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

In re:	§	Case No. 09-33886-HDH
	§	
PROVIDENT ROYALTIES, LLC, <i>et. al.</i>	§	Chapter 11
	§	
Debtors.	§	(Jointly Administered)

LIQUIDATING TRUSTEE'S MOTION TO ABATE OR EXTEND DEADLINE
TO OBJECT TO PREFERRED STOCK INTERESTS

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, 1100 COMMERCE STREET, DALLAS, TEXAS 75201 AND SERVED UPON UNDERSIGNED COUNSEL THE LIQUIDATING TRUSTEE WITHIN TWENTY-FOUR (24) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH RESPONSE. IF NO RESPONSE IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF A RESPONSE IS FILED AND SERVED IN A TIMELY MANNER, A HEARING WILL BE HELD WITH NOTICE TO THE RESPONDING PARTIES AND THOSE PARTIES REQUESTING NOTICE. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR RESPONSE MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

NOW COMES Milo Segner, Jr., as Liquidating Trustee of the PR Liquidating Trust (the “Liquidating Trustee”) and for his Emergency Motion to Extend Deadline to Object to Preferred Stock Interests would show the Court as follows:

1. On June 10, 2010, the Court entered its order confirming (the “Confirmation Order”) the Fourth Amended Consolidated Plan of Liquidation for the Debtors’ Estates (the “Plan”).

2. On June 14, 2010, the Plan became effective (the “Effective Date”). *See* Notice of Effective Date [Docket No. 867].

3. The Plan, in relevant part, provides:

9.1.2 An objection to the allowance of any Preferred Stock Interest shall be in writing and may be Filed only by the Liquidating Trustee, on behalf of the PR Liquidating Trust, within ninety (90) days of the Effective Date. On behalf of the PR Liquidating Trust, the Liquidating Trustee will prosecute any such objection until determined by a Final Order unless the Liquidating Trustee (a) compromises and settles such objection to an Preferred Stock Interest by written stipulation subject to Bankruptcy Court approval, if necessary, or (b) withdraws such objection.

Plan at Article 9.1.2 (the “Preferred Stock Interest Objection Deadline”).

4. The Confirmation Order provides that the deadline for objections to Preferred Stock Interests can be “extended by the Court, for cause shown, upon motion filed with the Court on or prior to such date . . .” Confirmation Order at Page 15 [Docket No. 860].

5. The Trustee previously requested that the Court extend the deadline to March 11, 2011. The Court granted that request without prejudice to the right to seek further extensions. The Trustee requested a second extension for another 180 days to

August 11, 2011. The Court also granted that request without prejudice to the right to seek further extensions.

6. There are over 7000 Preferred Stock Interests filed in these cases and the Liquidating Trustee believes there are over 10,000 claims that have to be either allowed or disallowed in some fashion.

7. The Liquidating Trustee submits that completing the objections to the Preferred Stock Interests within the deadline will be an inefficient use of the PR Liquidating Trust's resources. For example, there are Preferred Stock Interests that may require the holder to provide additional documentation. With additional time, the Liquidating Trustee can avoid the cost and expense of filing such an objection, as well as avoid utilizing the Court's limited resources on matters that can be more expeditiously and inexpensively handled with a simple extension of the current deadline.

8. More importantly, as this Court is aware, the Liquidating Trustee has engaged in extensive complex litigation against over 40 former broker-dealers for the Provident Royalties' entities (the "Broker Dealer Litigation"). From this litigation, as well as other claims that have been or will be filed, the Liquidating Trustee hopes to be able to fund distributions to the Preferred Stock Interest holders. The Broker Dealer Litigation is now pending before The Honorable Royal Furgeson in the Northern District of Texas. The Broker Dealer Litigation was stayed by Court order so that the parties may focus on settling some of the larger class action claims that are also before Judge Furgeson and are co-extensive with the Liquidating Trustee's claims asserted in the Broker Dealer Litigation. The stay has relatively recently been lifted as to certain Defendants and the Trustee is proceeding against them expeditiously.

9. The Liquidating Trustee believes that the resolution of both the Broker Dealer Litigation, as well as other litigation that may ultimately fund a distribution to the Preferred Stock Interest holders, should be either completed or at least substantially progressed toward settlement before he can fully turn his focus to over 6000 claim objections. In addition, the potential settlement mechanisms currently at issue before Judge Furgeson may have a direct impact on the potential methodology to be used in analyzing the Preferred Stock Interest claims and the Trustee would rather work out that methodology consensually with the co-Plaintiff class action lawyers and the defendants than be forced to file claim objections that may either run contrary to settlement consensus or disincentivize a maximum value settlement. In the Liquidating Trustee's judgment and discretion, more progress needs to be made against in the Broker Dealer Litigation before the thousands of interests can be fully examined and objections filed. Having said that, however, the Liquidating Trustee recognizes that progress towards claim objections must be made and he is presently crafting procedures that he will present to the Court for approval in the near-term, which should expedite and streamline the claims administration process.

10. The Liquidating Trustee further submits that there is no prejudice to the holders of Preferred Stock Interests in extending the Preferred Stock Objection Deadline as no distributions will occur until the Causes of Action being pursued by the Liquidating Trustee are liquidated.

11. The Liquidating Trustee's Motion is timely. *See* Confirmation Order, at page 15. The Liquidating Trustee further submits for the reasons stated herein there is sufficient cause to grant an extension of the Preferred Stock Interest Objection Deadline.

12. Because of the unique procedural posture of the Liquidating Trustee's pending litigation against third-parties, as well as the extremely voluminous nature of the actual claims that must be dealt with themselves, it is respectfully requested that the deadline be abated and that the Court conduct quarterly status conferences to monitor the progress of the Liquidating Trustee's claims process and litigation. The reality, both economically and practically, is that resolving this many claims is going to take longer than another six month extension would afford and, given the nature of the potential litigation recoveries to be had, the Liquidating Trustee believes it would be inefficient and at cross-purposes with the Trust to force a rapid, time-consuming and resource-draining claims objection process.

13. In that regard, to assist the Court and the Liquidating Trustee handle the claims objection process, the Liquidating Trustee has been crafting omnibus claims objection procedures that will, hopefully, permit a more expeditious handling of the numerous claims at issue. A motion for leave requesting authority for omnibus claims objections and procedures will be filed shortly and set for hearing should anyone object.

14. Accordingly, the Liquidating Trustee requests that the Court (a) grant the Motion; (b) abate the Preferred Stock Objection Deadline and require quarterly status conference reports to either be filed or status conferences to be heard or otherwise extend the Preferred Stock Objection Deadline until **AUGUST 11, 2012** without prejudice to the Liquidating Trustee's right to request a further extension for cause; and (c) any such other and further relief to which the Liquidating Trustee may show himself to be justly entitled. A proposed order will be submitted to the Court.

Respectfully submitted,

/s/ Sean J. McCaffity

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