



DISTRICT COURT FOR OKLAHOMACOUNTY
STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY
DEC - 2 2016
RICK WARREN
COURT CLERK
37

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
OCTOBER 1, 2016 THROUGH OCTOBER 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 October 1, 2016 through October 31, 2016, including fees of the Attorney and Accountant approved by this Court to assist the Receiver.

1. On September 4, 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 October 1, 2016 through October 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 October 1, 2016 through October 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 October 1, 2016 through October 31, 2016, the Receiver and his employees expended a total of 9 hours at hourly rates ranging from \$80 to \$265 per hour for a total fee of \$2,089.00. Exhibit "A" details the hours spent rendering services and a description of the services rendered. The Receiver also incurred \$6.11 in expenses and advances, making the total amount due \$2,095.11. 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 October 1, 2016 through October 31, 2016, Attorney Robert D. Edinger expended a total of 4.3 hours at an hourly rate of \$295 per hour for a total fee of \$1,268.50. 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 October 1, 2016 through October 31, 2016, the Accountant Barbara A. Ley, P.C. expended a total of 1 hour at hourly rates ranging from \$90 to \$195 per hour for a total fee of \$363.75. Ley also incurred \$3.97 in expenses and advances, making the total amount due \$367.72. 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 \$2,095.11, to

Attorney Robert Edinger in the amount of \$1,268.50 and to Accountant Barbara A. Ley, P.C. in the amount of \$367.72 for the period of October 1, 2016 through October 31, 2016.

Respectfully Submitted,



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ATTORNEY FOR THE RECEIVER,
RYAN LEONARD

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this ^{2nd} day of December, 2016, a true and correct copy of this pleading was served via First Class Mail, postage prepaid, or by Email to:

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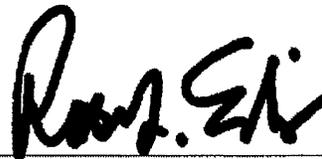
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Robert Edinger

MEYER, LEONARD & EDINGER, PLLC

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OKLAHOMA CITY OK 73102
405-702-9900

Seabrooke et al. Receivership

Statement Date: November 30, 2016
Statement No. 3911
Account No. 1392.01
Page: 1

RE: Oklahoma County Case # CJ-2014-4515

Payments received after 11/30/2016 are not included on this statement.

		Previous Balance		\$7,699.70
		<u>Fees</u>		
			Hours	
10/03/2016	RTL	Follow-up correspondence with counsel for Bricktown Capital, LLC re: finalizing settlement, W-9 issues with Bricktown Capital for settlement proceeds	0.20	53.00
10/04/2016	RTL	Finalize settlement documents for Bricktown Capital/Aspen Insurance settlement (Receivership to receive \$69,115.83); Multiple follow-up correspondence with Aspen Insurance counsel, Bricktown Capital counsel re: transfer of funds	0.60	159.00
10/05/2016	NJ	Conference with R Leonard re BOW account status; correspondence with Katy at BOW re options for accounts during inactive period to maximize balances	0.80	64.00
	RTL	Multiple further follow-up with BankSNB re: interest bearing accounts for receivership accounts	0.40	106.00
	RTL	Follow-up with defendants' counsel re: status of defendants' response on possible amendments to tax returns; Follow-up with Receiver's account re: same	0.30	79.50
10/06/2016	RTL	Receive call from P. LaBarthe, J. Shaw, Securities Department re: resolving outstanding tax issues; Further follow-up correspondence with M. Robertson re: defendants to provide updated tax information or will need to compel with Court; Brief conference with B. Lewis, Doyle counsel re: appeal record	0.50	132.50
10/12/2016	NJ	Assist R Edinger with Corrected Counter-Designation of Record and distribution to service list	0.80	64.00
	RTL	Review Receiver's counter-designation of record for appeal; Follow-up correspondence with counsel re: same	0.20	53.00
10/13/2016	RTL	Further follow-up with M. Robertson re: additional tax information needed from defendants	0.10	26.50
10/17/2016	RTL	Receive and respond to correspondence from Aspen Insurance re:		



