



DISTRICT COURT FOR OKLAHOMACOUNTY
STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

Oklahoma Department of Securities)
ex rel. Irving L. Faight, Administrator,)
)
Plaintiff,)
)
v.)
)
Seabrooke Investments, LLC, an Oklahoma)
limited liability company, et. al.)
)
Defendants.)

DEC 22 2015
TIM RHODES
COURT CLERK
27

Case No. CJ-2014-4515

**INTERIM APPLICATION FOR ORDER APPROVING
RECEIVER'S FEES AND EXPENSES FOR THE PERIOD OF
NOVEMBER 1, 2015 THROUGH NOVEMBER 31, 2015**

Receiver, Ryan Leonard, respectfully applies to this Court for entry of an Order approving his interim application for Receiver's fees and expenses for the period of November 1, 2015 through November 31, 2015, including fees of the Attorney and Accountant approved by this Court to assist the Receiver.

1. On September 11, 2014 the Plaintiff, Oklahoma Department of Securities ("Plaintiff"), filed its verified Petition for Permanent Injunction and other Relief ("Verified Petition") and Application for Temporary Restraining Order, Order Freezing Assets, Order Appointing Receiver, Order for Accounting and Temporary Injunction ("Application") pursuant to the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). On that same day the Court entered a temporary restraining order in this matter and appointed Ryan Leonard as Receiver for Defendants.



2. On September 5, 2014 the Court entered an order granting a Temporary Injunction and Ancillary Relief and ordered that Ryan Leonard should remain as Receiver. The Receiver was given directions and authority to accomplish the following with regard to Defendants:

a. To take immediate custody, possession and control of any and all Assets, as well as any records or documents relating in any way to the Assets;

b. to retain or employ attorneys, accountants, consultants, management firms, and other persons as may be advisable or necessary to exercise the duties of the Receiver and to compensate such persons, all subject to approval by the Court;

c. to manage the business activities of Defendants, their affiliates, subsidiaries, and any related entities existing at the time of the filing of the Petition, and to conserve, hold and protect the Assets, pending further action by this Court;

d. to market the Assets of the Defendants for sale, including the retention of listing agents, realtors and brokers, and to evaluate all offers to purchase received. All sales of the Assets shall be subject to approval by the Court;

e. to release bank and financial accounts from the freeze as may, in the Receiver's opinion, be necessary or proper for the protection, maintenance, or preservation of the Assets or the carrying out of the terms of this Order;

f. to retain any employee of the Defendants, as may be advisable or necessary, including any individual Defendant, in control of, management of, participation in the affairs of, or on the premises of, the Defendants; and/or to dismiss any employee of the Defendants as may be advisable or necessary, including any individual Defendant, from control of, management of, or participation in the affairs of, or from the premises of the Defendants.

g. to receive and collect any and all sums of money due or owing to the Defendants at the time of the filing of the Petition; to collect the revenue and income generated by the maintenance and operation of the Assets whether the same are due or shall be necessary and advisable for the preservation of the Assets and as may be necessary and advisable to discharging his duties as Receiver;

h. to open bank and financial accounts in the name of the Receiver; to change the name of any Assets and/or the signing authority for any Asset, in order to reflect that the Asset is held in the name of the Receiver pursuant to this Order and/or to reflect that the Receiver is the only person authorized to deal with such Asset, including if necessary, instructing banks and financial institutions that the Receiver is the only person authorized to make withdrawals or transfers from any of the Defendants' bank and financial accounts existing at the time of the filing of the Petition. Any bank or financial institution shall be entitled to rely on this Order to open and make changes to such accounts as requested by Receiver.

i. to open and inspect any and all mail or deliveries addressed to Defendants to determine if same relate to the existence, location, identity or collection, preservation, maintenance or operation of the Assets, and to notify the United States Postal Service to effect the forward delivery of any email addressed to Defendants to a mail depository under the control of the Receiver; and to return personal mail to Defendants Tom W. Seabrooke and J. Karyn Seabrooke;

j. to institute, prosecute and defend, compromise, adjust, intervene in or become a party to such actions or proceedings in any state court, federal court, or United States bankruptcy court as may, in the Receiver's opinion, be necessary or proper for the protection, maintenance, or preservation of the Assets, or the carrying out of the terms of this Order, and

likewise to defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings now pending in any court by or against Defendants where such prosecution, defense, or other disposition of such actions or proceedings is in the judgment of the Receiver, advisable or proper for the protection of the Assets; and

k. to exercise those powers necessary to implement the orders and directives of this Court.

