

**CAUSE NO. 2010-CI-10977**

<b>JOHN K. MEYER, ET AL.,</b>	§	<b>IN THE DISTRICT COURT</b>
	§	
<i>Plaintiffs,</i>	§	
	§	
<b>v.</b>	§	
	§	
<b>JP MORGAN CHASE BANK, N.A.,</b>	§	<b>225TH JUDICIAL DISTRICT</b>
<b>INDIVIDUALLY/CORPORATELY</b>	§	
<b>AND AS TRUSTEE OF THE SOUTH</b>	§	
<b>TEXAS SYNDICATE TRUST,</b>	§	
	§	
<i>Defendants.</i>	§	
	§	<b>BEXAR COUNTY, TEXAS</b>

**CERTIFICATE OF SERVICE OF TEXAS FINANCE CODE NOTICE  
ON NON-PARTY LAREDO PETROLEUM, INC.**

Plaintiffs file this certificate of service in accordance with Texas Finance Code section 59.006(c) indicating that Laredo Petroleum, Inc. (“Laredo”) has been served with the notice and a copy of the information request from Plaintiffs’ 3rd Set of Interrogatories to JP Morgan Chase Bank, N.A. (notice and record request are attached as “Exhibit A”). Plaintiffs served Laredo’s Registered Agent, CT Corporation, 1999 Bryan Street, Suite 900, Dallas, Texas 75201, via hand delivery. Through this filing, Plaintiffs also serve Defendant JP Morgan Chase Bank, N.A. with the notice.

DATE: August 28, 2014.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON  
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Jim L. Flegle  
David R. Deary  
Michael J. Donley  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251  
Telephone: (214) 572-1700  
Facsimile: (214) 572-1717  
**ATTORNEYS FOR PLAINTIFFS**

By: */s/ Jim Flegle*

---

Jim L. Flegle

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing instrument has been served on the below listed counsel of record via email and e-filing on this 28th day of August 2014:

**HORNBERGER SHEEHAN FULLER  
BEITER WITTENBERG & GARZA INC.**  
Patrick K. Sheehan, Esq.  
[psheenhan@hsfblaw.com](mailto:psheenhan@hsfblaw.com)  
David Jed Williams, Esq.  
[jwilliams@hsfblaw.com](mailto:jwilliams@hsfblaw.com)  
Kevin M. Beiter, Esq.  
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**HUNTON & WILLIAMS LLP**  
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**BOYER SHORT, PC**  
Fred W. Stumpf, Esq.  
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Nine Greenway Plaza, Suite 3100  
Houston, TX 77046  
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Facsimile: (713) 237-3202

**LAREDO PETROLEUM, INC.**  
Through its registered agent,  
CT Corporation  
1999 Bryan Street, Suite 900  
Dallas, TX 75201  
*(Via Hand Delivery)*

*/s/ Jim Flegle*  
\_\_\_\_\_  
Jim L. Flegle

★ ★ ★  
LOEWINSOHN FLEGLE DEARY  
L · L · P

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August 28, 2014

**EXHIBIT A**

Laredo Petroleum, Inc.  
c/o CT Corporation Systems  
1999 Bryan Street, Suite 900  
Dallas, TX 75201

*Via Hand Delivery*

Re: Notice of Request for Information Pursuant to Section 59.006, Texas Finance Code

To Whom It May Concern:

We represent Plaintiffs in Cause No. 2010-CI-10977; *John K. Meyer, et al. v. JP Morgan Chase Bank N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust*; in the 225th District Court, Bexar County, Texas (“Litigation”). JP Morgan Chase Bank N.A. (“JP Morgan”) has been sued individually/corporately and in its capacity as Trustee of the South Texas Syndicate Trust.

In the Litigation, our clients have requested discovery of information from JP Morgan relating to Laredo Petroleum, Inc. and affiliates (“Laredo”) as a customer of the financial institution. A copy of our Third Set of Interrogatories to JP Morgan is attached. We understand Laredo purchased Broad Oak Energy II, LLC (“Broad Oak”) sometime in 2011. The interrogatory that potentially involves customer information concerning Laredo and Broad Oak is Interrogatory No. 9.

Pursuant to section 59.006, Texas Finance Code, you are hereby given notice of your rights as a customer under section 59.006(e). You, as a customer, bear the burden of preventing or limiting the financial institution’s compliance with a record request subject to section 59.006 by seeking an appropriate remedy, including filing a motion to quash the record request or a motion for a protective order. Any motion filed shall be served on the financial institution and the requesting party before the date that compliance with the request is required. A financial institution is not liable to its customer or another person for disclosure of a record in compliance with section 59.006. If we have not received your consent form, as requested below, by September 8, 2014, we will file a motion seeking an in camera inspection of the information. The service address for JP Morgan, the financial institution, is:

Laredo Petroleum, Inc.  
August 28, 2014  
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JP Morgan Chase Bank N.A.  
c/o Patrick K. Sheehan, Esq.  
Hornberger Sheehan Fuller & Garza Incorporated  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Fax: 210-271-1730

The service address for Plaintiffs, the requesting parties, is:

Jim L. Flegle, Esq.  
Loewinsohn Flegle Deary, LLP  
12377 Merit Drive, Suite 900  
Dallas, TX 75251  
Fax: 214-572-1717

Further, our clients request your written consent authorizing JP Morgan to comply with the request. A consent form is enclosed. If you wish to consent to the release of the information our clients have requested, please execute the attached consent form and return it to the undersigned as soon as possible, but no later than September 8, 2014.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Jim L. Flegle  
(214) 572-1701  
Email: [jimf@LFDlaw.com](mailto:jimf@LFDlaw.com)

JLF/mlj  
Enclosure

Laredo Petroleum, Inc.

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**Consent for JP Morgan to Release Banking Records**

I, \_\_\_\_\_, have capacity to act on behalf of Laredo Petroleum, Inc., and affiliates, and consent to the release of the information requested in Plaintiffs' Third Set of Interrogatories to Defendant JP Morgan Chase Bank, N.A. and hereby authorize JP Morgan to respond to the Interrogatories and provide any information covered by the Interrogatories to the Plaintiffs.

LAREDO PETROLEUM, INC.

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

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

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

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, *ET AL.*,

Plaintiffs,

JP MORGAN CHASE BANK, N.A.,  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST AND  
GARY P. AYMES,

Defendants.

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IN THE DISTRICT COURT

225<sup>th</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

**PLAINTIFFS' THIRD SET OF INTERROGATORIES TO DEFENDANT  
JP MORGAN CHASE BANK, N.A., INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST**

TO: Defendant JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust., by and through its attorney of record, Patrick K. Sheehan, Hornberger Fuller Sheehan & Beiter Inc., The Quarry Heights Building, 7373 Broadway, Suite 300, San Antonio, TX 78209

Pursuant to Rules 193 and 197 of the Texas Rules of Civil Procedure, you are required to serve on the undersigned your full and complete written responses under oath to each of the Interrogatories set forth herein within thirty (30) days after the service of the Interrogatories.

**DEFINITIONS AND INSTRUCTIONS**

A. To the fullest extent permitted by the Texas Rules of Civil Procedure, these Interrogatories are intended to be continuing in nature. You are requested and required to supplement your answers when appropriate or necessary to make them correct and complete.

B. If You contend that You may partially or entirely withhold responsive information because of a rule, privilege, immunity, or other reason, provide information sufficient for Plaintiff to assess the merits of such contention.

C. Each Interrogatory is to be read, construed and responded to separately and independently without reference to or being limited by any other Interrogatory.

D. In answering these Interrogatories, You are required to furnish all information available to You, including information in Your possession, custody or control. Such information available to You and requested herein includes information in the possession, custody, or control of Your attorneys, agents, accountants, consultants, and all other persons acting on Your behalf, and not merely such information known to You or of Your own personal knowledge.

E. If You cannot answer any of these Interrogatories in full after exercising due diligence to secure the information, You are required to so state and answer to the extent possible, specifying Your inability to answer the remainder, stating what information or knowledge You have concerning the unanswered portions and why You are unable to answer the unanswered portions.

F. As used herein, the words and phrases set out below shall have the meaning prescribed for them:

1. "Document" or "documents" shall mean every document within the widest permissible scope of the Texas Rules of Civil Procedure, including, without limitation, every original (and every copy of any original or copy which differs in any way from any original) of every writing or recording of every kind or description, whether handwritten, typed, drawn, sketched, printed, or recorded or maintained by any physical, mechanical, electronic, or electrical means whatsoever, including, without limitation, electronic communications or data bases, emails (including, without limitation, received emails, sent emails, and deleted emails together with all attachments), text messages, SMS, MMS, BBM, or other instant message system or



format, books, records, papers, pamphlets, brochures, circulars, advertisements, specifications, notebooks, worksheets, reports, lists, analyses, summaries, tax returns, financial statements, profit and loss statements, cash flow statements, balance sheets, annual or other periodic reports, calendars, appointment books, diaries, telephone bills and toll call records, expense reports, commission statements, itineraries, agendas, check books, canceled checks, receipts, agreements, applications, offers, acceptances, proposals, purchase orders, invoices, written, electronic or otherwise recorded memorials of oral communications, forecasts, photographs, photographic slides or negatives, films, film strips, tapes and recordings, and any "tangible things" as that term is used in Texas Rule of Civil Procedure 196.1.

2. As used herein, the terms "constitute, refer or relate to," "refer or relate to," "relating to," "related," "evidencing," "reflect," "reflecting," "support," "evidence" and any similar term shall mean -- unless otherwise indicated -- having any relationship or connection to, concerning, being connected to, commenting on, responding to, containing, evidencing, showing, memorializing, describing, analyzing, reflecting, pertaining to, comprising, constituting, proving or tending to prove or otherwise establishing any reasonable, logical or causal connection.

3. As used herein, the terms "communication" or "communications" shall mean any document, oral statement, conversation, meeting, or conference, formal or informal, under any circumstances whatsoever, whereby information of any nature was stated, written, recorded, or in any manner transmitted or transferred.

4. As used herein, the terms "fact" or "facts" shall mean all evidentiary facts presently known to you and all evidentiary facts the existence of which is presently inferred by you from the existence of any combination of evidentiary and/or ultimate facts.

5. As used herein, the terms “person” or “persons” includes any natural person and any firm, limited liability company, partnership, joint venture, hospital, institution, corporation, business, organization, trust, association or any other business or governmental or quasi-governmental entity, political subdivision, commission, board or agency of any character whatsoever together with the partners, trustees, officers, directors, employees, or agents thereof.

6. The terms “AND” and “OR” are to be construed either disjunctively or conjunctively, whichever is appropriate, so as to bring within the scope of these Requests any information or documents that might otherwise be considered beyond its scope.

7. As used herein, the word “any” shall include the word “all,” and the word “all” shall include the word “any.”

8. The term “Relevant”, as used herein, includes by way of illustration only and not by way of limitation, the following: (1) information that either would or would not support the disclosing parties’ contentions; (2) identification of those persons who, if their potential testimony were known, might reasonably be expected to be deposed or called as a witness by any of the parties; (3) information that is likely to have an influence on or affect the outcome of a claim or defense; (4) information that deserves to be considered in the preparation, evaluation or trial of a claim or defense; and (5) information that reasonable and competent counsel would consider reasonably necessary to prepare, evaluate or try a claim or defense.

9. As used herein, the words “include” and “including” shall mean “including without limitation.”

10. The terms “Petition” and/or “Lawsuit” shall refer to the petition filed in the above-captioned litigation, all amendments made thereto and all claims made therein.

11. "Defendants," as used herein means any and all defendants named in this lawsuit, and any agents, employees, partners, managers, members, lawyers, accountants, representatives, and any other person or entity acting on behalf of a defendant or subject to their control.

12. "You," and "Your" shall mean and refer to JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of South Texas Syndicate Trust, including but not limited to, Gary P. Aymes and any and all past or present partners, officers, directors, managers, employees, attorneys, representatives, agents, shareholders, affiliates, subsidiaries, parents, successors, assigns, or any entity in which Defendant has an ownership interest, individually, collectively, or in any combination and/or permutation whatsoever.

13. "Trust" as used herein refers to the trust that is the subject of this lawsuit, commonly designated and referred to as the "South Texas Syndicate". "Trust" as used herein also refers to and includes the assets, property, and/or estate of the Trust. "Trust" further includes the fiduciary relationship governing the Trustee with respect to the Trust property when that reading of the term would cause more documents or information to be covered by the term.

14. "Trust Assets" as used herein refers to the assets, property and the estate of the Trust (*i.e.* South Texas Syndicate Trust).

15. "Trustee" shall mean Defendant JP Morgan Chase Bank, N.A., Corporately and as Trustee of the South Texas Syndicate Trust, and any individual or entity acting on its behalf, and Gary P. Aymes in his capacity as an employee of Defendant JP Morgan Chase Bank, N.A. and his capacity as fiduciary officer and/or administrator of the Trust.

16. As used herein, the term "Identify" as used herein shall include the following:

- a. When used in reference to a person, shall mean his full name, present or last known home address and telephone number, present or last known business address and telephone number, employer and job title;

- b. When used in reference to a firm or corporation, shall mean its full name and address, telephone number, any other names by which it is or has been known, its state of incorporation, and its principal place of business;
- c. When used in reference to someone or something other than a person, firm, or corporation, shall mean its official name, organizational form, address and telephone number;
- d. When used in reference to a document, shall mean the type of document, date, author, addressee, title, its present location, identity of its custodian and the substance of its contents;
- e. When used in reference to a communication or statement, shall mean the form of communication (*i.e.*, telephone conversation, letter, face-to-face conversation, *etc.*), the date of the communication and the date on which it was sent and received, the identity of the persons who were involved in the communication, the substances of the communication, the present location of the communication and the identity of its custodian; and
- f. When used in reference to an act, meeting or other event, shall mean a description of the substance of the events constituting the act or meeting, the date of its occurrence, the identity of any documents concerning such act or meeting, and the identity of any documents concerning such act or meeting.

17. "Petrohawk" shall mean Petrohawk Energy Corporation and shall include all iterations and forms of Petrohawk Energy Corporation, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

18. "First Rock" shall mean First Rock Inc. and shall include all iterations and forms of First Rock Inc., including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

19. "Blackbrush" shall mean Blackbrush Oil & Gas, L.P., Blackbrush Oil & Gas LLP, and Blackbrush Oil & Gas Inc. and shall include all iterations and forms of Blackbrush Oil & Gas, L.P., Blackbrush Oil & Gas LLP, and Blackbrush Oil and Gas Inc., including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

20. "Broad Oak" shall mean Broad Oak Energy II, LLC and shall include all iterations and forms of Broad Oak Energy II, LLC, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

21. "BHP Billiton" shall mean BHP Billiton and shall include all iterations and forms of BHP Billiton, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

F. In construing this request:

1. The singular shall include the plural and the plural shall include the singular.
2. A masculine, feminine, or neuter pronoun shall not exclude the other genders.
3. The past tense of a verb shall include the present tense, and the present tense of a

verb shall include the past tense.

H. The relevant time period is from January 1, 2000 to the present.

### INTERROGATORIES

#### INTERROGATORY NO. 1:

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Petrohawk's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

RESPONSE:

#### INTERROGATORY NO. 2:

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with First Rock's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

RESPONSE:

**INTERROGATORY NO. 3:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Blackbrush's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

**RESPONSE:**

**INTERROGATORY NO. 4:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Broad Oak's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

**RESPONSE:**

**INTERROGATORY NO. 5:**

Describe with particularity Your role, both as STS trustee and as JPMorgan Chase corporate/investment bank, in BHP Billiton's purchase of Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about Your role in this transaction.

**RESPONSE:**

**INTERROGATORY NO. 6:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 7:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and First Rock and

identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 8:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Blackbrush and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 9:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Broad Oak and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 10:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 11:**

Describe with particularity any activity You perform for or service You provide to, both as STS trustee and as JPMorgan Chase corporate/investment bank, BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these activities or services.

**RESPONSE:**

**INTERROGATORY NO. 12:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 13:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in First Rock and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 14:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Blackbrush and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 15:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Broad Oak and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 16:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.



**CERTIFICATE OF SERVICE**

I certify that on September 9, 2013, this document was served on the following described parties in the manner indicated below:

Patrick K. Sheehan  
David Jed Williams  
Hornberger Sheehan Fuller & Beiter, Inc.  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209

Via U.S. Mail and Email

Sara Chelette  
Jackson Walker, LLP  
901 Main Street, Suite 6000  
Dallas, TX 75202

Via U.S. Mail and Email

Fred W. Stumpf  
Boyer Short  
Nine Greenway Plaza, Suite 3100  
Houston, TX 77046

Via U.S. Mail and Email



Matthew J. Gollinger

(Consolidated Under)  
No. 2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT OF
	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JP MORGAN CHASE BANK, N.A.,	§	BEXAR COUNTY, TEXAS
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST and	§	
GARY P. AYMES,	§	
	§	
Defendants.	§	225TH JUDICIAL DISTRICT

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**WASHBURN INTERVENORS' THIRD AMENDED PETITION IN INTERVENTION**

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Pursuant to Rule 60 of the Texas Rules of Civil Procedure, Intervenor, John L. Washburn, Ellen McLean, as Co-Trustee of the Imhof Family Trust, Malcom McLean, as Trustee of the Malcolm McLean Revocable Family Trust, A. Michael Washburn, Daniel Washburn, Julia Washburn, Robert F. McLean, Anthony A. McLean, John H. McLean, Ian McLean, Hugh H. McLean, Christopher McLean, and Deborah Washburn (collectively, "the Washburn Intervenor"), file this Third Amended Petition in Intervention and allege as follows:

**I.**  
**PARTIES**

1. John L. Washburn is a resident of New York and is a beneficiary of the South Texas Syndicate Trust ("STS Trust"), as a holder of a Certificate of Beneficial Interest for same.
2. Ellen McLean, is a resident of California and a beneficiary of the STS Trust, has formally appeared herein as an individual. However, together with Anthony A. Imhof, she is actually a co-trustee of the Imhof Family Trust and amends her intervention to reflect that the

Imhof Family Trust is a beneficiary of the STS Trust, which now joins with the aforementioned beneficiaries in this Second Amended Petition in Intervention and in response to and responds to Defendant JPMorgan Chase Bank, N.A.'s Third Party Petition For Accounting, Judicial Discharge, and Declaratory Relief.

3. Malcom McLean is a resident of Minnesota and is a beneficiary of the South Texas Syndicate Trust ("STS Trust"), has formally appeared herein as an individual. However, he is actually the Trustee of the Malcolm McLean Revocable Trust which is a beneficiary of the STS Trust. He amends his intervention to reflect that the Malcom McLean Revocable Trust is the true party in interest in this matter and it joins with the other STS beneficiaries named herein and in response to Defendant JPMorgan Chase Bank, N.A.'s Third Party Petition For Accounting, Judicial Discharge, and Declaratory Relief.

4. A. Michael Washburn is a resident of New York and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

5. Daniel Washburn is a resident of Maryland and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

6. Julia Washburn is a resident of Maryland and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

7. Robert F. McLean is a resident of New Mexico and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

8. Anthony A. McLean is a resident of New York and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

9. John H. McLean is a resident of Minnesota and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

10. Ian McLean is a resident of Nebraska and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

11. Hugh H. McLean is a resident of Illinois and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

12. Christopher McLean is a resident of California and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same.

13. Deborah Field Washburn is a resident of New York and is a beneficiary of the STS Trust, as a holder of a Certificate of Beneficial Interest for same. Deborah Field Washburn hereby joins with the other beneficiaries identified in this Second Amended Petition in Intervention and in response to Defendant JPMorgan Chase Bank, N.A.'s Third Party Petition For Accounting, Judicial Discharge, and Declaratory Relief.

## II.

### THE WASHBURN INTERVENORS' INTEREST IN LAWSUIT

14. The Washburn Intervenors have a right, pursuant to Rule 60 of the Texas Rules of Civil Procedure, to intervene in this action as holders of Certificates of Beneficial Interest in the STS Trust. The Washburn Intervenors have a justiciable interest in the above-styled and numbered cause of action, since their rights and interests will be affected by any legal determination of the issues at bar. The Washburn Intervenors have previously filed their Second Amended Petition in Intervention in Cause No. 2014-CI-01233 which was severed from the instant case, in order to preserve and assert their interests in the removal and replacement of the STS Trustee and matters related thereto. By filing this Third Amended Petition in Intervention, the Washburn Intervenors seek to continue asserting their justifiable rights and interests in the claims remaining in this cause. Specifically, the Washburn Intervenors, as beneficiaries of the

STS trust, assert their right to participate in this litigation and to share in any recoveries or damages awarded to Plaintiffs or other intervenors in this action as such recoveries or damages are to the whole of the STS Trust and not any specific beneficiaries or sets of beneficiaries.

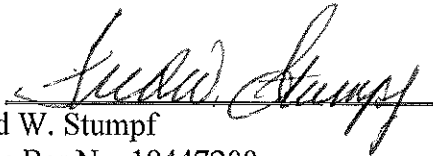
**III.**

**PRAYER FOR RELIEF**

15. WHEREFORE, PREMISES CONSIDERED, the Washburn Intervenors request that the parties take notice of the filing of this Third Petition in Intervention and pray that the Court will award them all such other relief to which they are entitled, both at law and in equity.

Respectfully Submitted,

GLAST, PHILLIPS & MURRAY  
A PROFESSIONAL CORPORATION

By:   
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**ATTORNEYS FOR THE WASHBURN  
INTERVENORS**

**CERTIFICATE OF SERVICE**

I hereby certify that, on August *27th* 2014, a complete copy of the foregoing instrument was served on the following parties or their respective attorneys of record, in accordance with the Texas Rules of Civil Procedure:

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Mr. David Donley  
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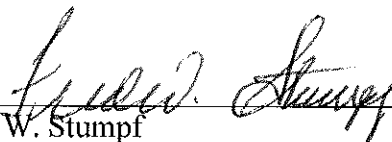
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Fred W. Stumpf

**CAUSE NO. 2010-CI-10977**

<b>JOHN K. MEYER, ET AL.,</b>	§	<b>IN THE DISTRICT COURT</b>
	§	
<i>Plaintiffs,</i>	§	
	§	
<b>vs.</b>	§	
	§	
<b>JP MORGAN CHASE BANK, N.A.,</b>	§	<b>225TH JUDICIAL DISTRICT</b>
<b>INDIVIDUALLY/CORPORATELY</b>	§	
<b>AND AS TRUSTEE OF THE SOUTH</b>	§	
<b>TEXAS SYNDICATE TRUST,</b>	§	
	§	
<i>Defendants.</i>	§	<b>BEXAR COUNTY, TEXAS</b>

**PLAINTIFFS' SEVENTH AMENDED AND SUPPLEMENTAL PETITION**

Plaintiffs (which term includes all Intervenors specifically identified herein) complain of JP Morgan Chase Bank, N.A., Individually/Corporately and as former Trustee of the South Texas Syndicate Trust, and for causes of action would show the following:

**I.**

**PARTIES AND AUTHORITY TO BRING ACTION**

1. Defendant JP Morgan Chase Bank, N.A. (“Defendant” or “JP Morgan”) is a foreign financial institution licensed to do business in the State of Texas. JP Morgan has appeared in this cause. JP Morgan is the former Trustee of the South Texas Syndicate Trust (the “STS Trust”).

2. The current Trustee is BOKF, N.A., d/b/a Bank of Texas (“Bank of Texas”). Although Bank of Texas now has a legal right and standing to enforce the causes of action on behalf of the STS Trust that were previously and currently brought against JP Morgan, the Bank of Texas has made the decision that it will not pursue the causes of action in this case and will allow the beneficiaries of the STS Trust to enforce any and all causes of action against JP Morgan.

3. Plaintiff Harry Aldrich is a resident of Portland, Oregon. Mr. Aldrich is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.



4. Plaintiff Linda Aldrich is a resident of California. Ms. Aldrich is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Ms. Aldrich is also a beneficiary of the Harry C. Piper Sr. Trust FBO Linda Aldrich, which holds a Certificate of Beneficial Interest in the STS Trust.

5. Plaintiffs Edward P. and Karla Barrington are residents of Spokane, Washington. The Barringtons are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

6. Plaintiff Judy A. Barrington is a resident of Spokane, Washington. Ms. Barrington is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

7. Plaintiff, Maryann Barrington, is a resident of Niantic, Connecticut. Ms. Barrington is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

8. Plaintiffs Patrick R. and Delores Bartleson are residents of Spokane, Washington. The Bartlesons are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

9. Plaintiff Sarah Bell is a resident of Minnesota. Ms. Bell is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

10. Plaintiff Emilie Blaze is a resident of Ruxton, Maryland. Ms. Blaze is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

11. Plaintiffs Sharon T. and Joe Blazek are residents of Nine Mile Falls, Washington. The Blazeks are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

12. Plaintiff Mary Bly is a resident of New York, New York. Ms. Bly is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

13. Plaintiff Noah Bly is a resident of Edina, Minnesota. Mr. Bly is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

14. Plaintiff Anne Bouliane is a resident of San Francisco, California. Ms. Bouliane is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

15. Plaintiff Julianne Buchholz is a resident of Stanchfield, Minnesota. Ms. Buchholz is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

16. Plaintiff Douglas Burdette is a resident of Burbank, California. Mr. Burdette is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

17. Plaintiff Wayne Burdette is a resident of Meadow Vista, California. Mr. Burdette is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

18. Plaintiff Kathryn M. Canwell is a resident of Spokane, Washington. Ms. Canwell is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

19. Plaintiff Bonnie Card is a resident of Monrovia, California. Ms. Card is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

20. Plaintiff John Carney is a resident of Shoreview, Minnesota. Mr. Carney is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

21. Plaintiff Josephine Carney is a resident of Hickory, North Carolina. Ms. Carney is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

22. Plaintiff Barbara Carson is a resident of Spokane, Washington. Ms. Carson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

23. Plaintiff Alice P. Cestari is a resident of Wellesley Hills, Massachusetts. Ms. Cestari is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Ms. Cestari is also a beneficiary of the George F. Piper Trust FBO Alice P. Cestari, which holds a Certificate of Beneficial Interest in the STS Trust.

24. Plaintiff Kevin Clarke is a resident of Pendleton, Idaho. Mr. Clarke is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

25. Plaintiff Barbara Warner Collins is a resident of Colorado Springs, Colorado. Ms. Collins is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

26. Plaintiff Catherine M. Cowles is a resident of Duluth, Minnesota. Ms. Cowles is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

27. Plaintiffs Sally and Daniel E. Crowley, IV are residents of Spokane, Washington. The Crowleys are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

28. Plaintiff Sheila Ann Curlee is a resident of Houston, Texas. Ms. Curlee is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

29. Plaintiff Curry Family Limited Partnership is organized under the laws of Minnesota. The Curry Family Limited Partnership holds a Certificate of Beneficial Interest in the STS Trust.

30. Plaintiff AnnaJo Doerr is a resident of Viroqua, Wisconsin. Ms. Doerr is the manager and beneficiary of the AnnaJo Doerr Managing Agency which holds a Certificate of Beneficial Interest in the STS Trust.

31. Plaintiff Edward Doerr is a resident of Anchorage, Alaska. Mr. Doerr is the manager and beneficiary of the Edward Doerr Managing Agency which holds a Certificate of Beneficial Interest in the STS Trust.

32. Plaintiff Henry Doerr IV is a resident of Auckland, New Zealand. Mr. Doerr is a beneficiary of the Henry Doerr IV Trust which holds a Certificate of Beneficial Interest in the STS Trust.

33. Plaintiff Katherine D. Doerr is a resident of Wayzata, Minnesota. Ms. Doerr is a beneficiary of the Katherine D. Doerr Revocable Trust which holds a Certificate of Beneficial Interest in the STS Trust.

34. Plaintiff Mary C. Doerr is a resident of Kenyon, Minnesota. Ms. Doerr is the manager and beneficiary of the Mary C. Doerr Managing Agency which holds a Certificate of Beneficial Interest in the STS Trust

35. Plaintiff Robin P. Downs is a resident of Madison, Wisconsin. Ms. Downs is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

36. Plaintiff Cathy A. Duus is a resident of Valencia, California. Ms. Duus is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Ms. Duus is also a final beneficiary of the Robert Elbridge Norris Testamentary Trust (Union Bank), which holds a Certificate of Beneficial Interest in the STS Trust.

37. Plaintiff Mary McLean Evans is a resident of Clinton, New York. Ms. Evans is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

38. Plaintiff Fred Fair is a resident of Taos, New Mexico. Mr. Fair is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

39. Plaintiffs Sandra and Douglas Faulkner are residents of Spokane, Washington. The Faulkners are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

40. Plaintiffs Susan A. and Raymond L. Foster, Sr. are residents of Spokane, Washington. The Fosters are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

41. Plaintiffs John D. & Kathleen French are residents of Arlington, Virginia. The Frenches are trustees and beneficiaries of the John D. French Living Trust dtd 3-26-97, which holds a Certificate of Beneficial Interest in the STS Trust.

42. Plaintiff Charles B. Gertmenian is a resident of Berlin, Germany. Mr. Gertmenian is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

43. Plaintiff Sarah Gertmenian is a resident of Laguna Beach, California. Ms. Gertmenian is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

44. Plaintiff Thomas G. Gertmenian is a resident of Los Angeles, California. Mr. Gertmenian is a beneficiary and trustee of the Thomas G. Gertmenian Trust holding a Certificate of Beneficial Interest in the STS Trust.

45. Plaintiff Linda Merrill Haas is a resident of Scotts Valley, California. Ms. Haas is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

46. Plaintiff Susan P. Hansell is a resident of Wayne, Pennsylvania. Ms. Hansell is a trustee and beneficiary of the Anne Pennock 2012 Trust, which holds a Certificate of Beneficial Interest in the STS Trust.

47. Plaintiff Andrew Hilgartner is a resident of Aurora, Illinois. Mr. Hilgartner is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

48. Plaintiff Elizabeth Jubert is a resident of Roseville, Minnesota. Ms. Jubert is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

49. Plaintiff Monte J. Kestell, Jr. is a resident of Spokane, Washington. Mr. Kestell is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

50. Plaintiff Robert J. Kestell is a resident of Auburn, Washington. Mr. Kestell is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

51. Plaintiff Patricia Larrabure is a resident of Fairfax, Virginia. Ms. Larrabure is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

52. Plaintiffs Sheila M. and Kevin P. MaGee are residents of Spokane, Washington. The MaGees are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

53. Plaintiff Catherine Hilgartner Masucci is a resident of Murray Hill, New Jersey. Ms. Masucci is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

54. Plaintiff Nannette Mayber is a resident of Highland Park, Illinois. Ms. Mayber is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

55. Plaintiff Deirdre A. McCarthy is a resident of Duluth, Minnesota. Ms. McCarthy is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

56. Plaintiff, John McCarthy, is a resident of Sturgeon, Wisconsin. Mr. McCarthy is a beneficiary holding a Certificate of Beneficiary Interest in the STS Trust.

57. Plaintiff Patrick McCarthy is a resident of Duluth, Minnesota. Mr. McCarthy is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

58. Plaintiff Timothy S. McCarthy is a resident of Oconomowoc, Wisconsin. Mr. McCarthy is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

59. Plaintiff Janet G. MacFarlane is a resident of Denver, Colorado. Ms. MacFarlane is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

60. Plaintiff Thomas P. and Laurie McGrath are residences of Poplar, Wisconsin. The McGraths are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

61. Plaintiff Jamie McGrath-Marx is a resident of Eureka, California. Ms. McGrath-Marx is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

62. Plaintiff David W. McLean is a resident of Duluth, Minnesota. Mr. McLean is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

63. Plaintiff Laura T. McLean is a resident of Duluth, Minnesota. Ms. McLean is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

64. Plaintiff Lisa F. McLean is a resident of Minneapolis, Minnesota. Ms. McLean is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

65. Plaintiff Nancy McLean is a resident of Minnesota. Ms. McLean is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

66. Plaintiffs Robert C. and Kathryn F. Mesaros are residents of Charlotte, Vermont. The Mesaros are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust.

67. Plaintiff John K. Meyer is a resident of Bexar County, Texas. Mr. Meyer is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

68. Plaintiff John Meyer, Jr. is a resident of Bexar County, Texas. Mr. Meyer is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

69. Plaintiff Theodore Meyer is a resident of Bexar County, Texas. Mr. Meyer is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

70. Plaintiff Kristen E. Meyer is a resident of Harris County, Texas. Ms. is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

71. Plaintiff Helen Aubrey Meyer is a resident of Bexar County, Texas. Ms. Meyer is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

72. Theodore F. Meyer, V is a resident of Bexar County, Texas. Mr. Meyer is a limited partner of UBMeyer Family Partnership, Ltd., a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

73. Plaintiff, Mary C. Miller, is a resident of Minneapolis, Minnesota. Ms. Miller is a beneficiary holding a Certificate of Beneficiary Interest in the STS Trust.

74. Plaintiff Julia P. Mombello is a resident of Westport, Connecticut. Ms. Mombello is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

75. Plaintiff Jeannette M. Muirhead is a resident of South Pasadena, California. Ms. Muirhead is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

76. Plaintiff Gwen S. Myers is a resident of Minnetonka, Minnesota. Ms. Myers is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

77. Plaintiff Caroline P. Myhre is a resident of Charlo, Montana. Ms. Myhre is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

78. Plaintiff Marcia Lee Nelson is a resident of Santa Ynez, California. Ms. Nelson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

79. Plaintiffs, Shannon and James Nelson, are residents of Spokane, Washington. The Nelsons are beneficiaries holding a Certificate of Beneficiary Interest in the STS Trust.

80. Plaintiff Roland C. Nickerson is a resident of Hailey, Idaho. Mr. Nickerson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.



81. Plaintiffs Roger B. and Sally Noyes are residents of Cottonwood, Arizona. The Noyes are beneficiaries and trustees of the Roger B/Henrietta P Noyes Revocable Living Trust holding a Certificate of Beneficial Interest in the STS Trust.

82. Plaintiff Anne Pennock is a resident of Wayne, Pennsylvania. Ms. Pennock is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

83. Plaintiff Charles F. Pierson, Jr. is a resident of Livingston, Montana. Mr. Pierson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Plaintiff Charles Pierson is also a beneficiary of the HC Piper Trust U/A Charles Pierson Jr., the Louise G. Piper Trust FBO for Charles F Pierson Jr., and the Harry C. Piper Trust FBO Charles F Pierson Jr., all of which hold Certificates of Beneficial Interest in the STS Trust.

84. Plaintiff David Pierson is a resident of Wayzata, Minnesota. Mr. Pierson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

85. Plaintiff James Pierson is a resident of McMinnville, Oregon. Mr. Pierson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

86. Plaintiff John Pierson is a resident of Denver, Colorado. Mr. Pierson is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

87. Plaintiff Addison Piper is a resident of Hamel, Minnesota. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Mr. Piper is also the beneficiary of the H.C. Piper Trust FBO Addison L. Piper and the Louise G. Piper Trust FBO Addison L. Piper, both of which hold Certificates of Beneficial Interest in the STS Trust.

88. Plaintiff Andrew P. Piper is a resident of Portland, Oregon. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

89. Plaintiff Ann Piper is a resident of Monarch Bay, California. Ms. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

90. Plaintiff George F. Piper is a resident of Mound, Minnesota. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

91. Plaintiff Harry C. Piper III is a resident of Eagle Point, Oregon. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Mr. Piper is also the beneficiary of the H.C. Piper Trust FBO Harry C. Piper III and the Louise G. Piper Trust FBO Harry C. Piper III, both of which hold Certificates of Beneficial Interest in the STS Trust.

92. Plaintiff James T. Piper is a resident of Petaluma, California. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

93. Plaintiff John Carter Piper is a resident of Bakersfield, California. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Mr. Piper is also a co-trustee of the MCP Trust which holds a Certificate of Beneficial Interest in the STS Trust.

94. Plaintiff John Q. Piper is a resident of Arlington, Virginia. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

95. Plaintiff Karen B. Piper is a resident of Roslindale, Massachusetts. Ms. Piper is a beneficiary and trustee of the Karen Odessa Piper 2012 Revocable Trust holding a Certificate of Beneficial Interest in the STS Trust.

96. Plaintiff Kathleen P. Piper is a resident of Barneveld, Wisconsin. Ms. Piper is a beneficiary and Robin Downs is the trustee of the Kathleen Page Piper Revocable Living Trust holding a Certificate of Beneficial Interest in the STS Trust.

97. Plaintiff Matthew B. Piper is a resident of Morro Bay, California. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

98. Plaintiff Timothy T. Piper is a resident of Newburyport, Massachusetts. Mr. Piper is a beneficiary and trustee (along with Carol A. Piper, trustee) of the Timothy T. Piper Living Trust holding a Certificate of Beneficial Interest in the STS Trust.

99. Plaintiff Vincent G. Pardo Piper is a resident of Sanford, Maine. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

100. Plaintiff William Piper is a resident of Santa Rosa, California. Mr. Piper is the trustee of the William Piper Trust which holds a Certificate of Beneficial Interest in the STS Trust.

101. Plaintiff William G. Piper is a resident of Coronado, California. Mr. Piper is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

102. Plaintiff Elizabeth Piper-Forman is a resident of Danville, California. Mrs. Piper-Forman is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust. Mrs. Piper-Forman is also a co-trustee of the MCP Trust which holds a Certificate of Beneficial Interest in the STS Trust.

103. Plaintiff Geraldine A. Rasmussen is a resident of Woodbury, Minnesota. Ms. Rasmussen is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

104. Plaintiff Richard Richard, Sr. is a resident of Spokane, Washington. Mr. Richard is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

105. Plaintiff Richard M. Rogers is a resident of Imperial Beach, California. Mr. Rogers is a beneficiary and trustee of the Carl E. Rogers Trust holding a Certificate of Beneficial Interest in the STS Trust.

106. Plaintiff Bethany Clarke Rothermel is a resident of Lilburn, Georgia. Ms. Rothermel is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

107. Plaintiff Donald B. Salisbury is a resident of Menomonie, Wisconsin. Mr. Salisbury is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

108. Plaintiff Mary M. Schwartz is a resident of Great Falls, Montana. Ms. Schwartz is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

109. Plaintiff Dwight D. Sholes is a resident of Bowdoinham, Maine. Mr. Sholes is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

110. Plaintiff Marjorie N. Skiff is a resident of South Burlington, Vermont. Ms. Skiff is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

111. Plaintiff Susan G. Snow is a resident of Sebastopol, California. Ms. Snow is a trustee and beneficiary of the Susan G. Snow Living Trust which holds a Certificate of Beneficial Interest in the STS Trust.

112. Plaintiff Elizabeth Warner Verkade is a resident of Murietta, California. Ms. Verkade is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

113. Plaintiff Julia Mary Walker is a resident of San Marcos, California. Ms. Walker is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

114. Plaintiff Barbara Warner is a resident of Excelsior, Minnesota. Ms. Warner is the trustee for the Thomas L. Warner Irrevocable Trust which holds a Certificate of Beneficial Interest in the STS Trust.

115. Plaintiff Bonnie Warner is a resident of Reno, Nevada. Ms. Warner is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

116. Plaintiff Ellsworth A. Warner, Jr. is a resident of Paso Robles, California. Mr. Warner is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

117. Plaintiffs Harry T. & Sally S. Warner are residents of Chaska, Minnesota. The Warners are beneficiaries holding a Certificate of Beneficial Interest in the STS Trust. The Warners are also beneficiaries of the Sally S. Warner Trust U/A 2/12/1997 which holds a Certificate of Beneficial Interest in the STS Trust.

118. Plaintiff M. A. Warner Jr. is a resident of Minnesota. Mr. Warner is a beneficiary and a trustee of the M. A. Warner Jr. Revocable Trust which holds a Certificate of Beneficial Interest in the STS Trust.

119. Plaintiff Ted E. Warner is a resident of Minneapolis, Minnesota. Mr. Warner is co-trustee of the Katherine B. Warner Trust and the H. David Warner Trust, both of which hold Certificates of Beneficial Interest in the STS Trust.

120. Plaintiff Thomas Livingston Warner is a resident of Excelsior, Minnesota. Mr. Warner is a beneficiary holding three Certificates of Beneficial Interest in the STS Trust. Plaintiff Thomas Warner is also the Special Trustee for the Thomas L. Warner Irrevocable Trust, co-trustee of the Katherine B. Warner Trust, and co-trustee of the H. David Warner Trust, all of which hold Certificates of Beneficial Interest in the STS Trust.

121. Plaintiff William Piper Warner, Jr. is a resident of Fort Worth, Texas. Mr. Warner is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

122. Plaintiff Dixie Webb is a resident of Alberta, Canada. Ms. Webb is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

123. Plaintiff William B. Whiting is a resident of Contoocook, New Hampshire. Mr. Whiting is a beneficiary and trustee of the Jean W. Whiting Family Trust holding a Certificate of Beneficial Interest in the STS Trust.

124. Plaintiff, Sarah Warner Whittington, is a resident of Carrollton, Texas. Ms. Whittington is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

125. Plaintiff Louise Windsor is a resident of Naples, Florida. Ms. Windsor is a beneficiary holding a Certificate of Beneficial Interest in the STS Trust.

126. Plaintiffs listed above bring this Action. The Texas Trust Code details the rights of trust beneficiaries with regard to trust litigation. Any interested person may bring an action under Section 115.001 of the Texas Trust Act. *See* Tex. Prop. Code Ann. § 115.011; *see also* Tex. Prop. Code §§ 111.006, 111.004(16) and 114.008; Tex. Civ. St. Art. 7425b-24. Derivative claims are not necessary in this action. Additionally, under Texas law, a beneficiary of a trust may intervene and contest the right of the plaintiff to recover in an action against the trustee as representative of the trust for a tort committed in the course of the trustee's administration or on a contract executed by the trustee. *See, e.g.*, Tex. Prop. Code Ann. § 115.011(d).

127. Plaintiffs seek recovery of all damages caused by Defendant to the STS Trust by the actions described in this Amended Petition. These damages will be paid to the STS Trust and shared pro rata with each beneficiary of the STS Trust according to their percentage ownership of the Trust and the orders of the Court. Plaintiffs anticipate that their efforts will result in the creation of a common fund that benefits all STS Trust beneficiaries that did not participate in this case as Plaintiffs or Intervenors. Texas law recognizes the equitable "common fund" doctrine. *See, e.g.*, 48 Tex. Prac., Tex. Lawyer & Jud. Ethics § 1:16 (2013 ed.).

128. Plaintiffs have at all times in this matter been in compliance with Texas Rule of Civil Procedure 39. The names and contact information of the STS beneficiaries are known to Defendant. Notice to these beneficiaries has been provided on multiple occasions pursuant to orders of the Court. Defendant has provided to all STS beneficiaries monthly updates addressing

developments in this case. JP Morgan has moved on multiple occasions under Texas Rule of Civil Procedure 39 to have all STS beneficiaries declared “necessary” parties to this case. Under the relevant substantive Texas trust law, beneficiaries are necessary parties only when the case is predicated on the act or obligation of a beneficiary. See TEXAS TRUST ACT, Art. 7425b-24 (1943) (“If the action is predicated upon any act or obligation of any beneficiary, such beneficiary shall be a necessary party to the proceedings”). On numerous occasions, the Court has exercised its discretion to delay the addition of certain STS beneficiaries to this case—beneficiaries who have been given notice, but have not decided to opt into this litigation. Decisions by this Court with regard to necessary parties have been within its discretion and clearly supported by Texas Law. *See, e.g., State Office of Risk Mgmt. v. Herrera*, 288 S.W.3d 543, 549 (Tex. App.—Amarillo 2009, no pet.) (“Rule of Civil Procedure 39 provides a pragmatic rather than mechanical approach to dealing with a defect in parties.”); *see also Ernst v. Banker’s Servs. Group, Inc.*, 05-98-00496-CV, 2001 WL 1256524, \*2 (Tex. App.—Dallas Oct. 22, 2001, pet. denied); *Cullum v. Texas Commerce Bank Dallas, Nat. Ass’n*, 05-91-01211-CV, 1992 WL 297338, \*2 (Tex. App.—Dallas Oct. 14, 1992, writ denied).

