

FILED IN DISTRICT COURT OF OKLAHOMA COUNTY

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

JAN 16 2015

CLERK OF DISTRICT COURT
OKLAHOMA COUNTY

Oklahoma Department of Securities)
ex rel. Irving L. Faught, Administrator,)
)
Plaintiff,)
)
v.)
)
Seabrooke Investments LLC, *et al.*,)
)
Defendants.)

Case No. CJ-2014-4515

**OKLAHOMA DEPARTMENT OF SECURITIES' RESPONSE TO
MOTION FOR ORDER INSTRUCTING ESCROW AGENT
TO DISBURSE ESCROW FUNDS TO QUAIL CREEK BANK
AND MOTION FOR REIMBURSEMENT OF FEES BY QUAIL CREEK BANK**

The Oklahoma Department of Securities (Department), *ex rel.* Irving L. Faught, Administrator, respectfully responds to the *Motion for Order Instructing Escrow Agent to Disburse Escrow Funds to Quail Creek Bank* (Motion for Disbursement) and moves for an order directing Quail Creek Bank to reimburse certain receivership fees (Motion for Reimbursement).

On December 23, 2014, the Bricktown Hotel and Convention Center (Bricktown Hotel) was sold by Defendants Bricktown Capital LLC and Tom Seabrooke. The Bricktown Hotel sold for \$2,550,000. (Paragraph 14 of the Motion for Disbursement mistakenly states the purchase price was \$3,350,000.) On August 11, 2014, Defendants and their assets, including the Bricktown Hotel, became subject to the receivership and asset freeze imposed herein. Bricktown Capital and the Bricktown Hotel were removed by the Court from the receivership and the asset freeze on September 9, 2014, upon the agreement of the parties as provided in the Order Modifying Relief (Modification Order). The Modification Order provided:

IT IS FURTHER ORDERED that the Receiver and the Plaintiff be released and indemnified from and against all liability and loss for any debts or obligations, acts or omissions, of whatever nature of Bricktown Capital LLC and the Bricktown Hotel.

IT IS FURTHER ORDERED that if the Bricktown Hotel is sold for an amount greater than the amounts owed on valid mortgages existing as of the date of this order, the remaining funds will be used to pay, on a pro rata basis, investor restitution owed by Defendants as determined by this Court.

The vast majority of the proceeds from the sale of the Bricktown Hotel were paid to Quail Creek Bank in satisfaction of its first mortgage on the Bricktown Hotel. The payment of \$1,893,492.75 to Quail Creek Bank included the balance of the principal owed, the interest owed, and the per diem interest fees. Quail Creek Bank also sought reimbursement of attorney fees of \$17,327.94 for a period beginning November, 2010 through October, 2014 (Attorney Fees), and the payment of \$70.00 in late fees and a \$20.00 payoff letter fee (collectively, the "Costs"). Quail Creek Bank claims the Attorney Fees and Costs were paid over the referenced four year period and, at the closing, sought to be reimbursed from the proceeds of the sale of the Bricktown Hotel. Quail Creek Bank and the Receiver, in order to complete the sale of the Bricktown Hotel and recover almost \$1.9 million, executed an agreement to escrow the Attorney Fees and Costs claimed by Quail Creek Bank. On January 7, 2015, Quail Creek Bank, a non-party to this case, filed a Motion for Disbursement seeking the payment from escrow of the Attorney Fees and Costs.

BACKGROUND

Documents previously filed in the Department's enforcement case, along with testimony and evidence presented in the case, detail the fraudulent investment scheme that underlies this action. On August 11, 2014, the Court appointed Ryan Leonard as Receiver (Receiver) by entering the *Temporary Restraining Order, Order Appointing Receiver, Order Freezing Assets and Order for Accounting* and, on September 5, 2014, the Court entered the *Temporary Injunction and Ancillary Relief* (collectively, "Orders"). The Orders provided in part that:

“...all creditors and other persons seeking money, damages, or other relief from Defendants, and all others acting on behalf of any such creditor or other persons, including sheriffs, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees, are hereby stayed and restrained from doing any act or thing whatsoever to interfere with the Receiver or to the possession of or management by the Receiver of the Assets, or to interfere in any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over the Defendants.”