3. As part of the order granting Temporary Injunction and Ancillary Relief, the Court ordered that the Receiver may apply to the Court for payment of fees, from time to time, in a reasonable sum to be determined by the Court and from such sources as approved by the Court and for reimbursement of reasonable expenses incurred in connection with his duties as Receiver. The Court previously approved the retention of Robert D. Edinger as legal counsel to the Receiver and the employment of an accountant. The Court determined that the Receiver's hourly fee shall be billed at the rate of \$265 per hour. Finally, the Court determined that payment of the fees and expenses of the Receiver shall have priority over any other claims made against the Defendants or the receivership estate.

4. The Receiver seeks interim compensation at his hourly rate approved by the Court for work performed, plus reimbursement of Receiver's actual and necessary expenses, for the period of November 1, 2015 through November 31, 2015. The Receiver further seeks compensation for the services of Attorney Robert D. Edinger and Accountant Barbara A. Ley, P.C. for the period November 1, 2015 through November 31, 2015. Edinger and Ley assisted the Receiver in the exercise of his duties, and the retention of their services by the Receiver was previously authorized by the Court.

5. The amount of the compensation of receivers and their attorneys rests in the sound discretion of the court in which the proceedings are pending. *Keenan v. Clark*, 188 P.2 219 (Okla. 1947).

6. During the period November 1, 2015 through November 31, 2015, the Receiver and his employees expended a total of 38.9 hours at hourly rates ranging from \$80 to \$265 per hour for a total fee of \$9,753.50. The Receiver also incurred \$26.00 in expenses and advances, making the total amount due of \$9,779.50. Exhibit "A" details the hours spent rendering services and a description of the services rendered. The Receiver and his employees have expended the time set forth in this application in the execution of the Receiver's duties to the preclusion of other employment, and the charges set forth herein were reasonable and necessary.

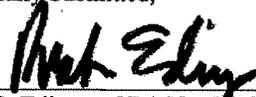
7. During the period November 1, 2015 through November 31, 2015, Attorney Robert D. Edinger expended a total of 4.6 hours at an hourly rate of \$295 per hour for a total fee of \$1,357.00. Exhibit "B" details the hours spent rendering services, a description of the services rendered, and the expenses incurred. Attorney Robert D. Edinger has expended the time set forth in this application in the assistance of the Receiver to the preclusion of other employment, and the charges set forth herein were reasonable and necessary.

8. During the period of November 1, 2015 through November 31, 2015, the Accountant Barbara A. Ley, P.C. expended a total of 28.4 hours at hourly rates ranging from \$85 to \$175 per hour for a total fee of \$4,655.00. Ley also incurred \$1.05 in expenses and advances, making the total amount due \$4,656.05. Exhibit "C" details the hours spent rendering services, a description of the services rendered, and the expenses incurred. Accountant Ley has expended the

time set forth in this application in the assistance of the Receiver to the preclusion of other employment, and the charges set forth herein were reasonable and necessary.

WHEREFORE, premises considered, Receiver Ryan Leonard respectfully request this Court approve payment of interim compensation to Receiver in the amount of \$9,779.50 to Attorney Robert Edinger in the amount of \$1,357.00, and to Accountant Barbara A. Ley, P.C. in the amount of \$4,656.05 for the period of November 1, 2015 through November 31, 2015.

Respectfully Submitted,



Robert D. Edinger, OBA No. 2619
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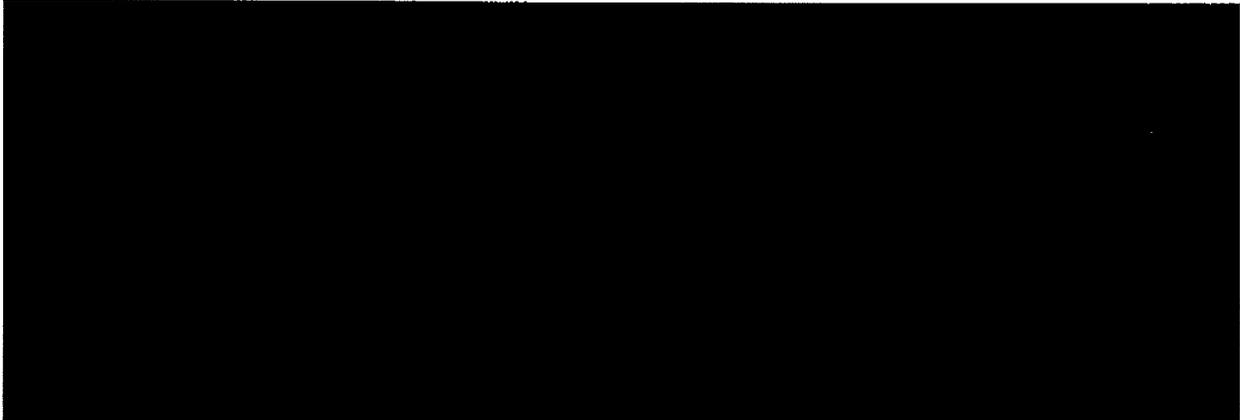
ATTORNEY FOR THE RECEIVER,
RYAN LEONARD

