

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY  
STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF  
SECURITIES *ex rel.* Irving L.  
FAUGHT, Administrator,

Plaintiff,

vs.

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,

and

STEPHANIE HICKMAN-MATTHEWS, an  
individual; ANGELA FRIGULETTO, an  
individual; PETER FRIGULETTO, an  
individual; SANDRA FRIGULETTO, an  
individual; and CHRISTY HICKMAN,  
an individual,

Defendants Solely  
For Purposes Of  
Equitable Relief

**FILED**

IN THE DISTRICT COURT

MAR 28 2006

POTTAWATOMIE COUNTY, OK  
RETA HEAD, COURT CLERK  
BY \_\_\_\_\_ DEPUTY

REPORT OF RECEIVER, STEPHEN J. MORIARTY  
REGARDING ACCOUNTING AND PROPOSED DISTRIBUTION

Comes now Stephen J. Moriarty, the Court appointed Receiver for The Hickman Agency, Inc., Merl William Hickman, Sr., Sarah Hickman, Merl William Hickman, Jr., Stephanie Hickman-Matthews, Angela Friguletto, Peter Friguletto, Sandra Friguletto and Christy Hickman (collectively referred to as "Hickman"), and for his report to the Court regarding accounting and proposed distribution to creditors of The Hickman Agency, Inc. 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, 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 steps necessary to protect the interests of Investors, including the liquidation or sale of assets of the Defendants ..." and the authority "to make such payments and disbursements as may be necessary and advisable for the preservation of the assets of defendants and as may be necessary and advisable in discharging his duties as Receiver."

4. Receiver has liquidated substantially all of the assets of The Hickman Agency, Inc. and has in his possession cash and cash equivalents totaling \$1,105,759.67. This sum represents the amount remaining from the following actions and sales (previously reported to the Court):

<u>Asset Description</u>	<u>Amount</u>
Bank Balances	595,529.99
Boats	82,650.00
Furniture and office	3,000.00
Personal Property (Net)	73,684.75
Jewelry	226,000.00
Vehicles (Net)	66,349.00
Real Estate (Net)	133,874.65
Angela Frigellto settlement	1,500.00
Sandra Frigelleto settlement	14,000.00

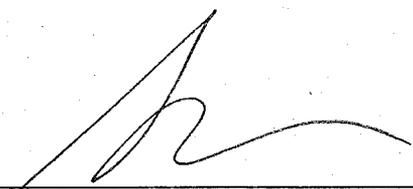
In addition, Receiver has collected a refund of \$60,000.00 from the West Law Firm and a refund of \$10,000 from a political campaign committee. Further, Receiver has collected miscellaneous income in the form of interest income and commissions. The total funds collected by Receiver to date are \$1,324,658.31; see Bank Deposit Summary, attached as Exhibit "A" hereto.

5. Receiver has incurred the expenses in the amount of \$273,094.43 in administering this case; see Summary of Expenses of Administration, attached hereto as Exhibit "B".

6. Based on the foregoing, Receiver believes that a distribution of \$1,050,000.00 can be made to the creditors of The Hickman Agency, Inc.. Receiver proposes the distributions as set forth in Exhibit "C" hereto. The proposed distributions would represent a return of approximately twelve percent (12%) to the Investors of The Hickman Agency.

7. Receiver requests that this Court set this matter for hearing, on appropriate notice to the creditors of The Hickman Agency, Inc. to approve the proposed distribution.

WHEREFORE, Receiver respectfully requests that this Court approve the distributions to creditors set forth herein.



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Stephen J. Moriarty (OBA# 6410)  
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Oklahoma City, OK 73102  
Phone: (405) 272-9241  
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RECEIVER FOR THE HICKMAN  
AGENCY, INC.

### NOTICE OF HEARING

Please be advised that a hearing to approve the Receiver's Report Regarding Accounting and Proposed Distribution, filed herein on March 28, 2006, will be heard at 9:00 A. m. on the 2<sup>nd</sup> day of May, 2006 before the Honorable Douglas L. Combs, District Judge.