Initially, the largest asset of the receivership was the Bricktown Hotel owned by Defendant Bricktown Capital LLC. The first mortgage on the Bricktown Hotel, originally issued in October 2007, was held by Quail Creek Bank. A second mortgage on the Bricktown Hotel, issued in 2014, was held by the United States Small Business Administration. Since October 2007, investor funds were used for what Defendants represented to be interests in and/or the operation of the Bricktown Hotel.

The Quail Creek Bank mortgage was renewed and refinanced after the 2007 purchase of the hotel. All identified costs outstanding at the time of the renewal or refinancing were paid at the time of the transactions. Specifically, in February 2011, Quail Creek Bank renewed the 2007 loan in an amount equal to the principal balance of the loan. Quail Creek Bank required the payment of \$50,222.44 for interest and late fees that were paid at the time of the renewal. In January 2012, the Quail Creek Bank loan was refinanced to allow insurance settlement funds to be applied to the balance of the loan and to restructure the remaining balance on a 20 year amortization. Quail Creek Bank added a loan documentation fee of \$150 to the balance of the refinanced loan. Nowhere in the 2011 renewal documents or the 2012 refinancing documents was a reference made to legal fees owed.

On December 10, 2014, in preparation for the sale of the Bricktown Hotel, a Seller's Closing Statement was circulated with numerous fees listed that were proposed to be paid out of the sale proceeds. *See* Exhibit A. On December 11, 2014 and on December 22, 2014, after

objections were raised by the Department and the Receiver, new Seller's Closing Statements were prepared. *See* Exhibits B and C. In the closing process, Quail Creek Bank issued a Payoff Letter that itemized loan payoff requirements of principal, interest, late fees, a payoff letter fee and interlineated an entry labeled "Legal fees \$17,327.94 (Nov. 2010-Oct. 2014)." *See* Exhibit D.

I. RESPONSE

A. QUAIL CREEK BANK'S MOTION FOR DISBURSEMENT UNDERMINES THE CLAIMS PROCESS

The purpose of appointing a receiver in a securities enforcement action is to effect an "orderly and efficient administration of the estate." *FTC v. 3R Bancorp*, 2005 WL 497784, *3 (N.D. Ill. Feb. 23, 2005) (citing *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986)). The Receiver in this case was appointed to provide investors and other creditors with an officer who can marshal assets quickly, fairly, and systemically for the benefit of all creditors. Allowing any non-party to receive a priority consideration undermines the very purpose of the equity receivership. *SEC v. Nadel*, 2009 WL 3100285 (M.D.Fla.) Quail Creek Bank is one of numerous creditors of the Defendants in this case. Significantly, Quail Creek Bank's contentions of harm by the Defendants place it in the same position as other creditors.

In *SEC v. Nadel, supra*, a secured creditor sought a determination by the Court of the value and priority of a claim. The Court refused to consider the claim stating that the whole purpose of an "equity receivership imposed at the request of a government agency such as the SEC" is to "remedy violations of the securities laws for the benefit of investors." *Id.* In denying relief to the secured creditor, the Court stated that the consideration of creditors' priorities should be done "in a single setting when all creditors have had a chance to submit claims and will have notice and an opportunity to be heard." *Id.*

Quail Creek Bank will have an opportunity to make a claim in the Court-approved claims process, at which time it will have the value and priority of its claim determined along with those of all other claims in a single, efficient proceeding. The current request is an example of Quail Creek Bank's continual interference with the management of the receivership in direct contradiction of the Court's Orders herein. Quail Creek Bank is in the enviable position of having received payment in full of principal and interest in December 2014. The only remaining issue is whether its Attorney Fees and Costs for the past four years will be paid from the receivership estate. When, as here, a creditor's only potential "injury" would be a delay in enforcing its right, early consideration is unwarranted. See *FTC v. Med Resorts Int'l, Inc.*, 199 F.R.D. 601, 607-609 (N.D. Ill. 2001). As this Court has previously held, the claims process will afford due process to all investors and creditors, including Quail Creek Bank. *Oklahoma Department of Securities v. Blair*, 231 P.3d 645 (OK 2010).

