

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
PROVIDENT ROYALTIES, LLC, *et al.*, § CASE NO. 09-33886-HDH-11
§
DEBTORS. §

Hearing Date: August 20, 2012 at 9:00
A.M. (CDT)

Response Deadline: August 13, 2012 at
5:00 P.M. (CDT)

NOTICE OF TRUSTEE'S OBJECTION TO YOUR CLAIM¹

PLEASE TAKE NOTICE that Milo H. Segner, Jr., Liquidating Trustee of the PR Liquidating Trust (the "Trustee"), filed an objection to the proof(s) of claim you filed against one or more of the Debtors or an amount that the Debtors originally scheduled for your claim on their schedules of assets and liabilities filed with the Bankruptcy Court (the "Objection"). The Objection is appended to this Notice and is entitled Trustee's Twenty-Third Omnibus Objection: Claims that are Improperly Classified, Include Interest, and do not Reflect Dividends Paid. The Objection seeks to reduce and reclassify your claim (the "Claim") as set forth in the exhibit to the Objection. **THEREFORE, YOU SHOULD READ THIS NOTICE AND THE ATTACHED OBJECTION CAREFULLY. THE OBJECTION INCLUDES AN ATTACHED SCHEDULE THAT CONTAINS BOTH YOUR PROOF OF CLAIM NUMBER AND NAME. PLEASE LOOK FOR YOUR CLAIM CAREFULLY.**

IF YOU AGREE WITH THE OBJECTION TO YOUR CLAIM, YOU DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE OR THE OBJECTION.

PLEASE TAKE NOTICE that, if you disagree with the Objection and are unable or unwilling to resolve the Objection with the Trustee, you or your attorney **must** (1) attend the August 20, 2012, hearing (the "Hearing") in person or, consistent with court procedures, by telephone and (2) file a written response (the "Response") to the Objection with the Clerk of the United States Bankruptcy Court, Earle Cabell Building, U.S. Courthouse, 1100 Commerce Street, Room 1254, Dallas, Texas 75242-1496 **no later than August 13, 2012 at 5:00 p.m. CDT**. You must also serve copies of your response on the Trustee's attorneys: ATTN: Sean J. McCaffity and Julian P. Vasek, Rochelle McCullough, LLP, 325 North St. Paul Street, Suite 4500, Dallas, Texas 75201; (fax) 214-953-0185; so as to be **received** no later than **August 13, 2012 at 5:00 p.m. CDT (the "Response Deadline")**.

¹ Please review the Frequently Asked Questions page of the PR Liquidating Trust's website (<http://www.prliquidatingtrust.com/faq.html>) for information before contacting the Trustee, the chairman of the Trust, or the Trustee's professionals with questions about this objection.

PLEASE TAKE FURTHER NOTICE that your Response must contain, at a minimum, the following:

- a. A caption setting forth the name of the Court, the name of the Debtor, the case number and the title of the Omnibus Objection to which the Response relates;
- b. The name of the Claimant and description of the basis for the amount of the Claim;
- c. A concise statement setting forth the reasons why the Claim should not be allowed in a reduced amount for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection;
- d. A copy of the Proof of Claim and any other documentation or other evidence of the Claim, to the extent not included with the Proof of Claim, upon which the Claimant will rely in opposing the Objection at the hearing; and
- e. The name, address(es), telephone number, facsimile number and e-mail address of the person(s) (who may be the Claimant and/or the Claimant's legal representative) to whom counsel for the Trustee should serve any reply to the Response, and who possess the authority to reconcile, settle, or otherwise resolve the Objection.

PLEASE TAKE FURTHER NOTICE that, if you or your designated attorney or representative does not timely file and serve the Response in accordance with the above referenced procedures and attend the Hearing (in the absence of a written agreement between you and the Trustee providing otherwise), the Court may enter an order granting the relief requested in the Objection. **If you fail to respond in accordance with this Notice, the Court may grant the relief requested in the Objection without further notice or hearing.**

PLEASE TAKE FURTHER NOTICE that nothing in this Notice or the accompanying Objection constitutes a waiver of the Trustee's right to assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-transfer actions, or any other bankruptcy or nonbankruptcy claims against you. The Trustee also reserves the right to assert additional objections to your Claim.