## II.

### DISCOVERY CONTROL LEVEL

129. This action is being conducted in accordance with an amended docket control order and agreements of the parties pursuant to discovery control Level 3, as provided by TEX. R. CIV. P. 190.4.

### **III.**

#### **JURISDICTION AND VENUE**

130. The STS Trust was created under the Texas Trust Act of 1943. The current Texas Trust Code applies to the STS Trust through the Texas Trust Code Applicability section which limits the Trust Code's application to certain enumerated "transactions" after the effective date of the Texas Trust Code (January 1, 1984). Tex. Prop. Code §§ 111.006 and 111.004(16); Tex. Civ. St. Art. 7425b-1 *et seq.*, Texas Trust Act. This Court has jurisdiction over this case pursuant to Texas Property Code § 115.001, Tex. Prop. Code §§ 111.006, and Tex. Civ. St. Art. 7425b-24.

131. Jurisdiction is proper because the damages sought are within the jurisdictional limits of this Court.

132. Pursuant to Texas Property Code § 115.002, venue is proper in Bexar County, Texas, as the sites of the administration of the STS Trust is in this county. Venue is also proper in Bexar County, Texas, under Tex. Civ. Prac. & Rem. Code § 15.002. Specifically, a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in Bexar County, Texas.

133. JP Morgan has submitted to the jurisdiction of this Court, as it is duly authorized to and does conduct business in the State of Texas.

### **IV.**

#### **OUTLINE OF THE PETITION**

134. Section One: The Plaintiffs.

135. Section Two: The Defendant.

136. Section Three: The Legal Duties of the Defendant to Plaintiffs.

137. Section Four: The Breach of Defendant's Duties to the Plaintiffs.

138. Section Five: The Causes of Action



139. Section Six: The Damages Caused to the Trust Estate by Defendant's Breaches of Duties.

**SECTION ONE:**

**THE PLAINTIFFS**

140. Plaintiffs are "Certificate Holders" or "Beneficiaries" of the STS Trust.

141. The origin of the STS Trust was the purchase and accumulation of 132,000 contiguous acres of land, including mineral rights thereunder, in McMullen and LaSalle Counties, Texas, in 1906 by Jed L. Washburn and five associated investors. In 1932, the then owners of the land and associated mineral rights conveyed the legal title to the land and mineral rights to A. McC. Washburn in exchange for issuance of 30,000 Certificates of Beneficial Interest.

142. Plaintiffs are the owners and holders of Certificates of Beneficial Interest in the STS Trust and are herein referred to as "Beneficiaries."

143. In 1950, the then Trustee of the STS Trust sold the STS Trust surface estate, reserving and retaining for the benefit of the STS Trust all rights to oil, gas and other minerals in the lands, and concurrent water rights (the "STS Mineral Rights").

144. At all times since, the STS Mineral Rights have been held and managed by the successive trustees of the STS Trust for the benefit of the beneficiaries, as the sole asset of the STS Trust.

145. These STS Mineral Rights constitute, by reason of their size, location, and unitary control and management, an asset that is singular and unique and that has enormous value. This value to the Beneficiaries depends entirely upon the diligence, skill and intelligence with which the STS Mineral Rights are managed. The management of the STS Mineral Rights, until JP Morgan was forced to resign from its position as trustee, was entirely vested in JP Morgan and its

predecessors since 1951. The STS Mineral Rights resources, alone, would be enough to sustain and support an oil and gas exploration and production company of very substantial size fully staffed by geologists, geophysicists, landmen, financial planners and highly experienced, trained and qualified executive management. It has been productive of oil and gas from several different subsurface formations since the 1940's under oil and gas leases. All 132,000 acres, comprising 7.8% of the entire area of LaSalle and McMullen Counties combined, lies over the Eagle Ford formation, a shale that is the source of prodigious quantities of oil and gas. The Eagle Ford formation has been long known to petroleum geologists. However, its potential to produce oil and gas economically was not realized until the early years of this century when other shale formations became productive through application of horizontal drilling and rock fracturing technologies developed and tested in the Barnett Shale in the Fort Worth area and the Haynesville Shale in East Texas, Louisiana, and Arkansas, among others. The very first and successful application of these technologies in the Eagle Ford occurred when the discovery well of the Eagle Ford Hawkville Field was drilled and completed on STS Mineral Rights in 2008. Since then, the profound economic transformation of south and central Texas, and indeed the energy producing potential of the entire country in a few short years, has become famous throughout the world.

146. This is the asset that the hands of JP Morgan controlled. This case is about the failure of JP Morgan to realize for the STS Trust estate the economic value of the asset and about JP Morgan's use of its dual role as trustee and commercial banker to gain advantage for itself and/or its commercial clients to the detriment and expense of the STS Trust and its Beneficiaries.

## **SECTION TWO:**

### **THE DEFENDANT**

147. JP Morgan is one of the largest business and financial institutions in the world. It has an estimated net worth today of \$211 billion. In 2014, it will earn about \$25 billion on revenue of \$100 billion. It employs over 250,000 people. It has total assets over \$2.5 trillion.

148. JP Morgan employs a full contingent of oil and gas analysts, scientists and technicians and mineral asset managers and advertises to the world its expertise in managing such assets for its customers.

149. The STS Trust was the largest block of mineral rights that it managed in all of Texas, and possibly the United States.

150. For the management of the STS Trust in the critical year of 2008, it devoted only one landman, Patricia Schultz-Ormond, succeeded by H.L. Tompkins after Ormond left in 2009. At the same time, these individuals were charged to manage hundreds of other mineral properties. They operated without supervision or the aid of the rest of JP Morgan's specialists and experts. Ms. Ormond and Mr. Tompkins, by their own accounts were overworked and overwhelmed.

## **SECTION THREE:**

### **THE LEGAL DUTIES OF THE DEFENDANT TO THE PLAINTIFFS**

151. In relation to the Beneficiaries of the STS Trust, JP Morgan occupied the status, position and office of Trustee.

152. A trustee is in a fiduciary relation to the Beneficiaries of the trust.

153. The legal duties of a trustee to its beneficiaries are well established, defined and enumerated by common law and by the Texas Trust Code, Texas Property Code Sections 111.001 through 117.001, et. seq..

154. The duties of JP Morgan to the Beneficiaries are based upon the Texas Trust Code and common law authorities interpreting and expounding them. They are well recognized and well settled.

155. In general terms, a trustee's fundamental duties include the use of skill and prudence which an ordinary, capable and careful person will use in the conduct of his or her own affairs as well as loyalty to the trust's beneficiaries. The "skill and prudence" required of a trustee is heightened if the trustee has, or holds itself out as having, special skills in relation to the purposes of the trust.

156. More specifically, the particular duties which were owed by JP Morgan to the STS Beneficiaries, and whose breach is alleged in the next section of this Amended Petition, are defined in the Trust Code, Texas Property Code, Chapter 112, Subchapter B, Section 113.051, et. seq., and Chapter 117, Section 117.001, et. seq., the Uniform Prudent Investor Act. These duties include the following:

§ 117.003. PRUDENT INVESTOR RULE. (a) Except as otherwise provided in Subsection (b), a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule set forth in this chapter. (b) The prudent investor rule, a default rule, may be expanded, restricted, eliminated, or otherwise altered by the provisions of a trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

§ 117.004. STANDARD OF CARE; PORTFOLIO STRATEGY; RISK AND RETURN OBJECTIVES.

(a) A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(b) A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

(c) Among circumstances that a trustee shall consider in investing and managing trust assets are such of the following as are relevant to the trust or its beneficiaries:

- (1) general economic conditions;
- (2) the possible effect of inflation or deflation;
- (3) the expected tax consequences of investment decisions or strategies;
- (4) the role that each investment or course of action plays within the overall trust portfolio, which may include financial assets, interests in closely held enterprises, tangible and intangible personal property, and real property;
- (5) the expected total return from income and the appreciation of capital;
- (6) other resources of the beneficiaries;
- (7) needs for liquidity, regularity of income, and preservation or appreciation of capital; and
- (8) an asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

(d) A trustee shall make a reasonable effort to verify facts relevant to the investment and management of trust assets.

(e) Except as otherwise provided by and subject to this subtitle, a trustee may invest in any kind of property or type of investment consistent with the standards of this chapter.

(f) A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee's representation that the trustee has special skills or expertise, has a duty to use those special skills or expertise.

§ 117.005. DIVERSIFICATION. A trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying.

§ 117.006. DUTIES AT INCEPTION OF TRUSTEESHIP. Within a reasonable time after accepting a trusteeship or receiving trust assets, a trustee shall review the trust assets and make and implement decisions concerning the retention and disposition of assets, in order to bring the trust portfolio into compliance with the purposes, terms, distribution requirements, and other circumstances of the trust, and with the requirements of this chapter.

§ 117.007. LOYALTY. A trustee shall invest and manage the trust assets solely in the interest of the beneficiaries.

157. These duties must be interpreted and applied in the light and the context of the particular STS circumstances. The assets of this Trust consist entirely of oil, gas and other

minerals, and water, in, on and under 132,000 contiguous acres of land. That is the asset which JP Morgan was charged to manage and administer.

158. The realization of value of mineral interests by their owners is usually accomplished through leasing the mineral rights to oil and gas exploration and production companies. Under the usual oil and gas lease, the mineral owner realizes value in three ways: (1) receipt of “bonus” paid for execution of the lease; (2) the receipt of royalties upon production of oil and gas by the lessee; (3) the receipt of rentals occasioned by the lessee’s delay in commencing drilling and production. Maximization of these benefits was the “purpose” of the STS trust. This was the purpose in relation to which JP Morgan was required to “exercise reasonable care, skill and caution.” Section 117.004(a). The duty to make “management decisions respecting individual assets through evaluation not in isolation but in the context of the trust portfolio as a whole and as part of an overall investment strategy” (Section 117.004(b)) likewise must be considered in context. In 2008, when the events giving rise to this case occurred, the “trust portfolio as a whole,” and available for management, consisted of approximately 75,000 acres not then subject to existing leases or lease options, and another approximately 57,000 acres which were encumbered by existing commitments. Skillful and prudent mineral management required that JP Morgan view the “portfolio as a whole” as consisting of many potential blocks of STS Mineral Rights available for lease as “individual assets.” This also implicates the duty set forth in Section 117.004(c)(4), which required that JP Morgan consider and evaluate the role of every lease within the “overall trust portfolio.”

159. JP Morgan was required to consider “the expected total return from income and the appreciation of capital.” Section 117.004(5). In context, income would have been bonuses, royalties and delay rentals, and appreciation of capital would include the increase in the market

value of unleased acreage occasioned by a prudent and skillful program of leasing appropriate acreage blocks of STS Mineral Rights over time.

160. It was JP Morgan's duty to manage its leasing activity to realize the best possible bonuses possible, over time, consistent with prudent mineral management principles.

161. It was JP Morgan's duty to realize the best possible royalty income, as well as, potentially, delay rentals, again consistent with prudent mineral management principles. The interplay of the royalty interest and compensation for delay in drilling with consequent loss or postponement of royalty, are tied to the critical interest of the mineral owner in drilling and development by the lessee. The interest of the mineral interest lessor is in the most feasibly expeditious drilling and development of its acreage, which is the source of royalty. Every reasonably prudent and skillful mineral manager knows that, over the long term the royalty component is an important component of "the expected total return from income" which cannot be left to the sole discretion and control of the lessee.

162. In discharging its duty to "make a reasonable effort to verify facts relevant to the investment and management of trust assets" (Section 117.004(d)), given the size and potential value of the STS asset, JP Morgan was required to deploy its considerable assets, and engage all of the expertise reasonably necessary, to evaluate and understand the STS Mineral Rights. It was required to employ the results of such evaluation and verification in any leasing program or activity.

163. JP Morgan has special skills or expertise in mineral management, and had a duty to use them. Section 117.004(f). It employed and had the capacity to engage oil and gas industry specialists, geologists, geophysicists, and other professional skill and expertise. Given the

enormous size and potential of the STS Mineral Rights, it had the duty to deploy all of these skills fully, yet it failed to do so in the management of the STS Mineral Rights.

164. JP Morgan's duty to "diversify the investments" of the Trust (Section 117.005) relates to its duty, in leasing the STS Mineral Rights, to separate the acreage into lease blocks of proper size, to identify capable lessees, to time its leasing activities, to create as much competition as possible, to enjoy the best possible upside potential of successful development, and to generate the most expeditious development possible, consistent with prudent mineral management principles.

165. Much of the foregoing relates to JP Morgan's duty, after accepting its trusteeship and receiving trust assets, to review them and to make and implement decisions concerning their retention and disposition, in compliance with the purposes of the STS (Section 117.006). Its duty was to make and implement a careful and prudent leasing strategy, according to a well-considered and strategic plan.

166. JP Morgan had a duty to manage the STS water rights for the purpose of realizing income for the Trust estate.

167. JP Morgan had a duty of loyalty to manage the trust assets solely in the interest of the Beneficiaries (Section 117.007). JP Morgan was prohibited from managing the trust assets in any way for the advantage of itself or any third parties, such as banking or investment clients, to the disadvantage of the STS Beneficiaries. The duty of loyalty required of a trustee forbids the trustee from placing itself in a situation where there is or could be a conflict between its self-interest and its duty to the beneficiaries.

168. JP Morgan had a duty to keep the Beneficiaries reasonably informed as to the status of the Trust administration and keep the Beneficiaries informed as to the non-routine transactions



as to the Trust and its beneficiaries. JP Morgan had a duty to reasonably provide the Beneficiaries with requested information and documents concern the Trust administration and to provide the Beneficiaries with full disclosure of material information that may affect their interest.

#### **SECTION FOUR**

##### **THE BREACH OF JP MORGAN'S DUTIES TO THE STS BENEFICIARIES**

169. During the year 2008, the most critical year in the history of the STS, in a secret, collusive, and rapid course of misguided transactions, JP Morgan violated every duty alleged in Section 3 of this Petition. JP Morgan's management departed from and violated previous prudential practices theretofore in place in the management of the STS Mineral Rights. This concentrated period of malfeasance, misfeasance and nonfeasance caused massive and permanent damage to the STS Trust estate.

170. Prior to 2008, JP Morgan and its predecessor trustees had adopted and followed certain standards and practices in leasing STS Mineral Rights. These were developed based on lessons learned through the 1940's leases, such as the Cullen leases, and others through the 1970's and 1980's. By the 1990's these leasing practices became the standard for STS leases. One standard and practice which was of critical importance was not to grant an oil and gas lease substantially exceeding 2,500 acres. Between 1989 - 2007, it never granted a lease for greater than a three year primary term. During the same time period, it consistently used continuous development clauses allowing 90 days or less to elapse between the completion of a well on the leased premises and the commencement of another well, failing which the undeveloped acreage in each lease would revert to STS.

171. Between 1985-2005, the largest lease granted for STS Mineral Rights was 2,168 acres. Between 1989-2007, two-thirds of the leases for STS Mineral Rights granted had primary terms of two years or less.

172. In the years 2006 and 2007, six oil and gas leases were entered by JP Morgan for STS Mineral Rights and the average acreage was 2,813 acres. The continuous development requirements ranged between 60 and 90 days.

173. In 2007, JP Morgan granted three seismic lease options, pursuant to the terms of which the optionee/lessee was limited to per-lease acreage of a maximum of 2,500 acres, with two or three year primary terms, and 60 or 90 day continuous development clauses.

174. Pursuant to these seismic agreements, 3-D seismic surveys were completed in 2008, covering more than 20,000 acres. The results of the 3-D seismic surveys were not available to JP Morgan, however, until 2009.

175. Prior to 2008, JP Morgan and its predecessor trustees had demonstrated their knowledge of the critical importance of limiting single leases to blocks of 2,500 acres, and containing continuous development requirements of sixty to ninety days. It knew the importance of these policies. These policies directly affected income and capital appreciation of the STS Mineral Rights.

176. A lease of 2,500 acres with a ninety day continuous operations clause requires prudent development of the minerals. If a lease with a two year primary term covering 2,500 acres and having a ninety day continuous development clause is granted, and is developed by drilling wells on 160 acre spacing units, the maximum time to develop the entire lease by drilling 15 wells will be approximately seven years.

## **THE MAY 2008 PETROHAWK LEASES**

177. In 2008, JP Morgan abandoned its past practices and standards, with increasingly damaging and deleterious results to the STS Trust and its Beneficiaries.

178. The depth of JP Morgan's failure to understand and appreciate, and therefore to prudently and skillfully manage, the extraordinary and unique nature of the STS Mineral Rights was encapsulated by Bert Hayes-Davis, Ms. Ormond's supervisor during the relevant time period, who testified that there was no difference between the management of 100,000 contiguous mineral acres under unitary control and a 5 acre parcel in which the trust owned a 30% interest. This clearly explains why JP Morgan executed leases which might conceivably have been appropriate for a small tract, but wholly failed to protect the interests of the Beneficiaries of the unique STS Trust or maximize benefits to the trust.

179. In early 2008, Patricia Schultz-Ormond was approached by Petrohawk Energy Corporation which was known to be concentrating on development of shale resources. Petrohawk told Ms. Ormond that they had millions of dollars to spend on acquisition of drilling prospects and wanted all of the available STS Mineral Rights. Two months later, JP Morgan granted to Petrohawk two oil and gas leases, one covering 12,073.48 acres, and the other covering 12,772.93 acres. (the "May Leases").

180. The conduct by JP Morgan in entering the May Leases violated the prudent investor rule, including the standards previously recognized by JP Morgan itself.

181. The May Leases simultaneously placed in the hands of a single operator more than 33% of the total remaining available assets of STS. The May Leases violated the prudent investor rule by including more than 12,000 acres in each lease, and violated JP Morgan's prior and prudent

2,500 acre lease maximum rule. Ms. Ormond acknowledged in writing that she violated her small lease rule.

182. The May Leases violated the prudent investor rule through imprudent and inadequate development provisions. They had 120 day continuous drilling clauses, substantially worse than the past practice of 60 or 90 day clauses and did not follow the 2,500 acre maximum lease size rule. As a result, the requirement to fully develop these leases was extended to 41 years, rather than the 8 year requirement to drill the exact same wells established by the longstanding 2,500 acre maximum, 3 year primary term and 90 day continuous drilling policy followed for decades for the STS trust.

183. Following the May Leases, JP Morgan increased, expanded and compounded its breaches of duty to the STS Beneficiaries.

#### **THE JULY 2008 PETROHAWK LEASE**

184. On June 19, 2008, 23 days after the May Leases were executed, First Rock, Inc., apparently designated as agent or operator for Petrohawk, filed with the Texas Railroad Commission an application for a permit to drill a horizontal well, designated as the STS Trust 241-1H Well, and revealing a completion depth of 12,000 feet.

185. Petrohawk also communicated to JP Morgan that it did not want to alert the industry of their activity in South Texas and JP Morgan agreed to a confidential and exclusive negotiation relationship with Petrohawk for the STS Mineral Rights. This agreement served no legitimate business purpose for the STS Trust.

186. This was more than sufficient information from which a prudent mineral manager would have concluded that Petrohawk was preparing to drill a horizontal Eagle Ford Shale well on STS Mineral Rights, a fact of enormous potential impact. This information also substantiated

that Petrohawk was sufficiently convinced that it had the technology to complete the well as an economic producer and that it was willing to risk millions of dollars in the effort. Moreover, it would have alerted a prudent mineral manager that Petrohawk was aggressively pursuing something drastically different from the minerals that Ms. Ormond was marketing at NAPE. In other words, Petrohawk knew something which she did not know and she failed to undertake the required due diligence to determine what that was.

187. A prudent mineral manager would have understood, and would have taken into account in all subsequent transactions, that if the newly permitted wells were successful, the value of unleased STS acreage would be substantially impacted. It would transform all of the STS Mineral Rights from an area in which conventional oil and gas prospects might be identified from time to time with more or less success into the focus of an unconventional shale trend. The Eagle Ford Shale formation underlies the entire STS, a fact well known to petroleum geologists, and which JP Morgan knew or should have known. Since the Eagle Ford Shale was, itself, the hydrocarbon source, traditional geological concerns about faults, traps, structural heights, and similar features that drive delineation, separation and identification of conventional oil and gas reservoirs diminish greatly in evaluation of the acreage. The whole idea being tested by the STS Trust 241-1H Well was that if it could be successfully drilled and completed as a producer of oil or gas in economic quantities, the entire area had the potential for similar results.

188. Further, Petrohawk's concern with secrecy was an announcement to JP Morgan that its well would drive competition and rising values and prices of Eagle Ford mineral rights. Given these facts, no prudent mineral manager would have considered yet another large acreage lease to Petrohawk, much less a lease for a similar bonus and containing similar terms and provisions as the May Leases, without undertaking the required due diligence evaluating all facts and

developments known at the time. For example, Ms. Ormond should have had Joe Finger or Bob Buehler examine the STS well spot maps to determine if prior drilling activity on STS to comparable depths as the 241-1H could contribute to the knowledge base of JP Morgan as trustee of the STS Trust as it tried to determine why Petrohawk was willing to invest so much money on its Mineral Rights acreage. In fact, the Phillips-LaSalle #1 dry hole drilled on STS acreage approximately 2 miles north east of the discovery well was actually investigated by Petrohawk through public information and provided part of the scientific proof that the Eagle Ford was a viable shale play formation.

189. The STS Trust 241-1H Well was permitted as a 160 acre location. It was spudded on July 8, 2008, and reached total vertical depth by August 4, 2008. The lateral or horizontal portion of the wellbore reached its total lateral length of 3,138 feet on August 28, 2008. It was completed with a ten stage stimulated frac by October 14, 2008. Its initial production was 5,513 mcf of gas per day, and 168 barrels of condensate. This clearly proved success in drilling and completing a commercial well.

190. All of this information was available to JP Morgan on a real time basis pursuant to Article 10 of the May Leases, and, indeed, when Petrohawk began providing it to Ms. Ormond, she agreed to prevent Mr. Buehler, her technical consultant for STS Trust purposes, from seeing or evaluating any of the data because he was a potential competitor.

191. In short, the drilling, completion and testing of the STS 241-1H Well demonstrated the principle that the Eagle Ford Shale could be successfully developed. It was the discovery well of the Eagle Ford (Hawkville) Field.

192. Nevertheless, in violation of its duty to act for the STS beneficiaries as a prudent mineral manager, and without even waiting to evaluate the results of the already permitted

discovery well, on July 16, 2008, JP Morgan gave Petrohawk another lease. This lease covered 16,903 additional acres of STS Mineral Rights. It was granted for substantially the same bonus and on substantially the same terms and conditions as the May Leases.

193. Based upon the existing facts known at the time, the July 2008 Petrohawk Lease should not have been executed until the due diligence required by those facts had been completed. Moreover, the continuous development provisions of the July lease were inadequate.

194. The July 2008 Lease transaction violated the prudent investor rule. It failed to consider facts known, or which were available and should have been known, to JP Morgan which would greatly impact the terms and conditions of the oil and gas leases and general oil and gas business realities in the area. It disregarded the impact these facts would have on the value of the STS Mineral Rights once the market had access to the same facts which JP Morgan now had within its control. It also failed to consider the role that the transaction would play within the overall STS portfolio.

195. JP Morgan's conduct in the July 2008 transaction violated its duty to make a reasonable effort to verify facts relevant to the investment and management of trust assets.

196. By yet again leasing an enormous block of STS Mineral Rights, and giving the block to Petrohawk, which already held 31% of the STS available mineral acres, it violated JP Morgan's duty of diversification.

197. The transaction violated JP Morgan's duty to utilize and employ its special skills or expertise. JP Morgan had shale specialists who would have immediately understood and taken into account the implications of the filing of the drilling permit for the discovery well, but Patricia Schultz-Ormond acted alone and did not consult them. She completely failed to draw upon JP

Morgan's resources and expertise. Furthermore, there was no management approval of her decision.

198. Once again, JP Morgan had made a lease containing development provisions that gave the right to Petrohawk to develop 16,903 acres at a rate and pace that allowed Petrohawk to hold all of the acreage by drilling as few as two wells per year over a span of 55 years. Once again, if the longstanding 2,500 acre maximum, 3 year primary term and 90 day continuous drilling policy of the STS Trust had been followed, the exact same number of wells would have been required within 8 years to hold the lease.

199. STS still had 37,774 mineral acres unleased and uncommitted, which might have been managed to salvage value for the Beneficiaries and to offset the economic injuries from the previous transactions. Instead, JP Morgan proceeded to repeat and compound the injury.

#### **THE DECEMBER 2008 PETROHAWK LEASES**

200. Following the execution of the July Lease, facts, data and public developments continued to accumulate causing the real and potential value of the STS Mineral Rights to be substantially impacted.

201. As alleged, by October 14, 2008, the discovery well for the entire Eagle Ford Shale had been drilled, completed and tested on the STS acreage. It began producing a substantial cash flow from the recovered hydrocarbons.

202. The STS discovery well had substantial impact upon the entire industry.

203. Petrohawk publicly announced the discovery on October 21, 2008, announcing "a significant new natural gas field discovery in the Eagle Ford Shale in south Texas." It announced that Petrohawk "has leased over 100,000 net acres (about half of which was STS acreage) in what it believes to be the most prospective areas for commercial production from the Eagle Ford Shale."



Its public announcement promoted Petrohawk's "extensive experience in the acquisition and development of horizontal plays as exhibited by our results in the Haynesville Shale and Fayetteville Shale plays." From this, JP Morgan should have continued its analysis of the history of the bonus market in the Barnett, Fayetteville and Haynesville Shales and realized that the potential for bonus payments on shale plays changed dramatically from the days of conventional plays.

204. Petrohawk announced that the STS Trust 241 1-H Well "was placed on production at a rate of 9.1 million cubic feet of natural gas equivalent per day, 7.6 million cubic feet of natural gas per day and 250 barrels of condensate per day." It announced that it had drilled another Eagle Ford Shale well, the Dora Martin #1H, only 10 miles away from the STS and its intention to drill a third confirmation well. It disclosed its expected development costs: "Petrohawk expects drilling and completion costs for development wells to range between 5 million and 7 million dollars."

205. In an oil and gas industry analyst conference call with Petrohawk in connection with its third quarter 2008 earnings release, dated November 6, 2008, in which JP Morgan itself participated, Petrohawk announced the impending acquisition "within the next couple of weeks and will have it all with maybe another 20,000 or 30,000 acres." JP Morgan knew, or should have known, that this referred to STS Mineral Rights. During the same call, meant to drive the market in Petrohawk stock, Petrohawk described the Eagle Ford play as "limited but still very obvious well controlled in terms of having necessary thickness, having necessary petrophysical characteristics" and that they had found "a concept based on subsurface mapping, doing the rock work to confirm that the rocks were conducive to the generation of thermogenic gas, and once that occurred, you'll begin leasing, drill the well and I'd say that results are very consistent, if not

maybe a little better than our expectations, but certainly commercial in our mind and something we're very excited about."

206. Petrohawk went on to discuss its very encouraging drilling results on the Donnell lease, neighboring the STS about 15 miles away.

207. Based on these developments and the facts that were readily available to any prudent mineral manager, the Eagle Ford Shale concept was significantly different in October 2008 than it was in the spring of 2008 when Petrohawk first approached JP Morgan with its millions of dollars of development money and desire to lease all available STS Mineral Rights acreage. The impact of this upon the value of lands within the Eagle Ford Shale had been announced publicly and it was now time to let the market catch-up and evaluate these developments.

208. JP Morgan's reaction to these developments was to do it all over again and to lease practically all of the available STS Mineral Rights to three more leases, to the same lessee, containing even worse terms than the May and July Leases. In fact rather than letting the market react to these significant developments, Ms. Ormond rushed to judgment by committing in a letter of intent all remaining available STS Trust acreage to Petrohawk within 2 days of the public announcement of the discovery. Clearly, the market had not had time to digest and respond to public disclosure of the STS 241-1H discovery well by this time and Petrohawk had successfully acquired all available STS acreage which it had set its sights on some short 5-7 months earlier. There was no legitimate business purpose which advantaged the interests of the STS Trust by executing the letter of intent at this time. Rather, it was an inexplicable gift to Petrohawk.

209. On December 12, 2008, JP Morgan executed three new leases to Petrohawk, one covering 3,845 acres, one covering 15,457 acres, and the third covering 18,473 acres, for a total of 37,775 acres which essentially formalized the commitments made in the October 23, 2008 Letter

of Intent. Based upon the existing facts known at the time, the three December 2008 Petrohawk Leases should not have been executed until the due diligence required by those facts had been completed. The certainty of this conclusion is established by Ms. Ormond's acknowledgement in January 2009 that many major exploration and production companies were interested in anything STS. Moreover, the continuous development provisions of the three December 2008 Petrohawk Leases were inadequate.

210. JP Morgan executed these leases in consideration of bonuses of \$200 per acre which was clearly under-market based, at a minimum, on the recent public disclosure of the discovery well on STS mineral acreage

211. The December leases each granted to Petrohawk a primary term of five years, comparing unfavorably to the May and July leases, which had primary terms of three years and two years, thereby enabling Petrohawk to completely defer any drilling for five full years.

212. The December Leases permitted Petrohawk to pool STS acreage with outside acreage, allowing dilution of royalties to the STS beneficiaries.

213. The December Leases contained the same inadequate continuous development provisions as the May and July Leases but JP Morgan allowed amended provisions to the December Leases to make the development provisions even worse.

214. The 18,473 acre lease and the 15,457 acre lease, executed December 12, 2008, each contained provisions identifying the other as a "Companion Lease" and provided that development of either of them would be counted and considered as development of both of them. These provisions gave Petrohawk the right to develop the 33,930 acres at a rate and pace that allowed Petrohawk to hold all the acreage by drilling as few as two wells per year over a span of 111 years. Once again, if the longstanding 2,500 acre maximum, 3 year primary term and 90 day continuous

drilling policy of the STS Trust had been allowed, the exact same number of wells would have been required in 8 years to hold the lease.

215. In the execution of the December leases, JP Morgan violated its duty to manage the STS minerals in a reasonably prudent manner, in the same respects as alleged in relation to the May and July leases, and to an even greater degree.

216. In summary, as of December 12, 2008, JP Morgan had imprudently, in violation of its fiduciary duties to the STS Beneficiaries, and at a reckless pace within seven months, conveyed to a single lessee, who was a major commercial client (a fact never disclosed to the STS Beneficiaries), approximately 80,000 acres of STS Mineral Rights long before JP Morgan had time to complete the required due diligence to understand what it was leasing and how the market valued the STS Mineral Rights and pursuant to an imprudent continuous drilling and development program which ignored the long established policy for managing the STS Mineral Rights

#### **BREACH OF DUTY OF LOYALTY IN RELATION TO PETROHAWK LEASES**

217. During the critical period of 2008, Petrohawk was JP Morgan's banking client to which JP Morgan furnished and provided, as part of a group, a line of credit facility ranging from hundreds of millions to one and a half billion dollars. JP Morgan was, therefore, directly interested in Petrohawk's success and earnings. JP Morgan put itself in a situation where there was or could have been a conflict between its self-interest and its duty to the STS beneficiaries in violation of its duty of loyalty. During its negotiations with JP Morgan concerning the 2008 Leases, Petrohawk requested, and JP Morgan acceded to the request, that the negotiations be kept strictly confidential and, therefore, concealed from the public and the STS Beneficiaries. In this regard, Petrohawk's customary practice in acquiring leasehold interests in the Eagle Ford Shale was to use a company called First Rock, Inc., to take leases in its name, for subsequent assignment to Petrohawk, in order

to prevent potential competitors from learning that Petrohawk was acquiring substantial acreage in the area, for fear that competition would drive up the lease bonus market. However, in the case of STS, Petrohawk relied upon its relationship with JP Morgan to satisfy its desire and need for secrecy and dealt directly with JP Morgan. This was directly contrary to the interest of the STS Trust, which would and could have benefited from publicity in the industry concerning Eagle Ford Shale leasing activity. JP Morgan also imprudently agreed to Petrohawk's request for exclusive negotiations throughout 2008 for the leasing rights to the available STS Mineral Rights. In fact, after Petrohawk had acquired all of the known available STS Mineral Rights, JP Morgan gave Petrohawk access to its STS title file room to search for more unencumbered acreage. JP Morgan permitted the commercial relationship with Petrohawk to influence STS Trust decisions to benefit Petrohawk at the expense of the trust and its beneficiaries. JP Morgan never advised the STS beneficiaries of its commercial relationship with Petrohawk, nor its confidential and exclusive arrangement. The Trust received \$14.9 million in bonus compensation which was only 1.5% of the amount that Petrohawk received approximately two years later when it sold its interest in the STS minerals in another commercial transaction in which JP Morgan participated. JP Morgan owed no duty to Petrohawk of confidentiality and exclusivity, but did owe to STS duties of full disclosure and loyalty. It breached those duties to STS.

### **THE HUNT LEASES**

218. During 2006 and 2007, JP Morgan, through Ms. Ormond, as mineral manager, executed four leases (one to Texas Lone Star Petroleum and three to Broad Oak Energy, Inc.). The total acreage covered by the four leases was 10,373 acres. The bonuses ranged from \$160 per acre to \$200 per acre. The leases had primary terms of two to three years, and the largest two of them were set to expire on July 25, 2009.

219. At that time, only one unproductive well had been drilled on all four leases.

220. On July 16, 2009, JP Morgan extended the term of the smallest of the leases to seven years, for no consideration, and extended the primary terms of the larger three leases for six years for only \$50 per acre consideration. At the time of these extensions, a commercial relationship existed between JP Morgan and Broad Oak. There was no legitimate business purpose to extend the leases for this amount of consideration.

221. In the exercise of prudent mineral management, JP Morgan could have realized a market value bonus, either by allowing the leases to expire, or by requiring a market value bonus for extension. The STS 241-1H discovery well public announcement was eight months old. It was located in the immediate area of these leases. Confirmation wells had been successfully drilled and publicized. Eagle Ford leasing and drilling permit activity had accelerated. Ms. Ormond had been on record for more than five months acknowledging that many of the major exploration and production companies were interested in anything in STS. There was no legitimate business purpose advancing the interests of the STS Trust that justified these amendments. These leases were acquired based on a conventional vertical drilling program, but since the STS 241-1H discovery well changed everything, the lessees needed to change direction and focus on an unconventional horizontal program. There was no reason for JP Morgan to facilitate that redirection for no or nominal consideration at the expense of the STS Trust.

222. By July 16, 2009, the Petrohawk discovery well on STS had been drilled and completed, was widely publicized, and there was intense competition for leasing.

223. The only activity on any of these leases, after granting the extension, was the drilling of one unsuccessful well, which was abandoned in 2011.

224. These lease extensions, granted for no or slight consideration, lost to the STS Trust estate the opportunity to negotiate and collect a market rate bonus on 9,690.01 acres of land. They served no valuable purpose to STS.

225. Instead, these lease extensions gave Broad Oak the opportunity, of which it availed itself, to sell these leasehold rights to Hunt Oil Company and certain Bass entities (entities better suited for the unconventional horizontal opportunity) for \$800 per acre. Highland Minerals was granted an override interest in the lease hold rights in the sale between Broad Oak and Hunt Oil Company.

226. Thereafter, JP Morgan again sacrificed the interest of the STS Beneficiaries by granting amendments allowing for pooling and lenient and inadequate continuous development provisions, shortly after JP Morgan commercial bank representatives contacted the STS Trust group, at the request of their business contacts at Hunt, to see why the correct business decisions weren't being made

227. In April 2011, Bass's interest in this acreage was sold to Murphy Oil Company at a value of \$67,500,000, or \$13,015 per net mineral acre, a value which JP Morgan, by prudent mineral management, could and should have realized for the STS Trust estate. In connection with the delay rentals for two leases that were due on July 25, 2011, JP Morgan and Hunt Oil contend that one of the delay rentals was paid in June 2011 and that the other delay rental in the amount of \$309,407.70 was tendered by Hunt Oil through certified mail, return receipt requested on July 21, 2011 even though the check from Hunt Oil was dated August 1, 2011.

228. In December 2011, Hunt sold 35% of its 50% interest in the Hunt Leases to Marubeni at an assigned value of \$14,598 per mineral acre, another value lost to STS through imprudent mineral management.

229. After the Marubeni sale, the Hunt Leases were again subject to expiration of their primary terms, and reversion of the acreage to STS. JP Morgan extended the leases for approximately \$700 per acre for two of the leases, again, an inadequate consideration, considering the current bonus market, and the recent sale of the acreage at \$13,000 to \$15,000 per acre.

230. The various transactions by JP Morgan concerning the Hunt Leases violated JP Morgan's duty to manage the assets of the trust prudently, with great and consequent economic loss to the STS Beneficiaries. A prudent mineral manager would not have amended the Hunt Leases for slight consideration or no consideration, thereby transferring to the lessees tremendous economic opportunities which they realized, and which should have been realized for the benefit of the STS beneficiaries.

#### **BREACH OF DUTY OF LOYALTY IN RELATION TO HUNT LEASES**

231. During the critical years of Hunt's negotiations concerning STS Mineral Rights, JP Morgan maintained a substantial and important banking relationship with Hunt Oil Company. At that time, Hunt Oil Company was seeking from JP Morgan the lease extensions and pooling amendments described and alleged above. JP Morgan was initially resistant to Hunt's requests, for the obvious reason that they were so clearly disadvantageous to the interest of STS. However, JP Morgan's commercial banking personnel engaged in Hunt's business communicated with and put pressure upon the JP Morgan trust personnel engaged in STS business to accede to Hunt's requests. JP Morgan did so, resulting in the transfer of the opportunity to realize enormous value from approximately 10,373 acres of STS lands from the STS Trust estate to JP Morgan's banking clients. Such conduct amounted to a breach of JP Morgan's duty of loyalty to the STS beneficiaries and caused JP Morgan to grant lease extensions and amendments to Hunt and related parties, to



their great financial advantage, when JP Morgan knew that these transactions were disadvantageous and damaging to the interests of STS.

### **BREACH OF DUTY TO NOT ENGAGE IN SELF-DEALING**

232. Through the actions taken with its commercial clients that are mentioned above, JP Morgan participated in self-dealing when it used the advantage of its position to gain benefit for itself and/or its commercial clients at the expense of the STS Trust and its beneficiaries. There has been direct evidence produced in this case that shows that JP Morgan's "Chinese Wall" was breached. This evidence establishes that JP Morgan's commercial bankers put pressure on the JP Morgan trust department on behalf of substantial commercial clients including Pioneer, Hunt, and Petrohawk, to influence business decisions.

233. As a result, the STS Trust received payments totaling \$32,490,000 for all of the available STS mineral acreage (inclusive of bonus, delay rentals and all other compensation). JP Morgan's commercial clients (*e.g.*, Petrohawk and Hunt), in contrast benefitted some \$1,120,000,000 by getting the rights to this same acreage.

234. The STS beneficiaries received approximately 2.9% of the value of their STS asset, and JP Morgan's commercial clients received 97.1% of the value.

### **BREACH OF DUTY TO MANAGE WATER RIGHTS**

235. JP Morgan neglected entirely and never even attempted to realize the value of STS's water rights. Such rights were valuable and marketable, especially as demand for water for completion operations in Eagle Ford wells rose dramatically with development of the Eagle Ford

Shale in the area. JP Morgan entirely breached its duty to manage the water rights resulting in damages to STS.

### **OTHER FACTORS TO SUPPORT BREACHES**

236. JP Morgan did not disclose full and pertinent information, including but not limited to:

- a. Information concerning the lease activity with Petrohawk, Broad Oak, and Hunt;
- b. Information concerning the Pearsall Shale;
- c. Information of the understaffing as it affected the Trust assets;
- d. Information covering the consolidation of JP Morgan's operation that resulted in the closing of the San Antonio office;
- e. Copies of the leases for Beneficiaries to review, inspect and understand the leases;
- f. The fact that JP Morgan had retained a law firm to investigate their intent to sell the STS assets, resign as Trustee or substantially alter the Trust;

237. JP Morgan failed to resign upon the request of 51% of the Beneficiaries, putting the Beneficiaries into a position of having to seek Court involvement to prevent JP Morgan from taking actions contrary to the best interest of the STS Trust.

238. JP Morgan failed to fully and fairly disclose the fees that it charged as an extraordinary fee.

239. JP Morgan was not required to enter into the Petrohawk leases to maintain the STS Trust favorable tax treatment as a liquidating trust. If JP Morgan had not entered into the Petrohawk leases the decisions regarding whether the STS Trust continued to be classified as a

liquidating trust would not be based solely on this decision, but would be based on the surrounding facts and circumstances, including the state of the market, the type of the property and other factors.

## **SECTION FIVE**

### **FIRST CAUSE OF ACTION – BREACH OF FIDUCIARY DUTY/BREACH OF TRUST**

240. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

241. Defendant's acts and/or omissions constitute a breach of fiduciary duty and a breach of Trust to Plaintiffs in the following respects, in that Defendant:

1. Was negligent;
2. Was grossly negligent;
3. Was guilty of mismanagement and mal administration;
4. Failed to place the interest of the Plaintiffs ahead of their own;
5. Engaged in acts of self-dealing;
6. Failed to invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust;
7. Failed to diversity the investments of the trust.
8. Failed to have the proper mineral management policies and procedures in place to prudently manage the mineral estate assets held in trust by:
  - a. Failure to have in place decision making processes inclusive of a concise hierarchy chain of command with established controls to evaluate transaction risk of the asset and personnel resources possessing the

- qualification, expertise, and time required to maximize the value of the mineral estate.
- b. Failure to timely identify lease violations and non-productive leasehold acreage and pursue Lessor right of reverter or other remedies.
  - c. Failure of mineral management personnel to properly assess market conditions.
  - d. Failure to seek legal and industry expertise prior to encumbering the mineral estate under terms of legally binding documents.
  - e. Failure to conduct production audits.
9. Failed to exercise a reasonable level of skill, care, and caution to fulfill its duty of:
- a. Prudence in administration,
  - b. Loyalty, honesty, and fair dealings to the Trust and its beneficiaries, and
  - c. Full disclosure of the status of the Trust administration and of significant, non-routine, and material information to the beneficiaries.
10. Acted in an imprudent manner as it undertook and concluded the negotiation of unfavorable mineral leases of the Trust's principal asset, being the mineral estate and water rights in the 132,000 acres:
- a. Without doing reasonable and prudent levels of due diligence;
  - b. Without obtaining market rate lease terms and compensation;
  - c. Without maximizing the Trust's benefits and interests in the mineral estate and water rights; and

- d. Without keeping the Trust beneficiaries adequately informed to allow them to monitor and protect their interests;
11. Improperly administered the Trust by:
- a. Interpreting the 1951 court order in a self-serving manner that improperly benefited JP Morgan to the detriment of the Trust;
  - b. Failing to disclose and avoid conflicts of interest between its corporate interests and its obligations as Trustee to the detriment of the Trust and its beneficiaries; and
  - c. Failing to timely tender its resignation as Trustee causing harm to the Trust.

242. The Defendant is liable to the Plaintiffs for all of the damages resulting from these breaches of trust and fiduciary duties.