B. QUAIL CREEK BANK FAILED TO TIMELY ASSESS ATTORNEY FEES

Quail Creek Bank originally made a loan to Bricktown Capital LLC for the purchase of the Bricktown Hotel on October 16, 2007. Numerous charges were imposed in connection with the loan and were listed in the loan and/or closing documents including filing fees, title insurance, insurance, documentary stamps, and loan origination fees. No attorney fees were listed in the loan documents.

Quail Creek Bank renewed the Bricktown Hotel loan on February 3, 2011. At the time the loan was renewed, interest and late fees were listed in the loan and/or closing documents in the sums of \$50,022.44 and \$200.00 respectively. No attorney fees were listed, paid, or applied to the new loan balance; yet, Quail Creek Bank now claims that legal fees in the amount of \$3,515.04 were incurred and paid through February 2011.

Quail Creek Bank refinanced the Bricktown Hotel loan on January 26, 2012. At the time the loan was refinanced, a loan documentation fee of \$150.00 was listed in the loan or closing documents, and the fee was added to the new loan balance. The loan and/or closing documents also list a cash principal reduction of \$1,000,000 that Quail Creek Bank received from an insurance settlement. No attorney fees were listed, paid, or applied to the new loan balance; yet, Quail Creek Bank now claims that legal fees in the amount of \$2,141.82 were incurred and paid through January 2012.

On September 5, 2014, Quail Creek Bank filed Quail Creek Bank's Application For Emergency Order Permitting Intervention and Brief In Support (Quail Creek Application). In the Quail Creek Application, Quail Creek states: "[a]s of August 12, 2014, the Bank was owed \$1,855,679.19, with interest accruing thereafter at the rate of \$306.11 per diem." By its own admission, the Quail Creek Application accurately states the status of the debt owed by Bricktown Capital LLC in August 2014. No fees for any other purpose were mentioned.

In December 2014, in connection with the sale of the Bricktown Hotel, Quail Creek Bank inserted the Attorney Fees claim of \$17,327.94 by adding a line item for the fees to the Payoff Letter. If fees of any kind were owed at the time of the renewal in February 2011 or the refinance in January 2012, those would have been considered at that time as were the payment of other fees. No mention of attorney fees was made before December 2014 and should not be considered now.

C. ESCROWED FUNDS ARE EARMARKED FOR INVESTORS

In the Modification Order releasing Bricktown Capital LLC and the Bricktown Hotel from the receivership and asset freeze, the Court ordered, and all parties agreed, that funds remaining after the payment of valid mortgages would be used to pay investor restitution. The escrowed funds are such funds. After the payoff of its mortgage, it is incomprehensible that

Quail Creek Bank would claim there are other fees it should recover ahead of the victims in this case. Additionally, the Modification Order included language specifically releasing the Receiver and the Department from all liability for any debts of Bricktown Capital LLC and the Bricktown Hotel. To attempt to impose liability on the Receiver or the Plaintiff for expenses of Bricktown Capital LLC and the Bricktown Hotel violates the terms of the Modification Order.

