



FILED IN DISTRICT COURT
OKLAHOMA COUNTY

DISTRICT COURT FOR OKLAHOMACOUNTY
STATE OF OKLAHOMA

JUN 20 2016

RICK WARREN
COURT CLERK

89_____

Oklahoma Department of Securities)
<i>ex rel.</i> Irving L. Faught, Administrator,)
)
Plaintiff,)
)
v.)
)
Seabrooke Investments, LLC, an Oklahoma)
limited liability company, <i>et. al.</i>)
)
Defendants.)

Case No. CJ-2014-4515

**INTERIM APPLICATION FOR ORDER APPROVING
RECEIVER’S FEES AND EXPENSES FOR THE PERIOD OF
MAY 1, 2016 THROUGH MAY 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 May 1, 2016 through May 31, 2016, including fees of the Attorney and Accountant approved by this Court to assist the Receiver.

1. On September 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 May 1, 2016 through May 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 May 1, 2016 through May 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 May 1, 2016 through May 31, 2016, the Receiver and his employees expended a total of 7.2 hours at hourly rates ranging from \$80 to \$265 per hour for a total fee of \$1,001.50. 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 May 1, 2016 through May 31, 2016, Attorney Robert D. Edinger expended a total of 1.4 hours at an hourly rate of \$295 per hour for a total fee of \$413.00. 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 May 1, 2016 through May 31, 2016, the Accountant Barbara A. Ley, P.C. expended a total of 4.25 hours at hourly rates ranging from \$85 to \$275 per hour for a total fee of \$651.25. 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 requests this Court approve payment as interim compensation to the Receiver in the amount of \$1,001.50, to Attorney Robert Edinger in the amount of \$413.00, and to Accountant Barbara A. Ley, P.C. in the amount of \$651.25 for the period of May 1, 2016 through May 31, 2016.

Respectfully Submitted,



Robert D. Edinger, OBA No. 2619
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ATTORNEY FOR THE RECEIVER,
RYAN LEONARD

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this ^{20th} day of June, 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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Robert Edinger

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Seabrooke et al. Receivership

Statement Date: June 16, 2016
Statement No. 3657
Account No. 1392.01
Page: 1

RE: Oklahoma County Case # CJ-2014-4515

Payments received after 06/16/2016 are not included on this statement.

Previous Balance \$8,769.18

Fees

			Hours	
05/02/2016	NJ	Conference with R Leonard re updated status of court ruling and possible appeals process; relay updates to claimants	0.50	40.00
05/06/2016	RTL	Receive and respond to claimant inquiry re: status of proceedings, final Order, possible appeal; Follow-up with accountants re: status of finalizing outstanding tax return issues	0.40	106.00
05/09/2016	NJ	Correspondence with K Burfict, F Bristow re update on claims process, timeline of appeals, distribution estimate	0.30	24.00
	RTL	Receive and respond to further claimant inquiry re: status	0.20	53.00
05/11/2016	NJ	Correspondence with County Treasurer re delinquent tax notice for 425 NW 11th property; correspondence with R Leonard, A Fuggitt re the same and confirmation of payment	0.50	40.00
	RTL	Receive and review notice of taxes owed on 425 NW 11th street; Follow-up with accountants, N. Jacobsen re: confirmation of same; Confirm with defendants taxes being paid	0.40	106.00
05/12/2016	NJ	Deliver bank statements, tax information to A Fuggitt	0.50	40.00
05/18/2016	NJ	Correspondence with A Fuggitt, B Ley, R Leonard re tax forms and bank statements; follow up with A Fuggitt re overdrawn bank account; extended correspondence with Bank of the West re account status; follow up with RL, BL, AF re the same	0.90	72.00
	RTL	Correspond with A. Fuggitt re: status of Seabrooke Realty account at Bank of the West; Follow-up correspondence re: tax notice on Seabrooke Realty property; Additional follow-up re: Seabrooke accounts at Bank of the West	0.50	132.50
05/19/2016	RTL	Additional follow-up re: Bank of the West accounts for receivership entities	0.20	53.00
05/20/2016	RTL	Further follow-up with A. Fuggitt re: resolving Bank of the West		