Dated: July 19, 2012
Dallas, Texas

Sean J. McCaffity
Texas Bar No. 24013122
Julian P. Vasek
Texas Bar No. 24070790
ROCHELLE MCCULLOUGH LLP
325 N. St. Paul, Suite 4500
Dallas, Texas 75201
P: (214) 953-0182
F: (214) 953-0185

*Counsel for Milo H., Segner, Jr.,
Liquidating Trustee of PR Liquidating Trust*

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

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

**TRUSTEE'S TWENTY-THIRD OMNIBUS OBJECTION:
CLAIMS THAT ARE IMPROPERLY CLASSIFIED, INCLUDE
INTEREST, AND DO NOT REFLECT DIVIDENDS PAID**

A HEARING WILL BE CONDUCTED ON THIS OBJECTION ON AUGUST 20, 2012 AT 9:00 A.M. (CDT) BEFORE THE HONORABLE HARLIN D. HALE, UNITED STATES BANKRUPTCY JUDGE, 1100 COMMERCE STREET, 14TH FLOOR, DALLAS, TEXAS 75242-1496. 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 75242, AND SERVED UPON UNDERSIGNED COUNSEL FOR MILO H. SEGNER, JR., TRUSTEE, NO LATER THAN MONDAY, AUGUST 13, 2012, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. 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.

Milo H. Segner, Jr., liquidating trustee of the PR Liquidating Trust, hereby files this Twenty-Third Omnibus Objection: Claims that are Improperly Classified, Include Interest, and do not Reflect Dividends Paid (the "Twenty-Third Omnibus Objection") and respectfully represents as follows:¹

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

PROCEDURAL BACKGROUND

A. The Bankruptcy Cases.

2. On June 22, 2009, the Debtors² filed for relief in this Court under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*

3. On June 8, 2010 the Court held a hearing to confirm the Debtors' Fourth Amended Joint Plan of Liquidation (the "Plan"), and on June 10, 2010, the Court entered an order confirming the Plan.

¹ Please review the Frequently Asked Questions page of the PR Liquidating Trust's website (<http://www.prliquidatingtrust.com/faq.html>) for information before contacting the Trustee, the chairman of the Trust, or the Trust's professionals with questions about this objection.

² The "Debtors" are: Provident Royalties, LLC, Case No. 09-33886, Provident Operating Company, LLC, Case No. 09-33893, Somerset Lease Holdings, Inc., Case No. 09-33892, Somerset Development, Inc., Case No. 09-33912, Provident Energy 1, LP, Case No. 09-33888, Provident Resources 1, LP, Case No. 09-33887, Provident Energy 2, LP, Case No. 09-33894, Provident Energy 3, LP, Case No. 09-33899, Shale Royalties II, Inc., Case No. 09-33889, Shale Royalties 3, LLC, Case No. 09-33891, Shale Royalties 4, Inc., Case No. 09-33890, Shale Royalties 5, Inc., Case No. 09-33895, Shale Royalties 6, Inc., Case No. 09-33896, Shale Royalties 7, Inc., Case No. 09-33898, Shale Royalties 8, Inc., Case No. 09-33900, Shale Royalties 9, Inc., Case No. 09-33902, Shale Royalties 10, Inc., Case No. 09-33901, Shale Royalties 12, Inc., Case No. 09-33903, Shale Royalties 14, Inc., Case No. 09-33905, Shale Royalties 15, Inc., Case No. 09-33904, Shale Royalties 16, Inc., Case No. 09-33906, Shale Royalties 17, Inc., Case No. 09-33913, Shale Royalties 18, Inc., Case No. 09-33907, Shale Royalties 19, Inc., Case No. 09-33908, Shale Royalties 20, Inc., Case No. 09-33910, Shale Royalties 21, Inc., Case No. 09-33909, and Shale Royalties 22, Inc., Case No. 09-33911.