II. MOTION FOR REIMBURSEMENT OF FEES

In *SEC v. Elliott*, 953 F.2d 1560, 1576 (11th Cir. 1992), secured creditors were required to pay receivership fees after receiving a benefit from the receiver's work. The Court, citing *Bowersock Mills & Power Co. v. Joyce*, 101 F.2d 1000, 1003 (8th Cir. 1939), stated that the district court appointing the receiver has discretion over who will pay the costs of the receiver. *Elliott* at 1576. The court in equity may award the receiver fees from property securing a claim if the receiver's acts have benefited that property. *Elliott* at 1576 (citing *Knickerbocker Trust Co. v. Green Bay Phosphate Co.*, 56 So. 699 (FL 1911); *Clark on Receivers*, §641 (3d ed. 1959)). A significant portion of receivership fees through September 2014 were attributed to the work of the Receiver and his counsel in evaluating, financing, and supporting the Bricktown Hotel-all for the ultimate benefit of Quail Creek Bank. *See* Exhibit E.

Quail Creek Bank argues in the Motion for Disbursement that it provided some benefit to the receivership. However, its actions and interests were self-serving. For example, the referenced Supplemental Order it claimed was a benefit to the receivership was prepared at the request and for the benefit of Quail Creek Bank.

On the other hand, the work of the Receiver has extended benefits to all interested persons, especially Quail Creek Bank. The Receiver's quick action in maintaining the viability of the Bricktown Hotel; funding the payroll and operations of the Bricktown Hotel; communicating with Defendants, parties, creditors, investors, employees, vendors, and other

interested persons; and in negotiating the release of the Bricktown Hotel from the receivership, enabled Bricktown Capital LLC and Tom Seabrooke to market the asset and resulted in the full recovery by Quail Creek Bank of the principal and interest due from Defendants. Thus, the Department submits that equity requires Quail Creek Bank, a direct beneficiary of the Receiver's time and that of his counsel, to pay the fees of the Receiver and his counsel, in the sum of \$53,021.78, for the considerable time devoted to the Bricktown Hotel.

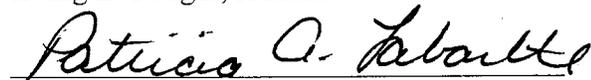
CONCLUSION

Since filing this case, the Department has persisted in seeking to preserve Defendants' assets for the payment of restitution to victims of Defendants' securities law violations. This has included making equitable challenges to and defending challenges from situations that would negatively impact these victims. The Department respectfully requests that this Court deny the Motion for Disbursement, order the release of the escrowed funds to the Receiver, and order the reimbursement of \$53,021.78 in receivership fees by Quail Creek Bank.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

By:



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 26th day of January, 2015, a true and correct copy of the above and foregoing was emailed to the following:

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Facsimile (405) 843-6707
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mike@robertsonwilliams.com

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dnunn@davidlnunnpc.com
Attorney for First National Bank Weatherford

Patricia C. Talbot

Seller's Closing Statement

Stewart Abstract & Title of Oklahoma, Stewart Abstract & Title of Oklahoma
701 North Broadway, Suite 300, Oklahoma City, OK 73102, (405) 232-6764

Seller(s) Bricktown Capital LLC
Buyer(s) Prominent Hotels, LLC
Lender(s) Cash
Property 2001 E Reno Oklahoma City, Oklahoma 73117

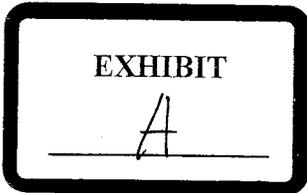
133626030

Section Number 36Township 12N, Range 03W Oklahoma

PT SW4 SEC 36 12N 3W BEG SW/C SW4 TH N225FT E50FT N250FT E605.12FT S425FT W380.12FT S50FT W275FT TO BEG EX BEG 50FT E & 33FT N OF SW/C SW4 TH E225FT N17FT W205.02FT NW28.30FT S37FT TO BEG & EX BEG 445.82FT N & 50FT E OF SW/C SW4 TH N30FT E30FT SW42.77FT TO BEG SUBJ TO ESMTS ON W & S

