

JUN - 2 2011

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

PATRICIA PRESLEY, COURT CLERK
by _____
DEPUTY

OKLAHOMA DEPARTMENT OF)
SECURITIES EX REL. IRVING)
FAUGHT, ADMINISTRATOR,)

Plaintiff,)

v.)

Case No. CJ-2009-7957
Judge: Davis, Lisa T.

STORYBOOK PROPERTIES, LLC,)
a California limited liability company;)
STORYBOOK INVESTMENTS WA,)
LLC, a Washington limited liability)
company; MATTHEW G. STORY)
an individual; JOE DON JOHNSON,)
an individual; and JAMES FARNHAM,)
an individual,)

Defendants.)

ORDER GRANTING RECEIVER'S MOTION FOR DISTRIBUTION

Comes on for hearing and consideration on this 2nd day of June, 2011 on the Amended Motion of Stephen J. Moriarty ("Receiver") the Court appointed Receiver for Storybook Properties LLC, Storybook Investments WA, LLC, EZ-TO-BUY Homes, L.P. and Matthew G. Story (all collectively referred to as "Companies") the Amended Motion for proposed distribution to investors of the Storybook Companies filed herein on May 12, 2011 (the "Amended Motion"); Stephen J. Moriarty appears on behalf of Receiver and Patricia Labarthe appears on behalf of Plaintiff, Oklahoma Department of Securities.

After reviewing the Amended Motion, having heard the statements of Receiver and being fully advised in the premises, the Court FINDS:

1. On October 7, 2009, this Court entered its Order Appointing Receiver. Pursuant

to the Order, the Receiver was given full authority to “operate and manage all assets” of the Companies. Further, Receiver was given the authority to “take immediate custody, possession, and control of any and all assets” of the Companies.

2. The major assets of the Companies consisted of (a) numerous residential properties located in Tulsa County, Oklahoma (the “Residential Properties”) and (b) a 5 unit apartment building located at 2436 East Sixth Street, Tulsa, Oklahoma and an 8 unit apartment building located at 2440 East Sixth Street, Tulsa, Oklahoma (the “Apartment Properties”).

3. Receiver has liquidated substantially all of the assets of the Storybook Companies and has in his possession cash and cash equivalents totaling \$389,185.36, as of April 30, 2011. This sum represents the amount remaining from sales previously reported to the Court, less costs of administration.

4. On May 12, 2011, Receiver filed an Amended Motion with this Court seeking approval to make a distribution of \$370,000.00 to investors as set forth in the proposed distribution schedule. The Amended Motion was served on all known investors.

5. A distribution of \$370,000.00 can be made to the investors of the Storybook Companies as detailed in Exhibit “A” hereto.

6. Certain investor accounts were maintained through Sterling Trust Company, Waco, Texas (“Sterling Trust”). Numerous investors have had issues with Sterling Trust and have requested that any distribution made by Receiver be sent to the investor and not to Sterling Trust.

7. On January 28, 2011, Mr. and Mrs. Albert Hawkes filed an objection to proposed distribution (the “Hawkes Objection”). The Hawkes Objection argues that Mr. and

Mrs. Hawkes are entitled to a “priority” distribution because “they were one of the last investors.”

8. On May 17, 2011, Receiver filed a Response to the Hawkes Objection. The Response was accompanied by the Receiver’s Affidavit. Based upon the Receiver’s Affidavit:

a. Approximately 70 investors invested approximately \$6,800,000.00 with the Storybook Defendants (the “Storybook Investors”).

b. Albert Hawkes invested \$90,000.00 with the Storybook Defendants (the “Hawkes Investment”). The Hawkes Investment was deposited on November 6, 2008 in an account maintained by the Storybook Defendants at Tulsa National Bank, account # XXX83 (the “TNB Account”).

c. After November 6, 2008, funds received by the Storybook Defendants from at least 9 investors were deposited in the TNB Account. These deposits totaled \$550,027.99.

d. The TNB Account was overdrawn in February, 2009 and March, 2009.

e. At the time Receiver was appointed the balance remaining in the TNB Account was \$309.99.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Hawkes Objection is overruled, the Amended Motion is granted, and Receiver is authorized to make the distributions set forth on Exhibit “A” hereto.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Receiver, where applicable, is hereby authorized to make distribution to the individual investor, or to Sterling Trust Company for the benefit of the individual investor, as directed by said investor.

