

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY
STATE OF OKLAHOMA

FILED
IN DISTRICT COURT

FEB 06 2004

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

OKLAHOMA DEPARTMENT OF)
SECURITIES *ex rel.* IRVING L.)
FAUGHT, Administrator,)
)
Plaintiff,)

v.)

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.)

INTERIM APPLICATION OF RECEIVER, STEPHEN J. MORIARTY
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

Comes now Stephen J. Moriarty (“Receiver”), the Court appointed receiver for The Hickman Agency, Inc. (“Agency”), and Merl William Hickman, Sr., Merl William Hickman, Jr., and Sarah L. Hickman (collectively referred to as “Hickman” or “Defendants”), and for his first application for compensation and reimbursement of expenses, alleges and 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, the 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 necessary steps to protect the interests of Investors, including the liquidation or sale assets of Defendants...”

2. Pursuant to the Order, “ the Receiver may apply to the Court for compensation, 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 with his duties as Receiver.”

3. On December 22, 2003 the Court granted Receiver’s application to approve the hourly rates of Receiver and other professionals.

4. Receiver seeks interim compensation at the hourly rate approved by the Court for work performed, plus reimbursement of Receiver’s actual and necessary expenses, for the period December 17, 2003 through December 31, 2003.

5. The amount of compensation to be allowed rests within the sound discretion of the Court. Hudson v. Hubbell, 1935 OK 138, 41 P. 2d 844.

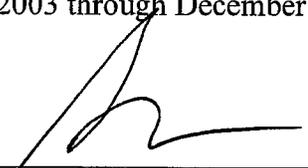
6. Receiver has devoted substantial time and effort in the execution of his duties and seeks compensation as detailed in the statement attached as Exhibit “A”. The charges set forth in Exhibit “A” were reasonable and necessary.

7. Receiver resides in Edmond, Oklahoma and maintains a law practice in Oklahoma City. In order to discharge his duties Receiver has been required to spend considerable time at the office of The Hickman Agency in Shawnee. Receiver has not charged the receivership estate, nor will he seek compensation for, any travel time between Edmond and Shawnee. Due to the extensive time required to discharge his duties herein, Receiver has been forced to decline other legal representations.

8. This Application covers allowance of compensation and reimbursement of expenses for the period December 17, 2003 through December 31, 2003. During the period covered by this application, Receiver expended a total of 98 hours at an hourly rate of \$235.00

for a total fee of \$23,030.00. In addition, Receiver seeks reimbursement of expenses in the amount of \$423.98, as detailed in Exhibit "B" hereto.

WHEREFORE, Receiver respectfully requests that this Court enter an Order approving interim compensation to Receiver in the amount of \$23,030.00 and reimbursement of expenses in the amount of \$423.98, for the period December 17, 2003 through December 31, 2003.



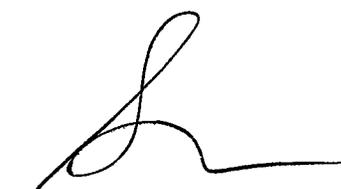
STEPHEN J. MORIARTY (OBA #6410)
Suite 500, 500 West Main
Oklahoma City, OK 73102
Phone: 405-272-9241
Fax: 405-235-8786
Court Appointed Receiver for Defendants

CERTIFICATE OF MAILING

This is to certify that on the 6th day of February, 2004, the foregoing was sent by U.S. Mail, first class, postage prepaid to:

Patricia A. Labarthe, Esq.
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, OK 73102

Terry West, Esq.
Brad West, Esq.
124 West Highland
Shawnee, OK 74801



Stephen J. Moriarty

EXHIBIT "A"

DETAILED TIME RECORDS OF RECEIVER

12/17/03	Hickman	9:00-12:30	3.5 hrs	
		1:30-10:00	8.5 hrs	12.0 hrs

Attend hearing on appointment of receiver; travel with sheriff to office; remove Hickman's; conduct employee interviews; commence review of company books and records

12/18/03	Hickman	8:00-12:30	4.5 hrs	
		4:30-9:45	5.25 hrs	9.25 hrs

Continue review of books and records; commence preparation of schedule of investor names, addresses, deposits and account balances; numerous conferences with investors (in person and telephonic)

12/19/03	Hickman	8:00-7:15	11.25 hrs	11.25 hrs
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Meeting with Arvest Bank re: transfer of balances; continue review of books and records; continue preparation of schedule of investor names, addresses, deposits and account balances; numerous conferences with investors (in person and telephonic); preparation of cash withdrawal summary of Bill, Jr. for 12/22 hearing

