IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS FORT WORTH DIVISION

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TEXAS, KANSAS, LOUISIANA, INDIANA, WISCONSIN, and NEBRASKA,

Plaintiffs,

v.

UNITED STATES OF AMERICA, UNITED STATES INTERNAL REVENUE SERVICE, and CHARLES P. RETTIG, in his official capacity as COMMISSIONER OF INTERNAL REVENUE.

Defendants.

Civil Action No. 4:18-cv-00779-O

JOINT STATUS REPORT

Plaintiffs and Defendants (collectively, the "parties"), by and through their respective counsel, and pursuant to the Court's order, ECF No. 26, hereby submit the following joint status report:

- 1. On December 6, 2018, this Court issued an order staying this case pending final resolution of a related matter pending before the Court, *Texas, et al. v. United States, et al.*, No. 7:15-CV-00151-O (N.D. Tex.) ("*Texas I*"). See ECF No. 26. Pursuant to the Court's order, see id., on February 19, 2019, the parties submitted a Joint Status Report advising the court of the parties' progress in resolving *Texas I* and recommending that, "in light of the parties' progress in sharing information in *Texas I*, the Court ought to maintain the stay in this case." See ECF No. 27. In the February 19, 2019 Joint Status Report, the parties further requested that the Court maintain the stay and proposed that they would "file a joint status report on or before May 20, 2019, as to whether this case should remain stayed." *Id.*
 - 2. In *Texas I*, the Court has given the parties until June 7, 2019 to attempt

to reach agreement on the amount of any disgorgement, and the parties have continued working together to facilitate the exchange of documents and information related to the HIPF. See Texas I, ECF No. 136. Further, "[i]n the event the parties fail to resolve their differences by" June 7, 2019, if those differences concern factual issues, the Court has set the matter for a bench trial on June 12, 2019, or, if those differences concern legal issues, the parties will propose a briefing schedule. See Texas I, ECF Nos. 136 & 141.

- 3. Once the amount of any disgorgement has been established, either by agreement of the parties or by the Court, the Court will be in a position to enter final judgment in *Texas I*, at which time the parties expect to proceed with appeals in that case.
- 4. The parties respectfully submit that, in light of the expected entry of final judgment in *Texas I* in June 2019 or soon thereafter following a bench trial or briefing, the Court ought to maintain the stay in this case.
- 5. Accordingly, the parties respectfully request that the Court maintain the stay in this case and order them to file a joint status report on or before August 19, 2019, as to whether this case should remain stayed.
- 6. Counsel for Plaintiffs authorized Defendants to state that Defendants are filing this status report on behalf of all parties.

Respectfully submitted this the 20th day of May, 2019.

For the Plaintiffs:

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Counsel for Defendants

CERTIFICATE OF SERVICE

I hereby certify that on May 20, 2019, I electronically filed the foregoing document through the Court's ECF system, and will serve a copy of this document with the summons and complaint.

/s/ Julie Straus Harris
JULIE STRAUS HARRIS