

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF )  
SECURITIES, *ex. rel.* Irving L. Faught, )  
Administrator, )  
)  
Plaintiff, )  
)  
vs. )  
)  
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. )

Case No. CJ-2009-7957

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

DEC - 2 2009

PATRICIA PRESLEY, COURT CLERK  
by \_\_\_\_\_  
DEPUTY

**MOTION FOR DEFAULT JUDGMENT AGAINST DEFENDANTS**  
**STORYBOOK PROPERTIES, LLC, STORYBOOK INVESTMENTS WA, LLC,**  
**AND MATTHEW G. STORY**

Plaintiff moves this Court to enter judgment by default in its favor and against Defendants Storybook Properties, LLC, Storybook Investments WA, LLC, and Matthew G. Story (collectively, "Storybook Defendants") for the relief prayed for in the *First Amendment to Petition for Permanent Injunction and Other Equitable Relief* (Amended Petition). In support of this motion, Plaintiff states as follows:

1. On March 24, 2009, a *Petition for Permanent Injunction and Other Equitable Relief* (Petition) was filed against certain Defendants, not including the Storybook Defendants, in Case Number CJ-2009-2773.
2. On April 10, 2009, the Amended Petition was filed against the Storybook Defendants.

3. On April 17, 2009, an *Entry of Appearance* was filed by Robert G. McCampbell and Kristin L. Huffaker, of the firm of Crowe & Dunlevy, on behalf of the Storybook Defendants.

4. On April 21, 2009, this Court issued a *Temporary Restraining Order and Order for Accounting regarding Storybook Defendants* (Order).

5. On May 4, 2009, an *Entry of Appearance and Reservation of Time* was filed by Robert G. McCampbell and Kristin L. Huffaker, of the firm of Crowe & Dunlevy, on behalf of the Storybook Defendants, reserving time to file an answer until May 23, 3009.

6. On May 26, 2009, Robert G. McCampbell and Kristin L. Huffaker, of the firm of Crowe & Dunlevy, filed an *Answer of Storybook Defendants* on behalf of the Storybook Defendants.

7. On August 10, 2009, this Court issued an *Agreed Order on the Storybook Defendants' Motion to Sever* in which the Plaintiff's claims against the Storybook Defendants were severed into the present action.

8. On October 7, 2009, this Court issued an *Order Appointing Receiver* (Receivership Order) over the assets of the Storybook Defendants.

9. On October 15, 2009, an *Order Allowing Withdrawal of Robert G. McCampbell and Kristin L. Huffaker as Counsel for the Storybook Defendants* (Order Allowing Withdrawal) was entered by the Court. The Order Allowing Withdrawal designated the address for notice to the Storybook Defendants as:

Matthew G. Story  
27943 Seco Canyon Road, Suite 201  
Santa Clarita, CA 91350

10. The Order Allowing Withdrawal required Defendant Matthew G. Story to, within thirty (30) days from the date of the Order Allowing Withdrawal, (a) secure an entry of appearance by other counsel, or (b) enter an appearance to represent himself pro se, by filing an entry of appearance with the Court Clerk showing an address where all further papers in this case may be served upon him, and serve such entry of appearance on Counsel for all other parties. The Order Allowing Withdrawal provides that the failure of Defendant Matthew G. Story to enter an appearance pro se or by successor counsel within 30 days of the date of the Order Allowing Withdrawal may result in dismissal of the case without prejudice or a default judgment.

11. The Order Allowing Withdrawal required Defendants Storybook Properties, LLC and Storybook Investments WA, LLC, within thirty (30) days from the date of the Order Allowing Withdrawal, to secure an entry of appearance by other counsel. The Order Allowing Withdrawal provides that the failure of Defendants Storybook Properties, LLC and Storybook Investments WA, LLC to enter an appearance by successor counsel within 30 days of the date of the Order Allowing Withdrawal may result in dismissal of the case without prejudice or a default judgment.

12. Defendant Matthew G. Story has failed to secure an entry of appearance by other counsel or to enter an appearance pro se and his time for doing so has expired pursuant to 12 O.S §2005.2(C) and the Order Allowing Withdrawal.

13. Defendants Storybook Properties, LLC and Storybook Investments WA, LLC have failed to secure an entry of appearance by other counsel and their time for doing so has expired pursuant to 12 O.S §2005.2(C) and the Order Allowing Withdrawal.

