

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

DAVID RONALD ALLEN, et al.,

Defendants.

**Civil Action No.
3:11-CV-882-O**

**ORDER DIRECTING RECOVERY OF FUNDS, APPOINTING A TAX
ADMINISTRATOR, AND AUTHORIZING PAYMENT OF TAXES AND TAX
ADMINISTRATION FEES, AND EXPENSES**

The Court, having reviewed Plaintiff Securities and Exchange Commission's (the "SEC") Motion seeking an Order recovering certain funds, appointing Miller Kaplan Arase LLP ("Miller Kaplan") as Tax Administrator, and authorizing payment of taxes and tax administration fees and expenses, and for good cause shown,

IT IS HEREBY ORDERED:

1. The SEC is directed to recover from the United States Treasury ("Treasury") all funds previously directed to its general account by judgments entered in this action, including all disgorgement paid pursuant to final judgments entered against defendants Ilya Drapkin, MG TK Corp., and others (Dkt. No. 243) and defendants Gerald Patera, Third Securities Corp., and others (Dkt. No. 208), for inclusion in the interest-bearing account held at the Treasury's Bureau of Fiscal Services for this matter, pending further Court Order;

2. Because the disgorgement remedies have not yet been satisfied, the SEC is directed to reclassify as disgorgement and recover all post-judgment interest collected and sent to Treasury in connection with the final judgments entered against defendants Ilya Drapkin, MG TK Corp., and others (Dkt. No. 243), defendants Gerald Patera, Third Securities Corp., and others (Dkt. No. 208), and Relief Defendant Green Horseshoe Holdings and others (Dkt. No. 256), for inclusion in the interest-bearing account held at the Treasury's Bureau of Fiscal Services for this matter, pending further Court Order;

3. Until such time as the disgorgement, prejudgment interest, and civil penalties ordered in the judgments entered in this action are satisfied, the SEC is directed to retain; credit toward disgorgement, prejudgment interest, and civil penalties, in that order; and not remit to the Treasury; any future payments made on judgments entered in this action, for inclusion in the interest-bearing account held at the Treasury's Bureau of Fiscal Services for this matter, pending further Court Order;

4. Miller Kaplan is appointed as Tax Administrator to execute all income tax reporting requirements, including the preparation and filing of tax returns, for funds under the Court's jurisdiction in this case (the "Fair Fund").

5. Miller Kaplan shall be designated the Tax Administrator of the Fair Fund pursuant to section 468B(g) of the Internal Revenue Code, 26 U.S.C. § 468B(g) and related regulations, and shall satisfy the administrative requirements imposed by those regulations, including but not limited to (a) obtaining a taxpayer identification number, (b) filing applicable federal, state, and local tax returns and paying taxes reported thereon out of the Fair Fund, and (c) satisfying any information, reporting, or withholding requirements imposed on distributions from the Fair Fund. Upon request, the Tax Administrator shall provide copies of any filings to the SEC's counsel of record.

6. The Tax Administrator shall, at such times as the Tax Administrator deems necessary to fulfill the tax obligations of the Fair Fund, submit a request to the SEC's counsel of record for payment from the Fair Fund of any tax obligations of the Fair Fund.

7. The Tax Administrator shall be entitled to charge reasonable fees for tax compliance services and related expenses in accordance with its agreement with the SEC for the Tax Years 2019-2021. The Tax Administrator shall, at such times as the Tax Administrator deems appropriate, submit a request to the SEC's counsel of record for payment of fees and expenses from the Fair Fund.

8. The SEC is authorized to approve and arrange payment of all tax obligations owed by the Fair Fund and the fees and expenses of the Tax Administrator directly from the Fair Fund without further approval of this Court.

IT IS SO ORDERED.

Dated: March 10, 2019


Reed O'Connor
UNITED STATES DISTRICT JUDGE