Closing Date 12/12/2014 Disbursement Date 12/12/2014 Proration Date 12/12/2014

	Debit	Credit
Sales/Price		
Contract sales price		\$2,550,000.00
Prorations		
County taxes 12/12/2014 to 1/1/2015		\$2,108.45
Other Adjustments		
Release of Mortgage (Doyle Mortgage) to County Clerk	\$17.00	
2014 Real Estate Taxes to County Treasurer	\$38,479.29	
Payoffs		
Payoff of first mortgage loan to 12-15-14 to Quail Creek Bank	\$1,911,290.69	
Payoff of second mortgage loan to 12/15/14 to SBA; Loan: 6525055006	\$327,487.72	
Commissions		
\$76,500.00 to Vawter real Estate	\$76,500.00	
Title Charges		
Settlement or closing fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Abstract or title search to Stewart Abstract & Title of Oklahoma	\$500.00	
Title examination to Stewart Abstract & Title of Oklahoma	\$300.00	
Title Insurance to Stewart Abstract & Title of Oklahoma		
Owner's coverage \$2,550,000.00 \$4,427.50	\$4,427.50	
Final Title Report to Stewart Abstract & Title of Oklahoma	\$100.00	
Title Service Fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Recording Fees/Transfer Charges		
State tax/stamps: Deed \$3,825.00	\$3,825.00	
Additional Charges		
Invoice # 47423 to Robertson & Williams	\$39,938.55	
Invoice 355 to Oklahoma Web Media	\$398.00	
Legal Fees to Jim Lee, Attorney at Law	\$21,178.05	
Fees to Discover Card	\$2,789.40	
Fees to Expedia	\$3,399.00	
Fees to Ecolab	\$3,504.65	
Fees to Champion Supply	\$3,628.11	
Fees to Progressive	\$2,143.00	
Fees to MS1	\$1,550.00	
Pest Control to Mother Nature Pest Control	\$160.00	
Fees to Locke Supply	\$100.34	
Fees to InnPoints Worldwide	\$585.84	
Costs to US Foods	\$554.87	
Fees to Freedom Electric	\$3,680.00	
Bankcard to Bank of the West	\$43,781.19	
Fees to Bank of America	\$3,823.74	
Statement to American Express	\$28,954.03	
Fees to City of Oklahoma City	\$5,592.01	
Invoice to ONG	\$5,889.09	
Services to O G & E	\$16,447.90	
Services to Cox Communications	\$3,600.94	



Seller's Closing Statement

Subtotal:	\$2,554,925.91	\$2,552,108.45
Balance due from Seller:		\$2,817.46
Totals:	\$2,554,925.91	\$2,554,925.91

Bricktown Capital LLC

Seller's Closing Statement

Stewart Abstract & Title of Oklahoma, Stewart Abstract & Title of Oklahoma
 701 North Broadway, Suite 300, Oklahoma City, OK 73102, (405) 232-6764

Seller(s) Bricktown Capital LLC
 Buyer(s) Prominent Hotels, LLC
 Lender(s) Cash
 Property 2001 E Reno Oklahoma City, Oklahoma 73117

.133626030

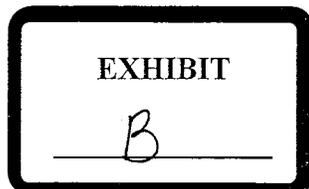
Section Number 36Township 12N, Range 03W Oklahoma

PT SW4 SEC 36 12N 3W BEG SW/C SW4 TH N225FT E50FT N250FT E605.12FT S425FT W380.12FT S50FT
 W275FT TO BEG EX BEG 50FT E & 33FT N OF SW/C SW4 TH E225FT N17FT W205.02FT NW28.30FT S37FT TO
 BEG & EX BEG 445.82FT N & 50FT E OF SW/C SW4 TH N30FT E30FT SW42.77FT TO BEG SUBJ TO ESMTS ON
 W & S