14. On October 22, 2009, Stephen J. Moriarty, Court appointed Receiver in this case, mailed a *Notice to Take Deposition* to Defendant Matthew G. Story at the address referenced in paragraph 9 above. The Notice to Take Deposition required Defendant Matthew G. Story to appear at 9:00 a.m. on November 12, 2009. Defendant Matthew G. Story failed to appear at the deposition and has made no filing or otherwise communicated with Plaintiff in this case since the Order Allowing Withdrawal.

15. Defendants Storybook Properties, LLC and Storybook Investments WA, LLC have made no filing or otherwise communicated with Plaintiff in this case since the Order Allowing Withdrawal.

WHEREFORE, premises considered, Plaintiff prays for the Court to grant the following relief:

I.

That judgment by default be entered in its favor and that the Storybook Defendants be permanently enjoined from offering and/or selling securities in any capacity in and/or from this state; and

II.

That judgment by default be entered in its favor and against the Storybook Defendants for restitution to all investors who purchased Storybook Investment Notes, as defined in the Amended Petition, from the Storybook Defendants or who transferred money to the Storybook Defendants for the purpose of purchasing the Storybook Investment Notes, as defined in the Amended Petition, or otherwise making investments on their behalf, on a pro rata basis, and that the amount and allocation of restitution to investors, shall be determined by this Court at the conclusion of this case; and

III.

That pending determination of the amount of restitution to be paid by the Storybook Defendants, the assets of the Storybook Defendants continue to be subject to the Receivership Order.

Respectfully submitted,

Patricia A. Labarthe

Patricia A. Labarthe, OBA #10391  
Jennifer Shaw, OBA #20839  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

NOTICE OF HEARING

Please be advised that a hearing on the forgoing motion has been set before Judge Noma Gurich at 11 A.m. on the 11<sup>th</sup> day of January, 2009.  
10.

## CERTIFICATE OF MAILING

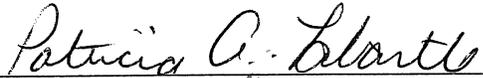
The undersigned certifies that on the 2nd day of December, 2009, a true and correct copy of the foregoing was mailed by first class mail, with postage prepaid thereon, addressed to:

Matthew G. Story  
27943 Seco Canyon Road, Suite 201  
Santa Clarita, CA 91350

Michael McBride  
204 North Robinson, Suite 2600  
Oklahoma City, OK 73102

James Farnham  
6308 N. Harvard Avenue  
Oklahoma City, OK 73122

Stephen J. Moriarty  
Fellers, Snider, Blankenship, Bailey and Tippens, PC  
100 N. Broadway, Ste. 1700  
Oklahoma City, OK 73102

  
\_\_\_\_\_  
Patricia A. Labarthe

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STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF )  
SECURITIES, *ex. rel.* Irving L. Faught, )  
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Case No. CJ-2009-7957

**DEFAULT JUDGMENT AGAINST DEFENDANTS STORYBOOK PROPERTIES, LLC,  
STORYBOOK INVESTMENTS WA, LLC, AND MATTHEW G. STORY**

This matter came on for hearing before this Court, on the motion of Plaintiff for default judgment against Defendants Storybook Properties, LLC, Storybook Investments WA, LLC, and Matthew G. Story (collectively, "Storybook Defendants").

The Court, having reviewed all pleadings and evidence, finds that the Storybook Defendants are in default for failure to secure an entry of appearance by counsel and their time for doing so has expired. The Court, being fully advised in the premises, and on consideration thereof, finds that the allegations of Plaintiff's *First Amendment to Petition for Permanent Injunction and Other Equitable Relief* (Amended Petition) are deemed true as therein set forth with respect to the Storybook Defendants, and that Plaintiff is entitled to the relief prayed for and, therefore:

IT IS HEREBY ORDERED that a permanent injunction be and is hereby entered, forever enjoining and restraining the Storybook Defendants from offering and/or selling securities in any capacity in and/or from this state.

IT IS FURTHER ORDERED that the Storybook Defendants pay restitution to all investors who purchased Storybook Investment Notes, as defined in the Amended Petition, from the Storybook Defendants or who transferred money to the Storybook Defendants for the purpose of purchasing the Storybook Investment Notes, as defined in the Amended Petition, or otherwise making investments on their behalf, on a pro rata basis, and that the amount and allocation of restitution to Investors, shall be determined by this Court at the conclusion of this case.

IT IS FURTHER ORDERED that pending determination of the amount of restitution to be paid by the Storybook Defendants, the assets of the Storybook Defendants continue to be subject to the *Order Appointing Receiver*.

IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for the purpose of enforcement of this Order.

IT IS SO ORDERED.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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DISTRICT COURT JUDGE