#### **SECOND CAUSE OF ACTION – FRAUD**

243. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

244. In addition to or in the alternative, and without waiving the foregoing, the acts and omissions of the Defendant referenced above constitute fraud, which proximately caused damage to the Plaintiffs, which damages Plaintiffs should recover and seek to recover from the Defendant. These representations and actions were made knowingly, falsely, and with the intent that Plaintiffs would rely on each of them. Plaintiffs did, in fact, rely on Defendant's fraudulent acts and/or omissions.

245. Plaintiffs are also entitled to recover and seek to recover punitive damages from JP Morgan, taking into account the net worth of JP Morgan.

### **THIRD CAUSE OF ACTION – FRAUD BY NONDISCLOSURE**

246. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

247. Defendant concealed from Plaintiffs, or failed to disclose to Plaintiffs, facts related to Defendant's management of STS Trust assets.

248. Defendant had the duty to disclose the facts to Plaintiffs because of special and/or fiduciary relationships.

249. The non-disclosed facts were material in that they would have been important to Plaintiffs in the making of certain decisions related to Defendant and the management of STS Trust assets. Additionally, any reasonable person would have attached importance to the non-disclosed facts.

250. Defendant knew Plaintiffs were not aware of facts that Defendant had a duty to disclose.

251. Defendant knew Plaintiffs did not have equal opportunity to discover the facts.

252. Defendant was deliberately silent when it had a duty to speak.

253. By failing to disclose the facts, Defendant intended to induce Plaintiffs to continue to allow Defendant to administer and manage STS Trust assets.

254. Plaintiffs relied on Defendant's nondisclosure.

255. As a proximate cause of the foregoing, Plaintiffs have been injured in an actual amount to be proven at trial and should be awarded actual, exemplary, consequential and incidental damages from Defendant, in accordance with the evidence.

**FOURTH CAUSE OF ACTION – NEGLIGENT MISREPRESENTATION**

256. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

257. In addition to, or in the alternative, and without waiving the foregoing, the acts and omissions of the Defendant referenced above constitute negligent misrepresentation, which proximately caused damage to Plaintiffs, which damages Plaintiffs should recover and seek to recover from the Defendant.

258. As a proximate cause of the foregoing, Plaintiffs have been injured in an actual amount to be proven at trial and should be awarded actual, exemplary, consequential and incidental damages from Defendant, in accordance with the evidence.

**FIFTH CAUSE OF ACTION – FORFEITURE OF FEES FOR BREACH OF DUTY, NEGLIGENCE AND INCOMPETENCE**

259. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

260. Plaintiffs further seek forfeiture and return of some or all of the Trustee fees paid or incurred to the fullest extent allowed by Texas Property § 144.061(b), Tex. Civ. St. Art. 7425b-1 *et seq.* of the Texas Trust Act, and applicable law.

**SIXTH CAUSE OF ACTION – ATTORNEY’S FEES**

261. Plaintiffs repeat, re-allege and incorporate each and every prior factual allegation in the preceding paragraphs as if fully set forth herein.

262. As a result of Defendant’s wrongful acts and omissions, Plaintiffs retained the undersigned attorneys to represent them and agreed to pay their reasonable and necessary attorneys’ fees, expenses, and costs. Plaintiffs seek recovery of their reasonable and necessary attorneys’ fees, expenses, and costs through trial and all appeals, as well as recovery of any

attorneys' fees and costs charged to the STS Trust by JP Morgan, under applicable Texas law, including but not limited to, the Texas Trust Act, the Texas Trust Code, and as otherwise authorized by law.

#### **ADDITIONAL ALLEGATIONS CONCERNING CAUSES OF ACTION**

263. The causes of action asserted by Plaintiffs against Defendant herein are timely filed as the discovery rule deferred accrual of the respective statutes of limitations for such cause of action. Plaintiffs' damages resulting from Defendant's misconduct alleged herein were inherently undiscoverable and objectively verifiable. Plaintiffs did not discover the injuries, nor in the exercise of reasonable diligence should have known of the injuries, caused by the wrongful acts of Defendant alleged herein until no earlier than a time within the applicable statutes of limitations.

264. The causes of action asserted by Plaintiffs against Defendant are timely filed as Defendant fraudulently concealed the wrongful conduct alleged herein, thereby tolling the applicable statutes of limitations. Defendant had actual knowledge of the wrongful conduct alleged herein. Defendant concealed the wrongful acts and omissions alleged herein by remaining silent and/or making misrepresentations about wrongful conduct despite having duty to inform Plaintiffs of such wrongful acts and omissions. Defendant's silence and misrepresentations prevented Plaintiff from discovering Defendant's wrongful acts and omissions. Defendant had a fixed purpose to conceal the wrongful conduct. Plaintiffs reasonably relied on Defendant's silence and misrepresentations to the detriment of Plaintiffs.

265. The causes of action asserted by Plaintiffs against Defendant are timely filed pursuant to the Continuing Tort Doctrine as the Defendant's wrongful conduct was repeated for a period of time and continued until at least the filing of the petition.



## **SECTION SIX**

### **DAMAGES**

266. The STS Beneficiaries are entitled to recover compensatory damages for the economic losses to the STS Trust estate caused by the breaches of fiduciary duty to manage the assets of the trust with skill and prudence, and with loyalty to the trust beneficiaries.

267. Compensatory damages should be awarded in the amount necessary to place the STS Trust estate in the position it would have enjoyed, but for JP Morgan's breaches of duty.

268. The amounts necessary to place the STS Beneficiaries in such position equals the difference between the value actually received by the trust, and the value it will, in reasonable probability, receive in the future as the result of JP Morgan's conduct, and the value the trust would have received, and would in reasonable probability receive in the future, had JP Morgan properly fulfilled its duties as trustee.

269. Plaintiffs seek to recover for the STS Trust estate the difference between the bonuses for leases executed to Petrohawk in July and December and the bonuses which the STS Trust would have received if JP Morgan had managed the leasing of STS in a skillful and prudent manner, and in the light of the special skills and resources JP Morgan had and should have used. JP Morgan should not have entered the July and December 2008 leases with Petrohawk because it had not completed the required due diligence regarding the known facts and developments at that time. Rather, the STS Mineral Rights in the acreage included in those leases should have been brought to market, if acting prudently after completing all required due diligence, in two equal installments; 50% of the acres no sooner than October 2009 and the remaining 50% of the acres no sooner than May 2010.

270. Prior to the Petrohawk transactions, the long standing STS Trust leasing policy had incorporated the wisdom of restricting acreage to particular leases to 2,500 acres and requiring continuous development provisions be included to insure that each lease was fully developed within a reasonable time absent which undeveloped acreage reverted to the STS Trust. JP Morgan did not incorporate these continuous development provisions in the May, July and December 2008 leases with Petrohawk. As a result of the imprudent continuous development terms included in all of the Petrohawk leases, the time required to fully develop the leases was extended from 8 years to as much as 111 years in the case of the two companion leases executed in December 2008. These imprudent lease provisions damaged the STS Trust by negatively impacting the value of its royalty income in these leases. The lost royalty income to the STS can be measured by the difference in the net present value of the expected royalty stream of income as required by the continuous development terms in the Petrohawk leases and the net present value of the expected royalty stream of income that would be required if the May, July and December 2008 Petrohawk leases included the prudent continuous development terms which the STS Trust had historically incorporated.

271. The damages resulting from JP Morgan's failure to prudently manage the Hunt leases are calculated in the alternative. In the first instance, JP Morgan imprudently granted the 2009 lease amendments extending the primary terms. The four leases should have terminated and reverted to the STS Trust. In that instance, the Hunt acreage would have been available to take to the market for leasing as part of the STS Trust acreage offered to the market in October 2009 and May 2010. The STS Trust was damaged because JP Morgan's imprudent management prevented the releasing of this acreage and the loss of the corresponding bonus payments. Alternatively, if the Hunt acreage did not revert to the STS Trust in 2009, JP Morgan's subsequent imprudent

management of the Hunt leases prevented these acres from once again reverting to the STS Trust. The bonus damages lost to the STS Trust in the alternative instance are proved by the actual transactions between Bass, Hunt, Marubeni and others dealing in the very acreage which would have reverted to the STS Trust had JP Morgan prudently managed the Hunt leases. Additionally, the Hunt leases ignored the long-standing STS Trust leasing policy and included imprudent continuous development terms. These imprudent lease provisions damaged the STS Trust by negatively impacting the value of the royalty income in these leases.

272. Damages incurred by the STS Trust caused by JP Morgan's failure to prudently manage the STS water rights are susceptible to proof by objective data showing volumes of water which have been or will be consumed in the drilling operations on STS leases and market data showing its value.

273. Royalty damages incurred by the STS Trust as a result of the failure of JP Morgan to exercise skill and prudence in providing for adequate and appropriate continuous development terms in the leases are not less than \$81,000,000.

274. Bonus damages incurred by the STS Trust as a result of the failure of JP Morgan to prudently manage the STS Mineral Rights included in the July and December 2008 Petrohawk leases and the Hunt leases are not less than \$585,000,000 based on the self-dealing allegations and not less than \$321,000,000 without the self-dealing allegations.

275. None of the leases executed by JP Morgan on behalf of the STS Trust provided for compensation for the water rights owned by the Trust. Water damages incurred by the STS Trust as a result of the complete failure of JP Morgan to manage and market the STS water rights in the STS lands are not less than \$15,000,000.

## **EXEMPLARY DAMAGES**

276. The acts described herein were done in bad faith and with an improper motive.

277. The conduct of Defendant was a willful breach of trust and breach of fiduciary duty.

The conduct of the Defendant alleged herein represents a reckless indifference to the right and financial interest of the Plaintiffs. The acts and/or omissions constitute malice or gross negligence. JP Morgan authorized or subsequently approved its agent's malice or gross negligence, or acted with malice or gross negligence through a vice principal.

278. Since JP Morgan is guilty of malice in its tortious conduct, the Trust should be awarded punitive damages as determined by the jury. The "caps" on exemplary damages provided by § 41 of the Texas Practice and Remedies Code do not apply since JP Morgan's conduct constitutes misapplication of fiduciary property as described in § 32.45 of the Texas Penal Code.

## **SUPPLEMENTAL PETITION**

279. Plaintiffs, by way of Supplemental Petition, now plead in answer to certain defenses and affirmative defenses raised by Defendant, currently in JP Morgan's Fourth Amended Answer.

280. Plaintiffs' allegations and claims herein do not, in any manner, constitute any collateral attack on the final judgment dated February 12, 1951. Plaintiffs' claims herein are for breach of JP Morgan's fiduciary duties as trustee of the STS, the office it accepted and assumed under the 1951 judgment.

281. Plaintiffs' allegations and claims herein are not for violation of the Federal Reserve Act of 1913, the Gramm-Leach-Bliley Financial Services Modernization Act, nor 12 CFR § 9.5, et. seq. None of these acts abrogate the duty of loyalty by the trustee of a trust to its beneficiaries.

282. None of Plaintiffs' allegations or claims are based on hindsight in violation of Texas Trust Code § 117.001, et. seq. Every allegation by Plaintiffs of breach by JP Morgan of the prudent

investor rule are made in light of the facts and circumstances existing at the time of JP Morgan's decisions in managing the trust assets. The "hindsight" rule relates to determination of breach of duty. It is always permissible to determine and quantify damages resulting from breach in light of subsequent facts, so long as such damages are of a type which might reasonably have been foreseen to result from the breach. JP Morgan's breach of the prudent investor rule consists in its failure to collect and evaluate existing facts and developments and exercise foresight based thereon, not any failure to exercise hindsight.

283. None of Plaintiffs' claims are within the purview of the two year limitations period of § 16.003 of the Texas Civil Practice and Remedies Code. Claims for "breach of fiduciary duty" are governed by the four year limitations period of § 16.004. In the alternative, and in the event it may be determined that any cause of action alleged by Plaintiffs herein accrued prior to any applicable limitations period, Plaintiffs plead fraudulent concealment and the discovery rule.

284. Plaintiffs have capacity and standing, as certificate holders and beneficiaries of the STS Trust, to bring this action against the trustee. This action is not a derivative action, and is specifically authorized pursuant to Texas Trust Code § 114.001.

285. With regard to parties, the court, during proceedings herein, has acted fully and within its discretion to notify and inform certificate holders who have not joined as Plaintiffs herein of this proceeding and their rights in relation to it. The non-joining certificate holders are not indispensable according to Rule 39 of the Texas Rules of Civil Procedure. Plaintiffs herein seek damages specifically described as permissible in § 114.001(c) of the Texas Trust Code, consisting of loss or depreciation in value of the trust estate as a result of the breach of trust, profit made by the trustee through the breach of trust, and profit that would have accrued to the trust estate if there had been no breach of trust. Thus, the damages to be awarded consist of the whole of the damages

resulting from JP Morgan's breach of trust to the trust estate. Appropriate allocation and distribution of such damages will be made on a pro rata basis pursuant to the beneficial interest held by each STS beneficiary.

### **GENERAL DENIAL**

286. Pursuant to Rule 92 of the Texas Rules of Civil Procedure, Plaintiffs/Counter Petition Defendants deny each and every, all and singular, the material allegations in Defendant's/Counter-Petition Plaintiffs' Counter-Petition for Declaratory Relief and Instructions from the Court, and demand strict proof there by a preponderance of the evidence.

### **PRODUCTION OF DOCUMENTS**

287. Plaintiffs hereby place Defendant on notice that Plaintiffs intend to use any document produced by Defendant in any pretrial proceeding or at trial.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs request that on final hearing Plaintiffs have judgment against Defendant for:

- a. Actual damages;
- b. Consequential and incidental damages;
- c. Disgorgement of all compensation, fees, and expenses paid by the STS Trust to Defendant and to third-parties at the direction of Defendant;
- d. Pre- and post-judgment interest at the highest legal rate allowed by law;
- e. All attorneys' fees, expenses, and costs in pursuing this matter;
- f. Exemplary or punitive damages in an amount to be determined at trial;
- g. An order prohibiting Defendant from using Trust assets, property, or revenue, to pay attorneys' fees, expenses, and costs in defending this action and any other actions brought by other beneficiaries;
- h. Such other and further relief to which Plaintiffs may show themselves to be justly entitled; and

- i. Such other, further, and different damages as allowed in accordance with the evidence and applicable law.

Plaintiffs further request all relief sought in JP Morgan's Defendants/Counter-Petition Plaintiffs' Counter-Petition for Declaratory Relief and Instructions from the Court be denied.

DATE: August 26, 2014.

Respectfully submitted,

**CLEMENS & SPENCER, P.C.**

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By: /s/ Jim L. Flegle  
Jim L. Flegle

**ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.**



**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing instrument has been served on the below listed counsel of record via the method indicated, this 26th day of August, 2014:

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/s/ Jim L. Flegle

Jim L. Flegle

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, et al.,	§	IN THE DISTRICT COURT
	§	
<i>Plaintiffs,</i>	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A.	§	190TH JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST,	§	
	§	
<i>Defendant.</i>	§	BEXAR COUNTY, TEXAS

**THIRD PARTY HARRISON INTERESTS, LTD.'S  
RESPONSE TO PLAINTIFFS' MOTION TO COMPEL**

The documents that plaintiffs seek from Harrison Interests, Ltd. (“HIL”) are not necessary for, or relevant to, the resolution of any disputed legal issue in the case. In their motion to compel, plaintiffs argue that HIL should be compelled to produce a 2010 oil and gas lease between HIL and an entity owned by SWEPI LP (the “Lease”). However, the proprietary information that plaintiffs seek has no bearing on the parties’ actual dispute.

This lawsuit is about an alleged breach of fiduciary duty committed by defendant JP Morgan Chase Bank (“JP Morgan”) in its course of managing plaintiffs’ mineral interests. HIL is not a party to this lawsuit and has no connection to the underlying claims or plaintiffs’ interests. In fact, the only common characteristic between the challenged transactions and the Lease is the fact that each is located in the Eagle Ford Shale formation—a formation that spans roughly 20,000 square miles.<sup>1</sup> With respect to HIL, the challenged transactions concern, among other things, unrelated individuals; an unrelated trust with different trustees, duties, terms,

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<sup>1</sup> *Eagle Ford Shale Information*, Texas Railroad Commission, available at <http://www.rrc.state.tx.us/oil-gas/major-oil-gas-formations/eagle-ford-shale/>

purposes and beneficiaries; and a lease of unrelated minerals, during a different time period, with different geological and reservoir characteristics.

Nevertheless, plaintiffs now ask this Court to force HIL to comply with a subpoena for materials that have never been shared with any party to this case. The materials requested contain sensitive, proprietary information and are neither relevant, nor reasonably calculated to lead to the discovery of admissible evidence. The differences between the execution dates, geophysical characteristics of the underlying minerals, and locations within the Eagle Ford reservoir of the challenged transaction and the requested Lease prevent the Lease and its provisions from having any bearing or relation to the causes of action and defenses at issue in the above-styled lawsuit.

Furthermore, plaintiffs have already received ample “market data.” On February 27, 2014, third-party SWEPI LP provided the parties to this lawsuit with various information concerning the Lease, including the bonus and royalty terms. Any information they now seek is either duplicative of the information already provided or irrelevant, and this Court should accordingly deny plaintiffs’ motion to compel.

#### ARGUMENTS AND AUTHORITIES

**A. The terms of the Lease are neither relevant, nor reasonably calculated to lead to the discovery of admissible evidence in this lawsuit.**

“[I]n Texas, as well as in other jurisdictions, sales of land that are near in time and involve land in a similar location and are of similar character and improvements may be received in evidence in determining the value of the land in question.” *Austin Nat. Bank of Austin v. Capital Lodge No. 23, I.O.O.F. of Austin*, 558 S.W.2d 947, 950 (Tex. Civ. App.—Austin 1977, no writ) “Nearness in time, similarity in location and character are matters left to the discretion of the trial court.” *Id.* The HIL Lease was consummated in a different market, is located in a

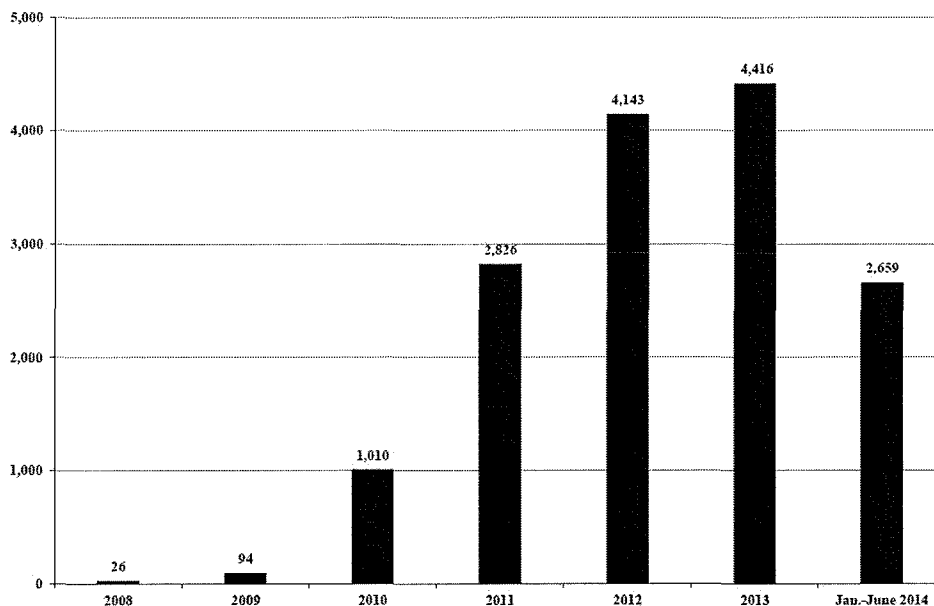
different Eagle Ford field, and concerns disparate minerals. For these reasons, the Lease and its provisions have no bearing or relation to the causes of action and defenses at issue in the above-styled lawsuit.

**1. The Lease, which was negotiated and executed in 2010, is not indicative of Eagle Ford leases marketed and executed in 2008.**

In order for sales data to be admissible, a sale's "market conditions must be comparable" to those at issue. *State v. Curtis*, 361 S.W.2d 448, 450 (Tex. Civ. App.—San Antonio 1962, writ ref'd n.r.e.). "Sales which are too remote in time are therefore not treated as similar sales." *Id.*

Plaintiffs' primary allegation in this lawsuit concerns JP Morgan's lease of "over 79,000 STS acres to Petrohawk in three lease transactions spanning March to December 2008." (Pls.' Mot. to Compel, ¶ 5.) In 2008, the Eagle Ford shale play was in its infant stages. The magnitude and future profitability of the reservoir was widely unknown, as compared to 2010 when the frenzy for acquiring Eagle Ford acreage was in full force. The difference between these two periods led to entirely different acquisition markets, and the graph located on the following page demonstrates the extreme disparity between the state of the Eagle Ford in 2008 versus 2010.

**Texas Eagle Ford Shale  
Drilling Permits Issued  
2008 through June 2014**



07/07/2014

Source: Texas Railroad Commission Drilling Permit Query (Includes New Drill & ReEnter Permits)

In fact, Petrohawk drilled the first Eagle Ford well in history in 2008—the same year JP Morgan entered into the challenged transactions.<sup>2</sup> Lease transactions taking place in the first year of the reservoir’s development cannot be considered comparable to lease transactions taking place in a more developed market and in a year with almost 40 times as many drilling permits issued. The market for Eagle Ford acreage underwent drastic changes from 2008 to 2010, and the terms of the Lease are not indicative of terms that JP Morgan could have obtained in 2008. *See, e.g., Preston Reserve, L.L.C v. Compass Bank*, 373 S.W.3d 652, 663 (Tex. App.—Houston [14th Dist.] 2012, no pet.) (concluding that the sale price of property a year after foreclosure was not competent evidence of the fair market value without evidence regarding whether the market conditions were comparable to the conditions at the time of the foreclosure sale).

<sup>2</sup> *Eagle Ford Shale Information*, Texas Railroad Commission, available at <http://www.rrc.state.tx.us/oil-gas/major-oil-gas-formations/eagle-ford-shale/>

**2. Plaintiffs have failed to establish that the geophysical characteristics of the mineral interests that were the subject of the challenged transactions are similar or comparable to the mineral interests underlying the Lease.**

The Lease concerns the development of minerals below a certain 105,937.48 acres of land, more or less, situated in Dimmit, Webb and LaSalle Counties; whereas, the minerals that are the subject of the underlying lawsuit are located 30 miles west of the Lease tract in McMullen County and the western portion of La Salle County. While wells drilled on the Lease tract fall almost exclusively within the Briscoe Ranch field, based upon information and belief, the acreage that is the subject of this lawsuit falls exclusively within the Hawkville Field. The geological differences between these two fields is readily apparent upon a review of the Texas Railroad Commission’s field statistics below.

Field Name	Briscoe Ranch	Hawkville
Discovery County	Dimmit	La Salle
Well Type	Oil & Gas	Gas
Oil (BBL)	64,841,553	0
Casinghead (MCF)	107,531,134	0
GW Gas (MCF)	854,727,164	593,124,013
Condensate (BBL)	66,926,205	14,878,089
Field is Active or Inactive	active	active
Number of gas wells on schedule	1404	528
Number of oil wells on schedule	889	0
Number of oil leases on schedule	429	0

(Excerpt from Texas Railroad Commission’s Field Summary, *Eagle Ford Shale Information*, Texas Railroad Commission, available at <http://www.rrc.state.tx.us/oil-gas/major-oil-gas-formations/eagle-ford-shale/>, attached as Exhibit A.) These statistics demonstrate the gross disparity between the characteristics and production of the respective fields and highlight the locational dissimilarity between HIL’s and plaintiffs’ minerals. The Lease is located in a field with significant oil production, significant casinghead gas, and more than four times the condensate production of the Hawkville; whereas, Plaintiffs’ minerals are located in a field

without a single oil well or lease (as opposed to gas wells), with no oil production, and without any casinghead production. In short, the Lease concerns minerals in a different and distinct market than that of the minerals owned by Plaintiffs. For this reason, the Lease terms do not qualify as relevant market data.

**B. Plaintiffs have already obtained adequate information concerning the terms of the Lease and should, therefore, be barred from obtaining production of the Lease itself.**

Where the information sought by plaintiffs has already been made available, a third-party like HIL should not be required to bear the burden of providing discovery. *See* TEX. R. CIV. P. 192.4(a) (court should limit discovery when discovery sought is “obtainable from some other source that is more convenient, less burdensome, or less expensive”); *In re Arras*, 24 S.W.3d 862, 864 (Tex. App.—El Paso 2000, no pet.) (granting mandamus where trial court required nonparty to produce even though there “was a more convenient and efficient way to obtain the information sought by Plaintiffs and that the burden or expense of the proposed discovery outweighs its likely benefit”). On January 28, 2014, plaintiffs served a notice of deposition on written questions upon SWEPI LP, including ten questions concerning the terms of the Lease. In response, SWEPI LP objected to each question on the ground that it sought “the disclosure of trade secret, confidential and proprietary” information, but SWEPI LP also disclosed the execution date, gross acres, net acres, bonus consideration per acre, payment timing, royalty percentage, and Eagle Ford formations provided for in the Lease. Having received the desired lease terms, Plaintiffs have no basis for demanding production of the entire Lease, and Plaintiffs’ request should, accordingly, be denied. Tex. R. Civ. P. 192.4 (“The discovery methods permitted by these rules should be limited by the court if it determines . . . that the discovery sought is unreasonably cumulative or duplicative, or is

obtainable from some other source that is more convenient, less burdensome, or less expensive. . . .”).

**C. The Lease constitutes and contains privileged, proprietary information of HIL.**

Plaintiffs seek the disclosure of HIL’s privileged trade secrets and proprietary information. Requiring disclosure of this information through the production of the Lease would constitute an invasion of HIL’s personal and property rights. TEX. R. EVID. 507; TEX. R. CIV. P. 192.6(b). Production of the requested Lease would disclose the manner in which HIL approaches oil and gas lease negotiations, how HIL structures these types of transactions, and the provisions in these types of agreements on which HIL places a premium. (*See* Affidavit of Ed Knight, attached hereto as Exhibit B, ¶ 10.)

The information contained in the Lease (i) is not publicly available, (*id.* at 6.); (ii) is not known outside of the persons involved in the negotiation, operation, or assignment of the Lease (*id.* at 7.); (iii) has been protected by HIL, (*id.* at 8.), (iv) cannot be properly acquired by others, (*id.* at 9.); and (v) constitutes sensitive, proprietary business information, (*id.* at 6.). HIL is, therefore, legally protected from disclosure of the Lease and its terms. *See Tex. Integrated Conveyor Sys., Inc. v. Innovative Conveyor Concepts, Inc.*, 300 S.W.3d 348, 367 (Tex. App.—Dallas 2009, pet. denied) (“Customer lists, pricing information, client information, customer preferences, buyer contacts, blueprints, market strategies, and drawings have all been recognized as trade secrets.”); *Waste Mgmt. of Tex., Inc. v. Abbott*, 406 S.W.3d 626, (Tex. App.—Eastland 2013, pet. filed) (concluding that pricing and volume information contained in tickets (or receipts) prepared by Waste Management constituted trade secrets); *Nixon v. Warner Comm’ns*, 435 U.S. 589, 598 (1978) (“[C]ourts have refused to permit their files to serve as . . . sources of business information that might harm a litigant’s competitive standing.”) (citations omitted); *F.T.C. v. OSF Healthcare Sys.*, No. 11-C-50344, 2012 WL 1144620, at \*3



(N.D. Ill. April 5, 2012) (“[W]here contract terms have economic value and are not generally known in the industry they may qualify as a trade secrets.”); *Delta Med. Sys. v. Mid-Am Med. Sys., Inc.*, 772 N.E.2d 768, 783 (Ill. App. 2002) (holding that contract terms with economic value that are not generally known in the industry are protectable trade secrets); *Star Scientific, Inc. v. Carter*, 204 F.R.D. 410, 415 (S.D. Ind. 2001) (“[S]ales techniques are protectable trade secrets since the information is created to enhance their business and give them a competitive edge.”).

In an effort to avoid the cited cases, Plaintiffs direct the Court’s attention to *Boeing Company v. Abbott*, in which the Austin Court of Appeals refused to overturn a trial court decision that an airport’s land lease did not qualify as a trade secret. 412 S.W.3d 1 (Tex. App.—Austin 2012, pet. filed). That case, however, is distinguishable on at least two grounds. First, *Boeing* does not stand for the proposition that leases cannot qualify as trade secrets; rather, the *Boeing* court merely determined that there was *insufficient* evidence to determine that the lease was *conclusively* a trade secret. *Id.* at 12. Affirmative use of the *Boeing* decision to suggest that the HIL lease *cannot* qualify as a trade secret is therefore improper.

Second, unlike in *Boeing*, both parties to the Lease consider its terms confidential and proprietary. Plaintiffs correctly argue that Boeing’s trade secret arguments were rejected, in part, because the parties to the Boeing lease had no confidentiality agreement or relationship. (See Pls.’ Mot. to Compel at 7.) Here, however, both HIL and SWEPI LP have emphasized the confidential nature of the Lease. In response to plaintiffs’ requests for Lease information, SWEPI LP objected to the requests as seeking “the disclosure of trade secret, confidential and proprietary” information. This shared treatment of the Lease terms as trade secret, confidential and proprietary information is sufficient to infer a confidential relationship, even where no confidentiality agreement exists. See *Hyde Corp. v. Huffines*, 314 S.W.2d 763, 777 (Tex. 1958)

(noting that existence of a confidential relationship is to be determined in each case, and viewing the “picture as a whole,” trial court concluded that confidential relationship existed”). Thus, while *Boeing* involved “no evidence . . . that [the parties] considered the Lease information confidential or a trade secret,” *Boeing*, 412 S.W.3d at 11, the Lease parties’ actions demonstrate that the opposite is true in this case.

Even if the Court were to determine that the Lease and the information contained within the lease do not constitute trade secrets, plaintiffs’ request should nevertheless be denied as unduly burdensome. The Texas Rules of Civil Procedure make clear that “[a] party causing a subpoena to issue must take reasonable steps to avoid imposing undue burden or expense on the person served.” Tex. R. Civ. P. 176.7. This is particularly true where the discovery is sought from a nonparty. *See, e.g., In re Prince*, No. 14-06-00895-CV, 2006 WL 3589484, at \*4 (Tex. App.—Houston [14th Dist.] 2006, no pet.) (“[T]he Texas rules treat non-party witnesses differently from witnesses subject to a party’s control.”). The minerals that are the subject of the Lease are not the only mineral interests underlying Plaintiffs’ land. (*See* Affidavit of Edwin Knight, Jr., at ¶¶ 3, 5.) Rather, HIL maintains ownership of unleased mineral interests in a variety of reservoirs beneath the Lease tract and in other areas of the Eagle Ford. As stated above, disclosure of the Lease would disclose to potential operators the manner in which HIL approaches oil and gas lease negotiations, how HIL structures these types of transactions, and the provisions in these types of agreements on which HIL places a premium. Requiring disclosure of the Lease in this case would, accordingly, impose an improper burden on HIL and plaintiffs’ motion should therefore be denied.

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Justin G. Lipe

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served by facsimile and/or certified mail, return receipt request, on all counsel of record on this 21st day of August, 2014.

/s/ Justin G. Lipe

Justin G. Lipe

(Consolidated Under)  
2010-CI-10977

<b>JOHN K. MEYER, ET AL,</b>	§	<b>IN THE DISTRICT COURT</b>
	§	
<b>Plaintiffs,</b>	§	
	§	
<b>v.</b>	§	<b>225<sup>TH</sup> JUDICIAL DISTRICT</b>
	§	
<b>JP MORGAN CHASE BANK, N.A.</b>	§	
<b>INDIVIDUALLY/CORPORATELY</b>	§	
<b>AND AS TRUSTEE OF THE SOUTH</b>	§	
<b>TEXAS SYNDICATE TRUST</b>	§	
	§	
<b>Defendant.</b>	§	<b>BEXAR COUNTY, TEXAS</b>

**ROSETTA RESOURCES OPERATING LP’S MOTION TO QUASH THE  
DEPOSITION SUBPOENA DUCES TECUM AND MOTION FOR PROTECTION**

Rosetta Resources Operating LP (“Rosetta”) files this Motion to Quash the Deposition Subpoena Duces Tecum to Produce Documents and would respectfully show the Court as follows:

**INTRODUCTION**

On August 13, 2014, Plaintiffs served non-party, Rosetta Resources Operating LP (“Rosetta”), with a subpoena seeking the production of documents and a deposition on written questions of the custodian of records. *See* Ex. A. The deposition is noticed for August 29, 2014.

Rosetta files this motion to quash and motion for protective order because the subpoena is both procedurally and substantively objectionable. For the reasons set forth below, the Court should grant the motion and deny the requested discovery.

## ARGUMENT

### **I. The Subpoena Does Not Comply With The Texas Rules Of Civil Procedure.**

#### **A. Rosetta Was Not Given Adequate Time To Respond.**

Under the Texas Rules of Civil Procedure, a party is entitled to 30 days to respond to discovery requests to produce documents. *See* TEX. R. CIV. P. 196.2(b). The same time period is provided to non-parties served with a subpoena. *See* TEX. R. CIV. P. 205; 200.1. As the subpoena rule states, “[a] subpoena may not be used for discovery to an extent, in a manner, or at a time other than as provided by the rules governing discovery.” *Id.* 176.3(b).

Because the subpoena does not provide 30 days to respond and produce documents, it is inappropriate. Rosetta objects to the time and place of production.

#### **B. Rosetta Was Not Provided Notice Of The Subpoena.**

Under Rule 205.2, a non-party must be provided notice prior to the service of a subpoena. TEX. R. CIV. P. 205.2. “A notice to produce documents or tangible things under Rule 205.3 must be served at least 10 days before the subpoena compelling production is served.” *Id.* Plaintiffs failed to provide the requisite notice or 10-day period prior to serving the subpoena, so the subpoena should be quashed.

### **II. The Discovery Requests Are Inappropriate And Objectionable.**

#### **A. The Requested Documents Are Irrelevant.**

Even if Plaintiffs had properly subpoenaed the documents, the requests are improper because they seek information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The requests seek Rosetta’s confidential and proprietary trade secret information relating to four oil and gas leases in Webb

County (collectively referred to as the “Gates Leases”), including the non-public leases themselves, all amendments, modifications and extensions of such leases, and information regarding bonus payments and all other payments made under such leases.

While Rosetta is not familiar with all the issues in the case, it is difficult to understand how or why Rosetta’s confidential relationship with its lessors in another county is relevant. Further, the Gates Leases are unique, as are all oil and gas leases, so comparisons are of little value.

**B. The Documents Are Highly Confidential Trade Secrets.**

As noted above, the Gates Leases are not public and have not been filed of public record. The leases contain confidential and proprietary information regarding bonus terms, royalty payments, and operational restrictions and obligations.

As the Court is aware, oil and gas leasing activity in the Eagle Ford Shale area is highly competitive and allowing disclosure of bonus, royalty, and operational information would be damaging to Rosetta because Rosetta’s competitors could use such knowledge and information to obtain an advantage in bidding for and securing oil and gas leases in the area. Furthermore, potential lessors could use such knowledge and information to extract more onerous lease terms from Rosetta. Consequently, disclosure of this confidential and proprietary trade secret information could adversely affect Rosetta’s business.

A trade secret is “any formula, pattern, device or compilation of information which is used in one’s business and presents an opportunity to obtain an advantage over competitors who do not know or use it.” *See, e.g., In re Buss*, 113 S.W.3d 735, 739 (Tex.

2003); *Computer Ass. Intern. v. Altai*, 918 S.W.2d 453, 455 (Tex. 1994). Because the information constitutes a trade secret, the burden shifts to the party seeking discovery to establish that the information is necessary for a fair adjudication of its claim. *In re Buss*, 113 S.W.3d at 737. In this case, it is impossible for Plaintiff to show that it needs to discover, and thereby disclose, a non-party's trade secrets.

Under Rules 176 and 196.2, the Court can issue a protective order to protect Rosetta from overreaching and inappropriate discovery. Here, the Plaintiffs seek highly confidential and proprietary trade secret information from a non-party. Regardless of any protective order entered in the case, Rosetta should not run the risk of its information being disclosed when it is not even a party.

**C. The Requests Are Overly Broad And Unduly Burdensome.**

If the Court orders some production, the requests are still objectionable. The requests seek extensive information relating to four leases. The requests, however, are not limited in time, and appear to cover 2009 to the present. This is overly broad. Further, Plaintiffs have made no offer to compensate Rosetta for its time, effort, and expense (including attorneys' fees) in responding. TEX. R. CIV. P. 176.7; 205.3(f).

**CONCLUSION**

The deposition should be quashed, and Defendant Rosetta Resources Operating LP is entitled to protection.

Respectfully submitted,

HICKS THOMAS LLP

By: /s/ Allen H. Rustay

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**ATTORNEYS FOR ROSETTA  
RESOURCES OPERATING LP**

**CERTIFICATE OF CONFERENCE**

I hereby certify that I conferred with all counsel regarding Rosetta Resources Operating LP's Motion to Quash the Deposition Subpoena Duces Tecum and Motion for Protection and counsel indicated they are opposed to the relief requested therein.

/s/ Matthew C. Rawlinson

Matthew C. Rawlinson



## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument has been served on all counsel of record in accordance with the Texas Rules of Civil Procedure via eService on this, the 28<sup>th</sup> day of August 2014, as follows:

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**Attorneys for Plaintiffs,**  
**John K. Meyer, et al**

/s/ Matthew C. Rawlinson  
Matthew C. Rawlinson

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,  
Plaintiffs,

vs.

JP MORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST,  
Defendant.

§  
§  
§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT

225<sup>TH</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

**DEPOSITION SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS**  
**ISSUED IN THE NAME OF THE STATE OF TEXAS**

TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR  
OTHER PERSON DULY AUTHORIZED TO SERVE OR EXECUTE  
SUBPOENAS:

The Subpoena is directed to:

**CUSTODIAN OF RECORDS FOR:**

**Rosetta Resources Operating LP  
c/o CT Corporation  
1999 Bryan St., Ste. 900  
Dallas, Texas 75201**

This Subpoena directs the Custodian of Records for ROSETTA  
RESOURCES OPERATING LP, to appear at **10:00 a.m. on August 29, 2014**,  
before a notary public at the following location:

**1111 Bagby, Ste. 900  
Houston, Texas 77002**

and answer under oath written questions to be propounded by counsel for  
Plaintiffs and to produce for inspection and photocopying the documents and  
records described on Exhibit "A" attached to the Notice Duces Tecum of Intent to  
Take Deposition by Written Questions served with and attached to this Subpoena.

**EXHIBIT**  
**1**

This Subpoena is issued at the instance and request of Plaintiffs, John K. Meyer, et al. The attorney of record for Plaintiff is: James L. Drought, Drought, Drought & Bobbitt, L.L.P., 112 E. Pecan St., Suite 2900, San Antonio, Texas 78205.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a) STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.**

This Subpoena is issued by James L. Drought, attorney for Plaintiffs, on behalf of Plaintiffs.

Respectfully submitted,

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(214) 572-1700 - Telephone  
(214) 572-1717 - Facsimile  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

Daniel J.T. Sciano  
State Bar No. 17881200  
Richard Tinsman  
State Bar No. 20064000  
Sharon C. Savage



**RETURN**

CAME ON TO HAND ON THE 12<sup>th</sup> DAY OF August, 2014, AT 8:30  
O'CLOCK A.M. AND EXECUTED (NOT EXECUTED) ON THE \_\_\_\_ DAY OF  
\_\_\_\_, 2014, BY DELIVERING TO \_\_\_\_\_, A TRUE COPY OF THIS  
SUBPOENA UPON WHICH I ENDORSED THE DATE OF DELIVERY. CAUSE  
OF FAILURE TO EXECUTE THIS SUBPOENA IS \_\_\_\_\_

TOTAL FEES: \$ \_\_\_\_\_

\_\_\_\_\_  
DALLAS COUNTY, TEXAS

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

**NON-PEACE OFFICER VERIFICATION**

VERIFICATION OF RETURN (IF NOT SERVED BY PEACE OFFICER)

SWORN TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,  
Plaintiffs,

vs.

JP MORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST,  
Defendant.

§  
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§  
§

IN THE DISTRICT COURT

225<sup>TH</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

**NOTICE OF INTENTION TO TAKE DEPOSITION BY WRITTEN QUESTION  
WITH DUCES TECUM**

Plaintiff, John K. Meyer, et al, will take a deposition by written questions of the Custodian of Records for **Rosetta Resources Operating LP** at the following date, time, and place:

Date: **August 29, 2014**

Time: **10:00 a.m.**

Place: **Rosetta Resources Operating LP  
1111 Bagby, Ste. 1600  
Houston, Texas 77002**

Notice is further given that the witness shall produce at the deposition for inspection and photocopying the documents and records listed and described on the attached Exhibit "A".

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
(612) 339-2020 - Telephone  
(612) 336-9100 - Facsimile  
**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,**

**LINDA ALDRICH, ET AL.**

Jim L. Flegle  
State Bar No. 07118600  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Dr., Suite 900  
Dallas, Texas 75251  
(214) 572-1700 - Telephone  
(214) 572-1717 - Facsimile  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

Daniel J.T. Sciano  
State Bar No. 17881200  
Richard Tinsman  
State Bar No. 20064000  
Sharon C. Savage  
State Bar No. 0474200  
TINSMAN & SCIANO, INC.  
10107 McAllister Fwy  
San Antonio, Texas 78216  
Telephone: (210) 225-3121  
Facsimile: (210) 225-6235

George H. Spencer, Jr.  
State Bar No. 18921001  
Robert Rosenbach  
State Bar No. 17266400  
CLEMENS & SPENCER, P.C.  
112 East Pecan Street, Suite 1300  
San Antonio, Texas 78205  
Telephone: (210) 227-7121  
Facsimile: (210) 227-0732





Mr. Fred W. Stumpf  
Boyer Short, A Professional Corporation  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

on this the 8<sup>th</sup> day of August, 2014.

        /s/          
James L. Drought

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,  
Plaintiffs,

§  
§  
§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT

vs.

JP MORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST,  
Defendant.

225<sup>TH</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

DEPOSITION ON WRITTEN QUESTIONS PROPOUNDED UPON THE  
WITNESS, CUSTODIAN OF RECORDS FOR ROSETTA RESOURCES  
OPERATING, LP

1. Please state your full name, business address, and official title.

ANSWER:

\_\_\_\_\_

2. Did you receive a subpoena for the production of the documents and records listed and described on Exhibit "A" attached to these questions?

ANSWER:

\_\_\_\_\_

3. Have these documents and records been produced for this deposition, bates numbered, and delivered to the officer taking this deposition?

ANSWER:

\_\_\_\_\_

4. Are you the custodian of these documents or records for ROSETTA RESOURCES OPERATING, LP?

ANSWER:

\_\_\_\_\_

5. What is the Bates number range for the documents and records produced for this deposition?

**ANSWER:**

---

6. Are the documents and records produced for this deposition originals or photocopies of the original documents?

**ANSWER:**

---

7. Are the documents and records produced for this deposition memoranda, reports, records or data compilations of acts, events, or conditions made at or near the time by or from information transmitted by, a person with knowledge?

**ANSWER:**

---

8. Are these documents and records kept in the course of a regularly conducted business activity of **ROSETTA RESOURCES OPERATING, LP**?

**ANSWER:**

---

9. Was it the regular practice of the business activity of **ROSETTA RESOURCES OPERATING, LP** to make the memorandum, report, record or data compilation reflected in these documents and records?