		Hours	
	account issue	0.10	26.50
05/23/2016	NJ Extended correspondence with Bank of the West re account status, closing inactive accounts, payment for overdrawn account; extended correspondence with R Leonard, A Fuggitt re the same	0.60	48.00
	NJ Deliver bank statements to A Fuggitt	0.50	40.00
05/25/2016	NJ Continue with assistance for accounting of Seabrooke Receivership bank accounts per R Leonard; correspondence with A Fuggitt and Bank of the West re the same	0.60	48.00
05/26/2016	NJ Deliver bank statements to A Fuggitt	0.50	40.00
	RTL Brief meeting with accountants re: receivership payables, status of tax information from defendants' accountant	0.30	79.50
05/27/2016	RTL Follow-up correspondence with CPA for defendants re: further request for tax information necessary to resolve outstanding tax issues	0.20	53.00
	For Current Services Rendered	7.20	1,001.50

Recap

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Nicole Jacobsen	4.90	\$80.00	\$392.00
Ryan T. Leonard	2.30	265.00	609.50

Total Current Work 1,001.50

Payments

05/31/2016	Payment, thank you. - J Karyn Seabrooke ck# 2019	-7,053.68
	Balance Due	<u>\$2,717.00</u>

ROBERT EDINGER PLLC
 100 Park Avenue, Suite 500
 Oklahoma City, OK 73102

Statement

Date 6/17/2016

(405) 702-9900

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

In Reference To:

Seabrooke Receivership

AMOUNT DUE	\$3,747.00
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DATE	DESCRIPTION	HRS/QTY	RATE	AMOUNT
04/30/2016	Balance forward			10,885.50
05/19/2016	RDE: Prepare and submit Order approving Receiver's fees for March 2016.	0.4	295.00	118.00
05/26/2016	RDE: Review Design. of Record and Notice of Appeal and examine requirements for response and counter-designation of record.	1	295.00	295.00

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
3,746.50	0.00	0.50	0.00	0.00	\$3,747.00

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

06/14/2016

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

Invoice No: 20693

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

May 03, 2016	0.25	\$	21.25	Maker	Download, save, and print bank statement;
May 11, 2016	0.50		87.50	Farr	Communications from Receiver regarding bills to be paid;
May 12, 2016	0.20		35.00	Farr	Discussing emails received with staff;
May 13, 2016	0.20		55.00	Ley	Review of Seabrooke Realty LLC Personal Property tax assessment; email regarding same;
May 16, 2016	0.50		87.50	Fugitt	Reviewing correspondence received;
May 17, 2016	0.40		70.00	Fugitt	Co-ordinating with staff to download bank activity and correspondence with Receiver regarding personal property taxes;
May 18, 2016	0.50		87.50	Fugitt	Correspondence with Receiver and Receiver's office regarding checks to cash and closing bank account;
May 20, 2016	0.30		52.50	Fugitt	Getting checks prepared for court order and Bank Of the West account;
May 20, 2016	1.00		85.00	Maker	Prepare checks for March 2016; scan all previous checks and enter into QuickBooks online; prepare check to close Bank Of the West account; discussion with staff regarding same;



Barbara A. Ley, A Professional Corporation
Ryan Leonard Receivership
Invoice No. 20693

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May 25, 2016	0.20	35.00	Fugitt	Follow-up with Receiver's office and staff regarding checks to be signed;
May 31, 2016	0.20	<u>35.00</u>	Fugitt	Correspondence regarding tax filings and with Receiver's office regarding checks to pickup;
		<u>\$ 651.25</u>	Current Amount Due	

Invoices are due and payable upon receipt.