4. Milo H. Segner, Jr. is the duly authorized representative (the “Trustee”) of the PR Liquidating Trust and has standing to assert, prosecute, and settle any and all objections, counterclaims, rights of setoff, rights of recoupment, and other defenses to Claims asserted against the Estate. *See* PR Liquidating Trust Agreement §§ 3.2-3.3.

5. Under Article IX of the Plan, the Trustee is authorized to object to any claims up to 180 days after the Effective Date of the Plan unless otherwise extended by the Court. The Trustee has requested and received extensions of the objection deadline. The Court granted the Trustee’s request to abate the deadline and instead, given the voluminous nature of the claims at issue in this proceeding, require the Trustee to provide quarterly status reports and/or conferences.

6. The Trustee is in the process of analyzing thousands of claims contained in the Debtors’ bankruptcy schedules, as well as proofs of claim and interest filed in these jointly administered bankruptcy cases. The Trustee has determined that certain claims should be adjusted because they are improperly classified, include interest, and fail to account for dividends received by the claimants. This Twenty-Third Omnibus Objection is filed to seek an order reclassifying and adjusting such claims.

B. The Objectionable Claims.

7. There are approximately 10,323 investors who have filed proofs of claim against the Debtors. The Trustee is in the process of reviewing their claims and comparing them to the Debtors’ books and records, having reviewed approximately 9,000 proofs of claim to date. Some of these claims are improperly classified, include interest, and fail to account for dividends received by the claimants. On Exhibit A, in each instance, the Trustee has set forth the objectionable claims (the “Objectionable Claims”).

BASIS FOR RELIEF REQUESTED

8. Pursuant to Federal Rule of Bankruptcy Procedure 3007 and 11 U.S.C. § 502, the Trustee seeks an order sustaining the Trustee's Twenty-Third Omnibus Objection, adjusting the Objectionable Claims as set forth in Exhibit A, and authorizing the Trustee to update Objectionable Claims in the claims register as set forth in Exhibit A.

9. Investor claims were placed in Class VI under the Plan, which is a general unsecured class. Any claim filed as a secured claim or a priority claim is improperly classified because secured claims and priority claims fall within different classes under the Plan. To the extent any of the Objectionable Claims was filed as a secured claim and/or a priority claim, the Trustee seeks to reclassify it as a Class VI investor claim.

10. The Trustee seeks to allow the Objectionable Claims as Class VI claims in the amount of each investor's net loss. That means investor claims may not include interest, and they must be reduced by the amount of dividends the investors received. In other words, the proper amount of each investor's claim is the amount of his or her investment minus the amount of dividends he or she received.

11. In Ponzi scheme cases, dividends are treated as a return of principal because the investment was not actually earning money. Instead, the dividends were merely portions of other victims' capital investments. For the same reason, any expectation of interest is not allowed as part of a claim. Claims of Ponzi scheme victims, like the investors here, should be allowed in the amount of each investor's net loss. *See Focht v. Athens (In re Old Naples Securities, Inc.)*, 311 B.R. 607, 615-17 (M.D. Fla. 2002).

12. Accordingly, the Trustee believes that the Objectionable Claims should be adjusted and reclassified as detailed in Exhibit A. *See Declaration of Scott Reese*, attached

hereto as Exhibit “B.” In particular, the Objectionable Claims should be allowed as Class VI claims in the amounts listed in column H of Exhibit A.

RESERVATION OF RIGHTS

13. The Trustee reserves all rights to object to any of the Objectionable Claims in the future on any other basis. Furthermore, nothing herein constitutes a waiver of the Trustee’s right to assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-transfer actions, or any other bankruptcy or nonbankruptcy claims against claimants.