Dated this 7nd day of June, 2011.

LISA DAVIS

DISTRICT JUDGE

APPROVED:



STEPHEN J. MORIARTY (OBA #6410)
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RECEIVER



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ATTORNEYS FOR PLAINTIFF

566195

EXHIBIT "A" - PROPOSED DISTRIBUTION SCHEDULE

INVESTOR NAME	TOTAL DEPOSITS	TOTAL WITHDRAWALS	NET CLAIM	% OF DISTRIBUTION	DISTRIBUTION
	\$246,815.18	\$0.00	\$246,815.18	0.0387% \$	14,319.00
	\$287,082.19	\$0.00	\$287,082.19	0.0450% \$	16,660.00
	\$113,387.58	\$0.00	\$113,387.58	0.0178% \$	6,586.00
	\$66,539.24	\$1,346.40	\$65,192.84	0.0102% \$	3,774.00
	\$129,582.87	\$91,660.39	\$37,922.48	0.0059% \$	2,183.00
	\$58,374.23	\$0.00	\$58,374.23	0.0091% \$	3,367.00
	\$51,621.30	\$9,646.66	\$41,974.64	0.0066% \$	2,442.00
	\$50,954.54	\$0.00	\$50,954.54	0.0080% \$	2,960.00
	\$100,000.00	\$0.00	\$100,000.00	0.0157% \$	5,809.00
	\$94,614.61	\$0.00	\$94,614.61	0.0148% \$	5,476.00
	\$28,778.99	\$0.00	\$28,778.99	0.0045% \$	1,665.00
	\$50,000.00	\$0.00	\$50,000.00	0.0078% \$	2,886.00
	\$100,000.00	\$0.00	\$100,000.00	0.0157% \$	5,809.00
	\$139,673.25	\$4,581.82	\$135,091.43	0.0212% \$	7,844.00
	\$121,078.52	\$17,292.59	\$103,785.93	0.0163% \$	6,031.00
	\$231,164.00	\$0.00	\$231,164.00	0.0362% \$	13,394.00
	\$71,710.23	\$10,363.25	\$61,346.98	0.0096% \$	3,552.00
	\$92,239.77	\$13,320.87	\$78,918.90	0.0124% \$	4,588.00
	\$5,000.00	\$0.00	\$5,000.00	0.0008% \$	296.00
	\$158,246.84	\$0.00	\$158,246.84	0.0248% \$	9,176.00
	\$8,905.67	\$0.00	\$8,905.67	0.0014% \$	518.00
	\$213,018.85	\$0.00	\$213,018.85	0.0334% \$	12,358.00
	\$6,837.33	\$0.00	\$6,837.33	0.0011% \$	407.00
	\$65,000.00	\$2,377.90	\$62,622.10	0.0098% \$	3,636.00
	\$90,000.00	\$0.00	\$90,000.00	0.0141% \$	5,217.00
	\$52,770.18	\$0.00	\$52,770.18	0.0083% \$	3,071.00
	\$40,000.00	\$1,981.45	\$38,018.55	0.0060% \$	2,220.00
	\$100,000.00	\$0.00	\$100,000.00	0.0157% \$	5,809.00
	\$40,951.70	\$0.00	\$40,951.70	0.0064% \$	2,368.00
	\$57,946.69	\$1,780.35	\$56,166.34	0.0088% \$	3,256.00
	\$150,000.00	\$4,875.01	\$145,124.99	0.0227% \$	8,339.00
	\$90,794.33	\$8,343.54	\$82,450.79	0.0129% \$	4,773.00
	\$9,000.00	\$0.00	\$9,000.00	0.0014% \$	518.00

