

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY
STATE OF OKLAHOMA

FILED
IN DISTRICT COURT

APR - 7 2004

POTTAWATOMIE COUNTY, OK
CECIL DUNLAP, COURT CLERK
BY _____ DEPUTY

OKLAHOMA DEPARTMENT OF
SECURITIES *ex rel.* Irving L.
FAUGHT, Administrator,

Plaintiff,

vs.

Case No. C-03-1239

THE HICKMAN AGENCY, INC., an
Oklahoma Corporation; MERL WILLIAM
HICKMAN, SR., an individual; SARAH
L. HICKMAN, an individual; and
MERL WILLIAM HICKMAN, JR., an
individual,

Defendants,

and

STEPHANIE HICKMAN-MATTHEWS, an
individual; ANGELA FRIGULETTO, an
individual; PETER FRIGULETTO, an
individual; SANDRA FRIGULETTO, an
individual; and CHRISTY HICKMAN,
an individual,

Defendants Solely
For Purposes Of
Equitable Relief

REPORT OF RECEIVER, STEPHEN J. MORIARTY
REGARDING BOAT AUCTION

Comes now Stephen J. Moriarty, the Court appointed Receiver for The Hickman Agency, Inc., Merl William Hickman, Sr., Sarah Hickman, Merl William Hickman, Jr., Stephanie Hickman-Matthews, Angela Friguletto, Peter Friguletto, Sandra Friguletto and Christy Hickman (collectively referred to as "Hickman"), and for his report to the Court regarding the sale of certain boats owned by Hickman states as follows:

1. On December 17, 2003, this Court entered its order appointing the Receiver; the appointment continued pursuant to the Temporary Injunction entered herein on December 22, 2003 (collectively referred to as the "Order"). Pursuant to the Order, Receiver was given

immediate and exclusive custody, control and possession of all assets ... of Defendants, of whatever kind and description and wherever situated." Further, Receiver was given the authority to take the steps necessary to protect the interests of Investors, including the liquidation or sale of assets of the Defendants ..."

2. On or about December 20, 2003, Receiver took possession of the following boats:

<u>BOAT/MODEL</u>	<u>SERIAL NUMBER</u>
2001 Mariah Diablo 18'	MAB21815D101
2002 Monterey 228SS 21'6"	RGFSC200E202
2001 Criscraft 308 30'6"	CCBHH110F001
1978 Gibson Houseboat 42'	GBN42378M78C
1973 Burns Craft Houseboat 32'	EMF320860573
1996 Seadoo 10'7"	ZZNF1383D696
1992 Four Wins Liberator 26'2"	4WNCR001C192

3. On February 10, 2004, this Court entered an Order establishing certain procedures for the Sale of Hickman assets. The Order provided that "Receiver is hereby authorized to conduct a public auction of ... boats in his possession and control, on reasonable notice and advertisement, as determined by Receiver after consultation with appropriate professionals.

4. Receiver consulted with Nova Marine Surveyors of Flower Mound, Texas ("Nova") regarding the value of the boats and plans for a sale. After consultation regarding its value, and determination by Receiver that Bank of America held a properly perfected lien, the decision was made to allow the Criscraft to be repossessed. A "Retail" value was placed on the remaining boats at \$87,018.

5. After consultation with Nova, Receiver decided that it was in the best interest of the Investors to conduct a public auction of the boats without employing the services of an "auctioneer". Receiver believed that he could obtain "fair" value for the boats without having

to incur an auctioneer's commission of 15%. Receiver has agreed not to charge for his time on March 27, 2004 relating to the boat auction.

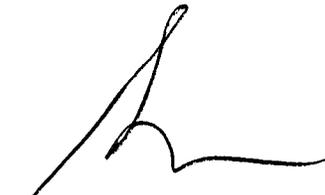
6. A public auction for the boats was set for 11:00 A.M on March 27, 2004 at Eufaula Cove Marina, 400 Lakeshore Drive, Eufaula, Oklahoma; a copy of the promotional flyer is attached hereto as Exhibit "A". Over 500 copies of the flyer were printed and distributed by mail, in public locations in the Shawnee area and at various marinas. Both the Shawnee News Star and the Oklahoman ran extensive articles regarding the boat auction.

