

**DISTRICT COURT FOR OKLAHOMA COUNTY
STATE OF OKLAHOMA**

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

FEB 29 2016

TIM RHODES
COURT CLERK

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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

*hearing MAY 13, 2016
9 a.m.*

**INTERIM APPLICATION FOR ORDER APPROVING
RECEIVER'S FEES AND EXPENSES FOR THE PERIOD OF
JANUARY 1, 2016 THROUGH JANUARY 31, 2016**

Receiver, Ryan Leonard, respectfully applies to this Court for entry of an Order approving his interim application for Receiver's fees and expenses for the period of January 1, 2016 through January 31, 2016, including fees of the Attorney and Accountant approved by this Court to assist the Receiver.

1. On Septemberr 11, 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 January 1, 2016 through January 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 January 1, 2016 through January 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 January 1, 2016 through January 31, 2016, the Receiver and his employees expended a total of 14.70 hours at hourly rates ranging from \$80 to \$265 per hour for a total fee of \$3,433.00. Exhibit "A" details the hours spent rendering services and a description of the services rendered. 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 January 1, 2016 through January 31, 2016, Attorney Robert D. Edinger expended a total of 2.3 hours at an hourly rate of \$295 per hour for a total fee of \$678.50. 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 January 1, 2016 through January 31, 2016, the Accountant Barbara A. Ley, P.C. expended a total of 19.35 hours at hourly rates ranging from \$85 to \$275 per hour for a total fee of \$3,648.75. Ley also incurred \$0.45 in expenses and advances, making the total amount due \$3,649.20. 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 request this Court approve payment of interim compensation to Receiver in the amount of \$3,433.00 to Attorney Robert Edinger in the amount of \$678.50, and to Accountant Barbara A. Ley, P.C. in the amount of \$3,649.20 for the period of January 1, 2016 through January 31, 2016.

Respectfully Submitted,



Robert D. Edinger, OBA No. 2619
Robert Edinger PLLC
116 East Sheridan, Suite 207
Oklahoma City, OK 73104
Telephone: (405) 702-9900
Facsimile: (405) 605-8381
redinger@edingerpllc.com

ATTORNEY FOR THE RECEIVER,
RYAN LEONARD

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 29th day of February, 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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Jennifer Shaw
Oklahoma Department of Securities
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plabarthe@securities.ok.gov
jshaw@securities.ok.gov

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Robert Edinger

MEYER, LEONARD & EDINGER, PLLC

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OKLAHOMA CITY OK 73102
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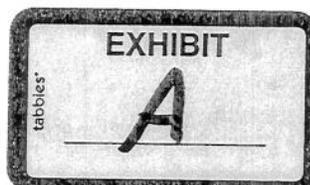
Seabrooke et al. Receivership

Statement Date: February 17, 2016
Statement No. 3471
Account No. 1392.01
Page: 1

RE: Oklahoma County Case # CJ-2014-4515

Payments received after 02/17/2016 are not included on this statement.

			Hours	
	Previous Balance			\$20,087.53
		Fees		
01/05/2016	RTL	Receive and respond to correspondence from D. Poarch, counsel for claimant re: report; Correspond with other claimants re: inquiries regarding report; Follow-up with A. Fugitt re: accounting	0.70	185.50
01/06/2016	RTL	Review of detailed accounting of all receivership entities/accounts; Meeting with accountants B. Ley, A. Fugitt re: accounting, sales proceeds, commissions, filing of tax returns and potential tax liability of Seabrookes; Conference with Defendants' counsel re: tax issues; Further correspondence re: response to inquiries from claimants on process	3.50	927.50
	NJ	Correspondence with R Leonard, D Poarch re updating contact information for Grizzly Investment Group	0.20	16.00
	NJ	Correspondence with F Bristow re claims process and related questions re Receivers Recommendations	0.40	32.00
	NJ	Finalize online banking information with BOW, A Fuggitt, R Leonard	0.20	16.00
01/07/2016	RTL	Follow-up correspondence with A. Fugitt, accountant re: escrow from sale of Cherry Hill	0.20	53.00
01/08/2016	RTL	Conference with claimant re: respond to inquiries regarding recommendation and hearing; Review lawsuit filed in Oklahoma County "Seabrooke Investments, LLC" and G. Cobbs (not filed by Receiver); Follow-up with counsel on suit re: inquiry into filing	0.70	185.50
01/11/2016	NJ	Correspondence with M Eckhardt re notification of Receiver's recommendations, updated address info, update contact info in file	0.30	24.00
01/12/2016	RTL	Receive and respond to correspondence from American Eagle re: Seabrooke Investments, LLC; Follow-up with accountant re: same	0.30	79.50
01/14/2016	RTL	Correspondence and conference with opposing counsel re: HPJ claim; Follow-up with N. Jacobsen re: notice to claimants	0.40	106.00