PRAYER FOR RELIEF

14. The Trustee respectfully requests that the Court (i) grant the relief requested herein; (ii) sustain this Twenty-Third Omnibus Objection; (iii) adjust and reclassify the Objectionable Claims as set forth in Exhibit A; and (iv) grant the Trustee any further relief to which he is entitled at law or equity.

Dated this 19th day of July, 2012.

Respectfully submitted,

By: Julian P. Vasek
Sean J. McCaffity | State Bar No. 24013122
Julian P. Vasek | State Bar No. 24070790
ROCHELLE MCCULLOUGH LLP
325 N. St. Paul, Suite 4500
Dallas, TX 75201
Telephone: (214) 953-0182
Facsimile: (214) 953-0185
COUNSEL FOR MILO H. SEGNER, JR.,
LIQUIDATING TRUSTEE OF PR LIQUIDATING
TRUST

CERTIFICATE OF SERVICE

A separate certificate of service will be filed to evidence proof of service.

Case No. 09-33886-HDH
In re: Provident Royalties, LLC, et al.
EXHIBIT A

A. Claim Number	B. Claimant/Investor Name	C. Investment ID Number	D. Priority Claimed Amount	E. Secured Claimed Amount	F. Unsecured Claimed Amount	G. Total Claimed Amount	H. Allowable Class VI Unsecured Claim Amount	I. Reason for Adjustment
5912	ATKINS, HOWARD D.	SR9-082	27,132.88			27,132.88	<u>\$23,327.40</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8840	BAKER, VERNELL H	SR12-275		100,000.00	4,000.00	104,000.00	<u>\$97,212.33</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
870	BALOGH, WILLIAM L.	SR7-069		42,338.49		42,338.49	<u>\$31,418.49</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5941	BLAIR, DAVID & DOLLY LIV. TR DTD 10-22-97	SR7-106		94,400.00		94,400.00	<u>\$72,089.86</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5132	BLUNT, BRYAN T.	SR2-159; SR3-177		62,007.50		62,007.50	<u>\$36,088.01</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3020	BROGAN, JAMES & PRISCILLA &	SR4-026		177,000.00		177,000.00	<u>\$115,806.16</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3017	CARSON LIVING TRUST DTD 1/16/01	SR7-105		29,500.00		29,500.00	<u>\$22,528.08</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2987	COLLIER, PAUL & MARY REVOCABLE TRUST DTD	SR5-247		94,400.00		94,400.00	<u>\$67,921.10</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1385	COWERY, WILLIAM J.	SR9-028		68,100.00		68,100.00	<u>\$55,719.45</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1384	COWERY, WILLIAM J.	SR7-465		113,500.00		113,500.00	<u>\$92,204.11</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
452	DALBEC, JOHN	SR7-118		56,250.00		56,250.00	<u>\$45,900.69</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4109	DESPOT, JAMES A.	SR5-481		29,500.00		29,500.00	<u>\$21,588.01</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4108	DESPOT, JAMES A.	SR4-392		59,000.00		59,000.00	<u>\$41,133.56</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4110	DESPOT, JAMES A.	SR5-194		118,000.00		118,000.00	<u>\$84,556.16</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
7433	DUFFY, HELEN - IRA	SR10-055	67,075.27			67,075.27	<u>\$42,775.27</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2827	EPASINGHE, SOMAWATHIE	SR15-005		115,000.00		115,000.00	<u>\$98,352.06</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2992	ERBEN, DOROTHY	SR7-334		59,000.00		59,000.00	<u>\$45,781.51</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2994	GRANSE FAMILY TRUST DTD 06/12/1992	SR4-428		29,500.00		29,500.00	<u>\$20,016.13</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

