

IN THE DISTRICT COURT OF OKLAHOMA COUNTY FILED IN THE DISTRICT COURT
STATE OF OKLAHOMA OKLAHOMA COUNTY, OKLA.

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

JUN 11 2009

PATRICIA PRESLEY, COURT CLERK
by _____
DEPUTY

v.)

Case No. CJ-2009-2773
Judge: Gurich, Noma D.

GLOBAL WEST FUNDING, LTD.,)
Co., an Oklahoma limited liability)
company; GLOBAL WEST FINANCIAL)
LLC, an Oklahoma limited liability)
Company; SURE LOCK FINANCIAL,)
LLC, an Oklahoma limited liability)
Company; SURE LOCK LOANS LLC,)
Oklahoma limited liability company; THE)
WAVE-GOLDMADE, LTD., an)
unincorporated association; BRIAN)
MCKYE, an individual; JOE DON)
Johnson, an individual; JAMES)
FARNHAM, an individual,)
)
Defendants.)

and)

HERITAGE ESTATE SERVICE,)
LLC, an Oklahoma limited liability)
company,)
)
Relief Defendant.)

**SPECIAL MASTER'S RESPONSE TO BRIAN MCKYE'S
MOTION FOR COURT AUTHORIZED RELEASE OF FUNDS**

Stephen J. Moriarty ("Special Master") the Court appointed Special Master for
GLOBAL WEST FUNDING, LTD., Co., an Oklahoma limited liability company; GLOBAL
WEST FINANCIAL LLC, an Oklahoma limited liability company; SURE LOCK FINANCIAL,

LLC, an Oklahoma limited liability company; SURE LOCK LOANS LLC, an Oklahoma limited liability company; THE WAVE-GOLDMADE, LTD., an unincorporated association; and BRIAN MCKYE, an individual (all collectively referred to as “Companies”) hereby files his Response to the Motion for Court Authorized Release of Funds filed by Brian McKye on May 29, 2009 (the “McKye Motion”). Special Master represents as follows:

Factual Background

1. On April 1, 2009, this Court entered its Order Appointing Special Master and Approving Waiver of Special Master's Bond. Pursuant to the Order, the Special Master was given full authority to “operate and manage all assets” of the Companies. Further, Special Master was given the authority to “take immediate custody, possession, and control of any and all assets” of the Companies and to “dismiss any ... employee as may be advisable or necessary.”
2. The major assets of the Companies consist of (a) the loan portfolio of Sure Lock Loans, LLC and the related assets associated with the operation of Sure Lock’s lending offices located at (i) 2000 NW 39th Street, Oklahoma City, OK 73118, (ii) 1958 NW 10th Street, Oklahoma City, OK 73106, (iii) 108 S. Rockwell, Suite B, Oklahoma City, OK 73127, (iv) 2308 S. Air Depot Blvd., Midwest City, OK 73110, (v) 4844 S. Elwood Ave, Tulsa, OK 74126, (vi) 2110 Steve Owens Blvd, Miami, OK 74354, and (vii) 8916 Highway 59, Grove, OK 74344 (the “Sure Lock Assets”) and (b) certain accounts purchased from Heritage Estate Service, LLC (the “Heritage Assets”).
3. Special Master has obtained authority to sell (a) the Sure Lock Assets and (b) the Heritage Assets (collectively, the “Assets”) pursuant to this Court’s order of May 21, 2009 (the “Sale Order”). The Court has found that a sale of the Assets is in the best interests of the

Companies and their creditors. Sale Order, p. 3, par. 3. A hearing on approval of the high bid or bids is set for July 14, 2009.

4. In order to maximize the bids for the Assets, it is imperative that the seven locations remain open, if at all possible.

5. Special Master has reduced the payroll costs of the Companies by over 40% since his appointment.

6. The Companies have generated revenue of approximately \$35,000.00 per month for the months of April and May. This revenue is not sufficient to pay the operating expenses of the Companies. Attached as Exhibit "A" is an analysis of unpaid critical vendors and available cash on hand. There is not sufficient cash on hand to pay outstanding bills.

7. The financial condition of the Companies has been further impacted by the withdrawal by Brian McKye of over \$23,000.00 from accounts of the Companies in violation of the Court's Order of March 24, 2009. Special Master has filed a Motion seeking return of these funds. A hearing is set for June 12, 2009. The Oklahoma Department of Securities has filed an Application for Contempt regarding, in part, the improper withdrawal of funds by McKye. A hearing on the Application is set for July 13, 2009.

8. If Special Master pays all outstanding bills, the offices will be forced to immediately close and there will be no employees available to collect outstanding loans and accounts. Without collection efforts, the value of the Assets will significantly and immediately decline.