			Hours	
		executed releases to finalize Aspect settlement with Bricktown Capital, LLC (approx. \$60,000 to the Receiver); Receive correspondence from Stewart Title re: resolution of escrowed funds on Cherry Hill closing (approx. \$22,000 held in escrow); Review of Escrow Agreement with First Commercial Bank regarding First Commercial's claim to fees; Review of Court transcript from hearing in which counsel for First Commercial was to submit its fee invoices for further review to Court (First Commercial's counsel never submitted the invoices to the Court); Follow-up correspondence with M. Robertson re: status of obtaining tax information from defendants	0.90	238.50
10/18/2016	RTL	Conference with new counsel for Bank SNB re: Cherry Hill closing, dispute of fees in escrow, failure of First Commercial Bank's prior counsel to submit invoices; Follow-up correspondence with Bank SNB counsel re: relevant and documents, pleadings and transcript	0.90	238.50
10/19/2016	RTL	Receive and respond to correspondence from counsel for Bricktown Capital, LLC re: final arrangements for receipt of proceeds by Receiver for Bricktown Capital settlement with Aspen Specialty Insurance; Follow-up correspondence with Stewart Title re: Cherry Hill escrowed funds, resolution forthcoming	0.30	79.50
	RTL	Receive call from G. Gaines, counsel for Bank SNB re: settlement offer on dispute over Cherry Hill transaction fees	0.20	53.00
10/21/2016	RTL	Multiple additional follow-up re: resolving Cherry Hill escrowed fees (approx. \$22,000); Correspond with Securities Department re: resolution to fees; Follow-up correspondence with Bank SNB's counsel re: claim to fees	0.50	132.50
10/24/2016	RTL	Follow-up correspondence with J. Muckleroy, Bricktown Capital counsel re: coordinating settlement check, receipt by Receiver of settlement funds	0.20	53.00
	RTL	Follow-up conference with counsel for BankSNB re: agreement to settlement proposal on Cherry Hill fees, Bank's counsel to prepare Agreed Order, confirm Bank SNB as successor to First Commercial; Additional follow-up re: language to include in Agreed Order to be prepared by Bank	0.30	79.50
10/25/2016	RTL	Receive call from K. Seabrooke re: updated tax information	0.40	106.00
	RTL	Receive correspondence from J. Muckleroy re: settlement funds from Bricktown Capital; Follow-up correspondence re: same; Follow-up correspondence with M. Robertson re: amended tax information from defendants	0.40	106.00
10/26/2016	RTL	Review proposed Agreed Order regarding resolution of the Cherry Hill escrowed funds; Follow-up correspondence re: same; Multiple additional follow-up with Department, opposing counsel re: approval of Order	0.40	106.00
	RTL	Review amended tax return provided by defendants; Follow-up with accountants re: same; Correspond with P. LaBarthe, J. Shaw re: receipt of tax information, review to be conducted by Receiver's		

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

Statement Date: 11/30/2016
 Statement No. 3911
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	accountant	Hours	106.00
		0.40	
10/31/2016	RTL Multiple follow-up correspondence re: final approval of Agreed Order regarding settlement of Cherry Hill funds; Obtain counsel's approval on same	0.20	53.00
	For Current Services Rendered	9.00	2,089.00

	<u>Recap</u>		
<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Nicole Jacobsen	1.60	\$80.00	\$128.00
Ryan T. Leonard	7.40	265.00	1,961.00

Expenses

10/12/2016	Postage - Designation of Record for Appeal from District Court	6.11
	Total Expenses	6.11
	Total Current Work	2,095.11

Payments

10/24/2016	Payment, thank you. - J Karyn Seabrooke 2007 Rev Trt ck# 2034	-827.50
11/17/2016	Payment, thank you. - J Karyn Seabrooke 2007 Rev Trt ck# 2036	-2,669.50
	Total Payments	-3,497.00
	Balance Due	<u>\$6,297.81</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
4531	12/01/2016	\$1,268.50	12/31/2016	Net 30	

DATE	ACTIVITY	QTY	RATE	AMOUNT
10/06/2016	295.00 Fees Two separate tel. calls to Supreme Court Clerk's office regarding items missing from record on appeal.	0:18	295.00	88.50
10/06/2016	295.00 Fees Tel. to B. Lewis regarding documents missing from appellate record.	0:18	295.00	88.50
10/07/2016	295.00 Fees Tel. to OK Supreme Court Clerk's office regarding status of appellate record.	0:18	295.00	88.50
10/10/2016	295.00 Fees Tel. with P. Labarthe regarding obtaining necessary exhibits to complete appellate record.	0:12	295.00	59.00
10/10/2016	295.00 Fees Review transcript of 02/29/16 hearing to gather necessary exhibits for completion of appellate record.	1:12	295.00	354.00
10/11/2016	295.00 Fees Tel. with P. Labarthe that no exhibits need be added for completion of the appellate record and subsequent tel. to OK Supreme Court Clerk's office and email of draft Correction Designation to P. Labarthe.	0:36	295.00	177.00
10/11/2016	295.00 Fees Prepare Corrected Counter-Designation of Record for Appeal.	1:00	295.00	295.00
10/17/2016	295.00 Fees Conf. with R. Leonard regarding fees alleged by First Commercial Bank to be owed to it from the escrow account and how this was handled in court hearing.	0:12	295.00	59.00



DATE	ACTIVITY	QTY	RATE	AMOUNT
10/17/2016	295.00 Fees Review correspondence with lawyers regarding payment to be made to the Receivership for settlement of lawsuit against insurance carrier for damage to hotel.	0:12	295.00	59.00

BALANCE DUE

\$1,268.50

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

11/30/2016

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

Re: Seabrooke
Invoice No: 21112

Professional services rendered through October 31, 2016 in connection with:

Oct 05, 2016	Telephone call with Ryan Leonard regarding bank accounts and checks pending signature;	Maker	0.25	\$	22.50
Oct 07, 2016	Photocopy charges				0.30
Oct 07, 2016	Long distance charges for teleconference held on 9/13/2016 with Ryan Leonard and Karen Seabrooke;				3.67
Oct 27, 2016	Comparing Seabrooke prepared personal tax return to amounts reported in QuickBooks;	Cartmill	1.75		<u>341.25</u>
		Current Amount Due		\$	<u><u>367.72</u></u>

Invoices are due and payable upon receipt.