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6560	GREAR, MICHAEL A & ROBERTA L JTWROS	SR9-181	27,132.88			27,132.88	<u>\$23,475.34</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
6559	GREAR, MICHAEL A & ROBERTA L JTWROS	SR3-164	27,132.88			27,132.88	<u>\$18,926.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1888	HAASE, DONALD E.	SR4-313		50,000.00	5,250.00	55,250.00	<u>\$40,778.08</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5914	HAIGH, LARAIN E T.	SR7-035	27,132.88			54,265.75	<u>\$44,725.34</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5913	HAIGH, LARAIN E T.	SR3-157	54,265.75			27,132.88	<u>\$18,913.70</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5910	HAIGH, ROBERT D.	SR7-036	27,132.88			27,132.88	<u>\$22,362.67</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5911	HAIGH, ROBERT D.	SR3-158	32,559.45			32,559.45	<u>\$22,696.44</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
6167	HAJEK, PAVEL	SR6-206		40,000.00	7,200.00	47,200.00	<u>\$35,786.30</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3071	HALDEMAN FAMILY REVOCABLE TRUST	SR4-039		29,500.00		29,500.00	<u>\$19,447.58</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3072	HALDEMAN, RAYMOND F & ARIAS, MANUELA	SR4-038		29,500.00		29,500.00	<u>\$19,445.58</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2708	HECHT, ROBERT A.	SR15-304	300,000.00			300,000.00	<u>\$64,711.51</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2567	HELSTROM, JO C REVOCABLE TRUST	SR5-321		65,000.00		50,000.00	<u>\$42,658.22</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
32	HESSION, PATRICK	SR16-326		57,500.00		57,500.00	<u>\$49,876.71</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
9854	HIBBERD, FLORA	SR6-213		34,000.00		34,000.00	<u>\$21,839.73</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
9855	HIBBERD, HAROLD J.	SR6-047		34,000.00		34,000.00	<u>\$21,679.45</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8795	HITE, GORDON P	SR7-264		38,500.00		38,500.00	<u>\$22,792.12</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8796	HITE, SUSAN C	SR7-153		38,500.00		38,500.00	<u>\$22,626.71</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1528	HOLSING, DUANE & ARLENE	SR4-337	35,000.00			35,000.00	<u>\$28,630.96</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

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5909	HOPE FARMS LIMITED PARTNERSHIP	SR9-236	27,132.88			27,132.88	<u>\$23,554.45</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5908	HOPE FARMS LIMITED PARTNERSHIP	SR9-156	27,132.88			27,132.88	<u>\$23,426.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
677	HOWARD, JAMES W	SR9-069	27,089.82			27,089.82	<u>\$23,302.74</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5095	HUANG, GLORIA	SR3-323		39,200.00		39,200.00	<u>\$28,544.66</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8403	JOHNSON, DOROTHY E REVOCABLE TRUST DTD	SR12-346	26,777.39			26,777.39	<u>\$24,333.90</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2993	JOHNSTON, GESSICA - IRA XXXX0544	SR4-027		35,400.00		35,400.00	<u>\$23,220.41</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3070	JONES, DAVID & BETTY FAMILY TRUST	SR7-163		57,500.00		57,500.00	<u>\$46,065.07</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3069	JONES, DAVID & BETTY FAMILY TRUST	SR4-066		118,000.00		118,000.00	<u>\$78,506.85</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4883	JULIUS, ROBERT & ARLENE	SR5-298	45,000.00			45,000.00	<u>\$38,370.21</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5689	JULIUS, ROBERT & ARLENE	SR4-244	60,000.00			60,000.00	<u>\$48,460.27</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4702	KARNOPP REVOCABLE LIVING TRUST	SR5-066	28,000.00			28,000.00	<u>\$20,904.79</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4704	KARNOPP, CLYDE	SR6-441	28,000.00			28,000.00	<u>\$22,190.07</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
9759	KELIG, JANET ANN	SR9-200		44,000.00	6,000.00	50,000.00	<u>\$46,250.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5942	KELLY FAMILY TRUST DTD 6-20-91	SR9-357		57,500.00		57,500.00	<u>\$47,796.23</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8445	KITTRELL, THOMAS EDWARD III	SR16-157	38,278.08			38,278.08	<u>\$24,778.08</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
7710	LATIMER, DONALD S	SR14-382		118,000.00		118,000.00	<u>\$99,802.74</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
6361	LOBAUGH, MARK	SR2-140		62,075.00		62,075.00	<u>\$34,250.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
7432	LOUCKS, GERALD A	SR8-236	73,309.59			73,309.59	<u>\$46,309.59</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