**ANSWER:**

---

\_\_\_\_\_  
WITNESS, CUSTODIAN OF RECORDS FOR  
**ROSETTA RESOURCES OPERATING, LP**

I \_\_\_\_\_, a Notary Public in and for the State of Texas, do hereby certify that the forgoing answers of the witness were made by the said witness and sworn to and subscribed before me.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

## REQUEST FOR PRODUCTION

Please produce the following documents relating to the leases described below:

- The executed leases;
- Any option agreements, letters of intent to lease or side agreements relative to the leases;
- Any agreements relative to amendment, modification or extension of the leases;
- Any lease data sheets relative to the lease;
- Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
- Any Lease Purchase Report ("LPR") and;
- Any receipt or paid draft relative to the lease

---

**NO. 1:** Oil and Gas Lease dated December 1, 2009 between Gates Mineral Company, Ltd. and Rosetta Resources Operating, LP covering 6,596.72 acres in Webb County, Texas.

**NO. 2:** Oil and Gas Lease dated December 1, 2009 between Gates Mineral Company, Ltd. and Rosetta Resources Operating, LP covering 2,564 acres in Webb County, Texas.

**NO. 3:** Oil and Gas Lease dated March 1, 2010 between Gates Mineral Company, Ltd. and Rosetta Resources Operating, LP covering 4,520.36 acres in Webb County, Texas.

**NO. 4:** Oil and Gas Lease dated March 17, 2010 between Margaret Stavropoulos Properties, Ltd. and Rosetta Resources Operating, LP covering 17,560.72 acres in Webb County, Texas.

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET. AL.,	§	IN THE DISTRICT COURT
	§	
Plaintiffs,	§	
	§	
VS.	§	
	§	225 <sup>TH</sup> JUDICIAL DISTRICT
JPMORGAN CHASE BANK, N.A.	§	
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST AND	§	
GARY AYMES	§	BEXAR COUNTY, TEXAS

**SUBPOENA ISSUED IN THE NAME OF THE STATE OF TEXAS**

**TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR OTHER PERSON DULY AUTHORIZED TO SERVE OR EXECUTE SUBPOENAS:**

This Subpoena is directed to:

**JOHN FLANNERY  
4 PLUM LANE  
SAN ANTONIO, TEXAS 78218**

This Subpoena directs JOHN FLANNERY to appear at **9:30 a.m. on September 15, 2014**, for deposition pursuant to the attached Notice of Intention to Take Oral/Videotaped Deposition of John Flannery.

This Subpoena is issued at the instance and request of Defendant JPMorgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust. The attorneys of record for Defendant are: Patrick K. Sheehan and David Jed Williams, Hornberger Sheehan Fuller & Garza Incorporated, The Quarry Heights Building, 7373 Broadway, Suite 300, San Antonio, Texas 78209.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a) STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.**

This Subpoena is issued by David Jed Williams, attorney for Defendant, on behalf of Defendant.

Respectfully submitted,

**HORNBERGER SHEEHAN FULLER &  
GARZA INCORPORATED**

The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Tel: (210) 271-1700  
Fax: (210) 271-1730

By: /s/David Jed Williams

Patrick K. Sheehan  
State Bar No. 18175500  
Rudy A. Garza  
State Bar No. 07738200  
David Jed Williams  
State Bar No. 21518060

**HUNTON & WILLIAMS LLP**

1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202  
(214) 979-3000 - Telephone  
(214) 880-0011 – Facsimile  
Charles A. Gall  
State Bar No. 07281500  
John C. Eichman  
State Bar No. 06494800

**ATTORNEYS FOR DEFENDANT,  
JPMORGAN CHASE BANK, N.A.,  
IN ALL ITS CAPACITIES**

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of this subpoena was served on the following, as indicated, on this 28th day of August 2014:

Mr. George Spencer, Jr.  
Mr. Robert Rosenbach  
CLEMENS & SPENCER  
112 East Pecan St., Suite 1300  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. James L. Drought  
Mr. Ian Bolden  
DROUGHT DROUGHT & BOBBITT, LLP  
112 East Pecan St., Suite 2900  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. Richard Tinsman  
Ms. Sharon C. Savage  
TINSMAN & SCIANO, INC.  
10107 McAllister Freeway  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. David R. Deary  
Mr. Jim L. Flegle  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251

**VIA ELECTRONIC SERVICE**

Mr. John B. Massopust  
Mr. Matthew Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, MN 55415-1152

**VIA ELECTRONIC SERVICE**

Mr. Michael S. Christian  
ZELLE HOFMANN VOELBEL & MASON  
44 Montgomery Street, Suite 3400  
San Francisco, California 94104

**VIA ELECTRONIC SERVICE**

Mr. Fred W. Stumpf  
GLAST, PHILLIPS & MURRAY  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

**VIA ELECTRONIC SERVICE**

*/s/David Jed Williams*  
David Jed Williams



CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET. AL.	§	IN THE DISTRICT COURT
	§	
VS.	§	
	§	
JPMORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST	§	
and GARY P. AYMES	§	BEXAR COUNTY, TEXAS

**DEFENDANT'S NOTICE OF INTENTION TO TAKE  
ORAL/VIDEOTAPED DEPOSITION OF JOHN FLANNERY**

Please take notice that Defendant will take the oral deposition of John Flannery at the following date, time, and place:

**Date: September 15, 2014**

**Time: 9:30 a.m.**

**Place: Tinsman & Sciano, Inc.  
10107 McAllister Frwy.  
San Antonio, Texas 78216**

The deposition will be recorded by stenographic means and will be videotaped. The deposition will continue from day to day until completed and may be used as evidence in the trial of this matter.

Respectfully submitted,

**HORNBERGER SHEEHAN FULLER &  
GARZA INCORPORATED**

The Quarry Heights Building

7373 Broadway, Suite 300

San Antonio, TX 78209

Tel: (210) 271-1700 Fax: (210) 271-1730

By: /s/ David Jed Williams

Patrick K. Sheehan

State Bar No. 18175500

Rudy A. Garza

State Bar No. 07738200

David Jed Williams

State Bar No. 21518060

**HUNTON & WILLIAMS LLP**

1445 Ross Avenue, Suite 3700

Dallas, Texas 75202

Tel.: (214) 979-3000; Fax: (214) 880-0011

Charles A. Gall

State Bar No. 07281500

Email: [cgal@hunton.com](mailto:cgal@hunton.com)

John C. Eichman

State Bar No. 06494800

Email: [jeichman@hunton.com](mailto:jeichman@hunton.com)

Amy S. Bowen

State Bar No. 24028216

Email: [abowen@hunton.com](mailto:abowen@hunton.com)

**ATTORNEYS FOR DEFENDANT,  
JPMORGAN CHASE BANK, N.A.,  
IN ALL ITS CAPACITIES**

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of this document was served upon the following, in the manner indicated, on the 28th day of August 2014:

Mr. George Spencer, Jr.  
Mr. Robert Rosenbach  
CLEMENS & SPENCER  
112 East Pecan St., Suite 1300  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. James L. Drought  
Ian Bolden  
DROUGHT DROUGHT & BOBBITT, LLP  
112 East Pecan St., Suite 2900  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. Richard Tinsman  
Ms. Sharon C. Savage  
TINSMAN & SCIANO, INC.  
10107 McAllister Freeway  
San Antonio, Texas 78205

**VIA ELECTRONIC SERVICE**

Mr. David R. Deary  
Mr. Jim L. Flegle  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251

**VIA ELECTRONIC SERVICE**

Mr. John B. Massopust  
Mr. Matthew Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, MN 55415-1152

**VIA ELECTRONIC SERVICE**

Mr. Michael S. Christian  
ZELLE HOFMANN VOELBEL & MASON  
44 Montgomery Street, Suite 3400  
San Francisco, California 94104

**VIA ELECTRONIC SERVICE**

Mr. Fred W. Stumpf  
GLAST, PHILLIPS & MURRAY  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

**VIA ELECTRONIC SERVICE**

/s/ David Jed Williams \_\_\_\_\_  
David Jed Williams

(Consolidated Under)  
CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET AL.	§	IN THE DISTRICT COURT
	§	
v.	§	<b>225TH</b>
	§	
JPMORGAN CHASE BANK, N.A.	§	<del>255th</del> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST and	§	
GARY P. AYMES	§	BEXAR COUNTY, TEXAS

**NON-PARTY SM ENERGY COMPANY'S  
MOTION TO QUASH AND FOR PROTECTIVE ORDER**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW SM Energy Company ("SM"), a non-party, and moves to quash and for a protective order from the attached deposition notice and subpoena duces tecum purporting to require a witness to appear for a deposition on written questions and produce documents 10:00 a.m. on August 29, 2014, and as grounds therefore, would respectfully shows as follows:

1. Plaintiffs issued and served the attached Deposition Subpoena Duces Tecum to Produce Documents and accompanying Notice of Intention to Take Deposition by Written Questions with Duces Tecum (jointly, the "Subpoena"). *See Exhibit A.* The Subpoena purports to require SM to produce the following items with respect to eight oil and gas leases SM owns in Webb County (collectively, the "SM Leases"):

- (1) The executed leases;

- (2) Any option agreements, letters of intent to lease or side agreements relative to the leases;
- (3) Any agreements relative to amendment, modification or extension of the leases;
- (4) Any lease data sheets relative to the lease;
- (5) Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
- (6) Any Lease Purchase Report ("LPR"); and
- (7) Any receipt or paid draft relative to the leases.

In essence, if SM were to respond to the document requests, it would be forced to turn over most, if not all, of the contents of its internal lease files for the SM Leases, including closely-guarded confidential and proprietary information.

2. Separately, SM has objected to the foregoing document requests. Those objections are attached hereto as **Exhibit B** and are incorporated herein by reference. The SM Leases about which Plaintiffs seek information were individually negotiated with sophisticated landowners and are specifically tailored to the properties they cover.<sup>1</sup> The lease provisions of all but two of the SM Leases are considered private, confidential and proprietary, and are maintained as such.<sup>2</sup> In order to preserve confidentiality, SM has not

---

<sup>1</sup> By way of example but without limitation, they include individualized royalty terms, drilling obligations and/or surface use provisions (or related surface use agreements), all of which are confidential in nature and unrelated to the claims in this lawsuit.

<sup>2</sup> The SM Leases identified as lease no.'s 2 and 4 in Plaintiffs' Subpoena are recorded in the public records of Webb County, Texas. The burden of obtaining a copy of such leases is thus the same or substantially the same for Plaintiffs as it is for SM.

filed the lease terms of record for the SM Leases covering acreage in Webb County, but has instead filed memoranda of leases and/or amendments thereto.

3. Moreover, the other documents and records Plaintiffs seek by the Subpoena involve letters of intent and other documents related to the negotiation of the SM Leases; "side agreements" related to the SM Leases (which would encompass, for example, surface use agreements); information about confidential bonus amounts paid to the mineral interest owners; and internal reports prepared and maintained by SM to document its purchase of the SM Leases and the terms of those leases. SM considers all of these items to be confidential. Individually or taken in combination, these materials also constitute privileged proprietary information and/or trade secrets that are valuable to SM's business and are not generally known to and are not readily ascertainable by proper means by other persons, including its competitors and other mineral owners. For instance, the bonus amounts SM has paid for the SM Leases and the specific terms of those leases (and related agreements) reveal SM's economic evaluation of the leased acreage. This type of information would be valuable to SM's competitors in the industry, and if obtained by those competitors could place SM at a competitive disadvantage.

4. In sum, the Subpoena should be quashed and/or a protective order directing that the requested discovery not be sought should be entered because the document requests invade the personal, constitutional and/or property rights of SM and the lessors under the SM Leases. Such relief is also necessary to protect SM from undue burden, unnecessary expense, harassment and annoyance.

5. Finally, the SM Leases are not at issue in this lawsuit, nor are they related

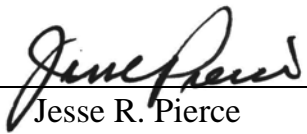
to or involved with the mineral interests or oil and gas leases about which Plaintiffs complain (i.e., the STS Trust acreage in *LaSalle and McMullen Counties* and the Petrohawk leases covering that acreage). Indeed, all of the SM Leases are located in *Webb County*, miles away from the acreage in question. Plaintiffs have failed to show that the expansive information it seeks about the SM Leases is relevant in any way to this case, much less that it has relevance sufficient to outweigh the burden, expense and harm that would be incurred by SM if it is forced to respond to the Subpoena.

6. For the foregoing reasons, SM brings this motion asking the Court to quash the Subpoena and protect SM from having to respond to the document requests contained therein, which would force SM to reveal its confidential materials and privileged proprietary and/or trade secret information. Alternatively and at the very least, SM requests entry of a protective order limiting the scope of the discovery requests and containing provisions for an "attorneys' eyes only designation" and other protections suitable to preserve the confidential nature of any information SM may be required to produce.

WHEREFORE, SM requests that the Court quash the Subpoena and/or issue a protective order in favor of SM, along with all other and further relief to which it may be justly entitled.

Respectfully submitted,

PIERCE & O'NEILL, LLP

By:   
\_\_\_\_\_  
Jesse R. Pierce  
State Bar No. 15995400  
(713) 634-3636 Direct  
jpierce@pierceneill.com

4203 Montrose Boulevard  
Houston, Texas 77006  
(713) 634-3600 Main  
(713) 634-3601 Fax

ATTORNEY FOR MOVANT  
SM ENERGY COMPANY



**CERTIFICATE OF SERVICE**

This is to certify that on the 28th day of August, 2014, a true and correct copy of the above and foregoing document has been served via electronic service:

David Jed Williams  
Patrick K. Sheehan  
Rudy A. Garza  
HORNBERGER SHEEHAN FULLER & GARZA  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, Texas 78209

Charles A. Gall  
John C. Eichman  
Amy S. Bowen  
HUNTON & WILLIAMS LLP  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

Kevin M. Beiter  
MCGINNIS LOCHRIDGE  
600 Congress Avenue, Suite 2100  
Austin, Texas 78701

George Spencer, Jr.  
Robert Rosenbach  
CLEMENS & SPENCER  
112 East Pecan Street, Suite 1300  
San Antonio, Texas 78205

James L. Drought  
Ian Bolden  
DROUGHT DROUGHT & BOBBITT, LLP  
112 East Pecan Street, Suite 2900  
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Daniel J.T. Sciano  
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TINSMAN & SCIANO, INC.  
10107 McAllister Freeway  
San Antonio, Texas 78205

David R. Deary  
Jim L. Flegle  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
123 77 Merit Drive, Suite 900  
Dallas, Texas 75251

John B. Massopust  
Matthew Gallinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415

Michael S. Christian  
ZELLE HOFMANN VOELBEL & MASON LLP  
44 Montgomery Street, Suite 3400  
San Francisco, California 94104

Fred W. Stumpf  
GLAST, PHILLIPS & MURRAY  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

Shayne D. Moses  
Timothy D. Howell  
MOSES, PALMER & HOWELL, L.L.P.  
309 W. 7th Street, Suite 815  
Fort Worth, Texas 76102

  
\_\_\_\_\_  
Jesse R. Pierce

# **EXHIBIT A**

FILED  
8/8/2014 5:32:14 PM  
Donna Kay McKinney  
Bexar County District Clerk  
Accepted By: Monica Hernandez

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST,	§	
Defendant.	§	BEXAR COUNTY, TEXAS

DEPOSITION SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS  
ISSUED IN THE NAME OF THE STATE OF TEXAS

TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR  
OTHER PERSON DULY AUTHORIZED TO SERVE OR EXECUTE  
SUBPOENAS:

The Subpoena is directed to:

**CUSTODIAN OF RECORDS FOR:**

**SM Energy Company  
Corporation Service Company d/b/a CDC-Lawyers Incorporating  
Service Company  
211 E. 7<sup>th</sup> Street, Ste. 620  
Austin, Texas 78701**

This Subpoena directs the Custodian of Records for SM ENERGY  
COMPANY, to appear at **10:00 a.m. on August 29, 2014**, before a notary public  
at the following location:

**1776 Lincoln Street, Ste. 700  
Denver, CO 80203**

and answer under oath written questions to be propounded by counsel for  
Plaintiffs and to produce for inspection and photocopying the documents and  
records described on Exhibit "A" attached to the Notice Duces Tecum of Intent to  
Take Deposition by Written Questions served with and attached to this Subpoena.

This Subpoena is issued at the instance and request of Plaintiffs, John K. Meyer, et al. The attorney of record for Plaintiff is: James L. Drought, Drought, Drought & Bobbitt, L.L.P., 112 E. Pecan St., Suite 2900, San Antonio, Texas 78205.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a) STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.**

This Subpoena is issued by James L. Drought, attorney for Plaintiffs, on behalf of Plaintiffs.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
(612) 339-2020 - Telephone  
(612) 336-9100 - Facsimile  
**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,  
LINDA ALDRICH, ET AL.**

Jim L. Flegle  
State Bar No. 07118600  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Dr., Suite 900  
Dallas, Texas 75251  
(214) 572-1700 - Telephone  
(214) 572-1717 - Facsimile  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

Daniel J.T. Sciano  
State Bar No. 17881200  
Richard Tinsman  
State Bar No. 20064000

Sharon C. Savage  
State Bar No. 0474200  
TINSMAN & SCIANO, INC.  
10107 McAllister Fwy  
San Antonio, Texas 78216  
Telephone: (210) 225-3121  
Facsimile: (210) 225-6235

George H. Spencer, Jr.  
State Bar No. 18921001  
Robert Rosenbach  
State Bar No. 17266400  
CLEMENS & SPENCER, P.C.  
112 East Pecan Street, Suite 1300  
San Antonio, Texas 78205  
Telephone: (210) 227-7121  
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DROUGHT, DROUGHT & BOBBITT, LLP  
2900 Weston Centre  
112 East Pecan Street  
San Antonio, Texas 78205  
(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By: \_\_\_\_\_ /s/

James L. Drought  
State Bar No. 06135000

**ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.**

**RETURN**

CAME ON TO HAND ON THE 12<sup>th</sup> DAY OF August, 2014, AT 8:30  
O'CLOCK A.M. AND EXECUTED (NOT EXECUTED) ON THE \_\_\_\_ DAY OF  
\_\_\_\_, 2014, BY DELIVERING TO \_\_\_\_\_, A TRUE COPY OF THIS  
SUBPOENA UPON WHICH I ENDORSED THE DATE OF DELIVERY. CAUSE  
OF FAILURE TO EXECUTE THIS SUBPOENA IS  
\_\_\_\_\_.

TOTAL FEES: \$ \_\_\_\_\_

\_\_\_\_\_  
DALLAS COUNTY, TEXAS

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

**NON-PEACE OFFICER VERIFICATION**

VERIFICATION OF RETURN (IF NOT SERVED BY PEACE OFFICER)

SWORN TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST,	§	
Defendant.	§	BEXAR COUNTY, TEXAS

**NOTICE OF INTENTION TO TAKE DEPOSITION BY WRITTEN QUESTION  
WITH DUCES TECUM**

Plaintiff, John K. Meyer, et al, will take a deposition by written questions of the Custodian of Records for **SM Energy Company**. at the following date, time, and place:

Date: **August 29, 2014**

Time: **10:00 a.m.**

Place: **SM Energy Company  
1776 Lincoln Street, Ste. 700  
Denver, CO 80203**

Notice is further given that the witness shall produce at the deposition for inspection and photocopying the documents and records listed and described on the attached Exhibit "A".

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
(612) 339-2020 - Telephone  
(612) 336-9100 - Facsimile  
**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,**



**LINDA ALDRICH, ET AL.**

Jim L. Flegle  
State Bar No. 07118600  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Dr., Suite 900  
Dallas, Texas 75251  
(214) 572-1700 - Telephone  
(214) 572-1717 - Facsimile  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

Daniel J.T. Sciano  
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Robert Rosenbach  
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112 East Pecan Street  
San Antonio, Texas 78205  
(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By:           /s/            
James L. Drought  
State Bar No. 06135000  
**ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been sent  
by:

           U.S. Certified Mail, Return Receipt Requested to:  
           Facsimile to:  
           First Class Mail to:  
           Hand Delivery to:  
  √   E-filing Service to:

Mr. Patrick K. Sheehan  
Mr. David Jed Williams  
Hornberger Sheehan Fuller & Garza Incorporated  
7373 Broadway, Suite 300  
San Antonio, TX 78209

Kevin M. Beiter  
McGinnis Lochridge  
600 Congress Avenue, Suite 2100  
Austin, Texas 78701

Mr. Charles A. Gall  
Mr. John C. Eichman  
Hunton & Williams LLP  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

Mr. Fred W. Stumpf  
Boyer Short, A Professional Corporation  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

on this the 8<sup>th</sup> day of August, 2014.

*/s/*  
\_\_\_\_\_  
James L. Drought

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST,	§	
Defendant.	§	BEXAR COUNTY, TEXAS

**DEPOSITION ON WRITTEN QUESTIONS PROPOUNDED UPON THE  
WITNESS, CUSTODIAN OF RECORDS FOR SM ENERGY COMPANY**

1. Please state your full name, business address, and official title.

**ANSWER:**

---

2. Did you receive a subpoena for the production of the documents and records listed and described on Exhibit "A" attached to these questions?

**ANSWER:**

---

3. Have these documents and records been produced for this deposition, bates numbered, and delivered to the officer taking this deposition?

**ANSWER:**

---

4. Are you the custodian of these documents or records for **SM ENERGY COMPANY**?

**ANSWER:**

---

5. What is the Bates number range for the documents and records produced for this deposition?

**ANSWER:**

---

6. Are the documents and records produced for this deposition originals or photocopies of the original documents?

**ANSWER:**

---

7. Are the documents and records produced for this deposition memoranda, reports, records or data compilations of acts, events, or conditions made at or near the time by or from information transmitted by, a person with knowledge?

**ANSWER:**

---

8. Are these documents and records kept in the course of a regularly conducted business activity of **SM ENERGY COMPANY**?

**ANSWER:**

---

9. Was it the regular practice of the business activity of **SM ENERGY COMPANY** to make the memorandum, report, record or data compilation reflected in these documents and records?

**ANSWER:**

---

---

**WITNESS, CUSTODIAN OF RECORDS FOR  
SM ENERGY COMPANY**

I \_\_\_\_\_, a Notary Public in and for the State of Texas, do hereby certify that the forgoing answers of the witness were made by the said witness and sworn to and subscribed before me.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

## REQUEST FOR PRODUCTION

Please produce the following documents relating to the leases described below:

- The executed leases;
  - Any option agreements, letters of intent to lease or side agreements relative to the leases;
  - Any agreements relative to amendment, modification or extension of the leases;
  - Any lease data sheets relative to the lease;
  - Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
  - Any Lease Purchase Report ("LPR") and;
  - Any receipt or paid draft relative to the lease
- 

**NO. 1:** Oil and Gas Lease dated April 24, 2008 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 7,287.96 acres in Webb County, Texas.

**NO. 2:** Oil and Gas Lease dated September 28, 2008 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 370.10 acres in Webb County, Texas.

**NO. 3:** Oil and Gas Lease dated October 1, 2008 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 3,573.66 acres in Webb County, Texas.

**NO. 4:** Oil and Gas Lease dated May 1, 2009 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 2,928.62 acres in Webb County, Texas.

**NO. 5:** Oil and Gas Lease dated December 10, 2009 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 2,617.33 acres in Webb County, Texas.

**NO. 6:** Oil and Gas Lease dated March 2, 2010 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 2,846.15 acres in Webb County, Texas.

**NO. 7:** Oil and Gas Lease dated May 1, 2010 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 18,303.34 acres in Webb County, Texas.

**NO. 8:** Oil and Gas Lease dated May 31, 2010 between Briscoe Ranch, Inc. and St. Mary Land & Exploration Company covering 2,846.15 acres in Webb County, Texas.



# **EXHIBIT B**

(Consolidated Under)  
CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET AL.	§	IN THE DISTRICT COURT
	§	
v.	§	
	§	<b>225TH</b>
JPMORGAN CHASE BANK, N.A.	§	<del>255th</del> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST and	§	
GARY P. AYMES	§	BEXAR COUNTY, TEXAS

**NON-PARTY SM ENERGY COMPANY'S OBJECTIONS TO  
REQUESTS FOR PRODUCTION IN SUBPOENA DUCES TECUM**

Non-party SM Energy Company ("SM") objects as follows to the document requests set forth on Exhibit "A" to the Notice of Intention to Take Deposition by Written Questions with Duces Tecum dated August 12, 2014, which was served with and attached to Plaintiffs' Deposition Subpoena Duces Tecum to Produce Documents:

**OBJECTIONS TO REQUESTS**

- The executed leases.<sup>1</sup>

Objection: With respect to the leases described as numbers 1, 3, and 5-7, SM objects on grounds that this request seeks confidential and proprietary information.

Objection: With respect to the leases described as numbers 2 and 4, such leases are filed in the public records of Webb County, Texas. SM thus objects to producing such

---

<sup>1</sup> SM is unaware of a May 31, 2010 lease between Briscoe Ranch Inc. and St. Mary Land & Exploration Company described as no. 8 in Plaintiffs' subpoena.

leases because the burden of doing so is the same or substantially the same for Plaintiffs as it is for SM.

Objection: SM objects to this request in its entirety because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

- Any option agreements, letters of intent to lease or side agreements relative to the leases.

Objection: SM objects to this request because it seeks confidential and proprietary information, is overly broad, and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. SM also objects to this request because the term "side agreements" is vague and ambiguous.

- Any agreements relative to amendment, modification or extension of the leases.

Objection: SM objects to this request because it seeks confidential and proprietary information and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

- Any lease data sheets relative to the lease.

Objection: SM objects to this request because it seeks confidential and proprietary information and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. SM further objects to this request because the term "lease data sheets" is vague and ambiguous.

- Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre).

Objection: SM objects to this request because it seeks confidential and proprietary information and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.


- Any Lease Purchase Report ("LPR").

Objection: SM objects to this request because it seeks confidential and proprietary information and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. SM further objects to this request because the term "Lease Purchas Report" is vague and ambiguous.

- Any receipt or paid draft relative to the leases.

Objection: SM objects to this request because it seeks confidential and proprietary information and because the documents sought are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

PIERCE & O'NEILL, LLP

By:   
\_\_\_\_\_  
Jesse R. Pierce  
State Bar No. 15995400  
(713) 634-3636 Direct  
jpierce@pierceneill.com

4203 Montrose Boulevard  
Houston, Texas 77006  
(713) 634-3600 Main  
(713) 634-3601 Fax

ATTORNEY FOR  
SM ENERGY COMPANY

**CERTIFICATE OF SERVICE**

This is to certify that on the 28th day of August, 2014, a true and correct copy of the above and foregoing document has been served via fax as indicated below:

David Jed Williams  
Patrick K. Sheehan  
Rudy A. Garza  
HORNBERGER SHEEHAN FULLER & GARZA  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, Texas 78209  
Fax: (210) 271-1740

Charles A. Gall  
John C. Eichman  
Amy S. Bowen  
HUNTON & WILLIAMS LLP  
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Kevin M. Beiter  
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Robert Rosenbach  
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Ian Bolden  
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Sharon C. Savage  
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Fred W. Stumpf  
GLAST, PHILLIPS & MURRAY  
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Houston, Texas 77046  
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Shayne D. Moses  
Timothy D. Howell  
MOSES, PALMER & HOWELL, L.L.P.  
309 W. 7th Street, Suite 815  
Fort Worth, Texas 76102  
Fax: (817) 255-9199

  
\_\_\_\_\_  
Jesse R. Pierce

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET. AL.	§	IN THE DISTRICT COURT
	§	
VS.	§	225TH JUDICIAL DISTRICT
	§	
JPMORGAN CHASE BANK, N.A.	§	
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST	§	
and GARY P. AYMES	§	BEXAR COUNTY, TEXAS

**SOLO ENERGY, L.P.’S RESPONSE TO DEFENDANT JPMORGAN CHASE BANK, N.A.’S MOTION TO COMPEL AND MOTION TO SET THIRD PARTIES’ OBJECTIONS FOR HEARING**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW Non-Party SOLO ENERGY, L.P. and file this its Response to Defendant, JPMORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST’s Motion to Compel and Motion to Set Third Parties’ Objections for Hearing, and would show as follows:

**I.**

1. On July 11, 2014, counsel for JPMORGAN CHASE served their Deposition Subpoena Duces Tecum to Produce Documents (“Subpoena”) on Shane Riley, President of Non-Party SOLO ENERGY, L.P. (“SOLO”) directing SOLO to appear on August 6, 2014 at 10:00am and which demanded SOLO to produce confidential documents.

2. On August 1, 2014, SOLO moved for a Protective Order on the Subpoenas.

3. On August 12, 2014, JPMORGAN CHASE filed their Motion to Compel and Motion to Set Third Parties’ Objections for Hearing.

## II.

4. This hearing was originally set for August 22, 2014, then was postponed to August 29, 2014 and again postponed to September 3, 2014. SOLO and its undersigned counsel each had separate prior commitments and are not available for the hearing on September 3, 2014. Counsel for JPMORGAN CHASE graciously agreed to accept Affidavits for in lieu of live testimony.

5. Other than the recorded Memorandum, which contained no confidential or proprietary information, the remaining information requested in the Subpoena is confidential and proprietary. For this reason, SOLO does not record its Oil & Gas Leases. The information requested, other than the recorded Memorandum, also represents the investment of significant time, effort, reputation and expense and such information provides significant competitive advantages in the oil and gas business. Except for the recorded Memorandum, the information contained in the requested documents was negotiated between the parties and specifically developed with an understanding that the terms and conditions of the requested documents would be proprietary, confidential and not available to others as evidenced by the filing of only a memorandum. SOLO's ability to obtain the requested oil and gas lease was due in large part to its history of dealing with the Lessor and the trust and confidence of the Lessor in its ability to maintain the confidentiality of both negotiations and resulting documents. SOLO's reputation for keeping confidential and proprietary information from being known by third parties is essential to its ability to continue doing business. SOLO does not share lease information, other than the recorded Memorandum, with third parties in order to keep his competitive business edge. The improper use or disclosure of the requested confidential and proprietary information may cause SOLO to



incur financial costs and loss of business advantage as well as being an invasion of its personal, constitutional and property rights. SOLO protects the disclosure of the documents containing confidential and proprietary information requested in the Subpoena by securing the confidential and proprietary documents in its office under lock and key as to prevent the dissemination of said documents and the contents therein to any third parties. See Exhibit "A", Affidavit of Shane Riley, President of Solo Energy, L.P. attached hereto.

6. The Subpoena request constitutes an invasion of the personal, constitutional, proprietary and property rights of SOLO and others under both the Texas and Federal Constitutions. See Tex. R. Civ. P. 192.6(b). The Subpoena request also creates an undue burden, unnecessary expense, harassment and annoyance to SOLO. See Tex. R. Civ. P. 192.6(b). Furthermore, the documents requested seek discovery of matters, things and information which SOLO believes are not relevant or material to the subject matter in the pending action to which SOLO is not a party, nor are the documents sought reasonably calculated to lead to the discovery of admissible evidence.

7. A trial court has broad discretion to protect a party with a Protective Order. SOLO asks the Court to exercise its discretion, quash the Subpoena for production of documents and grant a Protective Order to protect SOLO from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, proprietary and property rights.

### **PRAYER**

For the reasons stated above, Non-Party SOLO ENERGY, L.P. asks the Court to quash JPMORGAN CHASE's Deposition Subpoena Duces Tecum to Produce

Documents and issue a Protective Order regarding same, award SOLO reasonable costs including attorney's fees, together with any other relief as this Court may find appropriate.

Respectfully submitted,

THE NUNLEY FIRM, PLLC  
1580 South Main Street, Suite 200  
Boerne, TX 78006  
Telephone: (830) 816-3333  
Facsimile: (830) 816-3388

By: /s/ Andrew J. Aelvoet  
ANDREW J. AELVOET  
State Bar No. 00798025  
[aaelvoet@nunleyfirm.com](mailto:aaelvoet@nunleyfirm.com)

**ATTORNEY FOR NON-PARTY,  
SOLO ENERGY, L.P.**

**CERTIFICATE OF SERVICE**

I certify that I have served a copy of the above and foregoing via electronic service pursuant to the Texas Rules of Civil Procedure on this the 26th day of August, 2014 as follows:

<p>Mr. Patrick K. Sheehan Mr. David Jed Williams HORNBERGER SHEEHAN FULLER &amp; GARZA INCORPORATED 7373 Broadway, Suite 300 San Antonio, TX 78209</p> <p>Mr. George Spencer, Jr. Mr. Robert Rosenbach CLEMENS &amp; SPENCER 112 East Pecan St., Suite 1300 San Antonio, Texas 78205</p> <p>Mr. James L. Drought Mr. Ian Bolden DROUGHT DROUGHT &amp; BOBBITT, LLP 112 East Pecan St., Suite 2900 San Antonio, Texas 78205</p> <p>Mr. Richard Tinsman Ms. Sharon C. Savage TINSMAN &amp; SCIANO, INC. 10107 McAllister Freeway San Antonio, Texas 78205</p>	<p>Mr. David R. Deary Mr. Jim L. Flegle LOEWINSOHN FLEGLE DEARY, L.L.P. 12377 Merit Drive, Suite 900 Dallas, Texas 75251</p> <p>Mr. John B. Massopust Mr. Matthew Gollinger ZELLE HOFMANN VOELBEL &amp; MASON LLP 500 Washington Avenue South, Suite 4000 Minneapolis, MN 55415-1152</p> <p>Mr. Michael S. Christian ZELLE HOFMANN VOELBEL &amp; MASON 44 Montgomery Street, Suite 3400 San Francisco, California 94104</p> <p>Mr. Fred W. Stumpf GLAST, PHILLIPS &amp; MURRAY Nine Greenway Plaza, Suite 3100 Houston, Texas 77046</p>
---	---

/s/ Andrew J. Aelvoet  
Andrew J. Aelvoet

JOHN K. MEYER, ET. AL.

§  
§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT

VS.

225TH JUDICIAL DISTRICT

JPMORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST  
and GARY P. AYMES

BEXAR COUNTY, TEXAS

**AFFIDAVIT OF SHANE RILEY**

BEFORE ME, the undersigned authority, on this day personally appeared Shane Riley known to me to be the person whose name is subscribed below and who under oath did state the following:

1. "My name is Shane Riley. I am over the age of eighteen (18), have never been convicted of a felony or a crime involving moral turpitude, and I am fully competent to make this Affidavit. I am the President of Solo Energy, L.P. and have been since its inception. The matters and facts stated herein are within my personal knowledge and are true and correct.

2. On July 11, 2014, I was served with JPMORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST's Deposition Subpoena Duces Tecum to Produce Documents ("Subpoena"). A true and correct copy of the Subpoena is attached hereto.

3. The Subpoena demanded that I appear and produce the following:

**"Please produce the following documents relating to the leases described below:**

- **The executed lease;**
- **Any option agreements, letters of intent to lease or side agreements relative to the leases:**
- **Any agreement relative to amendment, modification or extension of the leases;**
- **Any lease data sheets relative to the lease;**

- Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
- Any Lease Purchase Report ("LPR") and;
- Any receipt or paid draft relative to the leases

**1. Seismic Memorandum, dated 11/5/2008 from Briscoe Ranch, Inc., as Grantor, to SOLO ENERGY, L.P., as Grantee, recorded in Volume 483 Page 315 Oil and Gas Lease Records LaSalle County, Texas, comprising 31,934.19 acres of land, more or less, in such county."**

4. Other than the Memorandum, which contained no confidential or proprietary information, the remaining information requested in the Subpoena is confidential and proprietary. For this reason Solo Energy, L.P. does not record Oil & Gas Leases.

5. The information requested, other than the Memorandum, also represents the investment of significant time, effort, reputation and expense and such information provides significant competitive advantages in the oil and gas business.

6. Except for the Memorandum, the information contained in the requested documents was negotiated between the parties and specifically developed with an understanding that the terms and conditions of the requested documents would be proprietary, confidential and not available to others as evidenced by the filing of only a memorandum.

7. Solo Energy, L.P.'s ability to obtain the requested oil and gas lease was due in large part to Solo Energy, L.P.'s history of dealing with the Lessor and the trust and confidence of the Lessor in Solo Energy, L.P.'s ability to maintain the confidentiality of both negotiations and resulting documents. Solo Energy, L.P.'s reputation for

keeping confidential and proprietary information from being known by third parties is essential to Solo Energy, L.P.'s ability to continue doing business.

8. Solo Energy, L.P. does not share lease information, other than the Memorandum, with third parties in order to keep its competitive business edge. The improper use or disclosure of the requested confidential and proprietary information may cause Solo Energy, L.P. to incur financial costs and loss of business advantage as well as being an invasion of Solo Energy, L.P.'s constitutional and proprietary property rights.

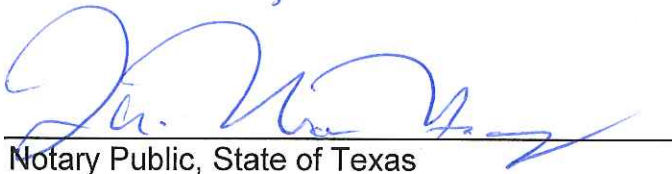
9. Solo Energy, L.P. protects the disclosure of the documents containing confidential and proprietary information requested in the Subpoena by securing them in Solo Energy, L.P.'s office under lock and key as to prevent the dissemination of said documents and the contents therein to any third parties."

Further Affiant sayeth not.



SHANE RILEY, President of Solo Energy, L.P.

SWORN TO AND SUBSCRIBED BEFORE ME by the said SHANE RILEY, President of Solo Energy, L.P. on this the 25 day of August, 2014.



Notary Public, State of Texas

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET. AL.	§	IN THE DISTRICT COURT
	§	
VS.	§	225TH JUDICIAL DISTRICT
	§	
JPMORGAN CHASE BANK, N.A.	§	
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST	§	
and GARY P. AYMES	§	BEXAR COUNTY, TEXAS

**EDWARD G. VAUGHAN’S RESPONSE TO DEFENDANT JPMORGAN CHASE BANK, N.A.’S MOTION TO COMPEL AND MOTION TO SET THIRD PARTIES’ OBJECTIONS FOR HEARING**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW Non-Party EDWARD G. VAUGHAN and file this his Response to Defendant, JPMORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST’s Motion to Compel and Motion to Set Third Parties’ Objections for Hearing, and would show as follows:

**I.**

1. On July 11, 2014, counsel for JPMORGAN CHASE served their Deposition Subpoena Duces Tecum to Produce Documents (“Subpoena”) on Non-Party EDWARD G. VAUGHAN (“VAUGHAN”) directing him to appear on August 6, 2014 at 10:00am and which demanded VAUGHAN to produce confidential documents.

2. On August 1, 2014, VAUGHAN moved for a Protective Order on the Subpoenas.

3. On August 12, 2014, JPMORGAN CHASE filed their Motion to Compel and Motion to Set Third Parties’ Objections for Hearing.

## II.

4. This hearing was originally set for August 22, 2014, then was postponed to August 29, 2014 and again postponed to September 3, 2014. VAUGHAN and his undersigned counsel each had separate prior commitments and are not available for the hearing on September 3, 2014. Counsel for JPMORGAN CHASE graciously agreed to accept an Affidavit in lieu of live testimony.

5. Other than the recorded Memorandum, which contained no confidential or proprietary information, the remaining information requested in the Subpoena is confidential and proprietary. For this reason, VAUGHAN does not record his Oil & Gas Leases. The information requested, other than the recorded Memorandum, also represents the investment of significant time, effort, reputation and expense and such information provides significant competitive advantages in the oil and gas business. Except for the recorded Memorandum, the information contained in the requested documents was negotiated between the parties and specifically developed with an understanding that the terms and conditions of the requested documents would be proprietary, confidential and not available to others as evidenced by the filing of only a memorandum. VAUGHAN's ability to obtain the requested oil and gas lease was due in large part to his history of dealing with the Lessor and the trust and confidence of the Lessor in his ability to maintain the confidentiality of both negotiations and resulting documents. VAUGHAN's reputation for keeping confidential and proprietary information from being known by third parties is essential to his ability to continue doing business. VAUGHAN does not share lease information, other than the recorded Memorandum, with third parties in order to keep his competitive business edge. The improper use or



disclosure of the requested confidential and proprietary information may cause VAUGHAN to incur financial costs and loss of business advantage as well as being an invasion of his personal, constitutional and property rights. VAUGHAN protects the disclosure of the documents containing confidential and proprietary information requested in the Subpoena by securing the confidential and proprietary documents in his office under lock and key as to prevent the dissemination of said documents and the contents therein to any third parties. See Exhibit "A", Affidavit of Edward G. Vaughan attached hereto.

6. The Subpoena request constitutes an invasion of the personal, constitutional, proprietary and property rights of VAUGHAN and others under both the Texas and Federal Constitutions. See Tex. R. Civ. P. 192.6(b). The Subpoena request also creates an undue burden, unnecessary expense, harassment and annoyance to VAUGHAN. See Tex. R. Civ. P. 192.6(b). Furthermore, the documents requested seek discovery of matters, things and information which VAUGHAN believes are not relevant or material to the subject matter in the pending action to which VAUGHAN is not a party, nor are the documents sought reasonably calculated to lead to the discovery of admissible evidence.

7. A trial court has broad discretion to protect a party with a Protective Order. VAUGHAN asks the Court to exercise its discretion, quash the Subpoena for production of documents and grant a Protective Order to protect VAUGHAN from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, proprietary and property rights.

**PRAYER**

For the reasons stated above, Non-Parties SOLO ENERGY, L.P. and EDWARD G. VAUGHAN ask the Court to quash JPMORGAN CHASE's Deposition Subpoena Duces Tecum to Produce Documents and issue Protective Orders regarding same, award SOLO and VAUGHAN reasonable costs including attorney's fees, together with any other relief as this Court may find appropriate.

Respectfully submitted,

THE NUNLEY FIRM, PLLC  
1580 South Main Street, Suite 200  
Boerne, TX 78006  
Telephone: (830) 816-3333  
Facsimile: (830) 816-3388

By: /s/ Andrew J. Aelvoet  
ANDREW J. AELVOET  
State Bar No. 00798025  
[aaelvoet@nunleyfirm.com](mailto:aaelvoet@nunleyfirm.com)

**ATTORNEY FOR NON-PARTY,  
EDWARD G. VAUGHAN**

**CERTIFICATE OF SERVICE**

I certify that I have served a copy of the above and foregoing via electronic service pursuant to the Texas Rules of Civil Procedure on this the 26th day of August, 2014 as follows:

<p>Mr. Patrick K. Sheehan Mr. David Jed Williams HORNBERGER SHEEHAN FULLER &amp; GARZA INCORPORATED 7373 Broadway, Suite 300 San Antonio, TX 78209</p> <p>Mr. George Spencer, Jr. Mr. Robert Rosenbach CLEMENS &amp; SPENCER 112 East Pecan St., Suite 1300 San Antonio, Texas 78205</p> <p>Mr. James L. Drought Mr. Ian Bolden DROUGHT DROUGHT &amp; BOBBITT, LLP 112 East Pecan St., Suite 2900 San Antonio, Texas 78205</p> <p>Mr. Richard Tinsman Ms. Sharon C. Savage TINSMAN &amp; SCIANO, INC. 10107 McAllister Freeway San Antonio, Texas 78205</p>	<p>Mr. David R. Deary Mr. Jim L. Flegle LOEWINSOHN FLEGLE DEARY, L.L.P. 12377 Merit Drive, Suite 900 Dallas, Texas 75251</p> <p>Mr. John B. Massopust Mr. Matthew Gollinger ZELLE HOFMANN VOELBEL &amp; MASON LLP 500 Washington Avenue South, Suite 4000 Minneapolis, MN 55415-1152</p> <p>Mr. Michael S. Christian ZELLE HOFMANN VOELBEL &amp; MASON 44 Montgomery Street, Suite 3400 San Francisco, California 94104</p> <p>Mr. Fred W. Stumpf GLAST, PHILLIPS &amp; MURRAY Nine Greenway Plaza, Suite 3100 Houston, Texas 77046</p>
---	---

/s/ Andrew J. Aelvoet  
Andrew J. Aelvoet

JOHN K. MEYER, ET. AL.