Response

9. With regard to paragraph 1 of the McKye Motion, Special Master admits that he fired Brian McKye from all positions held with any of the Companies on May 1, 2009. See

Exhibit "B" attached hereto. The reason for the termination was the failure of Brian McKye to account for the funds improperly withdrawn from All American Bank. As of this date, despite the request of the Special Master, Brian McKye has failed to return all assets in his possession to Special Master. Though he was removed from all positions with the Companies, McKye has continued to hold himself out as President of Global West and Sure Lock Loans. See Exhibit "C" attached hereto.

10. With regard to paragraph 2 of the McKye Motion, Special Master denies the allegations contained therein. Special Master has operated the Companies to the best of his abilities given the current financial condition of the Companies.

11. With regard to paragraph 3 of the McKye Motion, Special Master denies the allegations contained therein. The Wave-Goldmade account at Bank of America has and continues to receive credit card payments from customers. The Sure Lock Loans account through ACH Works has and continues to receive electronic payments from customers. New loan are not being made because there is no money available to lend. See Paragraphs 6 and 8 and Exhibit "A".

12. With regard to paragraph 4 of the McKye Motion, Special Master denies the allegations contained therein. See Paragraph 11. Furthermore, Special Master disputes that collections have decreased by two-thirds. Special Master has performed a preliminary analysis of operations from the Companies for September 2008 and October 2008. These months were selected because they were prior to the Companies current legal problems and the recent economic downturn. A copy of the Summary of the preliminary analysis is attached hereto as Exhibit "D". Over 90% of all funds that flowed through the accounts of the Companies during these months represented "new" investor money, not revenue. For the months of September

2008 and October 2008, Special Master estimates that actual operating revenue was approximately \$40,000.00 per month, just barely more than that realized by Special Master in the current “troubled” times.

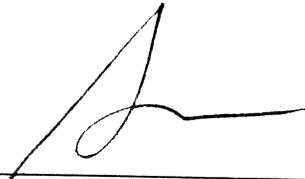
13. With regard to paragraph 5 of the McKye Motion, Special Master admits that access to all bank accounts of the Companies was denied to McKye and all employees of the Companies. Special Master denies the remaining allegations contained in paragraph 5 of the McKye Motion. With regard to the allegation that Special Master has damaged the credit of the Companies, any reasonable and rational person would admit that on April 1, 2009, by any recognized definition of the word, the Companies were hopelessly insolvent. At that time, the Companies were in default of all investment contracts, totaling as much as \$6,000,000. Further, the last tax return in the Companies’ accountant’s file shows a **loss from business operations of \$989,194.00**. Finally, Brian McKye, the President, CEO and “face” of the Companies filed Chapter 7 bankruptcy in the Bankruptcy Court for the Western District of Oklahoma on August 21, 2003. The case was concluded on August 15, 2005. According to Court documents, Brian McKye listed assets of \$17,278.00 and liabilities of \$763,062.50. At the same time he was raising money from investors in Global West, Brian McKye was discharging almost \$750,000.00 in financial obligations through his personal bankruptcy filing.

Conclusion

The harsh reality is that the Companies were never profitable. The only thing that kept the doors open was the inflow of new investor money. Once the inflow was cut off on March 24, 2009 the house of cards quickly and completely collapsed. There is no money to make loans. There are insufficient funds to pay all of the outstanding bills. In an attempt to maximize the value of the Assets, Special Master is attempting to keep the offices of the Companies

operational through July 14, 2009 at which time the Court will approve a sale of the Assets. This requires a marshalling of cash and a prioritization of those payments absolutely necessary to keep the offices open. Only when the Assets have been reduced to cash will there be an ability to deal with the outstanding claims.

WHEREFORE, the Special Master respectfully requests that the Court deny Brian McKye's Motion for Court Authorized Release of Funds and for such other and further relief as this court deems just and proper.



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SPECIAL MASTER

CERTIFICATE OF MAILING

This is to certify that on the 11th day of June, 2009, the foregoing was sent by U.S. Mail, first class, postage prepaid to:

/ Patricia A. Labarthe, Esq.
Jennifer Shaw, Esq.
Oklahoma Department of Securities
120 N. Robinson, Suite 860
Oklahoma City, OK 73102

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Kristin L. Huffaker, Esq.
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James Farnham
6308 N. Harvard Avenue
Oklahoma City, OK 73122

Brian McKye
P.O. Box 957
Jay, OK 74346



Stephen J. Moriarty

EXHIBIT "A"
UNPAID CRITICAL VENDORS

UNPAID INVOICES TO CRITICAL VENDORS AS OF 6/10/09
AND UPCOMING CASH REQUIREMENTS

Rent

39th Street	\$1,750.00	
Tulsa	\$2,150.00	
10th	\$3,000.00	
Grove	\$1,500.00	
Miami	\$1,050.00	
Rockwell	\$2,000.00	
MWC	\$1,146.78	
		\$12,596.78

Utilities

Logix(EST)	\$10,000.00	
ATT (EST)	\$1,500.00	
ONG(EST)	\$1,000.00	
OGE (EST)	\$1,000.00	
COX (EST)	\$1,000.00	
		\$14,500.00

Misc.