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A. Claim Number	B. Claimant/Investor Name	C. Investment ID Number	D. Priority Claimed Amount	E. Secured Claimed Amount	F. Unsecured Claimed Amount	G. Total Claimed Amount	H. Allowable Class VI Unsecured Claim Amount	I. Reason for Adjustment
8736	MCANDLESS, COURTNEY	SR10-189	37,577.40			37,577.40	<u>\$24,077.40</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
801	MCCULLUM, GEORGE	SR8-277		68,200.00		68,200.00	<u>\$51,184.66</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
61	MERRILL, JAMES K.	SR16-005		50,000.00	4,275.00	54,275.00	<u>\$49,176.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
49	MERRILL, JAMES K.	SR10-147		50,000.00	4,275.00	54,275.00	<u>\$47,982.19</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3016	MOSMAN, HW & LJ REVOCABLE TRUST	SR4-456		94,400.00		94,400.00	<u>\$66,326.58</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3015	MURRAY, BOB G. & WILLA J. REVOCABLE TRUST	SR7-196		59,000.00		59,000.00	<u>\$45,426.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
6354	PARK, SUNG	SR6-267		100,000.00	18,000.00	118,000.00	<u>\$87,753.42</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
119	PAUCEK, EDWARD P.	SR16-040		25,000.00	3,000.00	28,000.00	<u>\$24,625.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
820	RANGASWAMI, BALA	SR15-313		73,125.00		73,125.00	<u>\$64,839.73</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8605	RANSELL, RONALD E	SR7-190		51,624.00		51,624.00	<u>\$46,167.81</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5907	REAM, JUANITA J.	SR6-143	27,132.88			27,132.88	<u>\$21,778.08</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5915	REAM, THOMAS R. (DECEASED)	SR9-384A	27,132.88			32,132.88	<u>\$28,690.07</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5917	REAM, THOMAS R. (DECEASED)	SR5-267A	32,132.88			27,132.88	<u>\$20,875.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
5916	REAM, THOMAS R. (DECEASED)	SR6-144A	54,265.75			54,265.75	<u>\$43,556.16</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8217	REED, BILL J. - IRA A/C XX8258	SR15-011	54,265.75			54,265.75	<u>\$48,200.69</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8216	REED, BILL J. - IRA A/C XX8258	SR15-326	97,678.35			97,678.35	<u>\$89,778.08</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8218	REED, SANDRA K. - IRA A/C XX8257	SR15-007	27,132.88			27,132.88	<u>\$24,600.34</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
8219	REED, SANDRA K. - IRA A/C XX8257	SR15-327	54,265.75			54,265.75	<u>\$49,876.71</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