7. On March 27, 2004 the boat auction was held. Over 125 potential bidders were in attendance. The following information reflects the successful bids:

<u>BOAT/MODEL</u>	<u>PURCHASER/PRICE</u>
2001 Mariah Diablo 18'	Luke and Angela Dockrey \$9,700.00
2002 Monterey 228SS 21'6"	Steve Vickers \$29,000.00
1978 Gibson Houseboat 42'	Jenkins Family Trust \$21,800.00
1973 Burns Craft Houseboat 32'	Jim or Sharon Weeks \$8,500.00
1996 Seadoo 10'7"	Trisha Hunter \$1,650.00
1992 Four Wins Liberator 26'2"	Mega Homes, Inc. \$12,000.00
	<u>TOTAL</u> <u>\$82,650.00</u>

The sale realized 95% of the appraised value of the boats. The sales proceeds have been deposited for the benefit of the Investors.

Dated this 7th day of April, 2004.



Stephen J. Moriarty (OBA# 6410)
ANDREWS DAVIS
100 North Broadway, Suite 3300
Oklahoma City, OK 73102
Phone: (405) 272-9241
Fax: (405) 235-8786
RECEIVER FOR HICKMAN

CERTIFICATE OF MAILING

This is to certify that on the 7th day of April, 2004, a true and correct copy of ~~the~~ foregoing was sent by First Class U.S. Mail, postage prepaid to:

PATRICIA A. LABARTHE, ESQ.
OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

BRAD WEST
WEST LAW FIRM
124 West Highland
Shawnee, OK 74801



Stephen J. Moriarty

BOAT AUCTION
MARCH 27, 2004 at 11:00 A.M.
EUFAULA COVE MARINA
400 LAKESHORE DRIVE
EUFAULA, OKLAHOMA
918-689-7723

By Order of the District Court, Pottawatomie County, Oklahoma entered on February 10, 2004 in the case of *OKLAHOMA DEPARTMENT OF SECURITIES v. MERL WILLIAM HICKMAN, SR., et al, Case No. C-03-1239*, Stephen J. Moriarty, as Receiver for Merl William Hickman, Sr., Sarah L. Hickman, Merl William Hickman, Jr., and The Hickman Agency, Inc.(collectively referred to as "Hickman"), was authorized to conduct a public auction of certain boats and accessories owned by Hickman and stored at the Eufaula Cove Marina, Eufaula, Oklahoma.

The items to be auctioned, along with minimum bids, are as follows:

<u>DESCRIPTION</u>	<u>MIN. BID</u>
2001 Mariah Diablo 18"	\$7,500.00
2002 Monterey 228-SS 21'6"	13,500.00
1978 Gibson Houseboat 42"	12,000.00
1973 Burns Craft AFT	none
1996 Seadoo 10'7"	none
1992 Four Wins Liberator 26'2"	11,500.00

Pictures of the items to be auctioned are on the back on this sheet.

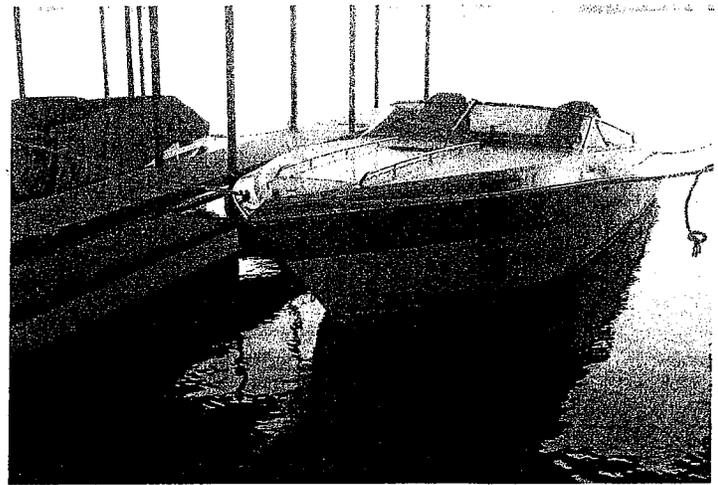
Items will be available for inspection beginning at 9:00 a.m. on the date of the auction. Payment by the high bidder may be by check; however, a bill of sale and other transfer documents will not be negotiated or delivered until Receiver has received good and valid funds for the purchase price.

