

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

TEXAS BRAND BANK,

Plaintiff,

v.

LUNA & LUNA, LLP,

Defendants.

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Case No. 3:14-cv-01134-P

**DEFENDANT LUNA & LUNA, LLP’S NOTICE
REGARDING POTENTIAL RECOVERY OF FUNDS**

Defendant Luna & Luna, LLP (“Luna”) files this notice regarding the potential recovery of the funds at issue in this litigation (“Notice”) as follows:

1. In June, 2014, counsel for Luna began having direct conversations with the Federal Bureau of Investigation (“FBI”) regarding its investigation into the fraudulently transferred funds at issue in this litigation.

2. As part of the investigation, Joe Serrano, the FBI agent investigating the fraudulent transfers, informed counsel for Luna that Mr. Serrano had been in contact with counsel for JPMorgan Chase Bank (“JPMorgan”), the designated receiving bank for the fraudulent wires. As part of those conversations Mr. Serrano discovered that a large amount of the fraudulently transferred funds might have been, and continues to be, frozen due to a federal seizure warrant issued in 2012, shortly after the fraudulent transfers took place, and served on JPMorgan.

3. Several weeks later, Mr. Serrano confirmed that, in fact, \$1.66 million had been, and continues to be, frozen as a result of the aforementioned service of a seizure warrant (“Seized Funds”).

4. Sometime later, Mr. Serrano and a member of the U.S. Attorney's Office confirmed to Luna's counsel that the U.S. Attorney's Office of the Northern District of Texas was in process of investigating potential criminal claims related to the fraudulently transferred funds and forfeiture proceedings against the Seized Funds.

5. In light of these new developments Luna has submitted the notice letter, attached hereto as Exhibit A, to the U.S. Attorney's Office, stating that Luna is a victim of the pertinent crime.

6. Although the U.S. Attorney's Office has not made any assurances as to whether it will proceed with the criminal prosecution and/or forfeiture proceedings, Luna believed it necessary to notify the Court of these latest developments.

7. It is Luna's belief that if the U.S. Attorney's Office is successful in prosecuting its forfeiture action and obtaining the Seized Funds, and those funds are then paid to Luna as the victim of the pertinent crime, then the claims at issue in this proceeding will essentially be moot.

8. Accordingly, for the sake of judicial economy and preservation of resources, Luna asks that this Court take this notification into consideration when deciding the Court's scheduling order. More specifically, Luna asks that the Court consider placing this litigation on slow track in order to allow time for the U.S. Attorney's Office to prosecute the forfeiture of the Seized Funds.

Respectfully submitted,

/s/ Sarah N. Wariner

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ATTORNEYS FOR DEFENDANT

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing document has been forwarded to all counsel of record on August 11, 2014 in accordance with the Federal Rules of Civil Procedure.

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/s/ Sarah N. Wariner

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