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§

IN THE DISTRICT COURT

VS.

225TH JUDICIAL DISTRICT

JPMORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST  
and GARY P. AYMES

BEXAR COUNTY, TEXAS

**AFFIDAVIT OF EDWARD G. VAUGHAN**

BEFORE ME, the undersigned authority, on this day personally appeared EDWARD G. VAUGHAN, known to me to be the person whose name is subscribed below and who under oath did state the following:

1. My name is EDWARD G. VAUGHAN. I am over the age of eighteen (18), have never been convicted of a felony or a crime involving moral turpitude, and I am fully competent to make this Affidavit. The matters and facts stated herein are within my personal knowledge and are true and correct.

2. On July 11, 2014, I was served with JPMORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST's Deposition Subpoena Duces Tecum to Produce Documents ("Subpoena"). A true and correct copy of the Subpoena is attached hereto.

3. The Subpoena demanded that I appear and produce the following:

**"Please produce the following documents relating to the leases described below:**

- **The executed leases;**
- **Any option agreements, letters of intent to lease or side agreements relative to the leases;**
- **Any agreements relative to amendment, modification or extension of the leases;**

- Any lease data sheets relative to the lease;
- Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
- Any Lease Purchase Report ("LPR") and;
- Any receipt or paid draft relative to the leases

**1. Memorandum of Lease, dated 1/2/2007 from Briscoe Ranch, Inc., as Grantor, to EDWARD G. VAUGHAN, as Grantee, recorded in Volume 2484 Page 238 Oil and Gas Lease Records Webb County, Texas, comprising 6,453.75 acres of land, more or less, in such county."**

4. Other than the Memorandum, which contained no confidential or proprietary information, the remaining information requested in the Subpoena is confidential and proprietary. For this reason I do not record my Oil & Gas Leases.

5. The information requested, other than the Memorandum, also represents the investment of significant time, effort, reputation and expense and such information provides significant competitive advantages in the oil and gas business.

6. Except for the Memorandum, the information contained in the requested documents was negotiated between the parties and specifically developed with an understanding that the terms and conditions of the requested documents would be proprietary, confidential and not available to others as evidenced by the filing of only a memorandum.

7. My ability to obtain the requested oil and gas lease was due in large part to my history of dealing with the Lessor and the trust and confidence of the Lessor in my ability to maintain the confidentiality of both negotiations and resulting documents. My reputation for keeping confidential and proprietary information from being known by third parties is essential to my ability to continue doing business.

8. I do not share lease information, other than the Memorandum, with third parties in order to keep my competitive business edge. The improper use or disclosure of the requested confidential and proprietary information may cause me to incur financial costs and loss of business advantage as well as being an invasion of my personal, constitutional and property rights.

9. I protect the disclosure of the documents containing confidential and proprietary information requested in the Subpoena by securing them in my office under lock and key as to prevent the dissemination of said documents and the contents therein to any third parties.”

Further Affiant sayeth not.

  
EDWARD G. VAUGHAN

SWORN TO AND SUBSCRIBED BEFORE ME by the said EDWARD G. VAUGHAN on this the 25<sup>th</sup> day of August, 2014.

[seal]



  
Notary Public, State of Texas

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT OF
	§	
Plaintiffs,	§	
	§	
VS.	§	BEXAR COUNTY, TEXAS
	§	
JPMORGAN CHASE BANK,	§	
N.A., ET AL.,	§	
	§	
Defendants.	§	225 <sup>th</sup> JUDICIAL DISTRICT

**EP ENERGY E&P COMPANY, L.P.'S MOTION FOR PROTECTION**

EP Energy E&P Company, L.P. (“EP Energy”), a non-party to the underlying lawsuit between plaintiffs John K. Meyer, et al., (“Meyer”) and defendant JPMorgan Chase Bank, N.A. (“JPMC”) in Bexar County, hereby seeks a protective order under Rules 176.6(d-e), 176.7, and 192.6(b) of the Texas Rules of Civil Procedure from a subpoena issued in the underlying lawsuit.

EP Energy is not a party to the underlying Bexar-County lawsuit between Meyer and JPMC. Nonetheless, the subpoena seeks highly-sensitive commercial information relating to EP Energy’s oil and gas leases with other mineral owners who also are not involved in the underlying lawsuit. The subject leases are in the highly competitive Eagle Ford shale play in various Texas counties. Maintaining the confidentiality of this commercial information is an essential element of such exploration operations. EP Energy has no stake in the Bexar County lawsuit, it should not be compelled to divulge its confidential information and destroy its proprietary value. *See* Exhibit A, Trenton C. Sims Affidavit.

**I. VENUE**

1. This motion is filed in Bexar County District Court pursuant to Tex. R. Civ. P. 176.6(e), which provides:

A person commanded to appear at a deposition, ... or to produce and permit inspection and copying of designated documents and things..., may move for a protective order under Rule 192.6(b)... either in the court in which the action is pending or in a district court in the county where the subpoena was served.

Tex. R. Civ. P. 176.6(e) (emphasis added).

## II. FACTUAL BACKGROUND

2. The Meyer plaintiffs sued JPMC in the underlying lawsuit in Bexar County, Cause No. 2010-CI-10977, *John K. Meyer, et al, v. JPMorgan Chase Bank, N.A., et al.* (the “Underlying Lawsuit”). The plaintiffs are dozens of beneficiaries of the South Texas Syndicate Trust. The South Texas Syndicate Trust owns a 132,000-acre mineral trust in La Salle and McMullen Counties. The Plaintiffs allege that the trustee JPMC breached its duties by “(1) leasing out all available acreage (approximately 80,000 acres) to one of its commercial clients, Petrohawk, for exceedingly low bonus compensation; (2) failing to procure leases with adequate terms and development requirements; and (3) failing to obtain releases of acreage subject to terminated leases held by certain other J.P. Morgan commercial clients, allowing these commercial clients to “flip” the STS acreage for exorbitant profits.”

3. On or about August 13, 2014, the Meyer Plaintiffs served a subpoena on EP Energy requesting a deposition on written questions and documents to be produced on or before August 29, 2014, less than 30 days later (the “Meyer Subpoena”). *See*, Exhibit B. The Meyer Subpoena seeks, among other things, disclosure of the confidential and proprietary terms of other EP Energy leases with other landowners not related to any leases with the South Texas Syndicate Trust. The Meyer Subpoena seeks seven categories of documents for four lease agreements in LaSalle and Webb counties for-production topics to a nonparty EP Energy. *See* Ex. B, Meyer



Subpoena. None of these leases were with the South Texas Syndicate Trust. On August 28, 2014, EP Energy served its Objections to the Meyer Subpoena.

4. The Eagle Ford shale play is an extremely important component of EP Energy's exploration and production operations. The terms of the leases EP Energy secures with its lessors are typically highly negotiated, highly confidential, and play an important role in EP Energy's business strategy and competitive advantage. EP Energy has no stake in the Underlying Lawsuit and should not be forced to harm to its business by disclosing this confidential information to counterparties, competitors and potentially the public. As set forth below, Texas law properly affords a nonparty like EP Energy protection from such efforts.

### III. ARGUMENT AND AUTHORITIES

5. The TRCP specifically underscore the protections afforded a nonparty on such subpoenas:

A party causing a subpoena to issue *must* take reasonable steps to avoid imposing undue burden or expense on the person served.

In ruling on objections or motions for protection, the court *must* provide a person served with a subpoena an adequate time for compliance, *protection from disclosure of privileged material or information*, and protection from undue burden or expense...

Tex. R. Civ. P. 176.7 (emphasis added). A trial court may enter a protective order to protect a nonparty. Tex. R. Civ. P. 176.6(e), 176.7, and 192.6; *Axelson, Inc. v. McIlhany*, 798 S.W.2d 550, 553 (Tex. 1990).

#### A. The Meyer Subpoena Improperly Seeks Highly Confidential Information

6. The Supreme Court of Texas has held that when a party asserts confidential or trade secret protection from discovery, "the trial court must determine whether the requested protection constitutes a trade secret; if so, the court must require the party seeking production to

show reasonable necessity for the requested materials.” *In re Bass*, 113 S.W.3d 735, 738 (Tex. 2003). If the trial court orders production after the party has proved trade secret status, but the party requesting production has not shown the necessity for the requested materials, “the trial court’s action is an abuse of discretion.” *Id.*

7. A trade secret is “any formula, pattern, device or compilation of information which is used in one’s business and presents an opportunity to obtain an advantage over competitors who do not know or use it.” *Id.* (quotations omitted). The court weighs the following six factors, and others, to make the determination:

- (1) The extent to which the information is known outside of his business;
- (2) the extent to which it is known by employees and others involved in his business;
- (3) the extent of the measures taken by him to guard the secrecy of the information;
- (4) the value of the information to him and to his competitors;
- (5) the amount of effort or money expended by him in developing the information;
- (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.

*Id.*

8. The Meyer Subpoena seeks seven categories of confidential information from four EP Energy leases in LaSalle and Webb Counties, none of which involve the South Texas Syndicate Trust, the Defendant Trustee, or the lessee of the property in question. The Meyer Plaintiffs seek: (1) the executed leases; (2) any option agreements, letters of intent to lease or side agreements relative to the leases; (3) any agreements relative to amendment, modification or extension of the leases; (4) any lease data sheets relative to the lease; (5) sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre); (6) any Lease Purchase Report (“LPR”); and (7) any receipt or paid draft relative to the leases.

9. EP Energy's Eagle-Ford shale leases are among the fundamental assets in this business unit, and are at the core of its success. *See*, Ex. A, Sims Affidavit. The Eagle Ford Shale play is "one of the top two or three shale plays in the nation" that has "sparked a frenzy of deals and drilling that has drawn investment from major energy companies in the United States and around the world." Vicki Vaughan, *Risk and stealth paid off in shale: Geologist's hunch in 2007 fired up a secret effort to make Eagle Ford a major center for Texas energy*, Houston Chron., Feb. 5, 2012, at D1, D4. The Eagle Ford shale is one of the most competitive plays in the oil and gas business. Without its leases, EP Energy cannot develop these properties.

10. The lease terms between an exploration and production ("E&P") company like EP Energy and its lessors are almost always highly negotiated and extremely confidential. *Id.* at ¶5-6. In fact, by design, the leases themselves are not filed in the property records; instead, a summary "memorandum of oil and gas lease" is filed to protect the confidentiality of the leases' commercial and operational terms. *Id.* at ¶11. The terms of the leases an E&P company reaches with its lessors can vary greatly, and the ultimate terms agreed upon have a critically important impact on the implementation of the company's business strategy in a mineral play. *Id.* at ¶5-6, 14-15. The ultimate terms of the leases also depends on the commercial considerations and competition at the time in the area. It is a standard operating procedure throughout the oil and gas industry that this type of information is confidential and not disclosed. *Id.* at ¶5-14.

11. Furthermore, the confidentiality of the lease terms with landowners plays an important role in a company's competitive advantage in a region—especially one as highly competitive as the Eagle Ford shale. *Id.* at ¶ 5-11. This information is derived at great cost. *Id.* at ¶5. Disclosure of the requested information could cause irreparable harm to EP Energy in its dealings with competitors. *Id.* at ¶ 8-11.

12. The Subpoena seeks the confidential commercial and operational terms of four leases covering the Briscoe Ranch. As explained by Mr. Sims, once this commercial and operational information is disclosed, the highest prices or best terms in a lease are used in future negotiations with counterparties as the floor for negotiations. *Id.* at ¶8. EP Energy is involved in continued and future negotiations on commercial and operational terms of leases with its existing lessors as well as potential future lessors, and competitors could gain access to this information through this disclosure, as set out more below. This is type of information that competitors can use to harm EP Energy's current and future competitive advantage or undermine its current leases. *Id.* at ¶ 8-9.

13. This satisfies trade-secret factors numbers (1-2) the information is not commonly known outside the business, (4) the information is extremely valuable, (5) the amount of money and effort expended in developing it, and (6) the difficulty in acquiring the data.

14. Regarding trade-secret factors (1), (2), (3), and (6) relating to maintaining confidentiality, EP Energy has maintained the confidentiality of this information and would never voluntarily provide such information. *Id.* at ¶ 5-6, 10-11. In fact, if an employee or a contractor of EP Energy made such a disclosure there would be severe consequences. *Id.* at ¶ 12.

15. The information sought in the Subpoena is a trade secret as defined in the Texas Uniform Trade Secrets Act. Tex. Civ. Prac. & Rem. Code §134A.001.

"Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, process, financial data, or list of actual or potential customers or suppliers, that:

(A) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Tex. Civ. Prac. & Rem. Code §134A.002(6).

16. This is consistent with the pre-act common law in Texas. Trade Secrets are information “which is used in one’s business and presents an opportunity to obtain an advantage over competitors who do not know or use it.” *In re Bass*, 113 S.W.3d 735, 738 (Tex. 2003); *see also, Fox v. Tropical Warehouses, Inc.*, 121 S.W.3d 853, 859-60 (Tex. App.—Fort Worth 2003, no pet.) (holding that accounting and financial information contained in price lists and sales reports were entitled to trade-secret protection pending trial on the merits); *Am. Precision Vibrator Co. v. Nat’l Air Vibrator Co.*, 764 S.W.2d 274, 278 (Tex. App.—Houston [1st Dist.] 1988, no writ) (holding that blueprints, drawings, and customer lists constitute trade secrets); *T-N-T Motorsports, Inc. v. Hennessey Motorsports, Inc.*, 965 S.W.2d 18, 22 (Tex. App.—Houston [1st Dist.] 1998, no pet.) (“Items such as customer lists, pricing information, client information, customer preferences, buyer contacts ... have been shown to be trade secrets.”); *Hill v. McLane Company, Inc.*, No. 03- 10-00293-CV, 2011 WL 56061, \*3-4 (Tex. App.—Austin Jan. 5, 2011, no pet. h.) (upholding temporary injunction that restrained defendant from using or disclosing corporation's trade secrets, court found that corporation's “financial, budgetary, and operations information, including information regarding customer pricing, invoicing, and taxation” was entitled to trade- secret protection). In fact these leases are just that the pricing at which EP Energy buys its mineral interests in property.

17. In sum, the information sought by the Subpoena qualifies as both confidential and trade secret, and therefore, it should properly be afforded the full protection provided by the law.

**B. A Protective Order Cannot Adequately Protect EP Energy**

18. The parties to this case have entered into a protective order, and this information can be produced subject to such order. However, a protective order does not prevent the harm

described above. *In re Bass*, 113 S.W.3d at 738; *see also, Micro Motion Inc. v. Kane Steel Co., Inc.*, 894 F.2d 1318, 1325 (Fed. Cir. 1990). Courts have recognized this to be the case regarding subpoenas on non-parties. *Micro Motion*, 894 F.2d at 1325 (holding it “would be divorced from reality to believe that either party here would serve as the champion” of the non-party’s rights); *see also In re Stewart Title Co.*, Case No. H-09-247, 2009 WL 1708079, at \*2 (S.D. Tex. 2009) (granting motion to quash non-party subpoena); *In re Vitamins Antitrust Litig.*, 267 F. Supp. 2d 738, 741-42 (S.D. Ohio 2003) (recognizing concern and declining to enforce subpoena).

19. EP Energy “is a non-party who would be entrusting the confidentiality of its documents to parties who do not represent its interests.” *In re Stewart Title Co.*, 2009 WL 1708079, at \*2. The court in *Stewart Title* explained “[s]uch concern, although perhaps not dispositive on its own, lend[s] weight to the arguments for quashing discovery.” *Id.*; *see also In re Vitamins Antitrust Litig.*, 267 F. Supp. 2d 738, 741 (S.D. Ohio 2003) (quashing subpoena, in part, because non-parties cannot entrust their documents to parties who do not represent their interests).

20. In this case, EP Energy would be entrusting its confidential information to potential lessors, who by definition, are the very type of person against whom EP Energy has to negotiate.

21. A mere protective order in the Underlying Lawsuit further gives the parties (JPMC and Meyer) the ability to remove the protection from the information without consent of EP Energy. Moreover, the protective order may still allow admission of the information in motions, hearings, and at trial. This renders the formerly confidential information accessible to the public, including potential counter parties and competitors.

22. “It would be divorced from reality” to believe that either the Meyer plaintiffs or JPMC would serve as the “champion” of EP Energy’s rights during the litigation or thereafter to limit public or competitive disclosure of EP Energy’s confidential and trade secret information. *Micro Motion*, 894 F.2d at 1325. EP Energy “would, in fact, lose all control of the situation since disclosure of its information depends on the action by a court before whom it has no standing.” *Id.*

**C. Requests are Overbroad & Irrelevant**

23. The Meyer Subpoena seeks leases and associated information with the Briscoe Ranch in LaSalle and Webb counties. *See*, Ex. B. Although some of the South Texas Syndicate Trust Leases are in LaSalle County, there is great variance in the shale plays throughout those two counties. The geology, hydrocarbons, strategy, and leases on acreage outside the trust’s acreage can be totally different, and therefore, are also not comparable and irrelevant. *See*, Ex. A, Sims Affidavit at ¶¶13-15. As is shown by the map attached as Exhibit C, the Briscoe Ranch is 8 miles from the South Texas Syndicate Trust property at its closest point.

**D. The Subpoenas Fail to Provide Adequate Time to Respond**

24. For requests for production to parties, the Texas Rules of Civil Procedure clearly allow 30 days before the responding party must produce documents. *See* Tex. R. Civ. P. 196.2(a). A subpoena cannot be used to circumvent the discovery rules. *See* Tex. R. Civ. P. 176.3(b)(“A subpoena may not be used for discovery to an extent, in a manner, or at a time other than as provided by the rules governing discovery.”). A non-party should be afforded at least the protections afforded to a party.

25. The Subpoena failed to meet this rudimentary standard. The Meyer Subpoena provided only 16 days to respond.

#### **IV. CONCLUSION AND PRAYER**

The Subpoena is substantively impermissible because it seeks confidential and trade-secret information, is overbroad, burdensome, and not relevant to the Underlying Lawsuit. The harm of disclosure to nonparty EP Energy clearly outweighs any need by the parties in the Underlying Litigation. EP Energy, therefore, respectfully requests that the Court grant this motion for protection and issue an order protecting EP Energy from the discovery sought in the Subpoena as well as for recovery of all EP Energy's fees and costs relating to the Subpoena pursuant to Rule 176.7, and 205.3(f).

Respectfully submitted,

*/s/ James A. Porter*

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Houston, Texas 77210-4660  
Telephone: (713) 997-7694  
Fax: (713) 997-4355  
[James.porter@epenergy.com](mailto:James.porter@epenergy.com)

COUNSEL FOR NON-PARTY  
EP ENERGY E&P COMPANY, L.P.

#### **CERTIFICATE OF CONFERENCE**

I hereby certify that I conferred with counsel for the Meyer Plaintiffs, John Massopust regarding the issues raised in this motion. We could not agree about the disposition of these issues.

*/s/ James A. Porter*

---

James A. Porter



**CERTIFICATE OF SERVICE**

I hereby certify that on the 29<sup>th</sup> day of August, 2014, a true and correct copy of the foregoing document was served either via messenger, via certified mail return receipt requested, via facsimile or via U.S. Mail on all counsel of record as listed below:

*Via Certified Mail, Return Receipt Requested:*

James L. Drought  
Drought, Drought & Bobbitt, LLP  
112 East Pecan Street, Suite 2900  
San Antonio, TX 78205

*Via U.S. First Class Mail:*

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Dallas, TX 75202

*/s/ James A. Porter*

\_\_\_\_\_

James A. Porter

JOHN K. MEYER, ET AL.,

Plaintiffs,

VS.

JPMORGAN CHASE BANK,  
N.A., ET AL.,

Defendants.

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IN THE DISTRICT COURT OF

BEXAR COUNTY, TEXAS

225<sup>th</sup> JUDICIAL DISTRICT

**AFFIDAVIT OF TRENTON C. SIMS**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, personally appeared Trenton C. Sims, a person whose identity is known to me. After being duly sworn, on his oath he said:

1. My name is Trenton C. Sims. I am more than 18 years of age, of sound mind, and fully competent and qualified to make this affidavit. I have personal knowledge of all the matters stated herein, and such matters are true and correct.

2. I have been a landman since 2006. I joined EP Energy in September of 2012 as a landman in the Eagleford South East Central Division and have remained in that position since. Prior to joining EP Energy, I was a landman at Encana Oil & Gas (USA), Inc. for six years working in the Piceance Basin in Colorado, the Haynesville shale in Louisiana, the Barnett shale in Texas and the Mississippi & Lime Play in Oklahoma. Through my position with EP Energy, I have knowledge of the company's business and business records.

3. I have reviewed Plaintiffs John K. Meyer, et al.'s Deposition Subpoena Duces Tecum To Produce Documents issued at the instance and request of Plaintiffs, John K.

Meyer, et al. (the “Meyer Subpoena,”) and served on EP Energy on August 13, 2014. The areas of inquiry listed in the Subpoena seek highly confidential, proprietary, and competitively-sensitive information related to EP Energy’s operations in the Eagle Ford shale in South Texas.

4. EP Energy’s operations are engaged in acquisition, exploration, development, and production of oil and natural gas properties located onshore in the United States. EP Energy’s properties are primarily located in the Eagle Ford shale in South Texas, the Wolfcamp Shale in the Permian Basin, the Haynesville shale in North Louisiana, and the Altamont Field in Utah. EP Energy’s operations in the Eagle Ford shale are an important element of EP Energy’s business. The Eagle Ford shale play is currently one of the most desirable and competitive oil and gas plays in North America.

5. Information is one of an oil-and-gas company’s most valuable assets. It is the cornerstone to the company’s competitive advantage. The commercial terms of the leases that are eventually executed within a play are often highly negotiated and can vary between lessors and between areas. The commercial terms ultimately secured with each lessor are typically carefully guarded secrets of oil and gas companies, and reflect the expected productivity and ultimate value EP Energy attaches to the acreage covered by the lease as well as the state of competition and prevailing commercial considerations in the area. EP Energy has invested extensive effort and expense into its analysis of the Eagle Ford shale and the acquisition of its leases. Gathering and analyzing this type of information is extraordinarily labor intensive and expensive, as is the securing the terms of the individual leases.

6. The commercial terms of leases are a major component of the development and implementation of the company's exploration and production strategy. The terms of these leases, including the per acre lease "bonus" paid to the landowner, are carefully guarded secrets which play a critical role in EP Energy's negotiating position with each lessor in an oil and gas play like the Eagle Ford shale.<sup>1</sup>

7. The subpoena seeks disclosure of information about four leases that EP Energy has with Briscoe Ranch, Inc., more specifically: the executed leases, any option agreements, letter of intent to lease or side agreements relative to the leases, any lease data sheets relative to the leases, sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre), any lease purchase report, and any receipt of paid draft relative to the lease. Commercial terms of the leases offered or entered into by EP Energy such as these are confidential and proprietary.

8. If current or future counter-parties or competitors were aware of the commercial terms of other leases, it would harm future negotiations and operations in these areas. Once these are disclosed, the highest price or best terms in a lease are used by future counterparties as the floor for negotiations. This would cause extensive commercial harm to EP Energy.

9. Obtaining such information would be very valuable to EP Energy's competitors in this highly competitive field. Competitors are always seeking means to take acreage from other competitors. The commercial terms of the leases provide information they can use to do so.

---

<sup>1</sup> A lease "bonus" is a one-time payment which oil and gas companies makes to the lessor for agreeing to the lease. It is typically, though not always, calculated on a per acre basis and can range from hundreds to thousands of dollars per acre based on a variety of factors.

10. It is standard operating procedure in the industry to guard this information closely and EP Energy does so. Disclosure of this information would cause irreparable harm to EP Energy's competitive position and put it at a severe disadvantage. This would cause financial harm to EP Energy.

11. EP Energy has taken steps to keep the detailed terms of these leases out of the public sphere. EP Energy, like other exploration companies, does not typically file leases with this commercial and operational information in the local property records. They typically only file a memorandum of lease with information sufficient to meet the recording requirements for the transfer of an interest in real property. These memorandums of lease -while they do contain a description of the leased acreage and the primary term of the lease, among various things- do not include the per acre lease bonus paid by EP Energy to acquire the lease, royalty rate, continuous development terms, pooling terms, bank days terms, retained acreage and/or strata, and depth restrictions or other such negotiated commercial terms.

12. Exploration companies simply do not share this technical and commercial information with other lessors, counterparties, competitors, or the public. There would be severe consequences for someone who voluntarily disclosed information of the type sought by the Subpoena. If a contract Landman disclosed such information, his reputation would be permanently destroyed. The Code of Ethics of the American Association of Professional Landmen requires protection of this confidential information. A Landman must avoid "business activity which may conflict with the interest of his employer or client or result in the unauthorized disclosure or misuse of confidential information." The bylaws provide that "[c]ompetition among those engaged in the mineral and energy industries shall be kept at a high level with careful adherence to established rules of honesty and courtesy. A Land

Professional shall not betray his partner's, employer's, or client's trust by directly turning confidential information to personal gain.”

13. The South Texas Syndicate Trust Leases are in LaSalle and McMullen Counties. The Meyer Subpoena seeks information on leases entered into between EP Energy and Briscoe Ranch, Inc. in LaSalle and Webb counties.

14. The Eagle Ford shale varies greatly throughout the play. The geological features are different; the hydrocarbons are different (for example, dry gas, wet gas, oil, etc.), the production operations are different. The economics are very different, and the leases are different. The circumstances at least eight miles and further away in LaSalle and Webb Counties are not comparable to the South Texas Syndicate Trust acreage. The circumstances on the Briscoe Ranch acreage and the South Texas Syndicate Trust acreage can also be radically different.

15. The market changes over time as well. As knowledge is obtained (at significant cost to EP Energy) on the plays, the strategies are revised. The commercial terms of the leases later in time reflect these changes. Therefore the Briscoe leases would not be comparable to the South Texas Syndicate Trust acreage due to the disparity in time as well.

AFFIANT MADE NO FURTHER STATEMENT

Date: 8/28/14

Trenton C. Sims  
Trenton C. Sims

**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned authority, on this day personally appeared Trenton C. Sims known to me to be the person whose name is subscribed on the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

8/28/2014

Melody A. Baird  
Notary Public in and for  
The State of Texas

My Commission Expires:





(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiffs,	§	IN THE DISTRICT COURT
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST, Defendant.	§ § § § §	225 <sup>TH</sup> JUDICIAL DISTRICT    BEXAR COUNTY, TEXAS

DEPOSITION SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS  
ISSUED IN THE NAME OF THE STATE OF TEXAS

TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR  
OTHER PERSON DULY AUTHORIZED TO SERVE OR EXECUTE  
SUBPOENAS:

The Subpoena is directed to:

**CUSTODIAN OF RECORDS FOR:**

**EP Energy E&P Company, L.P.  
c/o CT Corporation System  
1999 Bryan Street, Suite 900**

This Subpoena directs the Custodian of Records for EP ENERGY E&P  
COMPANY, L.P., to appear at **10:00 a.m. on August 29, 2014**, before a notary  
public at the following location:

**1001 Louisiana Street  
Houston, Texas 77002**

and answer under oath written questions to be propounded by counsel for  
Plaintiffs and to produce for inspection and photocopying the documents and  
records described on Exhibit "A" attached to the Notice Duces Tecum of Intent to  
Take Deposition by Written Questions served with and attached to this Subpoena.

RECEIVED

AUG 18 2014

EP Energy Law Department

**EXHIBIT B**

This Subpoena is issued at the instance and request of Plaintiffs, John K. Meyer, et al. The attorney of record for Plaintiff is: James L. Drought, Drought, Drought & Bobbitt, L.L.P., 112 E. Pecan St., Suite 2900, San Antonio, Texas 78205.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a) STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.**

This Subpoena is issued by James L. Drought, attorney for Plaintiffs, on behalf of Plaintiffs.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
(612) 339-2020 - Telephone  
(612) 336-9100 - Facsimile  
**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,  
LINDA ALDRICH, ET AL.**

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DROUGHT, DROUGHT & BOBBITT, LLP  
2900 Weston Centre  
112 East Pecan Street  
San Antonio, Texas 78205  
(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By:                     /s/                      
James L. Drought  
State Bar No. 06135000  
**ATTORNEYS FOR PLAINTIFFS,**  
**JOHN K. MEYER, ET AL.**

**RETURN**

CAME ON TO HAND ON THE 12<sup>th</sup> DAY OF August, 2014, AT 8:30  
O'CLOCK A.M. AND EXECUTED (NOT EXECUTED) ON THE \_\_\_\_ DAY OF  
\_\_\_\_, 2014, BY DELIVERING TO \_\_\_\_\_, A TRUE COPY OF THIS  
SUBPOENA UPON WHICH I ENDORSED THE DATE OF DELIVERY. CAUSE  
OF FAILURE TO EXECUTE THIS SUBPOENA IS  
\_\_\_\_\_.

TOTAL FEES: \$ \_\_\_\_\_

\_\_\_\_\_  
DALLAS COUNTY, TEXAS

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

**NON-PEACE OFFICER VERIFICATION**

VERIFICATION OF RETURN (IF NOT SERVED BY PEACE OFFICER)

SWORN TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiffs,	§	IN THE DISTRICT COURT
	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST, Defendant.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

**NOTICE OF INTENTION TO TAKE DEPOSITION BY WRITTEN QUESTION  
WITH DUCES TECUM**

Plaintiff, John K. Meyer, et al, will take a deposition by written questions of the Custodian of Records for **EP Energy E&P Company, L.P.**, at the following date, time, and place:

Date: **August 29, 2014**

Time: **10:00 a.m.**

Place: **EP Energy E&P Company, L.P.  
1001 Louisiana Street  
Houston, Texas 77002**

Notice is further given that the witness shall produce at the deposition for inspection and photocopying the documents and records listed and described on the attached Exhibit "A".

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
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(612) 336-9100 - Facsimile  
**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,**

**LINDA ALDRICH, ET AL.**

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San Antonio, Texas 78205  
Telephone: (210) 227-7121  
Facsimile: (210) 227-0732







(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiffs,	§	IN THE DISTRICT COURT
	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST, Defendant.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

DEPOSITION ON WRITTEN QUESTIONS PROPOUNDED UPON THE  
WITNESS, CUSTODIAN OF RECORDS FOR EP ENERGY E&P COMPANY, L.P.

1. Please state your full name, business address, and official title.

**ANSWER:**

---

2. Did you receive a subpoena for the production of the documents and records listed and described on Exhibit "A" attached to these questions?

**ANSWER:**

---

3. Have these documents and records been produced for this deposition, bates numbered, and delivered to the officer taking this deposition?

**ANSWER:**

---

4. Are you the custodian of these documents or records for EP ENERGY E&P COMPANY, L.P.?

**ANSWER:**

---

5. What is the Bates number range for the documents and records produced for this deposition?

**ANSWER:**

---

6. Are the documents and records produced for this deposition originals or photocopies of the original documents?

**ANSWER:**

---

7. Are the documents and records produced for this deposition memoranda, reports, records or data compilations of acts, events, or conditions made at or near the time by or from information transmitted by, a person with knowledge?

**ANSWER:**

---

8. Are these documents and records kept in the course of a regularly conducted business activity of **EP ENERGY E&P COMPANY, L.P.**?

**ANSWER:**

---

9. Was it the regular practice of the business activity of **EP ENERGY E&P COMPANY, L.P.**, to make the memorandum, report, record or data compilation reflected in these documents and records?

**ANSWER:**

---

\_\_\_\_\_  
WITNESS, CUSTODIAN OF RECORDS FOR  
**EP ENERGY E&P COMPANY, L.P.**

I \_\_\_\_\_, a Notary Public in and for the State of Texas, do hereby certify that the forgoing answers of the witness were made by the said witness and sworn to and subscribed before me.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

## REQUEST FOR PRODUCTION

Please produce the following documents relating to the leases described below:

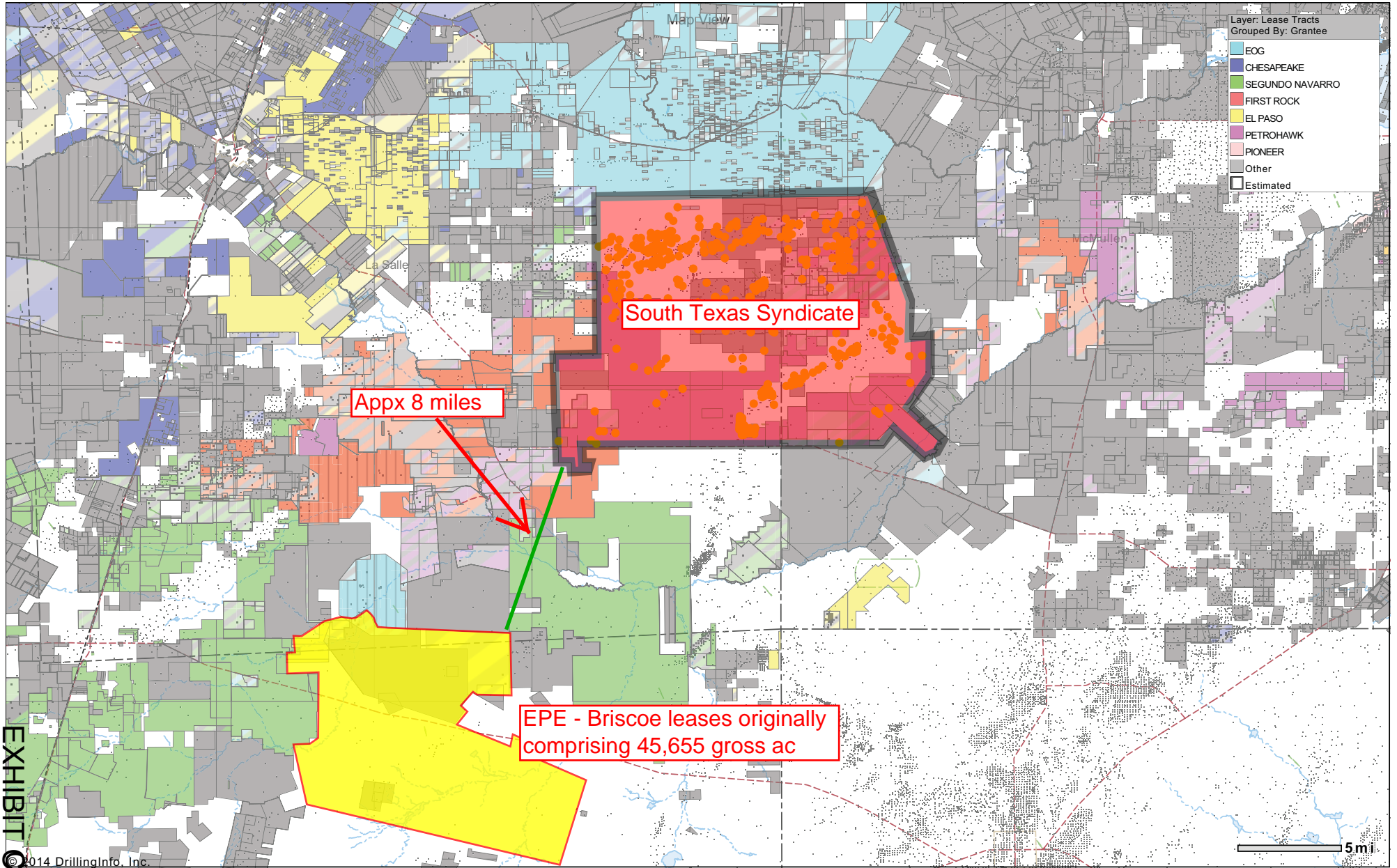
- The executed leases;
  - Any option agreements, letters of intent to lease or side agreements relative to the leases;
  - Any agreements relative to amendment, modification or extension of the leases;
  - Any lease data sheets relative to the lease;
  - Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
  - Any Lease Purchase Report ("LPR") and;
  - Any receipt or paid draft relative to the lease
- 

**NO. 1:** Oil and Gas Lease dated August 14, 2009 between Briscoe Ranch, Inc. and El Paso E&P Company, L.P. covering 1,606.01 acres in La Salle County, Texas.

**NO. 2:** Oil and Gas Lease dated August 14, 2009 between Briscoe Ranch, Inc. and El Paso E&P Company, L.P. covering 1,606.01 acres in Webb County, Texas.

**NO. 3:** Oil and Gas Lease dated April 22, 2010 between Briscoe Ranch, Inc. and El Paso E&P Company, L.P. covering 27,791.23 acres in La Salle County, Texas.

**NO. 4:** Oil and Gas Lease dated May 3, 2010 between Briscoe Ranch, Inc. and El Paso E&P Company, L.P. covering 27,791.23 acres in Webb County, Texas.



- Layer: Lease Tracts  
Grouped By: Grantee
- EOG
  - CHESAPEAKE
  - SEGUNDO NAVARRO
  - FIRST ROCK
  - EL PASO
  - PETROHAWK
  - PIONEER
  - Other
  - Estimated

South Texas Syndicate

Appx 8 miles

EPE - Briscoe leases originally comprising 45,655 gross ac

JOHN K. MEYER, ET AL.,

Plaintiffs,

VS.

JPMORGAN CHASE BANK,  
N.A., ET AL.,

Defendants.

§  
§  
§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

BEXAR COUNTY, TEXAS

225<sup>TH</sup> JUDICIAL DISTRICT

**ORDER**

Came on to be heard EP Energy E&P Company, L.P.'s ("EP Energy") Motion For Protection from the discovery sought in the Deposition Subpoena Duces Tecum To Produce Documents issued at the instance and request of Plaintiffs, John K. Meyer, et al. and served on EP Energy on August 13, 2014 (the "Meyer Subpoena").

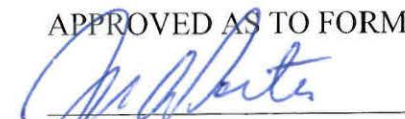
The Court, having considered the motion, responses, the arguments of counsel, and the Pleadings in this case is of the opinion that EP Energy's Motion is well founded and should be and hereby is GRANTED.

It is hereby ORDERED that the requested discovery covered by the Meyer Subpoena is quashed and EP Energy shall not be required to comply with same.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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

APPROVED AS TO FORM:

  
\_\_\_\_\_  
James A. Porter  
Attorney for EP Energy E&P Company, L.P.

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, et al.,	§	IN THE DISTRICT COURT
	§	
Plaintiffs,	§	
	§	
vs.	§	
	§	225TH JUDICIAL DISTRICT
JP MORGAN CHASE BANK, N.A. ,	§	
INDIVIDUALLY/CORPORATELY AND	§	
AS TRUSTEE OF THE SOUTH TEXAS	§	
SYNDICATE TRUST,	§	
	§	
Defendant.	§	BEXAR COUNTY, TEXAS

**NON-PARTY MARUBENI CORPORATION'S  
MOTION FOR PROTECTION**

TO THE HONORABLE JUDGE OF SAID COURT:

Non-Party, Marubeni Corporation (“Marubeni”), asks the Court pursuant to Texas Rule of Civil Procedure 192.6(a) for protection from Plaintiffs’ discovery to Defendant, JP Morgan Chase Bank, N.A. (“JP Morgan”) pertaining to Marubeni and its affiliates and subsidiaries as a customer of JP Morgan, and would respectfully show the Court as follows:

**I.  
INTRODUCTION AND BACKGROUND**

1. Neither Marubeni nor any of its subsidiaries or affiliates are a party to this suit. Marubeni understands that this is a suit brought by beneficiaries of the South Texas Syndicate (“STS”) Trust alleging tortious conduct by JP Morgan as trustee of the STS Trust. Marubeni also understands that Plaintiffs specifically contend that JP Morgan—purportedly motivated by JP Morgan’s banking or other relationship with certain energy companies—breached its fiduciary duty to Plaintiffs by entering into transactions relating to STS Trust assets with such energy companies (apparently including Marubeni and/or its affiliates or subsidiaries) under terms favorable to those energy companies and to the detriment of the trust beneficiaries.

2. By letter dated August 15, 2014, Plaintiffs served a “Notice of Request for Information Pursuant to Section 59.006, Texas Finance Code,” which notified Marubeni that Plaintiffs “have requested discovery of information from JP Morgan relating to Marubeni and affiliates . . . as a customer of the financial institution.”<sup>1</sup> Plaintiffs’ section 59.006 notice to Marubeni attached their fifth set of interrogatories to JP Morgan, one of which (Interrogatory No. 4) seeks details of eight broad and highly confidential categories of “transactions, activities, services, or interests” between JP Morgan and Marubeni and “any of its affiliates or subsidiaries.”<sup>2</sup> The notice commands that Marubeni execute an attached written consent form “not later than August 29, 2014.”<sup>3</sup>

3. Marubeni responded in writing on August 28, 2014 and specified that it objects and does not consent to or otherwise authorize JP Morgan to comply with Plaintiffs’ request (Interrogatory No. 4) pertaining to Marubeni and its affiliates and subsidiaries.<sup>4</sup> Though a non-party customer like Marubeni’s procedure to object is to simply withhold written consent authorizing the financial institution to comply with the request,<sup>5</sup> Marubeni files this motion for protection out of an abundance of caution and to detail its objections and bases for withholding consent.

4. The Court should protect Marubeni from disclosure by JP Morgan of the information requested in Interrogatory No. 4 by Plaintiffs for the following reasons:

---

<sup>1</sup> See Exhibit 1.

<sup>2</sup> See Exhibit 1 at *Plaintiffs’ Fifth Set of Interrogatories to Defendant J.P. Morgan Chase Bank, N.A.* (Interrogatory No. 4), p. 9.

<sup>3</sup> See Exhibit 1.

<sup>4</sup> See Exhibit 2.

<sup>5</sup> See TEX. FIN. CODE § 59.006(d) (specifying sole means of obtaining access to records of nonparty is to file motion seeking in camera inspection). When, however, a party requests records from a financial institution about one of its customers *who is a party to the suit*, the bank’s customer has the burden of preventing or limiting the financial institution’s compliance with a record request by seeking an appropriate remedy, including filing a motion to quash the record or a motion for protective order. See TEX. FIN. CODE § 59.006(e) (“A customer that is a party to the proceeding . . .”).



- ***There is no “transaction, activity, service, or interest” between JP Morgan and Marubeni or its affiliates or subsidiaries relating to any STS Trust assets.*** Rather, the only Marubeni entity that owns an interest in any oil and gas property that is part of the STS Trust portfolio—non-party Marubeni Eagle Ford, LP—secured its non-operating interest ***not from JP Morgan but through a confidential and proprietary arms-length negotiated business transaction with another non-party, Hunt Oil Company.*** Plaintiffs’ sole purported basis for fishing for extensive and highly confidential information regarding non-party Marubeni, therefore, does not exist.
- Plaintiffs are fully aware that non-party Marubeni Eagle Ford, LP acquired its non-operating interest in certain oil and gas properties that are part of the STS Trust because ***Plaintiffs have previously subpoenaed information from non-party Marubeni Eagle Ford LP regarding its confidential and proprietary business transaction with Hunt Oil Company,*** and Marubeni Eagle Ford LP has consented to Hunt Oil Company producing certain information relating to that transaction.