			Hours	
01/16/2016	RTL	Follow-up with A. Fugitt re: filing of tax returns, tax liability	0.20	53.00
01/19/2016	RTL	Additional follow-up with title company re: Seabrooke Investments, LLC, closing file	0.30	79.50
01/20/2016	RTL	Review multiple correspondence with HPJ's counsel re: questions on report; Respond to same	0.20	53.00
	NJ	Review service documents; research updated contact information; update service list to reflect same	0.70	56.00
01/21/2016	RTL	Follow-up correspondence and review accounting re: HPJ claims; Follow-up with accountant re: 2014 returns; Additional follow-up with Defendants' counsel re: obtaining returns	0.50	132.50
01/25/2016	RTL	Conference with A. Bardell (filed lawsuit in October 2015 on behalf of Seabrooke Investments, LLC and "Ron Seabrooke" v. G. Cobbs, OK Cty CJ-15-5833) re: stay of suit pending receivership resolution; Review of objections filed to Receiver's Report (Advance Restaurant and FNB Weatherford); Follow-up correspondence with P. LaBarthe, J. Shaw re: same; Additional follow-up with counsel re: Seabrooke Investments suit against G. Cobbs; Review of Order re: response to objections	1.80	477.00
01/26/2016	RTL	Review follow-up correspondence re: payments to HPJ	0.20	53.00
01/27/2016	RTL	Brief conference with J. Shaw re: response to objections to Receiver's Report; Receive call from B. McCants and respond to inquiries	0.70	185.50
	NJ	Correspondence with J Kirkland re Oakbrooke homes, commercial debt company re status of Seabrooke case re to Oakbrook Homes	0.30	24.00
	NJ	Correspondence with B McCants re Receivers recommendations for himself and other claimants, proportionate amounts of distribution status, total current assets, etc.; timeline status and his options for response	0.40	32.00
01/28/2016	RTL	Conference with counsel for Bank SNB re: Weatherford property claim; Review objection of W. Doyle; Conference with P. LaBarthe, J. Shaw re: responses to objections, authority for same; Respond to inquiry from claimant; Correspond with H. Lashar re: taxes on Oakbrooke Homes property in Lawton; Follow-up with D. Nunn, FNB Weatherford's counsel, re: same	1.60	424.00
01/29/2016	RTL	Review authority provided by Department regarding objections; Follow-up with counsel re: same; Correspond with counsel re: property taxes	0.90	238.50
		For Current Services Rendered	14.70	3,433.00

		Recap		
Timekeeper		Hours	Rate	Total
Nicole Jacobsen		2.50	\$80.00	\$200.00
Ryan T. Leonard		12.20	265.00	3,233.00

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

Statement Date: 02/17/2016
Statement No. 3471
Page No. 3

Total Current Work	3,433.00
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Balance Due	<u>\$23,520.53</u>
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ROBERT EDINGER PLLC
 100 Park Avenue, Suite 500
 Oklahoma City, OK 73102

Statement

Date 1/31/2016

(405) 702-9900

Ryan Leonard, Receiver
 100 Park Avenue, Suite 500
 Oklahoma City, OK 73102

In Reference To:

Seabrooke Receivership

				AMOUNT DUE	\$5,929.50	
DATE	DESCRIPTION		HRS/QTY	RATE	AMOUNT	
12/31/2015	Balance forward				5,251.00	
01/18/2016	RDE: Review pleading filed by Advance Restaurant Finance and note new attorneys for mailing list (.2).		0.2	295.00	59.00	
01/20/2016	RDE: Prepare Application for Receiver's Fees & Expenses for Dec. 2015.		1	295.00	295.00	
01/27/2016			0.6	295.00	177.00	
01/30/2016	RDE: Draft Order granting Receiver's Fees & Expenses for Nov. 2015.		0.5	295.00	147.50	
CURRENT		1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
678.50		3,894.00	1,357.00	0.00	0.00	\$5,929.50

Robert Edinger PLLC



BARBARA A. LEY
 A PROFESSIONAL CORPORATION
 CERTIFIED PUBLIC ACCOUNTANT
 6305 Waterford Boulevard, Suite 450
 Oklahoma City, Oklahoma 73118
 (405) 848-0255
 FAX (405) 848-0148

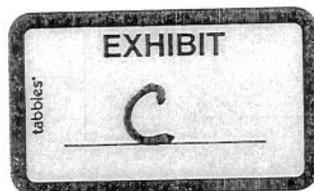
02/23/2016

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

Invoice No: 20173

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

Jan 05, 2016	0.30	\$	52.50	Fugitt	Communications with Receiver regarding meeting and brief review of documents;
Jan 06, 2016	3.70		647.50	Fugitt	Preparing for and meeting with Receiver regarding summaries, property sales and commissions; discussing tax return filing;
Jan 06, 2016	3.00		795.00	Ley	Prepare for and participate in meeting with the Receiver to review summaries and tax filing obligations;
Jan 13, 2016	0.40		70.00	Fugitt	Providing Seabrooke entity information as requested to Receiver;
Jan 19, 2016	0.40		110.00	Ley	Discussions with staff regarding tax filing responsibilities of Receivers;
Jan 19, 2016	4.70		822.50	Fugitt	Additional research on tax filing requirements;
Jan 20, 2016	3.80		665.00	Fugitt	Discussions with staff regarding tax research; communications with Receiver regarding the same;
Jan 20, 2016	1.10		302.50	Ley	Tax obligation review;
Jan 21, 2016	0.20		35.00	Fugitt	Reviewing correspondence regarding 2014 tax returns;
Jan 21, 2016	0.25		21.25	Maker	Input checks and deposits via QuickBooks online;



Barbara A. Ley, A Professional Corporation
Ryan Leonard Receivership
Invoice No. 20173

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Jan 21, 2016	0.50	42.50	Maker	Download, save, and print statements from BankSNB;
Jan 22, 2016	1.00	85.00	Maker	Reconcile accounts for December 2015; scan copies of statements and reconciliations;
Jan 26, 2016		<u>0.45</u>		Photocopy charges
		<u>\$ 3,649.20</u>		Current Amount Due

Invoices are due and payable upon receipt.