

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-1809-B
	§	
GEORGE WESLEY HARRIS,	§	
STEPHEN CHRISTOPHER	§	
PLUNKETT, WILLIAM CARSON	§	
ARNOLD, and GIANT OPERATING,	§	
LLC,	§	
	§	
Defendants, and	§	
	§	
GIANT PETROLEUM, INC., and	§	
DSSC OPERATING, LLC,	§	
	§	
Relief Defendants Solely for the	§	
Purposes of Equitable Relief.	§	

ORDER APPOINTING EXAMINER

A Receiver was appointed in this case “in contemplation of the eventual return of assets to investors harmed “by the Defendants’ misconduct” in order to “marshal, conserve, hold and, where necessary, operate [the investors’] assets pending further order of the Court.” (Order 1, Sept. 29, 2009 (doc. 8)). Pursuant to this Order, the Receiver took control of certain assets owned by or in the possession of the Defendants and Relief Defendants, which included certain oil well properties in New Mexico. Whether the Receiver’s proposals to the Court regarding the management of these oil well properties is in the best interests of the defrauded investors is an issue presently confronting the Court, raised via the “Receiver’s Agreed Motion for Leave to Execute Agreements” (doc. 209).

Specifically, the Receiver seeks, *inter alia*, to “formally engage the consulting firm, New Tech Global Ventures, LLC (“NTGV”) to provide consulting services to the Receivership Estate.” (Agreed Mot. Leave Execute Agreements 2). Whether this is a prudent step for the Court or a potentially fruitless and possible depletion of Receivership assets is not clear from the information gleaned thus far from the Receiver. The Court has previously directed the Receiver to supply the Court with more information on how the Receiver’s management of and proposed course of action regarding the oil well properties is in keeping with the Court’s goal to preserve assets and reimburse the defrauded investors to the maximum extent possible. The Receiver has not satisfied the Court’s concerns. Consequently, the Court seeks limited expert advice on the topic. Accordingly, pursuant to Rule 53 of the Federal Rules of Civil Procedure and the Court’s inherent equitable authority, the Court hereby **APPOINTS** as Examiner in this case **Dick Watt, Watt, Beckworth, Thompson & Henneman, 1800 Pennzoil Place, South Tower, 711 Louisiana, Houston, Texas 77002, (713) 650-8100, dwatt@wattbeckworth.com.**

The Examiner is charged with advising the Court on the issues and concerns currently facing the Receivership. In particular, the Examiner is directed to provide recommendations to the Court as to:

- (1) whether New Tech Global Ventures (“NGTV”) should be hired as replacement operator of the Receivership wells;
- (2) whether there is any potential risk in entering a minimum-term contract with NGTV;¹
- (3) what steps most likely remain for the Receiver to carry out before the Receivership is wound up;

¹The Court was recently informed by the Receiver that NGTV has agreed to remove this requirement from its operating agreement.

- (4) when the wells will become marketable;
- (5) whether it would be more profitable for the remaining assets in the Receivership Estate to be sold now, and the Receivership wound down, or for the Receiver to continue owning the wells for some future period;
- (6) how long the Examiner expects each of the remaining steps in the Receivership to take, particularly when a sale of the Receivership wells should occur; and
- (7) any other issue that comes to light during the Examiner's analysis that he deems relevant to the Court's ultimate determination.

The Court directs the Examiner to proceed with all reasonable diligence to perform his duties under this Order. The Examiner shall convey to the Court such information as the Examiner, in his sole discretion, shall determine would be helpful to the Court in considering the interests of the investors. After the Examiner has reached his conclusions as to these issues, he shall file under seal with the Court a Report and Recommendation delineating his position as to each, as well as any other matter he deems helpful to the Court in reaching its ultimate decisions.²

The Examiner shall not be required to post a bond unless directed by the Court. Except for an act of willful malfeasance or gross negligence, the Examiner shall not be liable for any loss or damage incurred in connection with the discharge of his duties and responsibilities under this Order. This Order does not give rise to any attorney-client or fiduciary relationship, or any other duty, between the Examiner and any Investor(s), any party, or the Receiver.

The Examiner is not authorized to retain any person outside of his law firm to provide services to the Examiner, except by application to the Court. After the Examiner has completed his duties,

²This is not to say that the Examiner is in any way prohibited or discouraged from communicating with the Court via phone, fax, or otherwise during the course of his examination or as he reaches conclusions as to individual issues.

he shall file with the Court a request for approval of reasonable and necessary fees and expenses incurred by the Examiner and any person or entity retained by him, to be paid by the Receiver out of Receivership assets. Such a request should include detailed copies of the Examiner's time and billing records.

The Receiver is directed to fully cooperate with any request of the Examiner made in accordance with this Order. The Examiner shall have full access to any documents, reports, bills, communications, or other materials associated with the Receivership, and the Receiver is directed to respond to any request by the Examiner with all reasonable diligence.

SO ORDERED.

DATED July 26, 2011



JANE J. BOYLE
UNITED STATES DISTRICT JUDGE