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this ~~22~~²⁵ day of December, 2015, a true and correct copy of this pleading was served via First Class Mail, postage prepaid, or by Email to:

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Jennifer Shaw
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Robert Edinger

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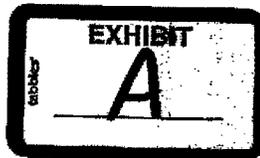
Seabrooke et al. Receivership

Statement Date: December 15, 2015
Statement No. 3383
Account No. 1392.01
Page: 1

RE: Oklahoma County Case # CJ-2014-4515

Payments received after 12/15/2015 are not included on this statement.

		Previous Balance		\$20,492.00
		<u>Fees</u>		
			Hours	
11/02/2015	RTL	Meet with S. Haynes at his request re: disposition of Weatherford property in receivership, status of appraisal and issues surrounding property; Conference with P. LaBarthe re: legal authority regarding burden upon claimant to substantiate claim, classification of various claims; Revise Receiver's report.	2.80	742.00
11/03/2015	RTL	Review Seller's Statement for Ravenswood closing; Follow-up with title company re: Receiver's deed; Continue edits to Receiver's Report; Review Holtslander-Petrone claim and draft recommendation; Further review of Hope claim; Review supporting documents and continue draft of classifications on commercial creditor claims.	3.50	927.50
11/04/2015	RTL	Further legal research re: burden on claimant to establish claim (review of authority provided by Department, additional research); Attend closing on Ravenswood lots at American Eagle Title; Edits to Receiver's Report re: legal standards for classification of claims; Conference with P. Barthe re: same; Correspond with H. Lashar re: credit received on Briargate Plaza.	2.80	742.00
	NJ	Update Bricktown Capital financial documentation .	0.20	16.00
11/09/2015	RTL	Follow-up correspondence with P. LaBarthe, A. Fugitt re: general ledgers of receivership accounts (pre-2008) to confirm certain transactions; Brief review of general ledger info prepared by A. Fugitt re: same; Review legal authority re: interpretation of "security" under Oklahoma Uniform Securities Act; Extended meeting with P. LaBarthe, O. Blaha re: review and discussion of Receiver's preliminary recommendations, to follow-up with Defendants' counsel prior to submission; Further edits and analysis of commercial creditor claims, request to provide notification to creditors, time to respond and hearing to adjudicate contested claims.	4.50	1,192.50



