  
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ATTORNEYS FOR DANIEL J. SHERMAN,  
CHAPTER 11 TRUSTEE

**TAB 20**

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re ONDOVOA LIMITED COMPANY	§	
	§	
Debtor	§	Bankruptcy Case No. 09-34784-SGJ
	§	
<hr/>		
GARY SCHEPPS, JEFFERY BARON, PETFINDERS, LLC and NOVO POINT, LLC	§	
	§	
Appellants	§	Case No. 12-cv-00416
v.	§	
DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE	§	
	§	
Appellee	§	


**ORDER CLOSING CASE**

On June 18, 2012, the Court entered its Order on Appeal (Doc. No. 18) where it found, among other things, that Schepps has a right to appear in this Court as counsel of record for Baron and those entities he claims he owns and that Schepps is granted leave to appeal all orders of the Bankruptcy Court allegedly affecting property no in possession and control of the Receiver on Baron’s behalf.

In light of the Fifth Circuit’s recent opinion on this matter (Docket No. 10-11202), this Court is of the opinion that there are no further issues for it to address concerning the appeal of the bar order. Accordingly, the Clerk of the Court is instructed to **CLOSE** this case.

IT IS SO ORDERED.

SIGNED this 7th day of January, 2013.

  
\_\_\_\_\_  
Royal Ferguson  
Senior United States District Judge