Case No. 09-33886-HDH
In re: Provident Royalties, LLC, et al.
EXHIBIT A

A. Claim Number	B. Claimant/Investor Name	C. Investment ID Number	D. Priority Claimed Amount	E. Secured Claimed Amount	F. Unsecured Claimed Amount	G. Total Claimed Amount	H. Allowable Class VI Unsecured Claim Amount	I. Reason for Adjustment
5940	REID, ILSE	SR4-067		59,000.00		59,000.00	<u>\$39,253.42</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1917	REYNOLDS, BRUCE E. & PATRICIA H., JR.	SR4-423		50,000.00	7,500.00	57,500.00	<u>\$41,281.51</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2986	REZNIK, DAVID 1999 INTERVIVOS TRUST, THE	SR7-283		295,000.00		295,000.00	<u>\$228,167.81</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3023	REZNIK, OMRY	SR4-032		236,000.00		236,000.00	<u>\$155,000.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2989	REZONI, ASSAF B.	SR4-015		212,400.00		212,400.00	<u>\$137,547.13</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
6164	ROGERS, JOHN A.	SR8-201		25,000.00	2,137.00	27,137.00	<u>\$23,063.36</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3068	SAPADIN, STUART- IRA XXXX-6098	SR9-148		35,400.00		35,400.00	<u>\$28,096.44</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3067	SAPADIN, STUART- IRA XXXX-6098	SR7-210		59,000.00		59,000.00	<u>\$45,426.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3073	SAPADIN, STUART- IRA XXXX-6098	SR7-211		59,000.00		59,000.00	<u>\$45,426.03</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3066	SAPADIN, STUART- IRA XXXX-6098	SR9-147		129,800.00		129,800.00	<u>\$103,020.27</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2988	SARILLO, FRANK M. & LORETTA	SR9-080		57,500.00		57,500.00	<u>\$47,212.33</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
1635	SATTLER LIVING TRUST	SR12-017	25,000.00			30,000.00	<u>\$28,635.21</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3019	SMITH, BARBARA J. - IRA XXXX-6781	SR4-051		29,500.00		29,500.00	<u>\$19,540.41</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3021	SMITH, BARBARA J. & RICHARD A.	SR12-164		29,500.00		29,500.00	<u>\$24,077.40</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
362	SMITH, GEORGE P.	SR6-203		90,750.00		115,000.00	<u>\$87,358.90</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
361	SMITH, GEORGE P.	SR9-516		115,000.00		90,750.00	<u>\$74,297.26</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3022	SMITH, RICHARD & BARBARA	SR4-041		59,000.00		59,000.00	<u>\$38,967.74</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
3018	SMITH, RICHARD A. - IRA XXXX-4409	SR12-250		59,000.00		59,000.00	<u>\$48,228.77</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

Case No. 09-33886-HDH
In re: Provident Royalties, LLC, et al.
EXHIBIT A

A. Claim Number	B. Claimant/Investor Name	C. Investment ID Number	D. Priority Claimed Amount	E. Secured Claimed Amount	F. Unsecured Claimed Amount	G. Total Claimed Amount	H. Allowable Class VI Unsecured Claim Amount	I. Reason for Adjustment
2985	SOULE, THOMAS & ANNE SCHADE BLAKE TRUST	SR7-355		118,000.00		118,000.00	<u>\$91,661.64</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2984	SOULE, THOMAS & ANNE SCHADE BLAKE TRUST	SR4-020		118,000.00		118,000.00	<u>\$76,710.96</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2991	SPELLAZA, JOSEPHINE	SR9-455		118,000.00		118,000.00	<u>\$95,105.48</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2413	STEWART, CLETUS C.	SR14-328	33,375.00			33,375.00	<u>\$29,876.71</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2416	STEWART, JEFFREY L REVOCABLE TRUST	SR14-384	56,750.00			56,750.00	<u>\$49,901.37</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
9613	STOUTNER, CLIFFORD	SR19-142		50,000.00	41,250.00	91,250.00	<u>\$50,000.00</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
2990	STURMAN, MAX	SR12-257		29,500.00		29,500.00	<u>\$24,126.71</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4280	VANDEBOM, DANIEL E. I.	SR3-127		61,433.50		61,433.50	<u>\$37,506.85</u>	claim is improperly classified, does not reflect dividends paid, and includes interest
4279	WEDMAN, DOROTHY	SR3-170		52,590.00		52,590.00	<u>\$34,111.23</u>	claim is improperly classified, does not reflect dividends paid, and includes interest

Totals:	1,531,995.03	4,915,393.49	102,887.00	6,540,275.52	4,794,371.92
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UNITED STATES BANKRUPTCY COURT
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)

**DECLARATION OF SCOTT REESE IN SUPPORT OF TRUSTEE'S TWENTY-THIRD
OMNIBUS OBJECTION: CLAIMS THAT ARE IMPROPERLY CALSSIFIED,
INCLUDE INTEREST, AND DO NOT REFLECT DIVIDENDS PAID**

Scott Reese declares, under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

My name is Scott Reese. I am over the age of twenty-one years and am competent to make this Declaration. I have never been convicted of a crime and have personal knowledge of the facts as stated below.