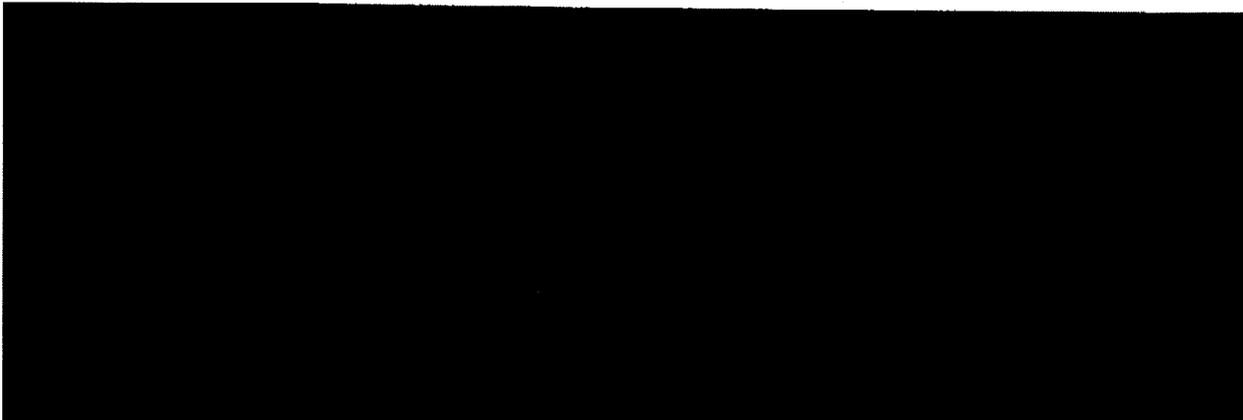
		Hours		
11/11/2015	RTL	Conference with A. Fuggitt re: assist with receivership accounting, remaining issues on Bricktown Capital account; Follow-up correspondence re: payables; Multiple follow-up correspondence re: closing statements for accounting.	0.80	212.00
	NJ	Correspondence with A Fuggitt re Seabrooke account documentation; correspondence with L Olson at Bank of West re said documentation; assist with accounting research.	0.50	40.00
	NJ	Extended correspondence with B McCants re claims process and status update.	0.30	24.00
11/12/2015	RTL	Conference with P. LaBarthe re: additional analysis of certain claims, authority for Receiver's position on disregarding interest; Additional edits to Report re: same.	0.80	212.00
11/13/2015	RTL	Review additional information on P. Johnston claim; Follow-up with Defendant's counsel re: Receiver's report.	0.50	132.50
11/16/2015	RTL	Review multiple SEC pleadings regarding options for classification and plans of distribution, legal authority in support of same, incorporate authority into Report; Follow-up conference with P. LaBarthe, J. Shaw re: proposed distribution plan; Correspond with A. Fuggitt re: Bricktown Capital receivership accounting; Review of case law re: defendants' contentions regarding applying statute of limitations to claims.	4.00	1,060.00
	NJ	Assistance with Accounting; correspondence with A Fuggitt, K Seabrooke re reconciling past bank statements and records; extended correspondence with Bank of the West re the same.	1.20	96.00
	NJ	Correspondence with C Poage re status of claims process and estimated timeline moving forward.	0.40	32.00
11/17/2015	RTL	Prepare for meeting with defendants' counsel; Meet with M. Robertson, P. LaBarthe, J. Shaw re: review and discussion of Receiver's proposed recommendations, discussion of legal authority regarding treatment of claims, consideration of statute of limitations issues; Review of additional legal authority regarding distributions to claimants; Review documentation relevant to FNB Weatherford, First Commercial claims and finalize analysis and recommendation; Further edits to Receiver's Report; Prepare Order establishing deadlines for responses to Report and setting hearing to adjudicate all claims; Multiple follow-up with Securities Department re: pay-off information, language in report, escrowed funds from sales commissions; Conference with D. Nunn re: notices of sale for Lawton and Oakbrooke properties; Additional follow-up with Department re: bank records analysis, legal authority in support of proposed distribution; Correspond with accountant re: multiple remaining payables.	5.60	1,484.00
11/18/2015	RTL	Finalize Order Requiring Notice to Claimants, Establishing Time to Respond and Setting Hearing; Follow-up correspondence with Securities Department re: same; Final review and incorporation of legal authority in support of pro-rata distribution to claimants; Further analysis of specific claims prior to finalizing Report;		

			Hours	
		Conferences with R. Edinger, P. LaBarthe re: same.	4.30	1,139.50
11/20/2015	RTL	Follow-up correspondence re: resolving gas bill on 425 NW 11; Conference with P. LaBarthe, J. Shaw re: authority in support of distribution plan, analysis of certain claims; Follow-up with R. Edinger re: same.	1.20	318.00
11/23/2015	RTL	Correspondence with K. Seabrooke re: confirmation of receivership assets; Follow-up correspondence with A. Robles re: withdrawal of claim.	0.30	79.50
11/30/2015	RTL	Follow-up correspondence with P. LaBarthe, J. Shaw re: confirmation of knowledge of all of defendants' properties, correspondence from K. Seabrooke re: same; Correspond with A. Fugitt re: accounting inquiries from Department; Review and edit proposed Order releasing Karyn Seabrooke from the receivership; Multiple follow-up correspondence with P. LaBarthe, J. Shaw, M. Robertson re: same; Conference with P. LaBarthe, J. Shaw re: terms of proposed agreement with K. Seabrooke; Review proposed agreement, further edits to agreement and proposed Order; Review further legal authority regarding doctrine of equitable subordination; Incorporate same into Receiver's Report on Claims.	4.80	1,272.00
	NJ	Continue process for online banking option for R Leonard at Bank of the West.	0.40	32.00
		For Current Services Rendered	38.90	9,753.50

	Recap	Hours	Rate	Total
<u>Timekeeper</u>				
Nicole Jacobsen		3.00	\$80.00	\$240.00
Ryan T. Leonard		35.90	265.00	9,513.50

