



DISTRICT COURT FOR OKLAHOMACOUNTY  
STATE OF OKLAHOMA

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

JAN 18 2017

40 RICK WARREN  
COURT CLERK

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

Case No. CJ-2014-4515

**INTERIM APPLICATION FOR ORDER APPROVING  
RECEIVER'S FEES AND EXPENSES FOR THE PERIOD OF  
DECEMBER 1, 2016 THROUGH DECEMBER 31, 2016**

Receiver, Ryan Leonard, submits this application for entry of an Order approving his interim application for Receiver's fees and expenses for the period of December 1, 2016 through December 31, 2016, 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 December 1, 2016 through December 31, 2016. The Receiver further seeks compensation for the services of Attorney Robert D. Edinger and Accountant Barbara A. Ley, P.C. for the period December 1, 2016 through December 31, 2016. 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 December 1, 2016 through December 31, 2016, the Receiver and his employees expended a total of 8.8 hours at hourly rates ranging from \$80 to \$265 per hour for a total fee of \$2,147.00. The Receiver also incurred \$3.70 in expenses and advances, making the total amount due \$2,150.70. 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.

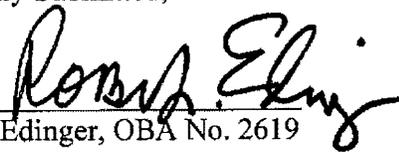
7. During the period December 1, 2016 through December 31, 2016, Attorney Robert D. Edinger expended a total of 8.75 hours at an hourly rate of \$295 per hour for a total fee of \$2,581.25. Exhibit "B" details the hours spent rendering services, a description of the services rendered, and the expenses 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 December 1, 2016 through December 31, 2016, the Accountant Barbara A. Ley, P.C. expended a total of 19.25 hours at hourly rates ranging from \$90 to \$295 per hour for a total fee of \$3,605.00. Ley also incurred \$0.47 in expenses and advances, making the total amount due \$3,605.47. 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 requests this Court approve payment as interim compensation to the Receiver in the amount of \$2,150.70, to Attorney Robert Edinger in the amount of \$2,581.25 and to Accountant Barbara A. Ley, P.C. in the amount of \$3,605.47 for the period of December 1, 2016 through December 31, 2016.

Respectfully Submitted,



Robert D. Edinger, OBA No. 2619  
Robert Edinger PLLC  
100 Park Avenue, Suite 500  
Oklahoma City, OK 73002  
Telephone: (405) 702-9900  
Facsimile: (405) 605-8381  
[redinger@edingerpllc.com](mailto:redinger@edingerpllc.com)

ATTORNEY FOR THE RECEIVER,  
RYAN LEONARD

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 17<sup>th</sup> day of January, 2017, a true and correct copy of this pleading was served via First Class Mail, postage prepaid, or by Email to:

Patricia A. Labarthe  
Jennifer Shaw  
Oklahoma Department of Securities  
204 North Robinson Ave., Suite 400  
Oklahoma City, OK 73102  
[plabarthe@securities.ok.gov](mailto:plabarthe@securities.ok.gov)  
[jshaw@securities.ok.gov](mailto:jshaw@securities.ok.gov)

Mark A. Robertson  
Robertson & Williams  
9658 N. May Avenue, Suite 200

Oklahoma City, OK 73120  
[mark@robertsonwilliams.com](mailto:mark@robertsonwilliams.com)

Jim W. Lee  
One Broadway Executive Park  
201 N.W. 63<sup>rd</sup>, Suite 230  
Oklahoma City, OK 73116-8237  
[jimlee@legalassociatesllc.net](mailto:jimlee@legalassociatesllc.net)

Rollin Nash, Jr.  
Nash, Cohenour  
4101 Perimeter Center Dr., Suite 200  
Oklahoma City, OK 73112  
[rnash@nashfirm.com](mailto:rnash@nashfirm.com)

B. Gore Gains  
Matthew K. Felty  
119 North Robinson Avenue  
1200 Robinson Renaissance  
Oklahoma City, OK 73102  
[gaines@lytlesoule.com](mailto:gaines@lytlesoule.com)  
[mkfelty@lytlesoule.com](mailto:mkfelty@lytlesoule.com)