1. I am an accountant at Litzler, Segner, Shaw & McKenney, LLP and work with Milo H. Segner, Jr., the duly appointed Trustee of the PR Liquidating Trust. I have conducted the analysis of claims against and on behalf of the Debtors.¹

2. Following Milo H. Segner, Jr.'s appointment as Trustee, the Debtor's books and records, including computer records, which had been kept and maintained in the ordinary and regular course of business, were transferred to the custody and control of the Trustee's office. In reference to claims made against the Debtors, I have undertaken the task of reconciling the claims filed in this case with the Debtors' records and the claims register maintained by the Court.

¹ Capitalized terms not defined herein shall have the meaning given them in the Twenty-Third Omnibus Objection.

3. I have conducted or supervised the examination of the proofs of claim on file with the Court in its claims register, and the books and records of the Debtor, in order to determine whether the various proofs of claim filed in this case are accurate and represent the bona fide liabilities of the Debtors.

4. I have reviewed, or supervised the review of, the proofs of claim addressed in the Trustee's Twenty-Third Omnibus Objection. The proofs of claim were analyzed to determine if any are improperly classified, include interest, and/or fail to account for dividends received by the claimants. As a result of this review, the Objectionable Claims were identified as being improperly classified, including interest, and failing to account for dividends received by the claimants, and they should therefore be reclassified and adjusted.

5. The Trustee has prepared an exhibit, which is attached to the Twenty-Third Omnibus Objection as Exhibit A, that sets forth the Objectionable Claims that should be adjusted.

EXECUTED UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA.

DATED: July 13, 2012



Scott Reese

Sean J. McCaffity
Texas Bar No. 24013122
Julian P. Vasek
Texas Bar No. 24070790
ROCHELLE MCCULLOUGH LLP
325 N. St. Paul, Suite 4500
Dallas, Texas 75201
P: (214) 953-0182
F: (214) 953-0185

*Counsel for Milo H., Segner, Jr.,
Liquidating Trustee of PR Liquidating Trust*

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

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

NOTICE OF HEARING

PLEASE TAKE NOTICE that the Court will conduct a hearing on the following claim objections on **August 20, 2012, at 9:00 a.m.**:

1. Trustee's Twenty-Third Omnibus Objection: Claims that are Improperly Classified, Include Interest, and do not Reflect Dividends Paid [Dkt. No. 1273];
2. Trustee's Twenty-Fourth Omnibus Objection: Claims that Include Interest and do not Reflect Dividends Paid [Dkt. No. 1274];
3. Trustee's Twenty-Fifth Omnibus Objection: Claims that Include Interest and do not Reflect Dividends Paid [Dkt. No. 1275];
4. Trustee's Twenty-Sixth Omnibus Objection: Claims that Include Interest and do not Reflect Dividends Paid [Dkt. No. 1276]; and
5. Trustee's Twenty-Seventh Omnibus Objection: Claims that Include Interest and do not Reflect Dividends Paid [Dkt. No. 1277].

The hearing will take place in the courtroom of the Honorable Harlin D. Hale, 1100
Commerce Street, Room 1420, Dallas, TX 75242-1496.

Dated this 19th day of July, 2012.

Respectfully submitted,

By: Julian P. Vasek
Sean J. McCaffity | State Bar No. 24013122
Julian P. Vasek | State Bar No. 24070790
ROCHELLE MCCULLOUGH LLP
325 N. St. Paul, Suite 4500
Dallas, TX 75201
Telephone: (214) 953-0182
Facsimile: (214) 953-0185
COUNSEL FOR MILO H. SEGNER, JR.,
LIQUIDATING TRUSTEE OF PR LIQUIDATING
TRUST

CERTIFICATE OF SERVICE

As separate certificate of service will be filed to evidence service.

/s/ Julian P. Vasek
Julian P. Vasek