

IN THE DISTRICT COURT OF OKLAHOMA COUNTY SEP 25 2023
STATE OF OKLAHOMA

RICK WARREN
COURT CLERK

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Oklahoma Department of Securities)
ex rel. Melanie Hall, Administrator,)
)
Plaintiff,)
v.)
Premier Global Corporation, *et al.*)
)
Defendants.)

Case No. CJ-2022-5066
Judge Don Andrews

**PLAINTIFF’S OBJECTION TO RECEIVERSHIP MONTHLY STATEMENTS OF
DEFENDANTS RICHARD DALE DEAN AND DDI ADVISORY GROUP, LLC**

Plaintiff, Oklahoma Department of Securities, *ex rel.* Melanie Hall (“Plaintiff”), for its objection to the *Notice of Submission of Receivership Monthly Statements by Defendants Richard Dale Dean and DDI Advisory Group, LLC* (“*Receivership Statement(s)*”), received on September 15, 2023, alleges and states as follows:

1. On October 14, 2022, the Court entered the *Order Freezing Assets, Order Prohibiting Disposition of Assets and Order Prohibiting Destruction or Disposition of Records* (the “Freeze Order”), freezing the assets of Defendant Richard Dale Dean (“Dean”) and Defendant DDI Advisory Group, LLC (“DDI Advisory”) (collectively, the “Dean Defendants”).
2. On October 31, 2022, the Court appointed Eric Johnson as the Receiver (“Receiver”) over the assets of the Dean Defendants.
3. On December 15, 2022, Dean sought modifications to the Freeze Order by filing the *Emergency Motion of Defendant Richard Dale Dean for Partial Lifting of Asset Freeze to Permit Payment of Living Expenses* and the *Emergency Motion of Defendant Richard Dale Dean for Partial Lifting of Asset Freeze to Permit Payment of Legal Fees* (“Dean

Motions”). Plaintiff filed objections to the Dean Motions and the Receiver filed a response to the Dean Motions.

The Unfreeze Order

5. On March 14, 2023, the Court entered its *Order on Defendant Richard Dale Dean and DDI Advisory Group, LLC’s Emergency Motions for Partial Lifting of Asset Freeze to Permit Payment of Living Expenses and for Partial Lifting of Asset Freeze to Permit Payment of Legal Fees* (the “Unfreeze Order”), memorializing the conclusions of the January 11, 2023, hearing.

6. The Unfreeze Order modified the Freeze Order regarding the payment of the Dean Defendants’ living expenses and legal fees by establishing procedures to be utilized and conditions of compliance by the Dean Defendants in order to allow for any such payments including the following:

IT IS FURTHER ORDERED that the following compensation procedures shall be utilized for the payment of the Dean Defendants’ legal fees and expenses:

1. From the funds originally transferred from Kanza Account ending #3907, the Receiver will further segregate \$245,000.00 into a separate account maintained by the receivership estate (“Segregated Legal Fund) for fees and expenses incurred after October 13, 2022. The Receiver will not be required, absent Order of the Court, to replenish the Segregated Legal Fund with other receivership estate funds or recoveries”

2. For services performed from and after October 13, 2022, CAD (now S&J) shall separate and maintain separate billing statements for services performed for the Dean Defendants’ defense (the “Personal Fees”), and for the services performed in assistance to the Receiver and the Receivership Estates (the Receivership Fees”).

7. The Dean Defendants have now requested payment for and/or given notice of a total of \$332,933.13 in Personal Fees and Receivership Fees.

8. Pursuant to the Unfreeze Order, the court authorized a total of \$245,000.00 to be set aside in a separate account for Dean's Segregated Legal Fund, which therefore renders the current request for payment of Receivership Fees moot, as the Dean Defendants have already requested payment of Personal Fees and Receivership Fees for the full amount authorized by the Court.

9. On September 15, 2023, Plaintiff received the Dean Defendants' Receivership Statement, with a billing invoice attached, allegedly showing services performed in assistance of the Receiver and the Receivership Estate. The Receivership Statement describes Receivership Fees incurred in the sum of \$13,527.25 for the month of August 2023. Plaintiff asserts that numerous entries were not performed for the benefit of the Receivership Estate. Plaintiff objects to payment from the Receivership Estate of the fees highlighted on the attached invoice. *See* Exhibit "A" attached. (Exhibit A is attached only to copies of this objection provided to the Court and to counsel of record.)

10. The entries to which Plaintiff objects are all arguably Personal Fees performed for the Dean Defendants' defense, including fees for activities that are clerical in nature, for activities that involve analyzing and evaluating the activities of the Receiver, and activities of Dean's counsel that relate to preparing and reviewing their own billing statements.

11. Of the requested Receivership Statement fees totaling \$13,527.25, a total of at least \$4,350.00 in such fees were not incurred in assisting the Receivership Estate, leaving a total of \$9,177.25 in fees that were incurred arguably for work performed for the benefit Receivership Estate.

AUTHORITIES

The Asset Freeze is Critical to Preserving Assets for Victims

An asset freeze is put in place to protect investors and a regulatory agency's ability to seek disgorgement. *See SEC v. Unifund SAL*, 910 F.2d 1028, 1041 (2d Cir. 1990). An asset freeze preserves a defendant's assets so that the assets are available to victimized investors of securities fraud. *SEC v. Dobbins*, 2004 WL 957715, *2 (N.D. Tex. April 14, 2004). The Freeze Order was determined to be essential by this Court in this case, wherein hundreds of investors bear potential losses of millions of dollars.

Through the Unfreeze Order, the Dean Defendants have attempted to bill the Receivership for fees that are substantially unrelated to any assistance to the Receiver or the Receivership Estate. Plaintiff objects to the release of frozen funds for the payment of such fees as those funds are critical to redress of loss to the Dean Defendants' victims in this case. Further, the Dean Defendants have already made requests for the full amount of fees authorized by the Court in the Unfreeze Order.

CONCLUSION

Payment of a portion of the fees sought by the Receivership Statement should be denied on the basis that the work performed for the disputed entries were not performed "for the benefit of the Receivership Estate" but were incurred solely for the benefit of the Defendants and should be billed as such. Plaintiff requests denial of these fees and expenses in the amount of \$4,350.00. At most a total of \$9,177.25 in fees could be classified as having been earned for assisting the Receivership Estate. However, given that the Dean Defendants have already made requests for the full amount of legal fees authorized by the Court in the Unfreeze Order, their

notice and request for payments of additional fees pursuant to the Receivership Statement filing should be denied in their entirety.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES
Melanie Hall, Administrator

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CERTIFICATE OF SERVICE

I hereby certify that on the ^{25th} day of September, 2023, a true and correct copy of the above and foregoing instrument was delivered via First Class U.S. mail, with postage fully prepaid thereon, to:

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