Ins.	\$657.75	
		\$657.75

Est payroll due 6/15 with taxes \$14,000.00

TOTAL DUE CRITICAL VENDORS \$41,754.53

Cash on hand as of 6/10/09

BOA all accounts	6,224.93
BOK all accounts	18,586.21
All American as of 5/29/09	3,157.48
ACH Works available balance	10,658.36
TOTAL	38,626.98

SHORTFALL **3,127.55**

EXHIBIT "B"
TERMINATION NOTICE

STEPHEN MORIARTY - Effective immediately, you are terminated from all positions you hold with any of the companies for

From: STEPHEN MORIARTY
To: brianm@gwfax.com
Date: 5/1/2009 1:24 PM
Subject: Effective immediately, you are terminated from all positions you hold with any of the companies for
CC: rose@mahaffeygore.com; skip@dscpc.com

Effective immediately, you are terminated from all positions you hold with any of the companies for which I have been appointed Special Master. You are barred from entering the premises of any and all of the business offices. Please make arrangements for the immediate return of all assets in your possession to me.

Stephen J. Moriarty, Esq.
Fellers, Snider, Blankenship,
Bailey & Tippens, P.C.
100 N. Broadway Ave., Suite 1700
Oklahoma City, OK 73102
Main: 405/232-0621
Direct : 405/239-7251
Fax: 405/232-9659

e-mail: smoriarty@fellerssnider.com

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TAX NOTICE: Any tax advice included in this message or attachments is not intended, and cannot be used, for the purpose of avoiding tax related penalties or promoting, marketing or recommending any tax related matter to another person.

EXHIBIT "C"
BRIAN McKYE
MAY 8, 2009 CORRESPONDENCE

Global West Financial LLC.

May 8, 2009

Dear Valued Client,

I'm sending you this letter to invite you and/or whomever you want to attend this event on your behalf on the date of May 15 2009 at 6:00pm hour; we would greatly appreciate your attendance.

Meeting place: Hometown Buffet
3900 NW 63rd OKC

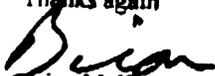
Your funds are at stake and I want you to get fully informed of ALL options available to you and your family. Please do not hesitate to bring others closely related to your familys' concerns to be in attendance with you, if you so desire. We won't ask for "powers of attorney" but we want you to bring whomever you desire, your informed opinion, as one of our Lenders, is our highest concern.

There are 82 of our Lenders such as yourself to whom we are sending out this invitation.

If you are able to attend and plan to please dial the number below to reach one of our reservation specialists to book your attendance either online or by telephone at 405-708-1636. Mon-Fri 9-6. or online at www.globalwestfunding.com. Then go to CONTACT US. We'll usually respond within 4 to 6 hours.

Your attention is greatly appreciated since this is a matter of timely urgency. We'll see you at the Gathering.

Thanks again



Brian McKye
President Global West / Sure Lock Loans

Member of the National  Network

(866) 306-8090, ext #128, fax (405)524-8087 2200 N. Classen Blvd, Suite 2000 (20th Floor) Oklahoma City, Oklahoma 73106

EXHIBIT

EXHIBIT "D"
SUMMARY OF PRELIMINARY ANALYSIS

SUMMARY

Account	Sept. 2008		Oct. 2008	
	Investor Inflow	Operating Deposits	Investor Inflow	Operating Deposits
BoA 223	501,003.72	363.33	214,201.10	802.49
BoA 853	0	8,807.51	0	2,736.58
BOK 803	0	17,179.33	0	14,805.07
BOK 205 (39th St.)	0	4,913.36	0	7,030.61
BOK 788 (MWC)	0	1,801.77	0	3,311.20
BOK 391 (Tulsa)	0	1,868.26	0	1,184.80
BOK 413 (Miami)	0	1,395.46	0	1,695.46
BOK 402 (Grove)	0	1,670.40	0	4,648.39
BOK 844	0	0.00	0	0.00
ACH Works	0	3,368.89	0	3,437.54
TOTALS	501,003.72	41,368.31	214,201.10	39,652.14

Operating Deposits represent total revenue (deposits to accounts) less intercompany transfers and Moneygram transactions.

Does not include deposit information for All American Bank