

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED
MAY 17 2011
PATRICIA PHELPS CLERK
By _____

OKLAHOMA DEPARTMENT OF)
SECURITIES EX REL. IRVING)
FAUGHT, ADMINISTRATOR,)
)
Plaintiff,)

v.)

Case No. CJ-2009-7957

STORYBOOK PROPERTIES, LLC,)
a California limited liability company;)
STORYBOOK INVESTMENTS WA,)
LLC, a Washington limited liability)
company; MATTHEW G. STORY)
an individual; JOE DON JOHNSON,)
an individual; and JAMES FARNHAM,)
an individual,)
)
Defendants.)

AFFIDAVIT OF STEPHEN J. MORIARTY

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

The undersigned states, upon his oath, as follows:

1. My name is Stephen J. Moriarty. I am over the age of 18 and am qualified to make this Affidavit. I make this Affidavit upon personal knowledge.
2. I am a shareholder with the law firm of Fellers, Snider, Bailey, Blankenship & Tippens.

3. I am the Court-appointed receiver in this case ("Receiver") for Storybook Properties, LLC, Storybook Investments WA, LLC, EZ-To-Buy Homes, LP and Matthew G. Story (collectively the "Storybook Companies") pursuant to an Order entered on October 7, 2009.

4. On April 10, 2009, Oklahoma Department of Securities ("ODS") filed its First Amendment to Petition for Permanent Injunction (the "Petition") against the Storybook Defendants. ODS alleged that the Storybook Defendants were operating a "Ponzi scheme".

5. On January 7, 2010, this Court entered judgment against the Storybook Defendants on the Petition.

6. Approximately 70 investors invested approximately \$6,800,000.00 with the Storybook Defendants (the "Storybook Investors").

7. Albert Hawkes invested \$90,000.00 with the Storybook Defendants (the "Hawkes Investment"). The Hawkes Investment was deposited on November 6, 2008 in an account maintained by the Storybook Defendants at Tulsa National Bank, account # XXX83 (the "TNB Account").

8. After November 6, 2008, funds received by the Storybook Defendants from at least 9 investors were deposited in the TNB Account. These deposits totaled \$550,027.99.

9. The TNB Account was overdrawn in February, 2009 and March, 2009.

10. At the time Receiver was appointed the balance remaining in the TNB Account was \$309.99.

11. Receiver has liquidated substantially all of the assets of the Storybook Companies and has in his possession cash and cash equivalents totaling \$389,185.36, as of April 30, 2011. This sum represents the amount remaining from sales previously reported to the Court, less Court approved expenses of administration.

12. On November 22, 2010, Receiver filed a Motion to Approve Proposed Distribution to Investors (the "Distribution Motion").

13. On January 24, 2011, the Court entered an Order granting the Distribution Motion subject to the right of any investor to challenge the proposed distribution by filing an objection within ten (10) days of entry of the Order (the "Distribution Order").

14. On January 28, 2010, Mr. and Mrs. Albert Hawkes timely filed an objection pursuant to the Distribution Order (the "Hawkes Objection"). The Hawkes Objection states that as "one of the last 'investors' or the last, we feel our money was outright stolen and should be reimbursed in full".

15. Pursuant to the terms of the Distribution Order, Receiver did not make a distribution to the investors.

16. Since the filing of the Distribution Motion, Receiver has identified previously unknown investors and has received information from other known investors which required changes to their claim amounts. Therefore, it was necessary for Receiver to amend the investor claim schedule and the proposed distributions and file an Amended Distribution Motion on May 12, 2011 (the "Amended Distribution Motion").

17. The aggregate value of all of the known assets of the Storybook Defendants is insufficient to satisfy the claims of the Storybook Investors. Pursuant to the Amended

Distribution Motion, the Storybook Investors will receive approximately 6% of the amount of their investment, less any monies previously paid or returned.

FURTHER AFFIANT SAYETH NOT.



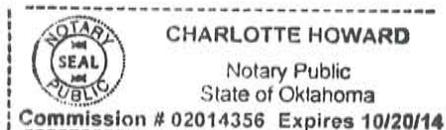
Stephen J. Moriarty

Subscribed and sworn to before me this 17th day of May, 2011.



Notary Public

My Commission Expires: 10/20/2014
(SEAL)



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OF SECURITIES