David L. Nunn  
P.O. Box 230  
Edmond, OK 73083-0230  
[dunn@davidlnunnpc.com](mailto:dunn@davidlnunnpc.com)

John M. Thompson  
Crowe & Dunlevy  
Braniff Building  
324 N. Robinson Ave., Suite 100  
Oklahoma City, OK 73102  
[John.thompson@crowedunlevy.com](mailto:John.thompson@crowedunlevy.com)

Billy Lewis  
Lee, Goodwin, Lee, Lewis & Dobson  
1300 E. 9<sup>th</sup> Ste. 1  
Edmond, OK 73034  
[blewis@edmondlawoffice.com](mailto:blewis@edmondlawoffice.com)

J. Mark Lovelace  
Phillips Murrah P.C.  
Corporate Tower, 13<sup>th</sup> Floor

101 North Robinson  
Oklahoma City, OK 73102  
[jmlovelace@phillipsmurrah.com](mailto:jmlovelace@phillipsmurrah.com)

Kelsey Dulin  
Dulin Law Firm, P.L.L.C.  
15310 North May Avenue, Suite 102  
Edmond, OK 73013  
[Kelsey@dulinlawfirm.com](mailto:Kelsey@dulinlawfirm.com)

Kevin Blaney  
Scott Henderson  
Blaney, Tweedy & Tipton PLLC  
P.O. Box 657  
Oklahoma City, OK 73101-0657  
[kblaney@btlawokc.com](mailto:kblaney@btlawokc.com)  
[shenderson@btlawokc.com](mailto:shenderson@btlawokc.com)

James A. Slayton  
4808 Classen Blvd.  
Oklahoma City, OK 73118  
[Slaytonlaw@aol.com](mailto:Slaytonlaw@aol.com)

Claire C. Bailey  
David Poarch  
Bailey & Poarch  
P.O. Box 1521  
Norman, OK 73070  
[clairebailey@baileyandpoarch.com](mailto:clairebailey@baileyandpoarch.com)



---

Robert Edinger

# MEYER, LEONARD & EDINGER, PLLC

100 PARK AVENUE  
SUITE 500  
OKLAHOMA CITY OK 73102  
405-702-9900

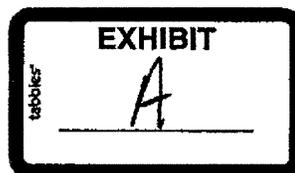
Seabrooke et al. Receivership

Statement Date: January 12, 2017  
Statement No. 3993  
Account No. 1392.01  
Page: 1

RE: Oklahoma County Case # CJ-2014-4515

**Payments received after 01/12/2017 are not included on this statement.**

			Hours	
		<u>Fees</u>		
	Previous Balance			\$2,569.61
12/02/2016	RTL	Review Receiver's accountant's invoice for November 2016; Follow-up correspondence re: amendments to tax returns	0.40	106.00
12/05/2016	RTL	Additional follow-up with Stewart Title re: resolution of escrowed funds, disbursement of proceeds to Receiver; Title company to prepare release for per escrow agreement; Review of proposed release; Multiple follow-up correspondence re: edits to same; Review and execute final release; Follow-up correspondence with title company, BankSNB counsel re: same	0.80	212.00
12/06/2016	RTL	Conference with C. Cartmill, Receiver's accountant re: unaccounted for deductions on defendant's tax returns, analysis of same; Follow-up correspondence with defendants' counsel re: same; Additional follow-up correspondence with all counsel re: same	0.50	132.50
12/08/2016	RTL	Review correspondence from claimant's counsel re: prosecution of appeal, collection of prevailing party attorney fees	0.10	26.50
12/09/2016	RTL	Receive call and conference with M. Neeley re: investor with Bricktown Hotel who just became apprised of receivership action; Follow-up correspondence with M. Neeley re: submission of claim (out-of-time)	0.60	159.00
12/12/2016	RTL	Review Defendants' Amended 2015 tax return provided by K. Seabrooke; Follow-up correspondence with Receiver's accountant re: analysis of same	0.40	106.00
12/14/2016	NJ	Update proof of claim correspondence re M Neeley per R Leonard	0.30	24.00
12/16/2016	RTL	Receive correspondence from new claimant, M. Neeley; Review claim form and supporting documentation (investor in Bricktown Capital); Follow-up correspondence with claimant; Follow-up		