These and other flaws in Plaintiffs’ request will be the subject and bases of this motion for protection.

## **II.** **ARGUMENT AND AUTHORITIES**

5. A court may issue an order protecting a person served with or affected by a discovery subpoena from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, or property rights. *See* TEX. R. CIV. P. 192.6(b); TEX. R. CIV. P. 176.6(e). A court has the authority to limit the scope of discovery based on the needs and circumstances of the case. TEX. R. CIV. P. 192 cmt. 7. This Court should issue a protective order for the request for information from Plaintiffs to JP Morgan pertaining to Marubeni and its affiliates and subsidiaries for several reasons.

***A. Plaintiffs' Requested Information is Overbroad and Not Relevant or Reasonably Calculated Because Marubeni Did Not Contract with JP Morgan Regarding STS Trust Assets***

6. First, the request for information regarding Marubeni and its affiliates and subsidiaries and the eight expansive categories of highly confidential “transactions, activities, services, or interests” enumerated in Interrogatory No. 4 is overbroad and not relevant or reasonably calculated to lead to the discovery of admissible evidence. A discovery request must be reasonably tailored to include only relevant matters. *In re Am. Optical Corp.*, 988 S.W.2d 711, 713 (Tex. 1998). Information is not discoverable if it is not relevant to the subject matter of the pending action or if it will not lead to the discovery of admissible evidence. TEX. R. CIV. P. 192.3(a); TEX. R. EVID. 501. The scope of discovery is confined by the subject matter of the case and reasonable expectations of obtaining information that will help resolve the dispute. TEX. R. CIV. P. 192 cmt. 1.

7. Plaintiffs evidently theorize in this suit that JP Morgan breached its fiduciary duty to them by allegedly cutting deals relating to STS Trust assets that were favorable to certain energy companies, including apparently Marubeni or its affiliates/subsidiaries, and detrimental (*i.e.*, not fair market value) to Plaintiffs as trust beneficiaries because of JP Morgan’s banking or other relationship with those energy companies. The only Marubeni entity that owns an interest in any oil and gas property that is part of the STS Trust portfolio—non-party Marubeni Eagle Ford, LP—secured its non-operating interest not from JP Morgan but through a confidential and proprietary arms-length negotiated business transaction with another non-party, Hunt Oil Company. Plaintiffs are well aware of this fact, as they previously subpoenaed information from

Marubeni Eagle Ford, LP pertaining to the Marubeni Eagle Ford, LP-Hunt Oil Company transaction.<sup>6</sup>

8. Consequently, there could not be any malfeasance by JP Morgan relative to Marubeni Eagle Ford, LP's interests in certain STS Trust properties because JP Morgan was not even part of the business transaction through which Marubeni Eagle Ford, LP acquired its interest in those certain STS Trust properties. As such, any banking or other relationship and between Marubeni and/or any of its affiliates or subsidiaries and JP Morgan is completely irrelevant to this proceeding. Plaintiffs' sole purported basis for fishing for extensive and highly confidential information regarding non-party Marubeni, therefore, does not exist.<sup>7</sup>

***B. Plaintiff's Requested Information is Harassing and Constitutes an Invasion of Non-Party Marubeni's Protected Rights***

9. The Court should also issue a protective order because Plaintiffs' request for information from JP Morgan pertaining to Marubeni and its affiliates/subsidiaries is harassing and constitutes an invasion of Marubeni's personal, constitutional, and/or property rights. *See* TEX. R. CIV. P. 192.6(b); *Hoffman v. Fifth Court of Appeals*, 756 S.W.2d 723, 723 (Tex. 1988). Plaintiffs seek JP Morgan to "[d]escribe with particularity" "transactions, activities, services, or interests" as between JP Morgan and Marubeni and any of Marubeni's affiliates or subsidiaries

---

<sup>6</sup> *See* Exhibit 3. Since asserting its objections to Plaintiffs' requests, Marubeni Eagle Ford, LP has agreed and consented to its operating partner, Hunt Oil Company, producing the requested December 28, 2011 Purchase and Sale Agreement with certain redactions. Hunt Oil Company, who was also subpoenaed, has also produced at least one schedule to the agreement relating to allocated value of the properties. Further, in advising Plaintiffs' counsel that Marubeni Eagle Ford, LP did not have any correspondence with JP Morgan regarding the subject properties (in response to Request for Production No. 3 attached to Plaintiffs' subpoena), Marubeni Eagle Ford, LP's counsel emphasized that the reason was because Marubeni Eagle Ford, LP is a non-operator who acquired its interests in the subject properties from Hunt Oil Company.

<sup>7</sup> Moreover, it is unclear how the specified time period of "January 1, 2005 to the present" is not facially overbroad and irrelevant, particularly given that Marubeni Eagle Ford, LP's transaction with Hunt Oil Company in which it first acquired an interest in any STS Trust asset occurred at the end of December 2011.

from January 1, 2005 to the present, including highly confidential information such as details of loans, lines of credit, or other credit facilities.<sup>8</sup>

10. Setting aside the principle issue that this information, for the reasons described above, is not at all relevant or reasonably calculated to lead to the discovery of admissible evidence (which alone is sufficient to protect disclosure of Marubeni's information), disclosure of such highly sensitive and confidential information regarding a non-party like Marubeni and any of Marubeni's affiliates or subsidiaries is harassing and constitutes an improper invasion of Marubeni's rights and reasonable expectations of its personal privacy interests pertaining to its personal financial and banking information.<sup>9</sup> This is underscored by the fact that non-party Marubeni Eagle Ford, LP (the only Marubeni entity that owns an interest in any of the STS Trust assets) did not acquire its non-operating interest from JP Morgan.

### **III. CONCLUSION**

11. Plaintiffs' Interrogatory No. 4 to JP Morgan seeking disclosure of an extensive amount of highly confidential and sensitive information affecting non-party Marubeni's rights and interests is nothing more than an improper fishing expedition. Neither Marubeni nor any of its affiliates or subsidiaries acquired any interest in STS Trust property from JP Morgan; accordingly, Plaintiffs' apparent basis or relevancy for disclosure of such information—that JP Morgan entered into a questionable transaction with Marubeni and/or Marubeni's

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<sup>8</sup> See Exhibit 1 at *Plaintiffs' Fifth Set of Interrogatories to Defendant J.P. Morgan Chase Bank, N.A.* (Interrogatory No. 4), p. 9.

<sup>9</sup> Courts have recognized that individuals and companies have a personal right and an expectation of privacy in their financial affairs and information. See, e.g., *Turnbow v. Life Partners, Inc.*, No. 3:11-CV-1030, 2013 WL 1632795, at \*1 (N.D. Tex. Apr. 15, 2013) ("Plaintiffs' subpoena to Whitley Penn seeks Defendants' accounting records and other sensitive financial information and communications pertaining to Defendants and their business. Defendants have a personal right in such information . . . ."); *Bramell v. Aspen Exploration, Inc.*, No. 4:05-CV-384, 2008 WL 4425368, at \*2 (E.D. Tex. Sep. 24, 2008) ("The Plaintiffs seek to discover documents from Cobb concerning the Defendants' financial and business records. The Defendants have established an expectation of privacy in their financial and business records. Accordingly, the Defendants have demonstrated that they have a 'personal right' regarding the same.") (citations omitted).

affiliates/subsidiaries—does not exist. Further, the requests are overbroad, harassing, and violate Marubeni's and its affiliates' and subsidiaries' direct and continuing interest in protecting against the disclosure of such confidential information. The Court should protect Marubeni from disclosure of such information.

WHEREFORE, PREMISES CONSIDERED, Non-Party, Marubeni Corporation, asks the Court for protection from Plaintiffs' discovery to Defendant, JP Morgan Chase Bank, N.A. pertaining to Marubeni Corporation and its affiliates as a customer of JP Morgan Chase Bank, N.A., and that Marubeni Corporation have such other and further relief, at law or in equity, to which it may show itself justly entitled.

Respectfully submitted,

ADAMS AND REESE LLP

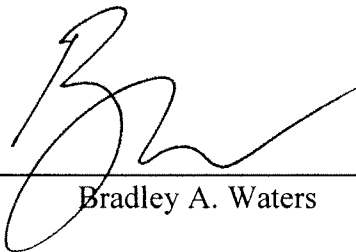
By: 

Bradley A. Waters  
State Bar No. 24033441  
LYONDELLBASELL TOWER  
1221 McKinney, Suite 4400  
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Telephone: 713-652-5151  
Telecopier: 713-652-5152  
E-mail: bradley.waters@arlaw.com

*Attorneys for Non-Party,  
Marubeni Corporation*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document has been served on all known counsel of record in accordance with Rules 21 and 21(a), Texas Rules of Civil Procedure, on this 29th day of August, 2014.

A handwritten signature in black ink, appearing to be 'B. Waters', is written above a horizontal line. The signature is fluid and cursive.

Bradley A. Waters

# **EXHIBIT 1**

— ★ ★ ★ —  
LOEWINSOHN FLEGLE DEARY  
— L.L.P. —

August 15, 2014

Marubeni Corporation  
c/o National Registered Agents, Inc.  
1999 Bryan Street, Suite 900  
Dallas, Texas 75201-3136

*Via Hand Delivery*

Re: Notice of Request for Information Pursuant to Section 59.006, Texas Finance Code

To Whom It May Concern:

We represent Plaintiffs in Cause No. 2010-CI-10977; *John K. Meyer, et al. v. JP Morgan Chase Bank N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust*; in the 225th District Court, Bexar County, Texas (“Litigation”). JP Morgan Chase Bank N.A. (“JP Morgan”) has been sued individually/corporately and in its capacity as Trustee of the South Texas Syndicate Trust.

In the Litigation, our clients have requested discovery of information from JP Morgan relating to Marubeni Corporation and affiliates (“Marubeni”) as a customer of the financial institution. A copy of our Fifth Set of Interrogatories to JP Morgan is attached. The interrogatory that potentially involves customer information concerning Marubeni is Interrogatory No. 4.

Pursuant to section 59.006, Texas Finance Code, you are hereby given notice of your rights as a customer under section 59.006(e). You, as a customer, bear the burden of preventing or limiting the financial institution’s compliance with a record request subject to section 59.006 by seeking an appropriate remedy, including filing a motion to quash the record request or a motion for a protective order. Any motion filed shall be served on the financial institution and the requesting party before the date that compliance with the request is required. A financial institution is not liable to its customer or another person for disclosure of a record in compliance with section 59.006. If we have not received your consent form, as requested below, by August 29, 2014, we will file a motion seeking an in camera inspection of the information. The service address for JP Morgan, the financial institution, is:



Marubeni Corporation  
August 15, 2014  
Page 2

JP Morgan Chase Bank N.A.  
c/o Patrick K. Sheehan, Esq.  
Hornberger Sheehan Fuller & Garza Incorporated  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Fax: 210-271-1730

The service address for Plaintiffs, the requesting parties, is:

Jim L. Flegle, Esq.  
Loewinsohn Flegle Deary, LLP  
12377 Merit Drive, Suite 900  
Dallas, TX 75251  
Fax: 214-572-1717

Further, our clients request your written consent authorizing JP Morgan to comply with the request. A consent form is enclosed. If you wish to consent to the release of the information our clients have requested, please execute the attached consent form and return it to the undersigned as soon as possible, but no later than August 29, 2014.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Jim L. Flegle  
(214) 572-1701  
Email: [jimf@LFDlaw.com](mailto:jimf@LFDlaw.com)

JLF/mlj  
Enclosure

**Consent for JP Morgan to Release Banking Records**

I, \_\_\_\_\_, have capacity to act on behalf of Marubeni Corporation, and affiliates, and consent to the release of the information requested in Plaintiffs' Fifth Set of Interrogatories to Defendant JP Morgan Chase Bank, N.A. and hereby authorize JP Morgan to respond to the Interrogatories and provide any information covered by the Interrogatories to the Plaintiffs.

MARUBENI CORPORATION

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, *et al.*,

*Plaintiffs,*

vs.

JP MORGAN CHASE BANK, N.A.,  
INDIVIDUALLY/CORPORATELY AND  
AS TRUSTEE OF THE SOUTH TEXAS  
SYNDICATE TRUST,

*Defendant.*

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IN THE DISTRICT COURT

225<sup>th</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

**PLAINTIFFS' FIFTH SET OF INTERROGATORIES  
TO DEFENDANT J.P. MORGAN CHASE BANK, N.A.**

TO: Defendant JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust, by and through its attorneys of record, Patrick K. Sheehan, David Jed Williams, Hornberger Sheehan Fuller & Garza, Inc., 7373 Broadway, Suite 300, San Antonio, TX 78209.

Pursuant to Rules 193 and 197 of the Texas Rules of Civil Procedure you are required to serve on the undersigned your full and complete written responses under oath to each of the Interrogatories set forth herein within thirty (30) days after the service of the Interrogatories.

**DEFINITIONS AND INSTRUCTIONS**

A. To the fullest extent permitted by the Texas Rules of Civil Procedure, these Interrogatories are intended to be continuing in nature. You are requested and required to supplement your answers when appropriate or necessary to make them correct and complete

B. If You contend that You may partially or entirely withhold responsive information because of a rule, privilege, immunity, or other reason' provide information sufficient for Plaintiff to assess the merits of such contention.

C. Each Interrogatory is to be read, construed and responded to separately and independently without reference to or being limited by any other Interrogatory.

D. In answering these Interrogatories, You are required to furnish all information available to You, including information in Your possession, custody or control. Such information available to You and requested herein includes information in the possession, custody, or control of Your attorneys, agents, accountants, consultants, and all other persons acting on Your behalf, and not merely such information known to You or of Your own personal knowledge.

E. If You cannot answer any of these Interrogatories in full after exercising due diligence to secure the information, You are required to so state and answer to the extent possible, specifying Your inability to answer the remainder, stating what information or knowledge You have concerning the unanswered portions and why You are unable to answer the unanswered portions.

F. As used herein, the words and phrases set out below shall have the meaning prescribed for them:

1. "Document" or "documents" shall mean every document within the widest permissible scope of the Texas Rules of Civil Procedure, including, without limitation, every original (and every copy of any original or copy which differs in any way from any original) of every writing or recording of every kind or description, whether handwritten, typed, drawn, sketched, printed, or recorded or maintained by any physical, mechanical, electronic, or electrical means whatsoever, including, without limitation, electronic communications or data bases, emails (including, without limitation, received emails, sent emails, and deleted emails together with all attachments), text messages, SMS, MMS, BBM, or other instant message system or format, books, records, papers, pamphlets, brochures, circulars, advertisements, specifications, notebooks,

worksheets, reports, lists, analyses, summaries, tax returns, financial statements, profit and loss statements, cash flow statements, balance sheets, annual or other periodic reports, calendars, appointment books, diaries, telephone bills and toll call records, expense reports, commission statements, itineraries, agendas, check books, canceled checks, receipts, agreements, applications, offers, acceptances, proposals, purchase orders, invoices, written, electronic or otherwise recorded memorials of oral communications, forecasts, photographs, photographic slides or negatives, films, film strips, tapes and recordings, and any “tangible things” as that term is used in Texas Rule of Civil Procedure 196.1.

2. As used herein, the terms “constitute, refer or relate to,” “refer or relate to,” “relating to,” “related,” “evidencing,” “reflect,” “reflecting,” “support,” “evidence” and any similar term shall mean—unless otherwise indicated—having any relationship or connection to, concerning, being connected to, commenting on, responding to, containing, evidencing, showing, memorializing, describing, analyzing, reflecting, pertaining to, comprising, constituting, proving or tending to prove or otherwise establishing any reasonable, logical or causal connection.

3. As used herein, the terms “communication” or “communications” shall mean any document, oral statement, conversation, meeting, or conference, formal or informal, under any circumstances whatsoever, whereby information of any nature was stated, written, recorded, or in any manner transmitted or transferred.

4. As used herein, the terms “fact” or “facts” shall mean all evidentiary facts presently known to you and all evidentiary facts the existence of which is presently inferred by you from the existence of any combination of evidentiary and/or ultimate facts.

5. As used herein, the terms “person” or “persons” includes any natural person and any firm, limited liability company, partnership, joint venture, hospital, institution, corporation,

business, organization, trust, association or any other business or governmental or quasi-governmental entity, political subdivision, commission, board or agency of any character whatsoever together with the partners, trustees, officers, directors, employees, or agents thereof.

6. The terms “AND” and “OR” are to be construed either disjunctively or conjunctively, whichever is appropriate, so as to bring within the scope of these Requests any information or documents that might otherwise be considered beyond its scope.

7. As used herein, the word “any” shall include the word “all,” and the word “all” shall include the word “any.”

8. The term “Relevant”, as used herein, includes by way of illustration only and not by way of limitation, the following: (1) information that either would or would not support the disclosing parties’ contentions; (2) identification of those persons who, if their potential testimony were known, might reasonably be expected to be deposed or called as a witness by any of the parties; (3) information that is likely to have an influence on or affect the outcome of a claim or defense; (4) information that deserves to be considered in the preparation, evaluation or trial of a claim or defense; and (5) information that reasonable and competent counsel would consider reasonably necessary to prepare, evaluate or try a claim or defense.

9. As used herein, the words “include” and “including” shall mean “including without limitation.”

10. The terms “Petition” and/or “Lawsuit” shall refer to the petition filed in the above-captioned litigation, all amendments made thereto and all claims made therein.

11. “Defendants,” as used herein means any and all defendants named in this lawsuit, and any agents, employees, partners, managers, members, lawyers, accountants, representatives, and any other person or entity acting on behalf of a defendant or subject to their control.

12. "You," and "Your" shall mean and refer to JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of South Texas Syndicate Trust, including but not limited to, any and all past or present partners, officers, directors, managers, employees, attorneys, representatives, agents, shareholders, affiliates, subsidiaries, parents, successors, assigns, or any entity in which Defendant has an ownership interest, individually, collectively, or in any combination and/or permutation whatsoever.

13. "Trust" as used herein refers to the trust that is the subject of this lawsuit, commonly designated and referred to as the "South Texas Syndicate." "Trust" as used herein also refers to and includes the assets, property, and/or estate of the Trust. "Trust" further includes the fiduciary relationship governing the Trustee with respect to the Trust property when that reading of the term would cause more documents or information to be covered by the term.

14. "Trust Assets" as used herein refers to the assets, property and the estate of the Trust (*i.e.*, South Texas Syndicate Trust).

15. "Trustee" shall mean Defendant JP Morgan Chase Bank, N.A., Corporately and as Trustee of the South Texas Syndicate Trust, and any individual or entity acting on its behalf.

16. As used herein, the term "Identify" as used herein shall include the following:

- a. When used in reference to a person, shall mean his full name, present or last known home address and telephone number, present or last known business address and telephone number, employer and job title;
- b. When used in reference to a firm or corporation, shall mean its full name and address, telephone number, any other names by which it is or has been known, its state of incorporation, and its principal place of business;
- c. When used in reference to someone or something other than a person, firm, or corporation, shall mean its official name, organizational form, address and telephone number;
- d. When used in reference to a document, shall mean the type of document, date, author, addressee, title, its present location, identity of its custodian and the substance of its contents;

- c. When used in reference to a communication or statement, shall mean the form of communication (*i.e.*, telephone conversation, letter, face-to-face conversation, etc.), the date of the communication and the date on which it was sent and received, the identity of the persons who were involved in the communication, the substance of the communication, the present location of the communication and the identity of its custodian; and
  - f. When used in reference to an act, meeting or other event, shall mean a description of the substance of the events constituting the act or meeting, the date of its occurrence, the identity of any documents concerning such act or meeting, and the identity of any documents concerning such act or meeting.
- G. In construing this request:
- 1. The singular shall include the plural and the plural shall include the singular.
  - 2. A masculine, feminine, or neuter pronoun shall not exclude the other genders.
  - 3. The past tense of a verb shall include the present tense, and the present tense of a verb shall include the past tense.
- H. The relevant time period is from January 1, 2005 to the present.

### **INTERROGATORIES**

**INTERROGATORY NO. 1:** Describe with particularity each of the following as between You and Hunt Oil Company and any of its affiliates or subsidiaries (collectively, "Hunt Oil") and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these transactions, activities, services, or interests:

- (a) Any forms of ownership or investment as between You and Hunt Oil from January 1, 2005 to the present.
- (b) Any forms of financial relationships as between You and Hunt Oil from January 1, 2005 to the present.
- (c) Any forms of economic relationships as between You and Hunt Oil from January 1, 2005 to the present.
- (d) Any forms of loans, including lines of credit, or other facilities of credit as between You and Hunt Oil from January 1, 2005 to the present.
- (e) Any forms of derivative or hedging relationships as between You and Hunt Oil from January 1, 2005 to the present.



- (f) Any joint ventures or partnerships as between You and Hunt Oil from January 1, 2005 to the present.
- (g) The nature and duration of any services provided by You to Hunt Oil from January 1, 2005 to the present.
- (h) The amount and timing of any compensation received by You from Hunt Oil for any business services from January 1, 2005 to the present.

**RESPONSE:**

**INTERROGATORY NO. 2:** Describe with particularity each of the following as between You and Murphy Oil Corporation and any of its affiliates or subsidiaries (collectively, "Murphy Oil") and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these transactions, activities, services, or interests:

- (a) Any forms of ownership or investment as between You and Murphy Oil from January 1, 2005 to the present.
- (b) Any forms of financial relationships as between You and Murphy Oil from January 1, 2005 to the present.
- (c) Any forms of financial relationships as between You and Murphy Oil from January 1, 2005 to the present.
- (d) Any forms of economic relationships as between You and Murphy Oil from January 1, 2005 to the present.
- (e) Any forms of loans, including lines of credit, or other facilities of credit as between You and Murphy Oil from January 1, 2005 to the present.
- (f) Any forms of derivative or hedging relationships as between You and Murphy Oil from January 1, 2005 to the present.
- (g) Any joint ventures or partnerships as between You and Murphy Oil from January 1, 2005 to the present.
- (h) The nature and duration of any services provided by You to Murphy Oil from January 1, 2005 to the present.
- (i) The amount and timing of any compensation received by You from Murphy Oil for any business services from January 1, 2005 to the present.

**RESPONSE:**

**INTERROGATORY NO. 3:** Describe with particularity each of the following as between You and Bass Enterprises Production Company and any of its affiliates or subsidiaries, including but not limited to, ACB O&G TX, L.P.; ARBGT (LMB) O&G TX, L.P.; ARBGT (SRB) O&G TX, L.P.; BMT O&G TX, L.P.; CMB O&G TX, L.P.; EPB Eagleford TX, L.P.; Keystone O&G TX, L.P.; LMBI O&G TX, L.P.; MLB O&G TX, L.P.; SRBI O&G TX, L.P.; Thru Line O&G TX, L.P.; and TRB O&G TX, L.P. (collectively, "BOPCO") and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these transactions, activities, services, or interests:

- (a) Any forms of ownership or investment as between You and BOPCO from January 1, 2005 to the present.
- (b) Any forms of financial relationships as between You and BOPCO from January 1, 2005 to the present.
- (c) Any forms of economic relationships as between You and BOPCO from January 1, 2005 to the present.
- (d) Any forms of loans, including lines of credit, or other facilities of credit as between You and BOPCO from January 1, 2005 to the present.
- (e) Any forms of derivative or hedging relationships as between You and BOPCO from January 1, 2005 to the present.
- (f) Any joint ventures or partnerships as between You and BOPCO from January 1, 2005 to the present.
- (g) The nature and duration of any services provided by You to BOPCO from January 1, 2005 to the present.
- (h) The amount and timing of any compensation received for any business services provided by You to BOPCO from January 1, 2005 to the present.

**RESPONSE:**

**INTERROGATORY NO. 4:** Describe with particularity each of the following as between You and Marubeni Corporation and any of its affiliates or subsidiaries, including, but not limited to Marubeni Eagle Ford LP, a Texas limited partnership (collectively, "Marubeni") and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these transactions, activities, services, or interests:

- (a) Any forms of ownership or investment as between You and Marubeni from January 1, 2005 to the present.
- (b) Any forms of financial relationships as between You and Marubeni from January 1, 2005 to the present.
- (c) Any forms of economic relationships as between You and Marubeni from January 1, 2005 to the present.
- (d) Any forms of loans, including lines of credit, or other facilities of credit as between You and Marubeni from January 1, 2005 to the present.
- (e) Any forms of derivative or hedging relationships as between You and Marubeni from January 1, 2005 to the present.
- (f) Any joint ventures or partnerships as between You and Marubeni from January 1, 2005 to the present.
- (g) The nature and duration of any services provided by You to Marubeni from January 1, 2005 to the present.
- (h) The amount and timing of any compensation received by You from Marubeni for any business services from January 1, 2005 to the present.

**RESPONSE:**

DATE: June 25, 2014.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 5000  
Minneapolis, Minnesota 55415  
Telephone: (612) 339-2020  
Facsimile: (612) 336-9100  
**ATTORNEYS FOR INTERVENOR-  
PLAINTIFFS, LINDA ALDRICH, ET AL.**

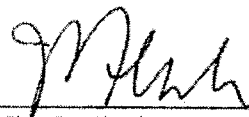
Richard Tinsman  
Sharon C. Savage  
TINSMAN & SCIANO, INC.  
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**ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.**

Jim L. Flegle  
David R. Deary  
Tyler M. Simpson  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251  
Telephone: (214) 572-1700  
Facsimile: (214) 572-1717  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

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

  
Jim L. Flegle

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing instrument has been served on the below listed counsel of record via email and facsimile, this 25<sup>th</sup> day of June 2014:

Patrick K. Sheehan  
David Jed Williams  
Hornberger Sheehan Fuller & Garza Inc.  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209

*Via Facsimile and Email*

Kevin Beiter  
McGinnis Lochridge  
600 Congress Avenue, Suite 2100  
Austin, TX 78701

*Via Facsimile and Email*

John Eichman  
Hunton & Williams  
1445 Ross Avenue, Suite 3700  
Dallas, TX 75202

*Via Hand Delivery and Email*

  
\_\_\_\_\_  
Jim L. Flegle

# **EXHIBIT 2**



**Attorneys at Law**

Alabama  
Florida  
Louisiana  
Mississippi  
Tennessee  
**Texas**  
Washington, DC

**Bradley A. Waters**

Direct: 713.308.0147  
E-Fax: 713.308.4070  
bradley.waters@arlaw.com

August 28, 2014

**Via Facsimile – (214) 572-1717**

Jim L. Flegle  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251

Re: Cause No. 2010-CI-10977; *John K. Meyer, et al v. JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust*; In the 225th Judicial District Court of Bexar County, Texas

Response to Notice of Request for Information Pursuant to Texas Finance Code Section 59.006


Dear Jim:

This firm represents non-party, Marubeni Corporation (“Marubeni”), in connection with Plaintiffs’ August 15, 2014 notice of request for information from Defendant, JP Morgan Chase Bank, N.A. (“JP Morgan”) pertaining to Marubeni and its affiliates as a customer of JP Morgan pursuant to Texas Finance Code Section 59.006. Marubeni hereby objects and does not consent to or otherwise authorize JP Morgan to comply with Plaintiffs’ request (Interrogatory No. 4 of Plaintiffs’ Fifth Set of Interrogatories to Defendant J.P. Morgan Chase Bank, N.A.) pertaining to Marubeni and its affiliates and subsidiaries.

Your August 15 letter advises that Marubeni, as a customer, “bear[s] the burden of preventing or limiting the financial institution’s compliance with a record request subject to section 59.006 by seeking an appropriate remedy, including filing a motion to quash the record request or a motion for protective order.” I note that such a statutory requirement appears to apply only to “[a] customer that is a party to the proceeding.” See TEX. FIN. CODE § 59.006(e) (emphasis added). Marubeni is not a party to the above-referenced proceeding. Regardless, Marubeni also intends to file by tomorrow a *Motion for Protection* with 225th Judicial District Court of Bexar County.

Sincerely,

ADAMS AND REESE LLP



Bradley A. Waters

BAW/tr  
Enclosure

cc: **Via Facsimile – (612) 336-9100**  
John B. Massopust  
Matthew J. Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 5000  
Minneapolis, Minnesota 55415

**Via Facsimile – (210) 222-0586**  
James L. Drought  
DROUGHT DROUGHT & BOBBITT, LLP  
112 E. Pecan Street, Suite 2900  
San Antonio, Texas 78205

**Via Facsimile – (210) 225-6235**  
Richard Tinsman  
Sharon C. Savage  
TINSMAN & SCIANO, INC.  
10107 McAllister Freeway  
San Antonio, Texas 78205

**Via Facsimile – (210) 227-0732**  
George Spencer, Jr.  
Robert Rosenbach  
CLEMENS & SPENCER, P.C.  
112 E. Pecan Street, Suite 1300  
San Antonio, Texas 78205



**Via Facsimile – (210) 271-1730**

Patrick K. Sheehan  
David Jed Williams  
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**Via Facsimile – (512) 495-6384**

Kevin Beiter  
MCGINNIS LOCHRIDGE  
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Austin, Texas 78701

**Via Facsimile – (214) 880-0011**

John Eichman  
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1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

# **EXHIBIT 3**



**Attorneys at Law**

Alabama  
Florida  
Louisiana  
Mississippi  
Tennessee  
Texas  
Washington, DC

**Bradley A. Waters**

Direct: 713.308.0147  
E-Fax: 713.308.4070  
bradley.waters@arlaw.com

June 12, 2014

**Via Facsimile – (612) 336-9100**

John B. Massopust  
Matthew J. Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
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Minneapolis, Minnesota 55415

**Via Facsimile – (210) 222-0586**

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**Via Facsimile – (210) 225-6235**

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Sharon C. Savage  
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San Antonio, Texas 78205

**Via Facsimile – (214) 572-1717**

Jim L. Flegle  
David R. Deary  
Carol E. Farquhar  
Tyler M. Simpson  
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George Spencer, Jr.  
Robert Rosenbach  
CLEMENS & SPENCER, P.C.  
112 E. Pecan Street, Suite 1300  
San Antonio, Texas 78205  
Facsimile: (210) 227-0732

Re: Cause No. 2010-CI-10977; *John K. Meyer, et al v. JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust*; In the 225th Judicial District Court of Bexar County, Texas

Dear Counsel:

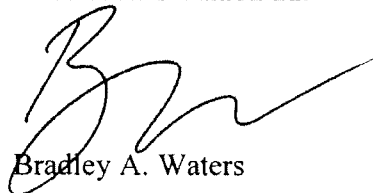
Enclosed please find Non-Party Marubeni Eagle Ford LP's Objections and Responses to the **Request for Production** section of Plaintiffs' Deposition Subpoena Duces Tecum to Produce Documents. Because Marubeni Eagle Ford LP is not producing any documents at this time, *there is no need to proceed with (and Marubeni Eagle Ford LP will not be appearing for) the Plaintiffs' Notice of Intention to Take Deposition on Written Questions to Marubeni Eagle Ford LP section of Plaintiffs' Deposition Subpoena Duces Tecum to Produce*

**Documents scheduled for Friday June 13, 2014 at 10:00 a.m.** Please notify any court reporter or notary public whom you may have scheduled to appear tomorrow for the Deposition on Written Questions of a Marubeni Eagle Ford LP records custodian of this fact. Please also note that the place listed in Plaintiffs' Notice of Intention to Take Deposition on Written Questions to Marubeni Eagle Ford LP is Marubeni Eagle Ford LP's *former* business address.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,

ADAMS AND REESE LLP



Bradley A. Waters

BAW/tr  
Enclosure

cc: **Via Facsimile – (210) 271-1730**  
Patrick K. Sheehan  
David Jed Williams  
HORNBERGER SHEEHAN FULLER & GARZA INC.  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, Texas 78209

**Via Facsimile – (512) 495-6384**  
Kevin Beiter  
MCGINNIS LOCHRIDGE  
600 Congress Avenue, Suite 2100  
Austin, Texas 78701

**Via Facsimile – (214) 880-0011**  
John Eichman  
HUNTON & WILLIAMS LLP  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET AL,

Plaintiffs,

VS.

JP MORGAN CHASE BANK, N.A.,  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST,

Defendant.

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IN THE DISTRICT COURT OF

BEXAR COUNTY, TEXAS

225TH JUDICIAL DISTRICT

**NON-PARTY MARUBENI EAGLE FORD LP'S OBJECTIONS AND RESPONSES TO  
THE REQUEST FOR PRODUCTION SECTION OF PLAINTIFFS' DEPOSITION  
SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS**

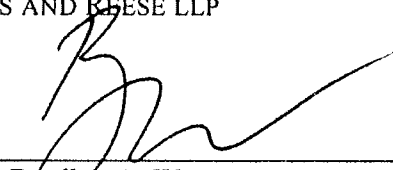
TO: Plaintiffs, John K. Mayer, et al, by and through their attorneys of record, Jim L. Flegle, David R. Deary, Carol E. Farquhar, and Tyler M. Simpson, LOEWINSOHN FLEGLE DEARY, LLP, 12377 Merit Drive, Suite 900, Dallas, Texas 75251.

Non-party, Marubeni Eagle Ford LP, in accordance with Rules 176 and 205 of the Texas Rules of Civil Procedure, hereby serves the following objections and responses to the Request for Production section of the Subpoena Duces Tecum to Produce Documents served by Plaintiffs, John K. Mayer, et al. Non-party, Marubeni Eagle Ford LP, reserves the right to amend and/or supplement these responses pursuant to the Texas Rules of Civil Procedure.

Respectfully submitted,

ADAMS AND REESE LLP

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



Bradley A. Waters  
State Bar No. 24033441  
LYONDELLBASELL TOWER  
1221 McKinney Street, Suite 4400  
Houston, Texas 77010  
Telephone: (713) 652-5151  
Facsimile: (713) 652-5152  
Email: bradley.waters@arlaw.com

*Attorneys for Non-Party,  
Marubeni Eagle Ford LP*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document has been served on all known counsel of record in accordance with Rules 21 and 21(a), Texas Rules of Civil Procedure, on this 12th day of June, 2014.

John B. Massopust  
Matthew J. Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 5000  
Minneapolis, Minnesota 55415  
Facsimile: (612) 336-9100

Patrick K. Sheehan  
David Jed Williams  
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& GARZA INC.  
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Kevin Beiter  
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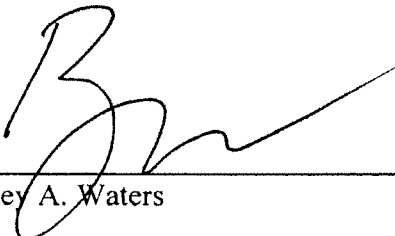
Richard Tinsman  
Sharon C. Savage  
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George Spencer, Jr.  
Robert Rosenbach  
CLEMENS & SPENCER, P.C.  
112 E. Pecan Street, Suite 1300  
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Jim L. Flegle  
David R. Deary  
Carol E. Farquhar  
Tyler M. Simpson  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251  
Facsimile: (214) 572-1717

Fred W. Stumpf  
BOYER SHORT  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046  
Facsimile: (713) 871-2024

  
\_\_\_\_\_  
Bradley A. Waters

**NON-PARTY MARUBENI EAGLE FORD LP'S OBJECTIONS AND RESPONSES TO  
THE REQUEST FOR PRODUCTION SECTION OF PLAINTIFFS' DEPOSITION  
SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS**

**REQUEST FOR PRODUCTION NO. 1:** Please produce the Purchase and Sale Agreement ("Purchase & Sale Agreement") dated December 28, 2011 between Hunt Oil Company and Marubeni Eagle Ford LP.

**RESPONSE:**

Objection. The above request seeks information from a non-party, Marubeni Eagle Ford LP, regarding a confidential and proprietary business transaction by and between two non-parties, Hunt Oil Company and Marubeni Eagle Ford LP, which is not relevant or reasonably calculated to lead to the discovery of admissible evidence in a case brought by beneficiaries of the South Texas Syndicate ("STS") Trust alleging tortious conduct by JP Morgan as trustee of the STS Trust. Further, the above request seeks the disclosure of personal, private, confidential, and/or proprietary information of non-parties, Hunt Oil Company and Marubeni Eagle Ford LP.

**REQUEST FOR PRODUCTION NO. 2:** Please produce all correspondence between Hunt Oil Company and Marubeni Eagle Ford LP regarding the Purchase & Sale Agreement and the Amendments to Oil and Gas Leases, copies of which are attached as Exhibit A.

**RESPONSE:**

Objection. The above request is vague, overbroad, unduly burdensome, and seeks information from a non-party, Marubeni Eagle Ford LP, regarding a confidential and proprietary business transaction by and between two non-parties, Hunt Oil Company and Marubeni Eagle Ford LP, which is not relevant or reasonably calculated to lead to the discovery of admissible evidence in a case brought by beneficiaries of the STS Trust alleging tortious conduct by JP Morgan as trustee of the STS Trust. Further, the above request seeks the disclosure of personal, private, confidential, and/or proprietary information of non-parties, Hunt Oil Company and Marubeni Eagle Ford LP.

**REQUEST FOR PRODUCTION NO. 3:** Please produce all correspondence between JP Morgan and Marubeni Eagle Ford LP regarding the Purchase & Sale Agreement and the Amendments to Oil and Gas Leases, copies of which are attached as Exhibit A.

**RESPONSE:**

Objection. The above request is vague, overbroad, unduly burdensome, and seeks information from a non-party, Marubeni Eagle Ford LP, which is not relevant or reasonably calculated to lead to the discovery of admissible evidence in a case brought by beneficiaries of the STS Trust alleging tortious conduct by JP Morgan as trustee of the STS Trust. Further, the above request



seeks information which, if any exists, is available from JP Morgan, a party defendant in the case. Subject to and without waiving the foregoing objections, Marubeni Eagle Ford LP is a non-operating partner in the subject leases and, as such, would not have in the ordinary course of business corresponded directly with JP Morgan regarding the subject leases. To date, Marubeni Eagle Ford LP has not located any responsive information.

Price 2nd Floor

1 1/2 hrs  
**JUDGE'S NOTES**



CAUSE NO.: 2010CI10977

COURT: 225

DATE/TIME: 09/03/2014 08:30AM

SETTING COURT: 109

STYLE: JOHN K MEYER  
VS. JP MORGAN CHASE BANK N A ET AL

DISCOVERY LEVEL: 2

ATTORNEY(S) FOR CASE:

- MARK RANDOLPH
- JAMES DROUGHT
- STEVEN BADGER
- MATTHEW COLLINGER
- JOHN EICHMAN
- MARK JOSEPHS
- FRED STUMPF
- DAVID BUTTERBAUGH

Paul Galante -  
Shayne Mose -

- PATRICK SHEEHAN
- JIM FLEGL
- JOHN MASSOPUST
- RUDY GARZA
- DAVID WILLIAMS ✓
- RICHARD TINSMAN
- IAN BOLDEN

09/01/2014-09/30/2014

THIS CASE HAS 15 OR MORE ATTORNEYS

TYPE OF MOTION OR APPLICATION:

NON-JURY RESET ON MOTION TO COMPEL AND M/T SET THIRD PARTIES' OBJECTIONS FOR HEA

Steph Corette, Stephanie  
George Spencer -

FILED  
DONNA KAY MCKINNEY  
DISTRICT CLERK  
BEXAR COUNTY  
SEP - 3 AM 8:54  
2014  
DEPUTY  
KIMBERLY SHAW

CONFERRING \_\_\_\_\_ ESTIMATE HEARING TIME \_\_\_\_\_

AGREED ORDER \_\_\_\_\_ ASSIGNED COURT \_\_\_\_\_

DROP \_\_\_\_\_ RECORD TAKEN \_\_\_\_\_

INTERPRETER \_\_\_\_\_ RESET DATE \_\_\_\_\_

Mary Helen Vargas, CSR, RPR  
224<sup>th</sup> Official Court Reporter  
100 Dolorosa Street  
San Antonio, TX 78205  
(210)335-2138 ..... mvargas@bexar.org

DATE OF NOTES \_\_\_\_\_

JUDGE INITIALS \_\_\_\_\_

Documents to be produced by 15<sup>th</sup>

2007-08 only leases - no addendums or other  
agreements

Experts letters only w/ confidentiality agreement  
all docs returned at end of case + all copies

one doc: bonus amount during time period (unless it  
changed) - not mineral acre bonus.

any attempt to enter into evidence - Party seeking to do so will  
be required to seal.

All info not showing location, bonus, size, continuous  
drilling terms, royalty, + water rights - OK -

copy anything else redacted

PROPERTY OF BEXAR COUNTY DISTRICT CLERK'S OFFICE

(DK510A)

No contact w/ leaders by anyone in access.

**CAUSE NO. 2010-CI-10977**

<b>JOHN K. MEYER, ET AL.,</b>	§	<b>IN THE DISTRICT COURT</b>
	§	
<i>Plaintiffs,</i>	§	
	§	
<b>v.</b>	§	
	§	
<b>JP MORGAN CHASE BANK, N.A.,</b>	§	<b>225TH JUDICIAL DISTRICT</b>
<b>INDIVIDUALLY/CORPORATELY</b>	§	
<b>AND AS TRUSTEE OF THE SOUTH</b>	§	
<b>TEXAS SYNDICATE TRUST,</b>	§	
	§	
<i>Defendants.</i>	§	
	§	<b>BEXAR COUNTY, TEXAS</b>

**CERTIFICATE OF SERVICE OF TEXAS FINANCE CODE NOTICE  
ON NON-PARTY LAREDO PETROLEUM, INC.**

Plaintiffs file this certificate of service in accordance with Texas Finance Code section 59.006(c) indicating that Laredo Petroleum, Inc. (“Laredo”) has been served with the notice and a copy of the information request from Plaintiffs’ 3rd Set of Interrogatories to JP Morgan Chase Bank, N.A. (notice and record request are attached as “Exhibit A”). Plaintiffs served Laredo’s Registered Agent, CT Corporation, 1999 Bryan Street, Suite 900, Dallas, Texas 75201, via hand delivery. Through this filing, Plaintiffs also serve Defendant JP Morgan Chase Bank, N.A. with the notice.