All questions regarding this auction should be directed to:

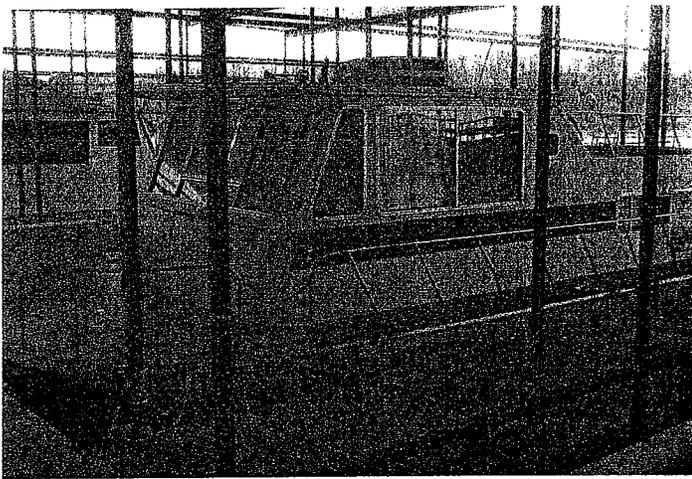
STEPHEN J. MORIARTY, RECEIVER
SUITE 500, 500 WEST MAIN
OKLAHOMA CITY, OK 73102
PHONE: (405) 272-9241
FAX: (405) 235-8786
E-mail: sjmoriarty@andrewsdavis.com



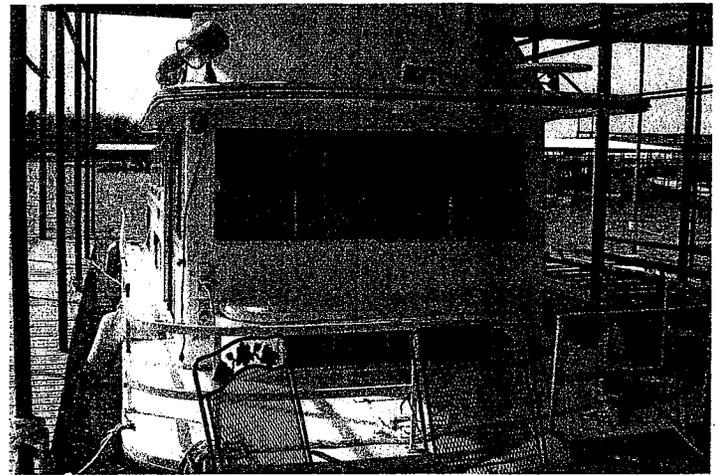
2002 MONTEREY 228-SS 21' 6"



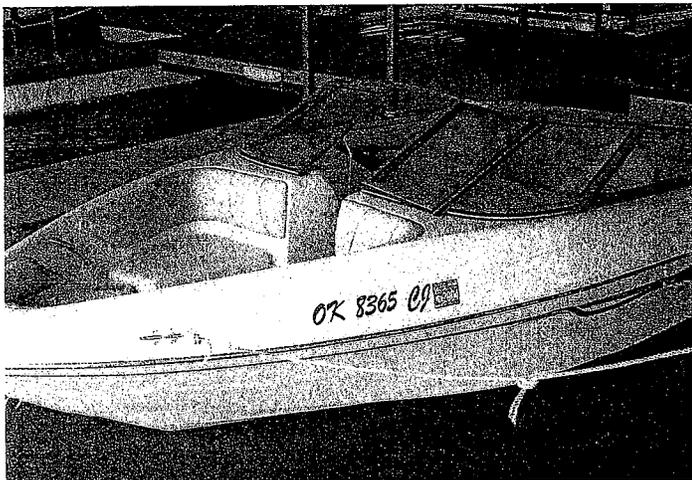
1992 FOUR WINS LIBERATOR 26'2"



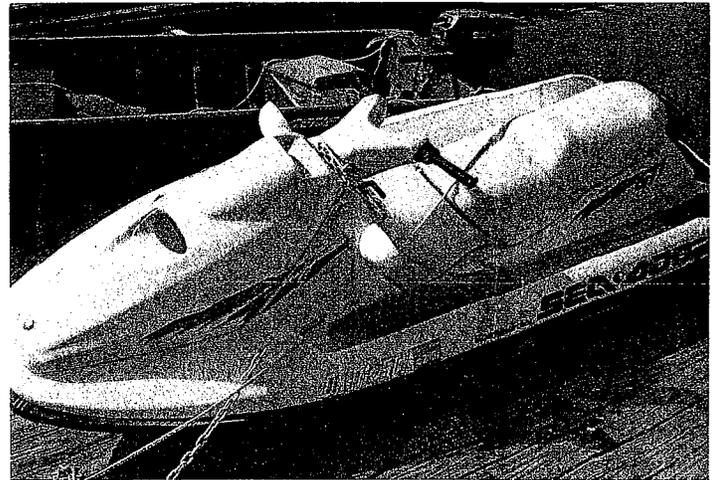
1973 BURNS CRAFT HOUSEBOAT 32'



1978 GIBSON 42' HOUSEBOAT



2001 MARIAH DIABLO 18'



1996 SEADOO 10'7"