Expenses

11/16/2015	Photocopy charges - 185 copies at .10 per page	18.50
11/19/2015	Photocopy charges - 75 copies at .10 per page	7.50
	Total Expenses	26.00
	Total Current Work	9,779.50
	Balance Due	<u>\$30,271.50</u>



ROBERT EDINGER PLLC
100 Park Avenue, Suite 500
Oklahoma City, OK 73102

Statement

Date 12/16/2015

(405) 702-9900

Ryan Leonard, Receiver
 100 Park Avenue, Suite 500
 Oklahoma City, OK 73102

In Reference To:

Seabrooke Receivership

		AMOUNT DUE		\$3,009.00	
DATE	DESCRIPTION	HRS/QTY	RATE	AMOUNT	
10/31/2015	Balance forward			2,714.00	
11/18/2015	RDE: Determine hearing dates for use in reference to Receiver's Report on Claims (.2); Review Doyle proof of claim and consult with R. Leonard on legal treatment of same (.8); Review proposed Order Requiring Notice of Claim, Establishing Time to Respond and Setting Hearing (.2).	1.2	295.00	354.00	
11/24/2015	RDE: Prepare Application for Receiver's Fees & Expenses for Oct. 2015.	1	295.00	295.00	
11/30/2015	RDE: Review and revise proposed Order releasing Homestead and attached Stipulation from K. Seabrooke and conf. with R. Leonard regarding same (1.2); Tel. from M. Robertson regarding claim against Cobbs and attempt to locate Cobbs (.1); Conf. with R. Leonard regarding equitable subordination legal theory and review relevant case citations that might be used in support of Receiver's Report (1.1).	2.4	295.00	708.00	
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
1,357.00	1,652.00	0.00	0.00	0.00	\$3,009.00

Robert Edinger PLLC



BARBARA A. LEY
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANT
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Oklahoma City, Oklahoma 73118
(405) 848-0255
FAX (405) 848-0148

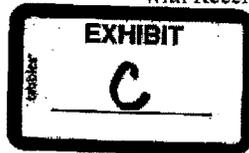
12/18/2015

Ryan Leonard Receivership
100 Park Avenue, Suite 500
Oklahoma City, OK 73102-8017

Invoice No: 20027

Professional services rendered through November 30, 2015 in connection with:

<u>Date</u>	<u>Hours</u>	<u>Fees</u>	<u>Person</u>	<u>Memo</u>
Nov 05, 2015	0.50	42.50	Maker	Reconcile and scan account reconciliation;
Nov 05, 2015	0.50	42.50	Maker	Scan Bank Of the West statements for seven accounts;
Nov 06, 2015	2.10	367.50	Fugitt	Compiling data on transactions prior to 2008 into Excel spreadsheets as requested by Receiver; sending to Receiver;
Nov 09, 2015	6.40	1,120.00	Fugitt	Working on detail of accounting, formatting detail received out of Appfolio, and pulling information on 3020 Robinson;
Nov 09, 2015	1.00	85.00	Maker	Begin scanning Bank Of the West statements for various accounts for 2014;
Nov 10, 2015	0.80	140.00	Fugitt	Working on detail of accounting for 3020 Robinson and Seabrooke Investments; discussing with staff;
Nov 10, 2015	0.50	42.50	Maker	Completed scanning Bank Of the West statements for multiple accounts and multiple months of 2014;
Nov 11, 2015	3.50	612.50	Fugitt	Communications with Receiver and personnel at Receiver's office regarding additional items needed including bank statements, closing statements; working on detail of accounting;
Nov 13, 2015	3.20	560.00	Fugitt	Working on detail for accounting and correspondence with Receiver regarding request;



Nov 16, 2015	0.50	42.50	Maker	Inputting deposit via QuickBooks online; reconcile three accounts;
Nov 16, 2015	0.50	42.50	Maker	Scan 2014 Bank Of the West bank statements; scan reconciliations for three accounts;
Nov 18, 2015	0.20	35.00	Fugitt	Discussing status of items with staff;
Nov 19, 2015	3.90	682.50	Fugitt	Work on detail of accounting for SKY; compiling data from Appfolio; correspondence with Receiver's office regarding utility bill on Seabrooke building;
Nov 23, 2015	1.90	332.50	Fugitt	Correspondence with Receiver regarding request and working on detail of accounting for SKY;
Nov 30, 2015	2.90	507.50	Fugitt	Working on detail of accounting ;
Nov 06, 2015		<u>1.05</u>		Photocopy charges
		<u>\$ 4,656.05</u>	Current Amount Due	

Invoices are due and payable upon receipt.