DATE: September 2, 2014.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON  
LLP  
500 Washington Avenue South, Suite 5000  
Minneapolis, Minnesota 55415  
Telephone: (612) 339-2020  
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Richard Tinsman  
Sharon C. Savage  
TINSMAN & SCIANO, INC.  
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Robert Rosenbach  
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San Antonio, Texas 78205  
Telephone: (210) 225-4031  
Facsimile: (210) 222-0586

Jim L. Flegle  
David R. Deary  
Michael J. Donley  
LOEWINSOHN FLEGLE DEARY, L.L.P.  
12377 Merit Drive, Suite 900  
Dallas, Texas 75251  
Telephone: (214) 572-1700  
Facsimile: (214) 572-1717  
**ATTORNEYS FOR PLAINTIFFS**

By: */s/ Jim Flegle*

---

Jim L. Flegle

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing instrument has been served on the below listed counsel of record via email and e-filing on this 2nd day of September 2014:

**HORNBERGER SHEEHAN FULLER  
BEITER WITTENBERG & GARZA INC.**

Patrick K. Sheehan, Esq.  
[psheehan@hsfblaw.com](mailto:psheehan@hsfblaw.com)  
David Jed Williams, Esq.  
[jwilliams@hsfblaw.com](mailto:jwilliams@hsfblaw.com)  
Kevin M. Beiter, Esq.  
[kveiter@hsfblaw.com](mailto:kveiter@hsfblaw.com)  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Telephone: (210) 271-1700  
Facsimile: (210) 271-1740

**HUNTON & WILLIAMS LLP**

Charles A. Gall, Esq.  
[cgal@hunton.com](mailto:cgal@hunton.com)  
John E. Eichman, Esq.  
[jeichman@hunton.com](mailto:jeichman@hunton.com)  
1445 Ross Avenue, Suite 3700  
Dallas, TX 75202  
Telephone: (214) 979-3000  
Facsimile: (214) 880-0011

**BOYER SHORT, PC**

Fred W. Stumpf, Esq.  
[fstumpf@gpm-law.com](mailto:fstumpf@gpm-law.com)  
Nine Greenway Plaza, Suite 3100  
Houston, TX 77046  
Telephone: (713) 237-2111  
Facsimile: (713) 237-3202

**LAREDO PETROLEUM, INC.**

Through its registered agent,  
CT Corporation  
1999 Bryan Street, Suite 900  
Dallas, TX 75201  
*(Via Hand Delivery)*

*/s/ Jim Flegle*

\_\_\_\_\_  
Jim L. Flegle

# **EXHIBIT A**

★ ★ ★  
LOEWINSOHN FLEGLE DEARY  
L · L · P

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September 2, 2014

**EXHIBIT A**

Laredo Petroleum, Inc.  
c/o CT Corporation Systems  
1999 Bryan Street, Suite 900  
Dallas, TX 75201

*Via Hand Delivery*

Re: Notice of Request for Information Pursuant to Section 59.006, Texas Finance Code

To Whom It May Concern:

We represent Plaintiffs in Cause No. 2010-CI-10977; *John K. Meyer, et al. v. JP Morgan Chase Bank N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust*; in the 225th District Court, Bexar County, Texas (“Litigation”). JP Morgan Chase Bank N.A. (“JP Morgan”) has been sued individually/corporately and in its capacity as Trustee of the South Texas Syndicate Trust.

In the Litigation, our clients have requested discovery of information from JP Morgan relating to Laredo Petroleum, Inc. and affiliates (“Laredo”) as a customer of the financial institution. A copy of our Third Set of Interrogatories to JP Morgan is attached. We understand Laredo purchased Broad Oak Energy, Inc. (“Broad Oak”) sometime in 2011. The interrogatory that potentially involves customer information concerning Laredo and Broad Oak is Interrogatory No. 9.

Pursuant to section 59.006, Texas Finance Code, you are hereby given notice of your rights as a customer under section 59.006(e). You, as a customer, bear the burden of preventing or limiting the financial institution’s compliance with a record request subject to section 59.006 by seeking an appropriate remedy, including filing a motion to quash the record request or a motion for a protective order. Any motion filed shall be served on the financial institution and the requesting party before the date that compliance with the request is required. A financial institution is not liable to its customer or another person for disclosure of a record in compliance with section 59.006. If we have not received your consent form, as requested below, by September 8, 2014, we will file a motion seeking an in camera inspection of the information. The service address for JP Morgan, the financial institution, is:

Laredo Petroleum, Inc.  
September 2, 2014  
Page 2

JP Morgan Chase Bank N.A.  
c/o Patrick K. Sheehan, Esq.  
Hornberger Sheehan Fuller & Garza Incorporated  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Fax: 210-271-1730

The service address for Plaintiffs, the requesting parties, is:

Jim L. Flegle, Esq.  
Loewinsohn Flegle Deary, LLP  
12377 Merit Drive, Suite 900  
Dallas, TX 75251  
Fax: 214-572-1717

Further, our clients request your written consent authorizing JP Morgan to comply with the request. A consent form is enclosed. If you wish to consent to the release of the information our clients have requested, please execute the attached consent form and return it to the undersigned as soon as possible, but no later than September 8, 2014.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Jim L. Flegle  
(214) 572-1701  
Email: [jimf@LFDlaw.com](mailto:jimf@LFDlaw.com)

JLF/mlj  
Enclosure



Laredo Petroleum, Inc.

September 2, 2014

Page 3

**Consent for JP Morgan to Release Banking Records**

I, \_\_\_\_\_, have capacity to act on behalf of Laredo Petroleum, Inc., and affiliates, and consent to the release of the information requested in Plaintiffs' Third Set of Interrogatories to Defendant JP Morgan Chase Bank, N.A. and hereby authorize JP Morgan to respond to the Interrogatories and provide any information covered by the Interrogatories to the Plaintiffs.

LAREDO PETROLEUM, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, *ET AL.*,

Plaintiffs,

JP MORGAN CHASE BANK, N.A.,  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST AND  
GARY P. AYMES,

Defendants.

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IN THE DISTRICT COURT

225<sup>th</sup> JUDICIAL DISTRICT

BEXAR COUNTY, TEXAS

**PLAINTIFFS' THIRD SET OF INTERROGATORIES TO DEFENDANT  
JP MORGAN CHASE BANK, N.A., INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST**

TO: Defendant JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust., by and through its attorney of record, Patrick K. Sheehan, Hornberger Fuller Sheehan & Beiter Inc., The Quarry Heights Building, 7373 Broadway, Suite 300, San Antonio, TX 78209

Pursuant to Rules 193 and 197 of the Texas Rules of Civil Procedure, you are required to serve on the undersigned your full and complete written responses under oath to each of the Interrogatories set forth herein within thirty (30) days after the service of the Interrogatories.

**DEFINITIONS AND INSTRUCTIONS**

A. To the fullest extent permitted by the Texas Rules of Civil Procedure, these Interrogatories are intended to be continuing in nature. You are requested and required to supplement your answers when appropriate or necessary to make them correct and complete.

B. If You contend that You may partially or entirely withhold responsive information because of a rule, privilege, immunity, or other reason, provide information sufficient for Plaintiff to assess the merits of such contention.

C. Each Interrogatory is to be read, construed and responded to separately and independently without reference to or being limited by any other Interrogatory.

D. In answering these Interrogatories, You are required to furnish all information available to You, including information in Your possession, custody or control. Such information available to You and requested herein includes information in the possession, custody, or control of Your attorneys, agents, accountants, consultants, and all other persons acting on Your behalf, and not merely such information known to You or of Your own personal knowledge.

E. If You cannot answer any of these Interrogatories in full after exercising due diligence to secure the information, You are required to so state and answer to the extent possible, specifying Your inability to answer the remainder, stating what information or knowledge You have concerning the unanswered portions and why You are unable to answer the unanswered portions.

F. As used herein, the words and phrases set out below shall have the meaning prescribed for them:

1. "Document" or "documents" shall mean every document within the widest permissible scope of the Texas Rules of Civil Procedure, including, without limitation, every original (and every copy of any original or copy which differs in any way from any original) of every writing or recording of every kind or description, whether handwritten, typed, drawn, sketched, printed, or recorded or maintained by any physical, mechanical, electronic, or electrical means whatsoever, including, without limitation, electronic communications or data bases, emails (including, without limitation, received emails, sent emails, and deleted emails together with all attachments), text messages, SMS, MMS, BBM, or other instant message system or

format, books, records, papers, pamphlets, brochures, circulars, advertisements, specifications, notebooks, worksheets, reports, lists, analyses, summaries, tax returns, financial statements, profit and loss statements, cash flow statements, balance sheets, annual or other periodic reports, calendars, appointment books, diaries, telephone bills and toll call records, expense reports, commission statements, itineraries, agendas, check books, canceled checks, receipts, agreements, applications, offers, acceptances, proposals, purchase orders, invoices, written, electronic or otherwise recorded memorials of oral communications, forecasts, photographs, photographic slides or negatives, films, film strips, tapes and recordings, and any “tangible things” as that term is used in Texas Rule of Civil Procedure 196.1.

2. As used herein, the terms “constitute, refer or relate to,” “refer or relate to,” “relating to,” “related,” “evidencing,” “reflect,” “reflecting,” “support,” “evidence” and any similar term shall mean -- unless otherwise indicated -- having any relationship or connection to, concerning, being connected to, commenting on, responding to, containing, evidencing, showing, memorializing, describing, analyzing, reflecting, pertaining to, comprising, constituting, proving or tending to prove or otherwise establishing any reasonable, logical or causal connection.

3. As used herein, the terms “communication” or “communications” shall mean any document, oral statement, conversation, meeting, or conference, formal or informal, under any circumstances whatsoever, whereby information of any nature was stated, written, recorded, or in any manner transmitted or transferred.

4. As used herein, the terms “fact” or “facts” shall mean all evidentiary facts presently known to you and all evidentiary facts the existence of which is presently inferred by you from the existence of any combination of evidentiary and/or ultimate facts.

5. As used herein, the terms “person” or “persons” includes any natural person and any firm, limited liability company, partnership, joint venture, hospital, institution, corporation, business, organization, trust, association or any other business or governmental or quasi-governmental entity, political subdivision, commission, board or agency of any character whatsoever together with the partners, trustees, officers, directors, employees, or agents thereof.

6. The terms “AND” and “OR” are to be construed either disjunctively or conjunctively, whichever is appropriate, so as to bring within the scope of these Requests any information or documents that might otherwise be considered beyond its scope.

7. As used herein, the word “any” shall include the word “all,” and the word “all” shall include the word “any.”

8. The term “Relevant”, as used herein, includes by way of illustration only and not by way of limitation, the following: (1) information that either would or would not support the disclosing parties’ contentions; (2) identification of those persons who, if their potential testimony were known, might reasonably be expected to be deposed or called as a witness by any of the parties; (3) information that is likely to have an influence on or affect the outcome of a claim or defense; (4) information that deserves to be considered in the preparation, evaluation or trial of a claim or defense; and (5) information that reasonable and competent counsel would consider reasonably necessary to prepare, evaluate or try a claim or defense.

9. As used herein, the words “include” and “including” shall mean “including without limitation.”

10. The terms “Petition” and/or “Lawsuit” shall refer to the petition filed in the above-captioned litigation, all amendments made thereto and all claims made therein.

11. “Defendants,” as used herein means any and all defendants named in this lawsuit, and any agents, employees, partners, managers, members, lawyers, accountants, representatives, and any other person or entity acting on behalf of a defendant or subject to their control.

12. “You,” and “Your” shall mean and refer to JP Morgan Chase Bank, N.A., Individually/Corporately and as Trustee of South Texas Syndicate Trust, including but not limited to, Gary P. Aymes and any and all past or present partners, officers, directors, managers, employees, attorneys, representatives, agents, shareholders, affiliates, subsidiaries, parents, successors, assigns, or any entity in which Defendant has an ownership interest, individually, collectively, or in any combination and/or permutation whatsoever.

13. “Trust” as used herein refers to the trust that is the subject of this lawsuit, commonly designated and referred to as the “South Texas Syndicate”. “Trust” as used herein also refers to and includes the assets, property, and/or estate of the Trust. “Trust” further includes the fiduciary relationship governing the Trustee with respect to the Trust property when that reading of the term would cause more documents or information to be covered by the term.

14. “Trust Assets” as used herein refers to the assets, property and the estate of the Trust (*i.e.* South Texas Syndicate Trust).

15. “Trustee” shall mean Defendant JP Morgan Chase Bank, N.A., Corporately and as Trustee of the South Texas Syndicate Trust, and any individual or entity acting on its behalf, and Gary P. Aymes in his capacity as an employee of Defendant JP Morgan Chase Bank, N.A. and his capacity as fiduciary officer and/or administrator of the Trust.

16. As used herein, the term “Identify” as used herein shall include the following:

- a. When used in reference to a person, shall mean his full name, present or last known home address and telephone number, present or last known business address and telephone number, employer and job title;

- b. When used in reference to a firm or corporation, shall mean its full name and address, telephone number, any other names by which it is or has been known, its state of incorporation, and its principal place of business;
- c. When used in reference to someone or something other than a person, firm, or corporation, shall mean its official name, organizational form, address and telephone number;
- d. When used in reference to a document, shall mean the type of document, date, author, addressee, title, its present location, identity of its custodian and the substance of its contents;
- e. When used in reference to a communication or statement, shall mean the form of communication (*i.e.*, telephone conversation, letter, face-to-face conversation, *etc.*), the date of the communication and the date on which it was sent and received, the identity of the persons who were involved in the communication, the substances of the communication, the present location of the communication and the identity of its custodian; and
- f. When used in reference to an act, meeting or other event, shall mean a description of the substance of the events constituting the act or meeting, the date of its occurrence, the identity of any documents concerning such act or meeting, and the identity of any documents concerning such act or meeting.

17. "Petrohawk" shall mean Petrohawk Energy Corporation and shall include all iterations and forms of Petrohawk Energy Corporation, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

18. "First Rock" shall mean First Rock Inc. and shall include all iterations and forms of First Rock Inc., including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

19. "Blackbrush" shall mean Blackbrush Oil & Gas, L.P., Blackbrush Oil & Gas LLP, and Blackbrush Oil & Gas Inc. and shall include all iterations and forms of Blackbrush Oil & Gas, L.P., Blackbrush Oil & Gas LLP, and Blackbrush Oil and Gas Inc., including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

20. "Broad Oak" shall mean Broad Oak Energy II, LLC and shall include all iterations and forms of Broad Oak Energy II, LLC, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

21. "BHP Billiton" shall mean BHP Billiton and shall include all iterations and forms of BHP Billiton, including but not limited to all predecessor, successor, parent, subsidiary, and affiliate companies.

F. In construing this request:

1. The singular shall include the plural and the plural shall include the singular.
2. A masculine, feminine, or neuter pronoun shall not exclude the other genders.
3. The past tense of a verb shall include the present tense, and the present tense of a

verb shall include the past tense.

H. The relevant time period is from January 1, 2000 to the present.

### **INTERROGATORIES**

#### **INTERROGATORY NO. 1:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Petrohawk's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

#### **RESPONSE:**

#### **INTERROGATORY NO. 2:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with First Rock's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

#### **RESPONSE:**



**INTERROGATORY NO. 3:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Blackbrush's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

**RESPONSE:**

**INTERROGATORY NO. 4:**

Describe with particularity the actions and responsibilities undertaken by You, both as STS trustee and as JPMorgan Chase corporate/investment bank, in connection with Broad Oak's investigation and leasing of the Eagle Ford Shale property interests and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these actions.

**RESPONSE:**

**INTERROGATORY NO. 5:**

Describe with particularity Your role, both as STS trustee and as JPMorgan Chase corporate/investment bank, in BHP Billiton's purchase of Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about Your role in this transaction.

**RESPONSE:**

**INTERROGATORY NO. 6:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 7:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and First Rock and

identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 8:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Blackbrush and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 9:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and Broad Oak and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 10:**

Describe with particularity each and every financing, loan, or credit arrangement between You, both as STS trustee and as JPMorgan Chase corporate/investment bank, and BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these financing, loan, or credit arrangements.

**RESPONSE:**

**INTERROGATORY NO. 11:**

Describe with particularity any activity You perform for or service You provide to, both as STS trustee and as JPMorgan Chase corporate/investment bank, BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these activities or services.

**RESPONSE:**

**INTERROGATORY NO. 12:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Petrohawk and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 13:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in First Rock and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 14:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Blackbrush and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 15:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in Broad Oak and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 16:**

Describe with particularity any investment and ownership interest You, both as STS trustee and as JPMorgan Chase corporate/investment bank, have had in BHP Billiton and identify Your officer(s), director(s), or employee(s) best suited to testify about the substance of these interests.

**RESPONSE:**

**INTERROGATORY NO. 17:**

Identify Your officer(s), director(s), or employee(s) who can attest to the accuracy and authenticity of Your responses to these Interrogatories.

**RESPONSE:**

DATE: September 9, 2013.

ZELLE HOFMANN VOELBEL & MASON, LLP



JOHN B. MASSOPUST (*pro hac vice*)

MATTHEW J. GOLLINGER (*pro hac vice*)

500 Washington Avenue South, Suite 5000

Minneapolis, Minnesota 55415

Telephone: (612) 339-2020

Facsimile: (612) 336-9100

**ATTORNEYS FOR PLAINTIFF-  
INTERVENORS, LINDA ALDRICH, ET AL.**

**CERTIFICATE OF SERVICE**

I certify that on September 9, 2013, this document was served on the following described parties in the manner indicated below:

Patrick K. Sheehan  
David Jed Williams  
Hornberger Sheehan Fuller & Beiter, Inc.  
The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209

Via U.S. Mail and Email

Sara Chelette  
Jackson Walker, LLP  
901 Main Street, Suite 6000  
Dallas, TX 75202

Via U.S. Mail and Email

Fred W. Stumpf  
Boyer Short  
Nine Greenway Plaza, Suite 3100  
Houston, TX 77046

Via U.S. Mail and Email



Matthew J. Gollinger



(Consolidated Under)  
CAUSE NO. 2010-CI-10977

FILED  
DONNA KAY MCKINNEY  
DISTRICT CLERK  
BEXAR COUNTY  
2014 AUG 29  
AUG 29 2014  
A 11:31

JOHN K. MEYER, ET AL.,  
Plaintiffs,

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT

vs.

225TH JUDICIAL DISTRICT

JP MORGAN CHASE BANK, N.A.  
INDIVIDUALLY/CORPORATELY  
AND AS TRUSTEE OF THE SOUTH  
TEXAS SYNDICATE TRUST,  
Defendant.

BEXAR COUNTY, TEXAS

Barbara Segura  
DEPUTY

**NON-PARTY SEGUNDO NAVARRO DRILLING, LTD.'S MOTION TO QUASH AND  
OBJECTIONS TO NON-PARTY SUBPOENA**

TO THE HONORABLE JUDGE OF SAID COURT:

Segundo Navarro Drilling, Ltd. ("Segundo") files this Motion to Quash and Objections to Nonparty Subpoena, and respectfully requests that the subpoena of Segundo (the "Subpoena") issued by counsel for Plaintiffs be quashed in its entirety.

**I. INTRODUCTION**

1. Segundo is a non-party to this lawsuit. According to Plaintiff's pleadings, the suit involves a dispute between a trustee and its beneficiaries related to various oil and gas interests. The disputed oil and gas interests do not involve Segundo or any leases entered into on behalf of Segundo. In fact, the Subpoena requests Segundo oil and gas leases and information related thereto that are not: (1) in the trust; (2) subject to the trustee's authority; (3) or provide any benefit to the beneficiaries.

2. Moreover, the information requested is either: (1) not relevant or reasonably calculated to lead to the discovery of admissible evidence; (2) overbroad, unduly burdensome, or harassing; (3) subject to a confidential settlement agreement; (4) duplicative or cumulative of information already in Plaintiffs' possession; (5) comprised of confidential and proprietary

information; or (6) in the public domain and is equally accessible to Plaintiffs. Based on the above objections, the Subpoena is improper and should be quashed in its entirety.

## **II. RELEVANT PROCEDURAL BACKGROUND**

3. On or about August 12, 2014, Plaintiffs served Segundo with the Subpoena. The Subpoena is attached hereto and incorporated herein by reference as Exhibit A. The Subpoena requests the production of documents related to and associated with oil and gas leases between Segundo and Gates Mineral Company, Ltd. ("Gates"). The Subpoena commands production of such documents by 10:00 a.m. on August 29, 2014 at 10101 Reunion Plaza, Suite 1000, San Antonio, Texas 78216.

## **III. ARGUMENT**

### **A. The Subpoena Should Be Quashed Because The Documents Requested Are Not Relevant Or Reasonably Calculated To Lead To The Discovery Of Admissible Evidence.**

4. Plaintiffs seek oil and gas leases between Segundo and Gates and the financial outcomes of the Segundo/Gates leases. The request is impermissible because the requested information has no connection to the lawsuit. Specifically, the lawsuit focuses solely on oil and gas leases that J.P. Morgan entered into on behalf of the trust with Petrohawk, Hunt Oil Company, and Pioneer. The lawsuit in no way involves any Segundo/Gates leases or financial information related thereto. Segundo is not a party to the lawsuit, the Segundo/Gates leases are not in the trust, are not subject to the trustee's authority, and do not benefit the beneficiaries. With no connection to the lawsuit, the information requested is not relevant. As a result, Segundo respectfully requests that the Subpoena be quashed in its entirety.

### **B. The Subpoena Should Be Quashed Because The Document Request Is Overbroad, Unduly Burdensome, And Harassing.**

5. Plaintiffs' document request seeks oil and gas leases from August 4, 2006, June 30, 2007, and December 23, 2011. Further, the document request seeks oil and gas leases from Webb County and Dimmit County. The document requests are overbroad geographically and in time. Specifically, the lawsuit relates to oil and gas leases that involve La Salle and McMullen Counties. There are no allegations of any disputed leases being in Webb or Dimmitt Counties. Also, the disputed oil and gas leases were entered into in the 1940s, in 2008, and in 2012. None of these dates correspond with the dates in Plaintiffs' Subpoena. The Subpoena is clearly overbroad, unduly burdensome, and harassing and Segundo respectfully requests that the Subpoena be quashed in its entirety on this basis.

**C. The Subpoena Should Be Quashed Because Responsive Documents Are Subject To A Confidential Settlement Agreement.**

6. Segundo and Gates were involved in litigation styled *Segundo Navarro Drilling, Ltd. v. Gates Mineral Company, Ltd., Gates Espejo Minerals, LLC, and Gates Production Company, Inc.*, Cause No. 2010 CVF-001976-D1, in the 49th Judicial District Court, Webb County, Texas. The case was settled and the terms of the settlement agreement were confidential. As agreed to by Segundo and Gates, the terms of the settlement agreement were memorialized into a new Oil and Gas Lease dated December 23, 2011. The terms of the December 23, 2011 Oil and Gas Lease are subject to the settlement agreement's confidentiality provision and are not permitted to be disclosed.

7. Plaintiffs identify the December 23, 2011 oil and gas lease in their No. 3-No. 5 and corresponding requests for production. All of these documents are subject to the settlement agreement's confidentiality provision with the exception of the Lease Memorandums. The Lease Memorandums are in the public domain and are equally accessible to Plaintiffs. Disclosing any of the requested information related to No. 3-No. 5 would disclose the terms of the settlement



agreement and would breach the settlement agreement's confidentiality provision. As a result, Segundo is prohibited from producing the requested information related to No. 3-No. 5 and respectfully requests that the Subpoena be quashed.

**D. The Subpoena Should Be Quashed Because The Document Request Is Duplicative Or Cumulative Of Information In Plaintiffs' Possession.**

8. It appears that Plaintiffs are seeking Segundo/Gates leases and financial information to use as a comparable against the deals made by J.P. Morgan on behalf of the trust. This information request, however, is duplicative and cumulative of information already in Plaintiffs' possession. As an example, Plaintiffs refer to Harrison Ranch as a similar transaction to the Petrohawk transaction. In the Harrison Ranch transaction, Plaintiffs reference to significantly higher bonus payouts and more sophisticated negotiations. If true, this appears to sufficiently assist Plaintiffs in their argument. Additional comparative transactions are simply cumulative and duplicative of what is known. Moreover, Plaintiffs were able to acquire this information through trade publications rather than from confidential information between non-parties. The requested information is duplicative and cumulative of information already in Plaintiffs' possession. Also the Plaintiffs can secure similar information from less burdensome sources such as trade publications. As a result, Segundo respectfully requests that the Subpoena be quashed in its entirety.

**E. The Subpoena Should Be Quashed Because Responsive Documents Are Confidential And Proprietary In Nature.**

9. Segundo explores, drills, and operates oil and gas wells in South Texas. In furtherance of its business, Segundo negotiates oil and gas leases. To successfully compete in the oil and gas industry, Segundo keeps the terms of an oil and gas lease confidential. In addition, the terms of the agreement and related financial information are not public knowledge.

For example, the amount of bonus that Segundo pays its mineral owner is not publicly disseminated. By revealing this information, Segundo's competitors can simply use this information to outbid Segundo in future deals. Also, revealing this information could damage existing relationships that Segundo has with its various mineral owners.

10. The information requested is clearly confidential and proprietary. Requiring that the information be disclosed will unduly prejudice and harm Segundo. As a result, Segundo respectfully requests that the Subpoena be quashed in its entirety.

**F. The Subpoena Should Be Quashed In Part Because Responsive Documents Are In The Public Domain And Are Equally Accessible To Plaintiffs.**

11. Plaintiffs seek various documents related to Oil and Gas Leases dated August 4, 2006, June 30, 2007, and December 23, 2011. Segundo is aware that the Lease Agreement Memorandums are recorded documents that are in the public domain. To the extent Plaintiffs seek these documents; Plaintiffs are equally able to access the appropriate County Records to get copies of these documents. Segundo respectfully requests that the Subpoena be quashed in part as it relates to documents that are in the public domain and are equally accessible to Plaintiffs.

**IV. CONCLUSION**

12. This lawsuit involves beneficiaries of a trust suing their trustee for alleged breach of fiduciary duties and other alleged bad acts. The general theme of the lawsuit is that the trustee negotiated deals that were not favorable to the trust and caused the Plaintiff beneficiaries significant damage. Plaintiffs are attempting to secure lease and financial information from Segundo, a non-party, which they believe will help make their case. This is objectionable on numerous grounds.

13. Specifically, the Segundo/Gates leases and corresponding financial information have no connection to the disputed leases or lawsuit. As a result, the request is not relevant or

reasonably calculated to lead to the discovery of admissible evidence. Further, the request is overly broad, unduly burdensome, and harassing because it seeks lease information that is not in the counties where the disputed leases exist and not during the same years. Moreover, much of the information is the subject of a confidential settlement agreement and/or is confidential and proprietary negotiation and lease information. Lastly, the information requested is both duplicative and cumulative or is equally accessible to the Plaintiffs to locate in the public domain. With the Subpoena being objectionable in numerous ways, Segundo respectfully requests that the Subpoena be quashed in its entirety.

**PRAYER**

WHEREFORE, PREMISES CONSIDERED, Segundo Navarro, Ltd. respectfully requests that the attached subpoena be quashed, and that upon a hearing of this motion an appropriate protective order be issued in favor of Segundo Navarro, Ltd. and for such other and further relief to which Segundo Navarro, Ltd. may show itself to be justly entitled.

Respectfully submitted,

STRASBURGER & PRICE, L.L.P.  
2301 Broadway  
San Antonio, Texas 78215  
Telephone: (210) 250-6000  
Facsimile: (210) 250-6100

By \_\_\_\_\_

ANDREW L. KERR  
State Bar No. 11339500  
andrew.kerr@strasburger.com  
STEPHEN T. DENNIS  
State Bar No. 24040795  
stephen.dennis@strasburger.com

ATTORNEYS FOR NON-PARTY  
SEGUNDO NAVARRO DRILLING, LTD.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure this 24 day of August, 2014:

Daniel J.T. Sciano  
Richard Tinsman  
Sharon C. Savage  
TINSMAN & SCIANO, INC.  
10107 McAllister Fwy.  
San Antonio, Texas 78216

George H. Spencer, Jr.  
Robert Rosenbach  
CLEMENS & SPENCER, PC  
112 East Pecan Street, Suite 1300  
San Antonio, Texas 78205

James L. Drought  
Ian Bolden  
DROUGHT, DROUGHT & BOBBITT, LLP  
112 East Pecan Street  
San Antonio, Texas 78205

David R. Deary  
Jim L. Flegle  
LOEWINSOHN FLEGLE DEAR, LLP  
12377 Merit Dr., Suite 900  
Dallas, Texas 75251

John B. Massoupust  
Matthew J. Gollinger  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152

Steven J. Badger  
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Dallas, Texas 75202-3975

Michael S. Christian  
ZELLE HOFMANN VOELBEL & MASON  
44 Montgomery Street, Suite 3400  
San Francisco, California 94104

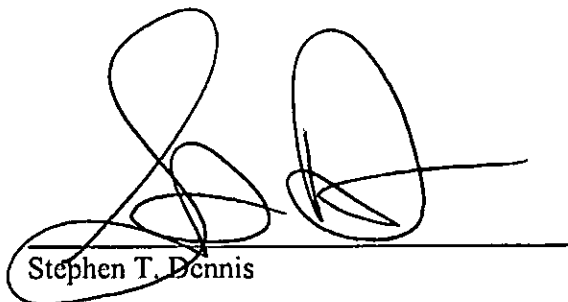
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MCGINNIS LOCHRIDGE  
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BOYER SHORT, A PROFESSIONAL CORPORATION  
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Houston, Texas 77046

Mark T. Josephs  
Sara Hollan Chelette  
JACKSON WALKER, LLP  
901 Main Street, Suite 6000  
Dallas, Texas 75202



Stephen T. Dennis

**EXHIBIT A**

1630664.1/SPSA/27246/0108/082814

FILED  
8/8/2014 5:21:25 PM  
Donna Kay McKinney  
Bexar County District Clerk  
Accepted By: Monica Hernandez

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT
Plaintiffs,	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST,	§	
Defendant.	§	BEXAR COUNTY, TEXAS

**DEPOSITION SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS**  
**ISSUED IN THE NAME OF THE STATE OF TEXAS**

TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR  
OTHER PERSON DULY AUTHORIZED TO SERVE OR EXECUTE  
SUBPOENAS:

The Subpoena is directed to:

CUSTODIAN OF RECORDS FOR:

Segundo Navarro Drilling, Ltd.  
c/o Lew Is Petro Properties  
10101 Reunion Plaza, Suite 1000  
San Antonio, Texas 78216

This Subpoena directs the Custodian of Records for SEGUNDO NAVARRO  
DRILLING, LTD., to appear at 10:00 a.m. on August 29, 2014, before a notary  
public at the following location:

10101 Reunion Plaza, Suite 1000  
San Antonio, Texas 78216

and answer under oath written questions to be propounded by counsel for  
Plaintiffs and to produce for inspection and photocopying the documents and  
records described on Exhibit "A" attached to the Notice Duces Tecum of Intent to  
Take Deposition by Written Questions served with and attached to this Subpoena.

This Subpoena is issued at the instance and request of Plaintiffs, John K. Meyer, et al. The attorney of record for Plaintiff is: James L. Drought, Drought, Drought & Bobblitt, L.L.P., 112 E. Pecan St., Suite 2900, San Antonio, Texas 78205.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a) STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.**

This Subpoena is issued by James L. Drought, attorney for Plaintiffs, on behalf of Plaintiffs.

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
(612) 339-2020 - Telephone  
(612) 336-9100 - Facsimile

**ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,  
LINDA ALDRICH, ET AL.**

Jim L. Flegle  
State Bar No. 07118600  
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Dallas, Texas 75251  
(214) 572-1700 - Telephone  
(214) 572-1717 - Facsimile  
**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

Daniel J.T. Sciano  
State Bar No. 17881200  
Richard Tinsman  
State Bar No. 20064000





**RETURN**

CAME ON TO HAND ON THE 12<sup>th</sup> DAY OF August, 2014, AT 8:30  
O'CLOCK A.M. AND EXECUTED (NOT EXECUTED) ON THE \_\_\_\_ DAY OF  
\_\_\_\_, 2014, BY DELIVERING TO \_\_\_\_\_, A TRUE COPY OF THIS  
SUBPOENA UPON WHICH I ENDORSED THE DATE OF DELIVERY. CAUSE  
OF FAILURE TO EXECUTE THIS SUBPOENA IS  
\_\_\_\_\_.

TOTAL FEES: \$ \_\_\_\_\_

\_\_\_\_\_  
DALLAS COUNTY, TEXAS

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

**NON-PEACE OFFICER VERIFICATION**

VERIFICATION OF RETURN (IF NOT SERVED BY PEACE OFFICER)

SWORN TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiffs,	§	IN THE DISTRICT COURT
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST, Defendant.	§ § § § §	225 <sup>TH</sup> JUDICIAL DISTRICT    BEXAR COUNTY, TEXAS

**NOTICE OF INTENTION TO TAKE DEPOSITION BY WRITTEN QUESTION  
WITH DUCES TECUM**

Plaintiff, John K. Meyer, et al, will take a deposition by written questions of the Custodian of Records for Segundo Navarro Drilling, Ltd. at the following date, time, and place:

Date: August 29, 2014  
Time: 10:00 a.m.  
Place: Segundo Navarro Drilling, Ltd.  
10101 Reunion Plaza, Suite 1000  
San Antonio, Texas 78216

Notice is further given that the witness shall produce at the deposition for inspection and photocopying the documents and records listed and described on the attached Exhibit "A".

Respectfully submitted,

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
Minneapolis, Minnesota 55415-1152  
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ATTORNEYS FOR  
INTERVENOR-PLAINTIFFS,

**LINDA ALDRICH, ET AL.**

**Jim L. Flegle  
State Bar No. 07118600  
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ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

**Daniel J.T. Sciano  
State Bar No. 17881200  
Richard Tinsman  
State Bar No. 20064000  
Sharon C. Savage  
State Bar No. 0474200  
TINSMAN & SCIANO, INC.  
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San Antonio, Texas 78216  
Telephone: (210) 225-3121  
Facsimile: (210) 225-6235**

**George H. Spencer, Jr.  
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Robert Rosenbach  
State Bar No. 17266400  
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112 East Pecan Street, Suite 1300  
San Antonio, Texas 78205  
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DROUGHT, DROUGHT & BOBBITT, LLP  
2900 Weston Centre  
112 East Pecan Street  
San Antonio, Texas 78205  
(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By: \_\_\_\_\_ /s/\_\_\_\_\_  
James L. Drought  
State Bar No. 08135000  
ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been sent  
by:

\_\_\_\_\_ U.S. Certified Mail, Return Receipt Requested to:  
\_\_\_\_\_ Facsimile to:  
\_\_\_\_\_ First Class Mail to:  
\_\_\_\_\_ Hand Delivery to:  
 E-filing Service to:

Mr. Patrick K. Sheehan  
Mr. David Jed Williams  
Hornberger Sheehan Fuller & Garza Incorporated  
7373 Broadway, Suite 300  
San Antonio, TX 78209

Mr. Kevin M. Beiter  
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Mr. Charles A. Gall  
Mr. John C. Eichman  
Hunton & Williams LLP  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

Mr. Fred W. Stumpf  
Boyer Short, A Professional Corporation  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

on this the 8<sup>th</sup> day of August, 2014.

*/s/*  
\_\_\_\_\_  
James L. Drought

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiffs,	§	IN THE DISTRICT COURT
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST, Defendant.	§ § § § §	225 <sup>TH</sup> JUDICIAL DISTRICT
	§	BEXAR COUNTY, TEXAS

DEPOSITION ON WRITTEN QUESTIONS PROPOUNDED UPON THE  
WITNESS, CUSTODIAN OF RECORDS FOR SEGUNDO NAVARRO DRILLING,  
LTD.

1. Please state your full name, business address, and official title.

ANSWER:

2. Did you receive a subpoena for the production of the documents and records listed and described on Exhibit "A" attached to these questions?

ANSWER:

3. Have these documents and records been produced for this deposition, bates numbered, and delivered to the officer taking this deposition?

ANSWER:

4. Are you the custodian of these documents or records for SEGUNDO NAVARRO DRILLING, LTD.?

ANSWER:

5. What is the Bates number range for the documents and records produced for this deposition?

ANSWER:

---

6. Are the documents and records produced for this deposition originals or photocopies of the original documents?

ANSWER:

---

7. Are the documents and records produced for this deposition memoranda, reports, records or data compilations of acts, events, or conditions made at or near the time by or from information transmitted by, a person with knowledge?

ANSWER:

---

8. Are these documents and records kept in the course of a regularly conducted business activity of SEGUNDO NAVARRO DRILLING, LTD?

ANSWER:

---

9. Was it the regular practice of the business activity of SEGUNDO NAVARRO DRILLING, LTD to make the memorandum, report, record or data compilation reflected in these documents and records?

ANSWER:

---

\_\_\_\_\_  
WITNESS, CUSTODIAN OF RECORDS FOR  
SEGUNDO NAVARRO DRILLING, LTD



I \_\_\_\_\_, a Notary Public in and for the State of Texas, do hereby certify that the forgoing answers of the witness were made by the said witness and sworn to and subscribed before me.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

## REQUEST FOR PRODUCTION

Please produce the following documents relating to the leases described below:

- The executed leases;
  - Any option agreements, letters of intent to lease or side agreements relative to the leases;
  - Any agreements relative to amendment, modification or extension of the leases;
  - Any lease data sheets relative to the lease;
  - Sufficient documents to identify the bonus paid for the lease (total bonus and bonus per net mineral acre);
  - Any Lease Purchase Report ("LPR") and;
  - Any receipt or paid draft relative to the lease
- 

**NO. 1:** Oil and Gas Lease dated August 4, 2006 between Gates Mineral Company, Ltd. and Segundo Navarro Drilling, Ltd. covering 5,532.95 acres in Webb County, Texas.

**NO. 2:** Oil and Gas Lease dated June 30, 2007 between Gates Mineral Company, Ltd. and Segundo Navarro Drilling, Ltd. covering 3,000 acres in Webb County, Texas.

**NO. 3:** Oil and Gas Lease dated December 23, 2011 between Gates Mineral Company, Ltd. and Segundo Navarro Drilling, Ltd. covering 5,000 acres in Dimmit County, Texas.

**NO. 4:** Oil and Gas Lease dated December 23, 2011 between Gates Mineral Company, Ltd. and Segundo Navarro Drilling, Ltd. covering 5,000 acres in Dimmit County, Texas, memorandum reflecting said lease recorded at Vol. 3202, p. 0434 of the Webb County Deed Records.

NO. 5: Oil and Gas Lease dated December 23, 2011 between Gates Mineral Company, Ltd. and Segundo Navarro Drilling, Ltd. covering 5,000 acres in Dimmit County, Texas, memorandum reflecting said lease recorded at Vol. 3196, p. 0303 of the Webb County Deed Records.

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET AL.	§	IN THE DISTRICT COURT OF
	§	
VS.	§	BEXAR COUNTY, TEXAS
	§	
JP MORGAN CHASE BANK, N.A., ET	§	225TH JUDICIAL DISTRICT
AL.		

**NONPARTY MURPHY EXPLORATION & PRODUCTION COMPANY—USA’S  
MOTION FOR PROTECTION**

Nonparty Murphy Exploration & Production Company—USA, (“Murphy”) files this Motion for Protection from Interrogatory No. 2 of Plaintiffs’ Fifth Set of Interrogatories to Defendant JP Morgan Chase Bank, N.A, (“JP Morgan Chase”). Murphy is a nonparty with whom JP Morgan Chase has a banking relationship, and Plaintiffs have requested information from JP Morgan Chase regarding Murphy’s accounts.

Murphy requests protection from Plaintiffs’ overbroad discovery requests pursuant to Texas Rules of Civil Procedure 192.6 and Texas Finance Code Chapter 59. Plaintiffs seek Murphy’s proprietary financial information from JP Morgan Chase which could cause Murphy irreparable harm if it is disclosed publicly. Moreover, an interrogatory is not a legal way to obtain this proprietary information because the interrogatories seek confidential customer records, pursuant to Title 3, Finance Code Chapter 59.006, and because Murphy objects to the release of this information and refuses to provide consent.

Plaintiffs—beneficiaries of the South Texas Syndicate Trust (“STS Trust”)—sued JP Morgan Chase on July 2, 2010 alleging that JP Morgan Chase breached fiduciary duties owed to Plaintiffs. Plaintiffs served notice to Murphy that Plaintiffs were seeking Murphy’s financial information from JP Morgan Chase on August 15, 2014. Specifically, Plaintiffs seek the following proprietary information from JP Morgan Chase regarding Murphy:

**INTERROGATORY NO. 2:** Describe with particularity each of the following as between You<sup>1</sup> and Murphy Oil Corporation and any of its affiliates or subsidiaries (collectively, “Murphy Oil”) and identify Your officer(s), director(s), employee(s.) best suited to testify about the substance of these transactions, activities, services, or interests:

(a) Any forms of ownership or investment as between You and Murphy Oil from January 1, 2005 to the present.

(b) Any forms of financial relationships as between You and Murphy Oil from January 1, 2005 to the present.

(c) Any forms of financial relationships as between You and Murphy Oil from January 1, 2005 to the present.

(d) Any forms of economic relationships as between You and Murphy Oil from January 1, 2005 to the present.

(e) Any forms of loans, including lines of credit, or other facilities of credit as between You and Murphy Oil from January 1, 2005 to the present.

(f) Any forms of derivative or hedging relationships as between You and Murphy Oil from January 1, 2005 to the present.

(g) Any joint ventures or partnerships as between You and Murphy Oil from January 1, 2005 to the present.

(h) The nature and duration of any services provided by You to Murphy Oil from January 1, 2005 to the present.

(i) The amount and timing of any compensation received by You from Murphy Oil for any business services from January 1, 2005 to the present.

A trial court may issue a protective order to protect a person served with discovery requests from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, or property rights. TEX. R. CIV. P. 192.6(b). Overbroad discovery requests are also prohibited. *See In re American Optical Corp.*, 988 S.W.2d 711, 713 (Tex. 1998) (holding that discovery requests that were not reasonably tailored to matters relevant to the

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<sup>1</sup> “You” and “Your” is defined in the Interrogatories to mean JP Morgan Chase.

case were an impermissible fishing expedition). “A central consideration in determining overbreadth is whether the request could have been more narrowly tailored to avoid including tenuous information and still obtain the necessary, pertinent information.” *In re CSX Corp.*, 124 S.W.3d 149, 151 (Tex. 2003) (per curiam).

Here, Plaintiffs’ discovery requests go far beyond information relating to JP Morgan Chase’s position as trustee of the STS Trust. JP Morgan Chase is the largest bank in the United States and Murphy is an oil and gas company with worldwide operations. Disclosing all financial or economic relationships between these two companies for the last decade is the very definition of a fishing expedition, especially when Plaintiffs’ discovery requests are not reasonably tailored to issues related to the STS Trust. *See In re CSX Corp.*, 124 S.W.3d at 151 (holding that discovery requests “may not be used simply to explore.”).

Plaintiffs’ discovery requests are overbroad and not relevant and the Motion for Protection should be granted on that basis alone. Even if the Court overrules Murphy’s discovery objections, Plaintiffs’ discovery requests are in violation of the Texas Finance Code. Because Murphy is a non-party to the suit, and because Murphy objects to the release of its confidential customer information, an interrogatory is not a valid means to obtain the requested information. 3 TEX. FIN. CODE § 59.006(d). Instead, Plaintiffs must file a written motion seeking in camera inspection “as its sole means of obtaining access to the requested records.” *Id.* The Court should inspect the requested records and determine their relevance to Plaintiffs’ case. *See id.*

**PRAYER FOR RELIEF**

For the foregoing reasons, nonparty Murphy requests that the Court enter a protective order to relieve JP Morgan Chase from divulging Murphy's proprietary, confidential financial information to Plaintiffs.

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Jason Newman

Jason A. Newman

State Bar No. 24048689

Benjamin Sweet

State Bar No. 24070710

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State Bar No. 24087686

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[jonathan.havens@bakerbotts.com](mailto:jonathan.havens@bakerbotts.com)

ATTORNEYS FOR NONPARTY MURPHY  
EXPLORATION & PRODUCTION COMPANY—  
USA

**CERTIFICATE OF CONFERENCE**

I certify that on August 29, 2014, I conferred with counsel for Plaintiffs via email regarding this Motion for Protection. Plaintiffs are opposed to this Motion.

/s/ Jason A. Newman  
Jason A. Newman

**CERTIFICATE OF SERVICE**

I certify that on August 29, 2014, a copy of the foregoing was served on all counsel of record via electronic service.