Closing Date 12/12/2014 Disbursement Date 12/12/2014 Proration Date 12/12/2014

	Debit	Credit
Sales/Price		
Contract sales price		\$2,550,000.00
Prorations		
County taxes 12/12/2014 to 1/1/2015		\$2,108.45
Other Adjustments		
Release of Mortgage (Doyle Mortgage) to County Clerk	\$17.00	
2014 Real Estate Taxes to County Treasurer	\$38,479.29	
Net Proceeds Payable to Receivership pursuant to Court Order of 9-9-2014 to Ryan Leonard, Receiver for Bricktown Capital, LLC	\$188,881.25	
Payoffs		
Payoff of first mortgage loan to 12-15-14 to Quail Creek Bank	\$1,911,290.69	
Payoff of second mortgage loan to 12/15/14 to SBA; Loan: 6525055006	\$327,487.72	
Commissions		
\$76,500.00 to Vawter real Estate	\$76,500.00	
Title Charges		
Settlement or closing fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Abstract or title search to Stewart Abstract & Title of Oklahoma	\$500.00	
Title examination to Stewart Abstract & Title of Oklahoma	\$300.00	
Title insurance to Stewart Abstract & Title of Oklahoma		
Owner's coverage \$2,550,000.00 \$4,427.50	\$4,427.50	
Final Title Report to Stewart Abstract & Title of Oklahoma	\$100.00	
Title Service Fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Recording Fees/Transfer Charges		
State tax/stamps: Deed \$3,825.00	\$3,825.00	
Subtotal:	\$2,552,108.45	\$2,552,108.45
Balance due from Seller:		\$0.00
Totals:	\$2,552,108.45	\$2,552,108.45

Bricktown Capital LLC



Seller's Closing Statement

Stewart Abstract & Title of Oklahoma, Stewart Abstract & Title of Oklahoma
701 North Broadway, Suite 300, Oklahoma City, OK 73102, (405) 232-6764

Seller(s) Bricktown Capital LLC
Buyer(s) Prominent Hotels, LLC
Lender(s) Cash
Property 2001 E Reno Oklahoma City, Oklahoma 73117

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Closing Date 12/19/2014 Disbursement Date 12/19/2014 Proration Date 12/19/2014

	Debit	Credit
Sales/Price		
Contract sales price		\$2,550,000.00
Prorations		
County taxes 12/19/2014 to 1/1/2015		\$1,370.50
Other Adjustments		
Release of Mortgage (Doyle Mortgage) to County Clerk	\$17.00	
2014 Real Estate Taxes to County Treasurer	\$38,479.29	
Pursuant to Agreement Net Proceeds to Oklahoma County District Court Clerk	\$187,858.90	
Payoffs		
Payoff of first mortgage loan to 12-15-14 to Quail Creek Bank	\$1,911,290.69	
Payoff of second mortgage loan to 12/23/14 to SBA; Loan: 6525055006	\$327,772.12	
Commissions		
\$76,500.00 to Vawter real Estate	\$76,500.00	
Title Charges		
Settlement or closing fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Abstract or title search to Stewart Abstract & Title of Oklahoma	\$500.00	
Title examination to Stewart Abstract & Title of Oklahoma	\$300.00	
Title Insurance to Stewart Abstract & Title of Oklahoma		
Owner's coverage \$2,550,000.00 \$4,427.50	\$4,427.50	
Final Title Report to Stewart Abstract & Title of Oklahoma	\$100.00	
Title Service Fee to Stewart Abstract & Title of Oklahoma	\$150.00	
Recording Fees/Transfer Charges		
State tax/stamps: Deed \$3,825.00	\$3,825.00	
Subtotal:	\$2,551,370.50	\$2,551,370.50
Balance due from Seller:		\$0.00
Totals:	\$2,551,370.50	\$2,551,370.50



Bricktown Capital LLC

EXHIBIT
 C

PAYOFF LETTER

TO: Stewart Title
ATTN: Margaret
FAX# _____
PHONE _____

As requested, the amount listed below is required to payoff the referenced loan with Quail Creek Bank n.a.