EXHIBIT "A" - PROPOSED DISTRIBUTION SCHEDULE

INVESTOR NAME	TOTAL DEPOSITS	TOTAL WITHDRAWALS	NET CLAIM	% OF DISTRIBUTION	DISTRIBUTION
	\$25,000.00	\$0.00	\$25,000.00	0.0039%	\$ 1,443.00
	\$300,000.00	\$0.00	\$300,000.00	0.0470%	\$ 17,390.00
	\$80,000.00	\$0.00	\$80,000.00	0.0125%	\$ 4,625.00
	\$30,000.00	\$23,262.00	\$6,738.00	0.0010%	\$ 370.00
	\$288,290.10	\$0.00	\$288,290.10	0.0452%	\$ 16,724.00
	\$35,000.00	\$0.00	\$35,000.00	0.0055%	\$ 2,035.00
	\$50,000.00	\$0.00	\$50,000.00	0.0078%	\$ 2,886.00
	\$30,000.00	\$5,719.42	\$24,280.58	0.0038%	\$ 1,406.00
	\$80,000.00	\$83,758.95	\$0.00	0.0000%	\$ -
	\$93,560.77	\$12,485.64	\$81,075.13	0.0127%	\$ 4,699.00
	\$55,923.41	\$2,264.45	\$53,658.96	0.0084%	\$ 3,108.00
	\$98,408.95	\$3,844.71	\$94,564.24	0.0148%	\$ 5,476.00
	\$477,560.15	\$16,313.32	\$461,246.83	0.0723%	\$ 26,751.00
	\$110,000.00	\$3,008.73	\$106,991.27	0.0168%	\$ 6,216.00
	\$40,018.24	\$2,404.00	\$37,614.24	0.0059%	\$ 2,183.00
	\$5,126.00	\$0.00	\$5,126.00	0.0008%	\$ 296.00
	\$135,815.97	\$5,126.00	\$130,689.97	0.0205%	\$ 7,585.00
	\$148,213.90	\$15,991.89	\$132,221.91	0.0207%	\$ 7,659.00
	\$10,114.00	\$0.00	\$10,114.00	0.0016%	\$ 592.00
	\$129,026.37	\$0.00	\$129,026.37	0.0202%	\$ 7,474.00
	\$99,951.07	\$0.00	\$99,951.07	0.0157%	\$ 5,809.00
	\$75,084.00	\$0.00	\$75,084.00	0.0118%	\$ 4,366.00
	\$42,439.73	\$0.00	\$42,439.73	0.0066%	\$ 2,442.00
	\$40,000.00	\$5,850.00	\$34,150.00	0.0053%	\$ 1,961.00
	\$32,789.17	\$0.00	\$32,789.17	0.0051%	\$ 1,887.00
	\$146,241.45	\$6,328.52	\$139,912.93	0.0219%	\$ 8,103.00
	\$18,911.33	\$0.00	\$18,911.33	0.0030%	\$ 1,110.00
	\$252,174.37	\$113,336.50	\$138,837.87	0.0217%	\$ 6,029.00
	\$83,936.90	\$0.00	\$83,936.90	0.0131%	\$ 4,847.00
	\$77,000.48	\$2,253.56	\$74,746.92	0.0117%	\$ 4,329.00
	\$145,000.00	\$0.00	\$145,000.00	0.0227%	\$ 8,399.00
	\$50,173.20	\$0.00	\$50,173.20	0.0079%	\$ 2,923.00
	\$29,555.85	\$0.00	\$29,555.85	0.0046%	\$ 1,702.00

EXHIBIT "A" - PROPOSED DISTRIBUTION SCHEDULE

<u>INVESTOR NAME</u>	<u>TOTAL DEPOSITS</u>	<u>TOTAL WITHDRAWALS</u>	<u>NET CLAIM</u>	<u>% OF DISTRIBUTION</u>	<u>DISTRIBUTION</u>
[REDACTED]	\$50,000.00	\$2,031.25	\$47,968.75	0.0075%	\$ 2,775.00
[REDACTED]	\$53,080.89	\$0.00	\$53,080.89	0.0083%	\$ 3,071.00
[REDACTED]	\$233,473.15	\$0.00	\$233,473.15	0.0366%	\$ 13,542.00
[REDACTED]	\$80,000.00	\$2,275.00	\$77,725.00	0.0128%	\$ 4,736.00
Totals	\$6,853,957.44	\$473,824.17	\$6,383,892.22	1.0003%	\$ 370,316.00

Differences due to rounding