/s/ Jason A. Newman  
Jason A. Newman



(Consolidated Under)  
**NO. 2010-CI-10977**

JOHN K. MEYER, <i>ET AL.</i> ,	§	IN THE DISTRICT COURT
	§	
Plaintiffs,	§	
	§	
JP MORGAN CHASE BANK, N.A.,	§	
INDIVIDUALLY/CORPORATELY	§	BEXAR COUNTY, TEXAS
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST AND	§	
GARY P. AYMES,	§	
	§	
Defendants.	§	225 <sup>th</sup> JUDICIAL DISTRICT

**THIRD AMENDED PLEA IN INTERVENTION**

Pursuant to Texas Rule of Civil Procedure 60, Plaintiff-Intervenors identified below in paragraphs 1-19 (collectively, “Plaintiff-Intervenors”) file this Third Amended Plea in Intervention and state as follows:

**I.**

**IDENTITIES OF PLAINTIFF-INTERVENORS**

1. Plaintiff-Intervenor U.S. Bank Trust National Association SD, as trustee of the Harry C. Piper Trust U/A FBO Margaret P. Cost dated 1/27/37, holds a Certificate of Beneficial Interest in the South Texas Syndicate Trust (hereinafter, the “STS Trust”).
2. Plaintiff-Intervenor U.S. Bank Trust National Association SD and Matt Pierson, as trustees of the Louise G. Piper Trust U/W FBO Margaret P. Cost dated 8/19/72, hold a Certificate of Beneficial Interest in the STS Trust.
3. Plaintiff-Intervenor U.S. Bank Trust National Association SD and Matt Pierson, as trustees of the Harry C. Piper Trust U/W FBO Margaret P. Cot dated 11/5/63, hold a Certificate of Beneficial Interest in the STS Trust.

4. Plaintiff-Intervenor U.S. Bank National Association and Barbara Erickson, as trustees of the Frank N. Graham GST Exempt Family Trust #1 U/A dated 10/24/94, hold a Certificate of Beneficial Interest in the STS Trust.

5. Plaintiff-Intervenor U.S. Bank National Association and Barbara Erickson, as trustees of the Frank N. Graham GST Non-Exempt Family Trust #2 U/A dated 10/24/94, hold a Certificate of Beneficial Interest in the STS Trust.

6. Plaintiff-Intervenor U.S. Bank National Association as agent for Mary C. Hertica and Dennis E. Wisener as trustees of the Hertica-Wisener Family Trust U/A dated 10/29/09, hold a Certificate of Beneficial Interest in the STS Trust.

7. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the William W. Gage Revocable Trust U/A dated 1/28/86, holds a Certificate of Beneficial Interest in the STS Trust.

8. Plaintiff-Intervenor U.S. Bank National Association, as agent for Sandra J. Costlow, holds a Certificate of Beneficial Interest in the STS Trust.

9. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the Louis H. Piper Trust U/W dated 12/31/24, holds a Certificate of Beneficial Interest in the STS Trust.

10. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the Walter D. Douglas II Residuary Trust U/A FBO Susan D. Shraibati dated 6/13/50, holds a Certificate of Beneficial Interest.

11. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the Walter D. Douglas II Residuary Trust U/A FBO David C. Douglas dated 6/13/50, holds a Certificate of Beneficial Interest in the STS Trust.

12. Plaintiff-Intervenor U.S. Bank National Association and Georgia Ray Lindeke, as trustees of the Georgia Ray Decoster Trust U/W dated 9/22/61, hold a Certificate of Beneficial Interest in the STS Trust.

13. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the Franciose Latil Revocable Trust U/A dated 2/15/99, holds a Certificate of Beneficial Interest in the STS Trust.

14. Plaintiff-Intervenor U.S. Bank National Association, as trustee of the H. C. Piper Trust U/A FBO Charles Pierson dated 1/27/37, holds a Certificate of Beneficial Interest in the STS Trust.

15. Plaintiff-Intervenor U.S. Bank National Association and Kim Rogers-Harless, as co-personal representatives (pending) for the estate of Jeffrey E. Harless, hold a Certificate of Beneficial Interest in the STS Trust.

16. Plaintiff-Intervenor U.S. Bank National Association as trustee of the Annick Latil Revocable Trust U/A dated 11/29/00, holds a Certificate of Beneficial Interest in the STS Trust.

17. Plaintiff-Intervenor U.S. Bank Trust National Association SD, David P Crosby and Albert Andrews Jr. as trustees of the Harry C Piper Trust U/W FBO Katherine P Crosby dated 11/5/63, hold a Certificate of Beneficial Interest in the STS Trust.

18. Plaintiff-Intervenor U.S. Bank Trust National Association SD, David P Crosby and Albert Andrews Jr. as trustees of the Louise G Piper trust U/W FBO Katherine P Crosby dated 8/19/72, hold a Certificate of Beneficial Interest in the STS Trust.

19. Plaintiff-Intervenor U.S. Bank Trust National Association SD, as trustee of the Harry C Piper Trust U/A FBO Katherine P Crosby dated 1/27/37, holds a Certificate of Beneficial Interest in the STS Trust.

20. Plaintiff-Intervenors have a right to intervene in this action under Texas Rule of Civil Procedure 60 because Plaintiff-Intervenors have a present justiciable interest in this litigation. The claims asserted by Plaintiffs in Plaintiffs' Seventh Amended and Supplemental Petition and the defenses raised by JP Morgan Chase Bank, N.A. ("Defendant") in this suit implicate and affect the Plaintiff-Intervenors' rights and interests, and Plaintiff-Intervenors' presence in this action is essential to the protection of such rights and interests.

## II.

### **HISTORY OF THE SOUTH TEXAS SYNDICATE TRUST**

21. In 1906, Jed L. Washburn and five others purchased approximately 132,000 contiguous acres in McMullen and LaSalle Counties, Texas. Title to the property was originally taken in the name of George F. Piper and subsequently transferred in 1917 to Jed L. Washburn.

22. Following Jed L. Washburn's death in 1931, A. McC. Washburn became title holder in 1932. With court approval, the STS Trust was formed and 30,000 Certificates of Beneficial Interest were issued.

23. Following A. McC. Washburn's death in 1939, John T. Pearson was appointed Trustee of the STS Trust.

24. In 1950, the surface rights to the 132,000 acres were sold, leaving the mineral estate as the sole asset of the STS Trust.

25. John T. Pearson died in 1950 without naming a Successor Trustee. The Alamo National Bank was appointed Successor Trustee of the STS Trust on February 12, 1951 by order of the District Court, 73<sup>rd</sup> Judicial District, Bexar County Texas.

26. In 2001, after several bank mergers, J.P. Morgan Chase Bank, N.A. became Successor Trustee of the STS Trust.

27. In 2008, Petrohawk #1 Discovery well was drilled on STS Trust property and produced substantial results. Additional leases for mineral rights on STS Trust property were negotiated by the Trustee in 2008 through 2011 without exercising the prudence and good judgment consistent with its fiduciary obligations to the beneficiaries of the STS Trust.

28. In 2011, the Trustee settled an STS Trust lawsuit involving a mineral rights lease with Pioneer Natural Resources USA, Inc. and EOG Reserve, Inc. without exercising the prudence and good judgment consistent with its fiduciary obligations to the beneficiaries of the STS Trust.

### **III.**

#### **SOUTH TEXAS SYNDICATE TRUST LITIGATION**

29. The subject matter of the pending Action involves the administration of the STS Trust. The Plaintiffs allege that Defendants have engaged in a pattern of neglect, mismanagement and tortious behavior that has caused hundreds of millions of dollars of damage to STS Trust assets and estate.

30. STS Trust beneficiary John K. Meyer commenced the pending Action against the Defendants for their actions as Trustee of the STS Trust in July 2010. In May 2011, STS Trust beneficiaries John Meyer Jr. and Theodore Meyer filed a Petition in Intervention in the John K. Meyer action.

31. A similar action against Defendants was commenced by TS Trust beneficiary Emilie Blaze in March 2011.

32. In June 2011, by an order of Judge Renee F. McElhaney, the Meyer and Blaze actions were consolidated.

33. On November 15, 2011, the Plaintiffs filed Plaintiffs' Consolidated Second Amended Petition.

34. Plaintiff-Intervenors filed a Plea in Intervention in the pending Action in January 2012, an Amended Plea in Intervention in April 2012, and a Second Amended Plea in Intervention in February 2014.

35. On August 26, 2014, Plaintiffs filed Plaintiffs' Seventh Amended and Supplemental Petition.

36. Collectively, Plaintiff-Intervenors, together with the other Plaintiffs and Intervenors in this Action, own, hold, and represent substantially in excess of 51% of the total 30,000 units of the STS Trust.

37. Defendants have repeatedly argued that all holders of Certificates of Beneficial Interest in the STS Trust are necessary parties to the Pending Action.

#### IV.

#### **PRESENT JUSTICIABLE INTEREST**

38. Plaintiff-Intervenors hold Certificates of Beneficial Interest in the STS Trust and therefore are affected by the administration of the STS Trust and have an interest in and/or claim against the STS Trust.

39. Resolution of the claims asserted in the pending Action without the full participation of Plaintiff-Intervenors would be improper and, as a practical matter, may impair or impede Plaintiff-Intervenors' ability to protect their rights and interests. No party in the pending Action will adequately protect Plaintiff-Intervenors' rights and interests, and intervention is therefore essential. Plaintiff-Intervenors are thus entitled to intervene in the pending Action under Texas Rule of Civil Procedure 60.

40. Allowing intervention will not prejudice the parties to the pending action nor will it cause an excessive multiplication of issues; rather, it will increase the judicial and economic efficiency of the pending Action. Plaintiff-Intervenors previously filed Please in Intervention in this litigation and now file this Third Amended Plea in Intervention merely to adopt and incorporate by reference the revised statements and allegations asserted in the Plaintiffs' Seventh Amended and Supplemental Petition. This amendment has no detrimental effect on this litigation. Therefore, Plaintiff-Intervenors timely bring this Third Amended Plea in Intervention.

## V.

### CLAIMS

41. Plaintiff-Intervenors adopt and incorporate by reference all statements and allegations asserted in the Plaintiffs' Seventh Amended and Supplemental Petition as if the same were herein set forth in full.

42. Plaintiff-Intervenors reserve the right to amend their pleadings to add allegations specific to their interests relating to this matter.

## VI.

### GENERAL DENIAL

43. Pursuant to Rule 92 of the Texas Rules of Civil Procedure, Plaintiff-Intervenors deny each and every, all and singular, of the material allegations in Defendants/Counter-Petition Plaintiffs' Counter-Petition for Declaratory Relief and Instructions from the Court, and demands strict proof thereof by a preponderance of the evidence.

## VII.

### **PRAYER FOR RELIEF**

44. WHEREFORE, Plaintiff-Intervenors request that the parties take notice of the filing of this Third Amended Plea in Intervention and pray that upon final hearing Plaintiff-Intervenors have judgment against Defendant for:

- a. Actual damages;
- b. Consequential and incidental damages;
- c. Disgorgement of all compensation, fees, and expenses paid by the STS Trust to Defendant and to third-parties at the direction of Defendant;
- d. Pre- and post-judgment interest at the highest legal rate allowed by law;
- e. All attorneys' fees, expenses, and costs in pursuing this matter;
- f. Exemplary or punitive damages at an amount to be determined at trial;
- g. An order prohibiting Defendant from using STS Trust assets, property, or revenue to pay attorneys' fees, expenses, and costs in defending this action and any other actions brought by other beneficiaries;
- h. Such other, further, and different damages as allowed in accordance with the evidence and applicable law.

Plaintiff-Intervenors further request all relief sought in J.P. Morgan's Defendants/Counter-Petition for Declaratory Relief and Instructions for the Court be denied.



Dated August 28, 2014

Respectfully submitted,

**ZELLE HOFMANN VOELBEL & MASON LLP**

By: /s/ Matthew J. Gollinger  
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Matthew J. Gollinger (*pro hac vice*)  
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**ATTORNEYS FOR PLAINTIFF-  
INTERVENOR**

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the foregoing has been served on August 28, 2014, in accordance with the TEXAS RULES OF CIVIL PROCEDURE as follows:

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/s/ Matthew J. Gollinger  
Matthew J. Gollinger

(Consolidated Under)  
**NO. 2010-CI-10977**

JOHN K. MEYER, ET AL.,	§	IN THE DISTRICT COURT
	§	
Plaintiffs,	§	
	§	
v.	§	
	§	
JP MORGAN CHASE BANK, N.A.,	§	BEXAR COUNTY, TEXAS
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST and	§	
GARY P. AYMES,	§	
	§	
Defendants.	§	225 <sup>TH</sup> JUDICIAL DISTRICT

**PLAINTIFF-INTERVENOR WELLS FARGO BANK, N.A.’S  
SECOND AMENDED PLEA IN INTERVENTION**

Pursuant to Texas Rule of Civil Procedure 60, Plaintiff-Intervenor Wells Fargo Bank, N.A., as Trustee/Co-Trustee, files this Second Amended Plea in Intervention, and states as follows:

**I.**

**IDENTITY OF PLAINTIFF-INTERVENOR**

1. Plaintiff-Intervenor Wells Fargo Bank, N.A., is a national banking association and serves as trustee or co-trustee for twenty-three (23) trust entities (“Trusts”) that hold Certificates of Beneficial Interest in the South Texas Syndicate Trust (hereinafter, the “STS Trust”). Plaintiff-Intervenor files this Second Amended Plea in Intervention in its fiduciary capacities on behalf of such Trusts.

2. Plaintiff-Intervenor has a right to intervene in this action under Texas Rule of Civil Procedure 60 because Plaintiff-Intervenor has a present justiciable interest in this litigation. The claims asserted by the Plaintiffs in Plaintiffs’ Seventh Amended and Supplemental Petition and

the defenses raised by JP Morgan Chase Bank, N.A. (“Defendant”) in this suit implicate and affect the Plaintiff-Intervenor’s rights and interests, and Plaintiff-Intervenor’s presence in this action is essential to the protection of such rights and interests.

## **II.**

### **HISTORY OF THE SOUTH TEXAS SUNDICATE TRUST**

3. In 1906, Jed L. Washburn and five others purchased approximately 132,000 contiguous acres in McMullen and LaSalle Counties, Texas. Title to the property was originally taken in the name of George F. Piper and subsequently transferred in 1917 to Jed L. Washburn.

4. Following Jed L. Washburn’s death in 1931, A. McC. Washburn became title holder in 1932. With court approval, the STS Trust was formed and 30,000 Certificates of Beneficial Interest were issued.

5. Following A. McC. Washburn’s death in 1939, John T. Pearson was appointed Trustee of the STS Trust.

6. In 1950, the surface rights to the 132,000 acres were sold, leaving the mineral estate as the sole asset of the STS Trust.

7. John T. Pearson died in 1950 without naming a Successor Trustee. The Alamo National Bank was appointed Successor Trustee of the STS Trust on February 12, 1951 by order of the District Court, 73<sup>rd</sup> Judicial District, Bexar County Texas.

8. In 2001, after several bank mergers, J.P. Morgan Chase Bank, N.A. became Successor Trustee of the STS Trust.

9. In 2008, Petrohawk #1 Discovery well was drilled on STS Trust property and produced substantial results. Additional leases for mineral rights on STS Trust property were

negotiated by the Trustee in 2008 through 2011 without exercising the prudence and good judgment consistent with its fiduciary obligations to the beneficiaries of the STS Trust.

10. In 2011, the Trustee settled an STS Trust lawsuit involving a mineral rights lease with Pioneer Natural Resources USA, Inc. and EOG Reserve, Inc. without exercising the prudence and good judgment consistent with its fiduciary obligations to the beneficiaries of the STS Trust.

### **III.**

#### **SOUTH TEXAS SYNDICATE TRUST LITIGATION**

11. The subject matter of the pending Action involves the administration of the STS Trust. The Plaintiffs allege that Defendants have engaged in a pattern of neglect, mismanagement and tortious behavior that has caused hundreds of millions of dollars of damage to STS Trust assets and estate.

12. STS Trust beneficiary John K. Meyer commenced the pending Action against the Defendants for their actions as Trustee of the STS Trust in July 2010. In May 2011, STS Trust beneficiaries John Meyer Jr. and Theodore Meyer filed a Petition in Intervention in the John K. Meyer action.

13. A similar action against Defendants was commenced by STS Trust beneficiary Emilie Blaze in March 2011.

14. In June 2011, by an order of Judge Renee F. McElhaney, the Meyer and Blaze actions were consolidated.

15. On November 15, 2011, the Meyer and Blaze Plaintiffs filed Plaintiffs filed Plaintiffs' Consolidated Second Amended Petition.

16. In January 2012, Plaintiff-Intervenor, as trustee or co-trustee for the twenty-three (23) Trusts holding Certificates of Beneficial Interest in the STS Trust, filed a Plea in Intervention in the pending Action in its fiduciary capacity on behalf of said Trusts.

17. On August 26, 2014, the Plaintiffs filed Plaintiffs' Seventh Amended and Supplemental Petition.

18. Collectively, Plaintiff-Intervenor, together with the other Plaintiffs and Intervenor in this Action, own, hold, and represent substantially in excess of 51% of the 30,000 total units of the STS Trust.

19. Defendants have repeatedly argued that all holders of Certificates of Beneficial Interest in the STS Trust are necessary parties to the pending action.

#### **IV.**

#### **PRESENT JUSTICIABLE INTERESTS**

20. Plaintiff-Intervenor serves as trustee or co-trustee for twenty-three (23) Trusts that hold Certificates of Beneficial Interest in the STS Trust and therefore is affected by the administration of the STS Trust and has an interest in and/or claim against the STS Trust.

21. Resolution of the claims asserted in the pending Action without the full participation of Plaintiff-Intervenor would be improper and, as a practical matter, may impair or impede Plaintiff-Intervenor's ability to protect its rights and interests, and intervention is therefore essential. Plaintiff-Intervenor is thus entitled to intervene in the pending Action under Texas Rule of Civil Procedure 60.

22. Allowing intervention will not prejudice the parties to the pending Action nor will it cause an excessive multiplication of issues; rather, it will increase the judicial and economic efficiency of the pending Action. Plaintiff-Intervenor previously filed (1) a Plea in Intervention

in its capacity as trustee or co-trustee for twenty-three (23) trust entities and (2) an Amended Plea in Intervention – Plaintiff-Intervenor now files this Second Amended Plea in Intervention merely to adopt and incorporate by reference the revised statements and allegations asserted in the Plaintiffs’ Seventh Amended and Supplemental Petition. This Amendment has no detrimental effect on the litigation. Therefore, Plaintiff-Intervenor timely brings this Second Amended Plea in Intervention.

## V.

### CLAIMS

23. Plaintiff-Intervenor adopts and incorporates by reference all statements and allegations asserted in the Plaintiffs’ Seventh Amended and Supplemental Petition as if the same were herein set forth in full, except the following specific allegations:

- i. Paragraph 160 to the extent it alleges “over time.”
- ii. Paragraph 163 to the extent it states the following: “Given the enormous size and potential of the STS Mineral Rights, it had the duty to deploy all of these skills fully, yet it failed to do so in the management of the STS Mineral Rights.”
- iii. Paragraph 167 to the extent it references “banking and investment clients[.]”
- iv. Paragraph 169 to the extent it alleges conflicts of interest, willful bad faith, intentional mishandling or trust assets, or self-dealing.
- v. Paragraph 181 to the extent it states the following: “The May Leases simultaneously placed in the hands of a single operator more than 33% of the total remaining available assets of STS.”
- vi. Paragraph 186 in its entirety.
- vii. Paragraph 187 to the extent it states the following: “The Eagle Ford Shale formation underlies the entire STS, a fact well known to petroleum geologists, and which JP Morgan knew or should have known.”
- viii. Paragraph 192 to the extent it states the following: “Nevertheless, in violation of its duty to act for the STS beneficiaries as a prudent mineral

manager, and without even waiting to evaluate the results of the already permitted discovery well[.]”

- ix. Paragraph 193 to the extent it states the following: “Based upon the existing facts known at the time, the July 2008 Petrohawk Lease should not have been executed until the due diligence required by those facts had been completed.”
- x. Paragraphs 194 through 196 in their entirety.
- xi. Paragraph 205 to the extent it states the following: “JP Morgan knew, or should have known, that this referred to STS Mineral Rights.”
- xii. Paragraph 212 in its entirety.
- xiii. Paragraph 216 to the extent it alleges self-dealing or conflict of interest.
- xiv. Paragraph 217 in its entirety.
- xv. Paragraph 220 to the extent it states the following: “At the time of these extensions, a commercial relationship existed between JP Morgan and Broad Oak.”
- xvi. Paragraph 231 in its entirety.
- xvii. Paragraphs 232 through 234 in their entirety.
- xviii. Paragraph 241, subpart 5 in its entirety.
- xix. Paragraph 241, subpart 7 in its entirety.
- xx. Paragraph 241, subpart 8(d) in its entirety.
- xxi. Paragraph 241, subpart 11(b) to the extent it alleges conflicts of interest.
- xxii. Paragraph 269 to the extent it states the following: “Rather, the STS Mineral Rights in the acreage included in those leases should have been brought to market, if acting prudently after completing all required due diligence, in two equal installments; 50% of the acres no sooner than October 2009 and the remaining 50% of the acres no sooner than May 2010.”
- xxiii. Paragraph 274 to the extent it alleges self-dealing.

24. Plaintiff-Intervenor reserves the right to amend its pleadings to add allegations specific to its interests relating to this matter.



**VI.**

**GENERAL DENIAL**

25. Pursuant to Rule 92 of the Texas Rules of Civil Procedure, Plaintiff-Intervenor denies each and every, all and singular, of the material allegations in Defendants/Counter-Petition Plaintiffs' Counter-Petition for Declaratory Relief and Instructions from the Court, and demands strict proof thereof by a preponderance of the evidence.

**VII.**

**PRAYER FOR RELIEF**

26. WHEREFORE, Plaintiff-Intervenor requests that the parties take notice of the filing of this Plea in Intervention and prays that upon final hearing Plaintiff-Intervenor has judgment against Defendant for:

- a. Actual damages;
- b. Consequential and incidental damages;
- c. Disgorgement of all compensation, fees, and expenses paid by the STS Trust to Defendant and to third-parties at the direction of Defendant;
- d. Pre- and post-judgment interest at the highest legal rate allowed by law;
- e. All attorneys' fees, expenses, and costs in pursuing this matter;
- f. Exemplary or punitive damages in an amount to be determined at trial;
- g. An order prohibiting Defendant from using STS Trust assets, property, or revenue, to pay attorneys' fees, expenses, and costs in defending this action and any other actions brought by other beneficiaries;
- h. Such other and further relief to which Plaintiff-Intervenor may show itself to be justly entitled; and

- i. Such other, further, and different damages as allowed in accordance with the evidence and applicable law.

Dated August 28, 2014

Respectfully submitted,

**ZELLE HOFMANN VOELBEL & MASON LLP**

By: /s/ Matthew J. Gollinger  
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Matthew J. Gollinger (*pro hac vice*)  
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Facsimile: 214-760-8994  
sbadger@zelle.com

**ATTORNEYS FOR PLAINTIFF-  
INTERVENOR**

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the foregoing has been served on August 28, 2014, in accordance with the TEXAS RULES OF CIVIL PROCEDURE as follows:

Richard Tinsman  
Sharon C. Savage  
TINSMAN & SCIANO, INC.  
10107 McAllister Freeway  
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Patrick K. Sheehan  
David Jed Williams  
Rudy Garza  
HORNBERGER SHEEHAN FULLER  
& BEITER, INC.  
The Quarry Heights Building  
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San Antonio, TX 78209  
Telephone: 210-271-1700  
Facsimile: 210-271-1730

Kevin M. Beiter  
McGinnis Lochridge  
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Austin, TX 78701

Charles A. Gall  
John C. Eichman  
Amy S. Bowen  
Hunton & Williams  
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Dallas, Texas 75202

Fred W. Stumpf  
Boyer Short, PC  
Nine Greenway Plaza, Suite 3100  
Houston, TX 77046

Mark T. Josephs  
Sara Hollan Chelette  
Jackson Walker, LLP  
901 Main Street, Suite 6000  
Dallas, Texas 75202

/s/ Matthew J. Gollinger  
Matthew J. Gollinger

CAUSE NO. 2010-CI-10977

JOHN K. MEYER, ET. AL.	§	IN THE DISTRICT COURT
	§	
VS.	§	
	§	
JPMORGAN CHASE BANK, N.A.	§	225 <sup>TH</sup> JUDICIAL DISTRICT
INDIVIDUALLY/CORPORATELY	§	
AND AS TRUSTEE OF THE SOUTH	§	
TEXAS SYNDICATE TRUST	§	
and GARY P. AYMES	§	BEXAR COUNTY, TEXAS

CRT

**DEPOSITION SUBPOENA DUCES TECUM TO PRODUCE DOCUMENTS  
ISSUED IN THE NAME OF THE STATE OF TEXAS**

**TO ANY PEACE OFFICER, CONSTABLE OF THE STATE OF TEXAS OR OTHER  
PERSON DULY AUTHORIZED TO SERVE OR EXECUTE SUBPOENAS:**

This Subpoena is directed to:

**CUSTODIAN OF RECORDS FOR:**

**TEXAS LONE STAR PETROLEUM CORP.  
c/o Jeffrey Dan Cobbs  
11 Hewit Drive  
Corpus Christi, Texas 78404**

*Antonio Morales*  
DEPUTY

2014 AUG 28 AM 11:03

FILED  
DONNA KAY MCKINNEY  
DISTRICT CLERK  
BEXAR COUNTY

This Subpoena directs the Custodian of Records for TEXAS LONE STAR PETROLEUM CORP., to appear at 10:00 a.m. on August 29, 2014, before a notary public at the following location:

**11 Hewit Drive  
Corpus Christi, Texas 78404**

and answer under oath written questions to be propounded by counsel for Defendant and to produce for inspection and photocopying the documents and records described on Exhibit "A" attached to the Notice Duces Tecum of Intent to Take Deposition by Written Questions served with and attached to this Subpoena.

This Subpoena is issued at the instance and request of Defendant JPMorgan Chase Bank, N.A., Individually/Corporately and as Trustee of the South Texas Syndicate Trust. The attorneys of record for Defendant are: Patrick K. Sheehan and David Jed Williams, Hornberger Sheehan Fuller & Garza Incorporated, The Quarry Heights Building, 7373 Broadway, Suite 300, San Antonio, Texas 78209.

**THIS SUBPOENA IS ISSUED UNDER TEXAS RULE OF CIVIL PROCEDURE 176. RULE 176.8(a)  
STATES: FAILURE BY ANY PERSON WITHOUT ADEQUATE EXCUSE TO OBEY A SUBPOENA SERVED**

UPON THAT PERSON MAY BE DEEMED A CONTEMPT OF THE COURT FROM WHICH THE SUBPOENA IS ISSUED OR A DISTRICT COURT IN THE COUNTY IN WHICH THE SUBPOENA IS SERVED, AND MAY BE PUNISHED BY FINE OR CONFINEMENT, OR BOTH.

This Subpoena is issued by David Jed Williams, attorney for Defendant, on behalf of Defendant.

Respectfully submitted,

**HORNBERGER SHEEHAN FULLER & GARZA  
INCORPORATED**

The Quarry Heights Building  
7373 Broadway, Suite 300  
San Antonio, TX 78209  
Tel: (210) 271-1700  
Fax: (210) 271-1730

By: s/David Jed Williams

Patrick K. Sheehan  
State Bar No. 18175500  
Rudy A. Garza  
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David Jed Williams  
State Bar No. 21518060

**HUNTON & WILLIAMS LLP**

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Charles A. Gall  
State Bar No. 07281500  
John C. Eichman  
State Bar No. 06494800

**ATTORNEYS FOR DEFENDANT**

**RETURN**

CAME TO HAND ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014, AT \_\_\_\_\_ O'CLOCK  
\_\_\_\_.M. AND EXECUTED (NOT EXECUTED) ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014, BY  
DELIVERING TO **JEFFREY DAN COBBS**, A TRUE COPY OF THIS SUBPOENA UPON  
WHICH I ENDORSED THE DATE OF DELIVERY. CAUSE OF FAILURE TO EXECUTE THIS  
SUBPOENA IS \_\_\_\_\_

TOTAL FEES: \$ \_\_\_\_\_

**AFFIDAVIT  
ATTACHED**

\_\_\_\_\_  
NUECES COUNTY, TEXAS

BY: \_\_\_\_\_

**NON-PEACE OFFICER VERIFICATION**

VERIFICATION OF RETURN (IF NOT SERVED BY PEACE OFFICER)

SWORN TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014.

\_\_\_\_\_  
Notary Public, State of Texas

**AFFIDAVIT OF SERVICE**

State of Texas

County of Bexar

225th District Court

Case Number: 2010-CI-10977 Court Date: 8/29/2014 10:00 am



00057553.1

Plaintiff:

**John K. Meyer, Et Al**

vs.

Defendant:

**JPMorgan Chase Bank, N.A. Individually/Corporately and as Trustee of the South Texas  
Syndicate Trust and Gary P. Aymes**

Received these papers on the 11th day of August, 2014 at 9:30 am to be served on **Texas Lone Star Petroleum Corp c/o Jeffrey Dan Cobbs, 11 Hewit Dr, Corpus Christi, Nueces County, TX 78404.**

I, April McDaniel, being duly sworn, depose and say that on the **19th day of August, 2014 at 7:35 pm, I:**

**EXECUTED** by delivering to, Texas Lone Star Petroleum Corp, a true copy of the **Deposition Subpoena Duces Tecum to Produce Documents with Notice of Intention to Take Deposition by Written Questions with Duces Tecum and \$11.00 Witness Fee** with the date of service endorsed thereon by me, to: **Jeffrey Dan Cobbs**, **Authorized** at the address of: **11 Hewit Dr, Corpus Christi, Nueces County, TX 78404**, who is authorized to accept service for **Texas Lone Star Petroleum Corp.**

**Description of Person Served:** Age: 55, Sex: M, Race/Skin Color: White, Height: 5'7", Weight: 155, Hair: Salt & Pepper, Glasses: N

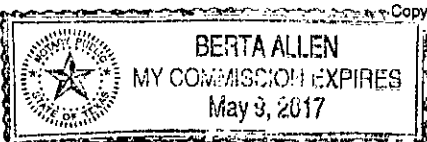
I am over eighteen, not a party to nor interested in the outcome of the above numbered suit and that I am certified to serve process in the State of Texas. I have personal knowledge of the facts set forth in the foregoing affidavit and declare that the statements therein contained are true and correct. I am familiar with TRCP. I have never been convicted of a Felony or Misdemeanor involving Moral Turpitude.

Subscribed and Sworn to before me on the 20 day of August, 2014 by the affiant who is personally known to me.

*Berta Allen*  
NOTARY PUBLIC

*April McDaniel*  
**April McDaniel**  
SCH-8109 Exp: 3-31-2017

Our Job Serial Number: ALN-2014006334  
Ref: 00057553.1



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(Consolidated Under)  
**CAUSE NO. 2010-CI-10977**

<b>JOHN K. MEYER, ET AL.</b>	<b>§</b>	<b>IN THE DISTRICT COURT</b>
<b>Plaintiffs,</b>	<b>§</b>	
	<b>§</b>	
<b>vs.</b>	<b>§</b>	
	<b>§</b>	
<b>JP MORGAN CHASE BANK, N.A.</b>	<b>§</b>	
<b>INDIVIDUALLY/CORPORATELY</b>	<b>§</b>	<b>225<sup>TH</sup> JUDICIAL DISTRICT</b>
<b>AND AS TRUSTEE OF THE SOUTH</b>	<b>§</b>	
<b>TEXAS SYNDICATE TRUST</b>	<b>§</b>	
<b>and GARY P. AYMES,</b>	<b>§</b>	
<b>Defendants.</b>	<b>§</b>	<b>BEXAR COUNTY, TEXAS</b>

**SUBPOENA REQUIRING JOHN MCBROOM  
TO APPEAR FOR ORAL AND VIDEOTAPED DEPOSITION**

TO: John McBroom  
Highland Minerals, Inc.  
201 Jackson Place  
Corpus Christi, Texas 78411

Greetings:

YOU ARE COMMANDED to attend and give testimony at a deposition on oral questions at the following time and place:

TIME: 9:30 a.m.  
DATE: September 12, 2014  
PLACE:: Highland Minerals, Inc.  
201 Jackson Place  
Corpus Christi, Texas 78411

Your deposition will also be video recorded. The notice to take your deposition is attached hereto as **Exhibit A**.



## **DUTIES OF PERSON SERVED WITH SUBPOENA**

You are advised under Texas Rules of Civil Procedure 176, a person served with a discovery subpoena has certain rights and obligations. Rule 176.6 provides:

(a) *Compliance required.* Except as provided in this subdivision, a person served with a subpoena must comply with the command stated in the subpoena unless discharged by the court or by the party summoning such witness. A person commanded to appear and give testimony must remain at the place of deposition, hearing, or trial from day to day until discharged by the court or by the party summoning the witness.

(b) *Organizations.* If a subpoena commanding testimony is directed to a corporation, partnership, association, governmental agency, or other organization, and the matters on which examination is requested are described with reasonable particularity, the organization must designate one or more persons to testify on its behalf as to matters known or reasonably available to the organization.

(c) *Production of documents or tangible things.* A person commanded to produce documents or tangible things need not appear in person at the time and place of production unless the person is also commanded to attend and give testimony, either in the same subpoena or a separate one. A person must produce documents as they are kept in the usual course of business or must organize and label them to correspond with the categories in the demand. A person may withhold material or information claimed to be privileged but must comply with Rule 193.3. A non-party's production of a document authenticates the document for use against the non-party to the same extent as a party's production of a document is authenticated for use against the party under Rule 193.7.

(d) *Objections.* A person commanded to produce and permit inspection and copying of designated documents and things may serve on the party requesting issuance of the subpoena--before the time specified for compliance--written objections to producing any or all of the designated materials. A person need not comply with the part of a subpoena to which objection is made as provided in this paragraph unless ordered to do so by the court. The party requesting the subpoena may move for such an order at any time after an objection is made.

(e) *Protective orders.* A person commanded to appear at a deposition, hearing, or trial, or to produce and permit inspection and copying of designated documents and things may move for a protective order under Rule 192.6(b)--before the time specified for compliance--either in the court in which the action is pending or in a district court in the county where the subpoena was served. The person must serve

the motion on all parties in accordance with Rule 21a. A person need not comply with the part of a subpoena from which protection is sought under this paragraph unless ordered to do so by the court. The party requesting the subpoena may seek such an order at any time after the motion for protection is filed.

**WARNING**

**Failure by any person without adequate excuse to obey a subpoena served upon that person may be deemed a contempt of the court from which the subpoena is issued or a district court in the county in which the subpoena is served, and may be punished by fine or confinement, or both.**

This **subpoena** is issued at the request of Plaintiffs and Plaintiff-Intervenors, whose attorneys of record are listed below.

Date of issuance: September 12, 2014.

John B. Massopust (*pro hac vice*)  
Matthew J. Gollinger (*pro hac vice*)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000  
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**ATTORNEYS FOR PLAINTIFFS,  
EMILIE BLAZE, ET AL.**

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Sharon C. Savage  
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State Bar No. 17266400  
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112 East Pecan Street  
San Antonio, Texas 78205  
(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By:   /s/ James L. Drought    
James L. Drought  
State Bar No. 06135000  
**ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.**

**RETURN OF SUBPOENA**

I certify that I served the annexed Subpoena by delivering a copy together with a fee of \$10.00 to John McBroom, Highland Minerals, Inc., 201 Jackson Place, Corpus Christi, Texas 78411, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**STATE OF TEXAS**                    §  
   §  
**COUNTY OF \_\_\_\_\_**       §

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

(Consolidated Under)  
2010-CI-10977

JOHN K. MEYER, ET AL., Plaintiff,	§	IN THE DISTRICT COURT
	§	
	§	
vs.	§	
	§	
JP MORGAN CHASE BANK, N.A. INDIVIDUALLY/CORPORATELY AND AS TRUSTEE OF THE SOUTH TEXAS SYNDICATE TRUST and GARY P. AYMES, Defendants.	§	225TH JUDICIAL DISTRICT
	§	
	§	
	§	
	§	BEXAR COUNTY, TEXAS

**NOTICE OF INTENTION TO TAKE ORAL AND  
VIDEOTAPED DEPOSITION OF JOHN MCBROOM**

TO: John McBroom  
Highland Minerals, Inc.  
201 Jackson Place  
Corpus Christi, Texas 78411

Please take notice that on behalf of Plaintiffs and Plaintiff-Intervenors, the oral and videotaped deposition of John McBroom will be taken upon oral examination beginning at 9:30 a.m. on September 12, 2014, and his answers may be used as testimony in the above-numbered and entitled cause. Said deposition will be taken at the offices of Highland Minerals, Inc., 201 Jackson Place, Corpus Christi, Texas 78411, by an official court reporter.

Please take notice that this deposition will be video recorded.

Respectfully submitted,

John B. Massopust (pro hac vice)  
Matthew J. Gollinger (pro hac vice)  
ZELLE HOFMANN VOELBEL & MASON LLP  
500 Washington Avenue South, Suite 4000

**EXHIBIT A**

Minneapolis, Minnesota 55415 1152  
(612) 339 2020 Telephone  
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LINDA ALDRICH, ET AL.

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(210) 225-4031 Telephone  
(210) 222-0586 Telecopier

By:           /s/ James L. Drought            
James L. Drought  
State Bar No. 06135000  
ATTORNEYS FOR PLAINTIFFS,  
JOHN K. MEYER, ET AL.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been sent  
by:

U.S. Certified Mail, Return Receipt Requested to:  
 Facsimile to:  
 First Class Mail to:  
 Hand Delivery to:  
 Efiling Service to:

Mr. Patrick K. Sheehan  
Mr. Rudy Garza  
Mr. David Jed Williams  
Hornberger Sheehan Fuller Beiter Wittenberg & Garza Incorporated  
7373 Broadway, Suite 300  
San Antonio, TX 78209

Mr. John C. Eichman  
Mr. Amy S. Bowen  
Hunton & Williams LLP  
1445 Ross Avenue, Suite 3700  
Dallas, Texas 75202

Mr. Fred W. Stumpf  
Boyer Short, A Professional Corporation  
Nine Greenway Plaza, Suite 3100  
Houston, Texas 77046

on this the 28<sup>th</sup> day of August, 2014.

          /s/ James L. Drought            
James L. Drought

# **Exhibit A**



Field No.	Field Name	District	Discovery County	Well Type	Oil (BBL)	Casinghead (MCF)	GW Gas (MCF)	Condensate (BBL)	Field is Active or Inactive (explanation below)	Number of gas wells on schedule	Number of oil wells on schedule	Number of oil leases on schedule
00870 500	AGUILA VADO (EAGLEFORD)	05	LEON*	OIL	577,479	192,869	0	0	active	0	16	15
03243 400	APACHE RANCH (EAGLE FORD)	04	WEBB	GAS	0	0	1,464,034	19,745	active	1	0	0
12018 200	BRISCOE RANCH (EAGLEFORD)	01	DIMMIT*	OIL & GAS	64,841,553	107,531,134	854,727,164	66,926,205	active	1404	889	429
17466 200	CHEROKEE (EAGLE FORD)	01	MILAM	OIL	6,970	0	0	0	active	0	2	2
22418 500	CYPRESS LANDING (EAGLE FORD)	03	FAYETTE	OIL	52,454	86,527	0	0	active	0	2	2
24492 500	DE WITT (EAGLE FORD SHALE)	02	DE WITT*	GAS	0	0	282,948,571	43,432,006	active	295	0	0
27125 500	EAGLE RIDGE (EAGLE FORD SHALE)	02	LIVE OAK*	GAS	0	0	2,156,034	103,684	active	1	0	0
27135 700	EAGLEVILLE (EAGLE FORD-1)	01	KARNES*	OIL & GAS	245,568,599	326,605,795	60,764,891	3,572,607	active	105	3185	1438
27135 750	EAGLEVILLE (EAGLE FORD-2)	02	KARNES*	OIL & GAS	215,802,709	376,132,925	2,319,155	85,732	active	7	1991	932
30379 300	FASHING (EAGLE FORD)	01	ATASCOSA	OIL & GAS	135,459	74,071	19,570	2,831	active	1	0	0
34204 200	GATES RANCH (EAGLE FORD SHALE)	04	WEBB	GAS	0	0	188,636,360	9,836,386	active	152	0	0
34733 610	GIDDINGS (EAGLEFORD)	03	LEE*	OIL & GAS	1,683,474	876,522	10,610	659	active	2	47	46
34741 500	GIDDINGS, SOUTH (EAGLEFORD)	03	BURLESON*	GAS	0	0	103,723	1,436	active	2	0	0
35387 500	GLENEWINKEL (EAGLE FORD 2300)	01	GUADALUPE	OIL					active	0	0	0
39744 500	HAWKVILLE (EAGLEFORD SHALE)	01	LA SALLE*	GAS	0	0	593,124,013	14,878,089	active	528	0	0
45957 500	JAYEDDIE, S. (EAGLE FORD)	01	GUADALUPE	OIL					active	0	0	0
47665 500	JUNCO (EAGLE FORD SHALE)	01	LA SALLE	GAS	0	0	1,426,419	134	active	1	0	0
54948 080	LOS CUATROS (EAGLE FORD)	01	MAVERICK	GAS					active	0	0	0
61342 400	MILANO (EAGLEFORD)	01	MILAM	OIL					active	0	0	0
79912 500	SALT FLAT, WEST (EAGLE FORD)	01	CALDWELL	OIL					active	0	0	0
84750 500	SOUTHERN BAY (EAGLE FORD)	03	FAYETTE*	OIL & GAS	2,663,008	1,870,672	0	0	active	0	41	14
86950 600	SUGARKANE (EAGLE FORD)	02	LIVE OAK	OIL & GAS	0	0	399,213,633	53,454,684	active	513	0	0
Date Range for Production Jan 2004 thru Mar 2014				<b>Totals</b>	531,331,705	813,370,515	2,386,914,177	192,314,198				

H2S present

\* Multiple counties for this field

**Note:** After further evaluation it has been determined that the following fields are not part of the current Eagle Ford Play.

64605 126 NAVARRO CROSSING (EAGLEFORD)

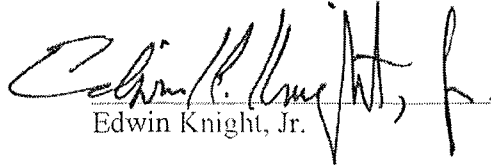
73844 235 QUITMAN (EAGLE FORD)

88646 200 TECULA (EAGLE FORD)

# **Exhibit B**

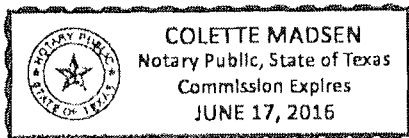



6. The Lease contains private, confidential, and proprietary information.
7. The information contained in the Lease is not known outside of the persons involved in the negotiation, operation, or assignment of the Lease
8. Access to the Lease is limited to senior staff members of HIL, owners of interests in HIL, and select outside counsel.
9. The information contained in the Lease cannot be properly acquired by others.
10. Production of the requested Lease would disclose the manner in which HIL approaches oil and gas lease negotiations, how HIL structures these types of transactions, and the provisions in these types of agreements on which HIL places a premium.
11. Disclosure of the Lease would expose HIL's proprietary approach to oil and gas leases and HIL's negotiating tactics.

  
Edwin Knight, Jr.

\* \* \*

SWORN TO AND SUBSCRIBED before me by Edwin Knight, Jr., on this August 13th 2014.



  
Notary Public, State of Texas

My commission expires: 6-17-2016