CUSTOMER Bricktown Capital, LLC
LOAN # 167187 COLLATERAL 2001 E. Reno Ave.
OKC, OK.

PRINCIPAL \$1,836,650.47
INTEREST DUE \$55,711.73
Legal fees \$17,327.94 (Nov. 2010 — Oct. 2014)
LATE FEES \$50.-
PAYOFF LETTER FEE \$20.-

JK
JP

TOTAL PAYOFF \$1,909,760.14
GOOD THRU: 12-10-14
PER DIEM: \$306.11 X 5 = 1530.55 to 12-15-14

___ LINE OF CREDIT
PLEASE CALL & VERIFY PAYOFF BEFORE FORWARDING. BALANCES MAY HAVE CHANGED.

UPON RECEIPT OF THE PAYOFF PROCEEDS, THE ABOVE PROPERTY WILL BE RELEASED ALONG WITH ANY UCC FILINGS RELATED TO THIS PROPERTY.

1,911,290.69
B
12-15-14

RESPECTFULLY,
Shelli Myers
LOAN ADMINISTRATION

EXHIBIT
D



Quail Creek Bank n.a.

maintenance, or preservation of the assets, or the carrying out of the terms of the Orders, 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

- e. to exercise those powers necessary to implement the orders and directives of this Court.
5. The Orders included a freeze of all assets of the Defendants. Initially, the largest asset of the receivership was the Bricktown Hotel and Convention Center (Bricktown Hotel) owned by Defendant Bricktown Capital LLC.
6. On September 9, 2014, by agreed order of all parties, Bricktown Capital LLC and the Bricktown Hotel were released from the receivership and the asset freeze.
7. From August 11, 2014 and continuing through mid-September, 2014, Bricktown Capital LLC and the Bricktown Hotel required substantial time of the Receiver and resulted in significant expense to the receivership. Even after the release of Bricktown Capital LLC and the Bricktown Hotel from the receivership and the asset freeze, Bricktown Capital LLC continued as a Defendant in the case and the Receiver continued to expend time on issues relating to Bricktown Capital LLC and the sale of the Bricktown Hotel.
8. Due in part to the distressed financial condition of the Bricktown Hotel, conservatively estimated, approximately sixty-five percent (65%) percent of time incurred by the Receiver and staff, for fees of \$41,443.03, from August 12, 2014, through September 11, 2014, has been directed to requirements of the Receiver under the Orders including, but not limited to, the possession, management, conservation, preservation, and protection of the Bricktown Hotel, litigation and negotiations relating to the release of the Bricktown Hotel from the receivership, and the sale of the Bricktown Hotel.
9. From August 12, 2014 through September 11, 2014, counsel for the Receiver incurred fees in the sum of \$11,578.75, for approximately thirty-nine hours of time in representing the Receiver in his duties under the Orders including, the possession of, management, conservation, and protection of the Bricktown Hotel, and litigation and negotiations relating to the release of the Bricktown Hotel from the receivership.
10. The Bricktown Hotel was sold in December, 2014 for \$2,550,000 plus Oklahoma County taxes of \$1,370.50. The first mortgage on the Bricktown Hotel was held by Quail Creek Bank. The principal, interest, and per diem owed to Quail Creek Bank at the closing of the sale was \$1,911,290.69.

11. On or about December 23, 2014, the principal, interest, and per diem, totaling \$1,911,290.69, were paid in full to Quail Creek Bank.

FURTHER AFFIANT SAITH NOT.

Ryan Leonard
RYAN LEONARD, RECEIVER

Subscribed and sworn to before me this 23rd day of January, 2015, by Ryan Leonard, Receiver.

NANCY E. FLOR
Notary Public, State of Oklahoma
Commission # 14008174
My Commission Expires September 15, 2018

Nancy E. Flor
Notary Public

My Commission No.: 14008174

My Commission Expires: September 15, 2018

(SEAL)