Seabrooke et al. Receivership  
 Account No. 1392.01  
 RE: Oklahoma County Case # CJ-2014

Statement Date: 01/12/2017  
 Statement No. 3993  
 Page No. 2

			Hours	
		correspondence with P. LaBarthe, J. Shaw re: same	0.70	185.50
	RTL	Meet with accountants re: receivership expenses; analysis of defendants' amended tax returns, conclusions on tax liabilities	0.60	159.00
12/19/2016	NJ	Document preparation for claimant M Neeley re proof of claim and Bricktown Capital history; review, prepare and update claimant file	0.70	56.00
	RTL	Additional follow-up with Securities Department; New Bricktown Capital claimant; Follow-up with N. Jacobsen re: same	0.30	79.50
	RTL	Follow-up conference with J. Shaw re: Department's position on the claim of new Bricktown Capital claimant	0.30	79.50
12/20/2016	RTL	Receive call from Receiver's accountant re: disposition of funds to BankSNB, accounting of Cherry Hill funds; Follow-up correspondence with counsel for BankSNB re: disposition of Cherry Hill funds	0.40	106.00
12/23/2016	RTL	Review exhibits to appellate record; Correspondence with counsel re: same	0.20	53.00
12/24/2016	RTL	Begin review of federal authority under 31 USC 3713 (federal Priority Statute) re: obligations of Receiver regarding ascertainment of amount of taxes owed prior to distributing assets of estate	0.90	238.50
12/26/2016	RTL	Correspond with C. Cartmill, Receiver's accountant, defendants' counsel re: discrepancies found on personal tax returns prepared by defendants	0.20	53.00
12/29/2016	RTL	Continue legal research re: federal priority statute (31 USC 3713); duties imposed upon Receiver concerning the existence of and payment of federal taxes, if owed	1.40	371.00
		For Current Services Rendered	8.80	2,147.00

	Recap			
<u>Timekeeper</u>		<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Nicole Jacobsen		1.00	\$80.00	\$80.00
Ryan T. Leonard		7.80	265.00	2,067.00

Expenses

12/16/2016	Photocopy charges	3.70
	Total Expenses	3.70
	Total Current Work	2,150.70
	Balance Due	<u>\$4,720.31</u>

Robert Edinger PLLC  
 100 Park Avenue, Suite 500  
 OK 73102 US  
 (405) 702-9900  
 redinger@edingerpllc.com

# Invoice

BILL TO  
 Seabrooke Receivership  
 Ryan Leonard, Receiver  
 100 Park Avenue, Suite 500  
 Oklahoma City, OK 73102

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
4533	01/16/2017	\$2,581.25	02/15/2017	Net 30	

DATE	ACTIVITY	QTY	RATE	AMOUNT
12/02/2016	<b>295.00 Fees</b> Prepare Application for Approval of Receiver's Fees & Expenses for Oct. 2016.	1:00	295.00	295.00
12/04/2016	<b>295.00 Fees</b> Submit email to M. Robertson regarding consent to Receiver's Fees & Expenses for Sept. 2016 along with proposed order for Judge Parrish.	0:36	295.00	177.00
12/06/2016	<b>295.00 Fees</b> Review emails exchanged with M. Robertson and Receiver regarding obligation for payment of taxes on property sold from Receivership.	0:12	295.00	59.00
12/08/2016	<b>295.00 Fees</b> Respond to jurisdictional question raised by J. Slayton regarding payment of Receiver's Fees & Expenses in the pending appeal to the Oklahoma Supreme Court.	0:30	295.00	147.50
12/16/2016	<b>295.00 Fees</b> Review email from R. Leonard regarding late submitted claim of M. Neeley and consider how to treat same.	0:12	295.00	59.00
12/20/2016	<b>295.00 Fees</b> First review of appellant's brief in chief and review of Supreme Court Rules on preparation of record on appeal.	0:54	295.00	265.50
12/22/2016	<b>295.00 Fees</b> Prepare Application for Receiver's Fees & Expenses for Nov. 2016.	0:45	295.00	221.25
12/22/2016	<b>295.00 Fees</b> Review Appellate Record at Court Clerk's Office.	1:42	295.00	501.50
12/23/2016	<b>295.00 Fees</b> Review appellate record for preparation of appeal response brief.	2:54	295.00	855.50