12/20/03	Hickman	12:00-6:15	6.25 hrs	6.25 hrs
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Continue review of books and records; continue preparation of schedule of investor names, addresses, deposits and account balances; numerous conferences with investors (in person and telephonic); arrange for seizure of boats at Lake Eufaula

12/21/03	Hickman	12:45-5:15	4.5 hrs	
		6:15-8:00	1.75 hrs	6.25 hrs

Draft and revise Application to pay employees, employ attorneys and accountants, and for clarification of TRO re: Arvest Account; continue review of books and records; continue preparation of schedule of investor names, addresses, deposits and account balances; numerous conferences with investors (in person and telephonic)

12/22/03 Hickman 8:00-6:30 10.5 hrs 10.5 hrs

Preparation for and attendance at meeting with Oklahoma Department of Securities, Terry and Brad West re: status; preparation for and attendance at hearing re: entry of order to pay employees, employ attorneys and accountants, and for clarification of TRO re: Arvest Account ; meeting with sheriff's office re: assistance in inspection of Hickman residences; conduct personal inspection of residences of Bill, Sr. and Bill, Jr.; confiscate contents of safe; open accounts/safe deposit boxes at First National of Shawnee

12/23/03 Hickman 8:00-7:45 11.75hrs 11.75 hrs

Analysis of equity in vehicles; arrange for pickup of vehicles; meeting with Arvest Bank re account balances; establish new accounts/CD's at First National; Continue review of books and records; commence preparation of schedule of investor names, addresses, deposits and account balances; numerous conferences with investors (in person and telephonic); extended telephone conference with Jimmie Nolan (accountant) re: payroll tax issues, tax issues and delivery of corporate and personal financial documents.

12/24/03 Hickman 9:45-10:00 0.25 hrs 0.25 hrs

Telephone conference with Laura re; dishonor of Hickman Agency payroll checks

12/29/03 Hickman 9:30-8:45 11.25 hrs 11.25 hrs

Continue review of books and records; numerous conferences with investors (in person and telephonic); meeting with landlord of Shawnee office space re: rent and status of lease/utilities; extended telephone conference with Jimmie Nolan (accountant) re: payroll tax issues, tax issues and delivery of corporate and personal financial documents; meeting with Virgil Holden, CPA re: books and records, financial analysis, tax return/1099 preparation.

12/30/03 Hickman 7:45-8:00 12.25 hrs 12.25 hrs

Continue review of books and records; numerous conferences with investors (in person and telephonic); numerous attempts to reach Terry or Brad West re: status; telephone conference with Jim McMillan at McAfee (atty for investor group) re: status; t/c with Alaine Smith at Arvest Bank re: alleged \$5000 overpayment, review documents re: same; t/c with Chicago landlord and attorney re: cancellation of Chicago office lease; meeting with representatives of Oklahoma Insurance Commissioner re: revocation of licenses, status and whereabouts of Bill, Sr. and Bill, Jr; factual research re: Mansfield Corp (viaticals) bankruptcy and Diana Fleming claim; t/c-Tom Pruitt (atty for investors) re: status

12/31/03 Hickman 9:00-4:00 7.00 hrs 7.00 hrs

Continue review of books and records; numerous conferences with investors (in person and telephonic); t/c with Albert at Gold Expressions re: purchases, returns, records and

investment; t/c with Al Baumgardener re: dealings with Hickmans and discussions re: financing of acquisition of Eufala Cove Marina

TOTAL HOURS

98.0 hrs

EXHIBIT "B"

EXPENSE REIMBURSEMENT

Travel by Stephen J. Moriarty
(Edmond, Oklahoma to Shawnee, Oklahoma)

<u>DATE</u>	<u>MILES x \$0.37/MILE</u>	<u>AMOUNT</u>
12/17/03	104 x 0.37	38.48
12/18/03	104 x 0.37	38.48
12/19/03	104 x 0.37	38.48
12/20/03	104 x 0.37	38.48
12/21/03	104 x 0.37	38.48
12/23/03	104 x 0.37	38.48
12/29/03	104 x 0.37	38.48
12/30/03	104 x 0.37	38.48
12/31/03	104 x 0.37	38.48
	Sub-total	346.32
12/17/03	Paid to Harrison Locksmith (Change locks)	35.00
12/22/03	Motel 6	42.66
	<u>TOTAL</u>	<u>\$423.98</u>