BALANCE DUE

**\$2,581.25**

**BARBARA A. LEY**  
A PROFESSIONAL CORPORATION  
**CERTIFIED PUBLIC ACCOUNTANT**  
6305 Waterford Boulevard, Suite 450  
Oklahoma City, Oklahoma 73118  
(405) 848-0255  
FAX (405) 848-0148

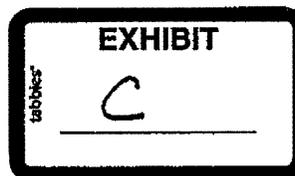
12/31/2016

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

Invoice No: 21304

Professional services rendered from December 1, 2016 through December 31, 2016 in connection with:

Dec 05, 2016	Reviewing Seabrooke amended return and discussion with Ley regarding professional fees and expenses;	Cartmill	0.50	\$	97.50
Dec 06, 2016	Phone call with Ryan Leonard regarding possible Seabrooke amended return;	Cartmill	0.10		19.50
Dec 12, 2016	Review of updated Seabrooke amended return;	Cartmill	1.00		195.00
Dec 13, 2016	Verify paper documents saved electronically before destruction;	Cartmill	1.00		195.00
Dec 13, 2016	Scan 11/15/2016 deposit to Seabrooke Trust; input November checks into QuickBooks;	Maker	0.50		45.00
Dec 14, 2016	Verify paper documents saved electronically before destruction;	Cartmill	0.25		48.75
Dec 15, 2016	Review of Seabrooke amended 2015 tax return; analysis of result if suggested changes are made;	Cartmill	2.00		390.00
Dec 16, 2016	Compare Seabrooke amended return to QuickBooks Online items;	Cartmill	0.75		146.25
Dec 16, 2016	Reviewing Seabrooke amended return and analyzing income from Seabrooke Realty;	Cartmill	3.00		585.00
Dec 16, 2016	Review of Seabrooke amended return and income reported; discussions with staff regarding verifying	Ley	1.40		413.00



	all receivership activity on return; meeting with Receiver regarding same;			
Dec 19, 2016	Comparing Seabrooke amended tax return to QuickBooks Online reports for Seabrooke Realty;	Cartmill	2.00	390.00
Dec 19, 2016	Reviewing law regarding Receiver liability for payment of taxes and sending copies of cases to Receiver;	Cartmill	1.50	292.50
Dec 20, 2016	Postage charges - Stewart Title check mailing;			0.47
Dec 20, 2016	QuickBooks entries; prepare and deposit of Cherry Hill LLC escrow check \$20,038.00; pull 2015 detail information for CLC for Seabrooke Real Estate Operating account;	Maker	0.50	45.00
Dec 20, 2016	Telephone call with Receiver regarding instructions to send second Stewart Title check to Matthew Felty; prepare and scan letter; mail check and letter to Matthew Felty;	Maker	0.50	45.00
Dec 21, 2016	Reconciling QuickBooks Online to Seabrooke Realty Schedule C in amended return; discussing situation with BAL; emailing Karyn Seabrooke requesting explanation;	Cartmill	2.00	390.00
Dec 23, 2016	Telephone call with Karyn Seabrooke regarding Seabrooke amended return questions; including Seabrooke Realty income and professional expenses for Briargate Plaza, LLC and Oakbrooke Homes, LLC;	Cartmill	1.00	195.00
Dec 23, 2016	Reconcile Oct & Nov 2016 Seabrooke Business BankSNB account; online input of Seabrooke Realty Operating activity for Sep-Nov 2016, reconciliations of same; online input of Seabrooke Trust activity for Oct & Nov 2016, reconciliations of same; scan all reports and save;	Maker	1.25	<u>112.50</u>
		Current Amount Due		<u>\$ 3,605.47</u>

Invoices are due and payable upon receipt.