

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.

OCT 07 2009

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

**ORDER APPOINTING RECEIVER**

Plaintiff, Oklahoma Department of Securities *ex rel.* Irving L. Faught, Administrator, has requested the appointment of a receiver over the assets of Defendants Storybook Properties, LLC (Storybook Properties), Storybook Investments WA, LLC (Storybook WA), Matthew G. Story (Story) and/or their affiliates including, but not limited to, EZ-TO-BUY Homes, LP, an Oklahoma limited partnership, (collectively, "Storybook Defendants"), pursuant to the authority granted by Section 1-603 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

The entry of this Order is necessary to preserve the *status quo* and to protect the Department's rights in enforcing the Act.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Stephen J. Moriarty ("Receiver") be, and is hereby, appointed Receiver with respect to the Storybook Defendants. The Receiver is given directions and authority to accomplish the following:

1. to take immediate custody, possession and control of any and all assets located in the state of Oklahoma belonging to the Storybook Defendants to include monies; securities; and properties, real and personal, tangible and intangible, of whatever kind and description; and all other assets belonging to the Storybook Defendants, wherever located if paid for, in whole or in part, with Oklahoma investor funds, to include monies; securities; and properties, real and personal, tangible and intangible, of whatever kind and description (collectively, "Receivership Assets");

2. to take immediate custody, possession and control of any and all records or documents relating to the Receivership Assets including, but not limited to, deeds, mortgages, notes, bank statements, checkbooks, and invoices previously paid or currently owed;

3. to conserve, hold, operate and manage all Receivership Assets pending further action by this Court in order to prevent any irreparable loss, damage, or injury; and to conserve the funds entrusted to the Storybook Defendants and/or their agents; and to take the necessary steps to protect the Receivership Assets;

4. to receive and collect any and all sums of money due or owing to the Storybook Defendants, whether the same are due or shall hereinafter become due and payable, and to make such payments and disbursements as may be necessary and advisable for the preservation of the Receivership Assets and as may be necessary and advisable in discharging his duties as Receiver;

5. to retain and employ attorneys, accountants, computer consultants and other persons as may be advisable or necessary to the exercise of his duties as Receiver. The Receiver

may immediately retain or employ such persons, and compensate such persons, all subject to application to and approval by the Court;

6. ~~Defendants~~ to open and inspect any and all mail and/or deliveries addressed to the Storybook Properties, Storybook WA, and EZ-TO-BUY HOMES, LP to determine if same relate to the existence, location, identity and/or collection, preservation, maintenance or operation of the Receivership Assets, and to notify the United States Postal Service to effect the forward delivery of any mail addressed to the Storybook Properties, Storybook WA, and EZ-TO-BUY HOMES, LP Defendants to a mail depository under the control of the Receiver.

7. to retain or dismiss any Storybook Properties and/or Storybook WA employee as may be advisable or necessary;

8. to institute, prosecute and defend, compromise, adjust, intervene in or become 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, and preservation of the Receivership Assets, or the carrying out of the terms of this Order, and likewise to defend, compromise, adjust, or otherwise dispose of any and all actions or proceedings now pending in any court by or against the Storybook 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 Receivership Assets; and

9. to exercise those powers necessary to implement the orders and directives of this Court.

IT IS FURTHER ORDERED that all persons and entities, including the Storybook Defendants, their subsidiaries, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or financial institutions, who receive

Further, Matthew G. Story is directed to promptly deliver any mail he receives to the Receiver if such mail relates to Storybook Properties, Storybook WA, EZ-TO-BUY HOMES, LP or an Oklahoma investor.

~~excluding Matthew et. al's personal books and records unrelated to Storybook Properties, Storybook WA, or EZ-To-Buy Homes, LP, or any Oklahoma investor and also excluding books and records subject to a valid claim of privilege~~

actual notice of this Order, by personal service, facsimile transmission or otherwise, shall promptly deliver and surrender to the Receiver:

1. all Receivership Assets in the possession of or under the control of any one or more of them; and
2. all books and records of any kind pertaining and/or belonging to, and/or in possession of the Storybook Defendants, ↑

IT IS FURTHER ORDERED that the Receiver is hereby authorized, without breaching the peace, to enter and secure any premises, wherever located or situated, in order to take possession, custody or control of, or to identify the location or existence of, any Receivership Assets. The Receiver is hereby authorized to change any locks or other security mechanisms with respect to any premises that constitute the Receivership Assets.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that ~~all banks, financial institutions and all other parties~~ <sup>Bank of America,</sup> ~~holding funds or accounts of, or in the name of, the Storybook Defendants~~ <sup>Tulsa National Bank, and Frontier Bank in the state of Washington</sup> comply with a request of the Receiver to (a) immediately deliver all funds held for the benefit of Storybook Defendants to Receiver or (b) immediately remove and delete all parties having signature authority on such accounts and replace them with the Receiver.

IT IS FURTHER ORDERED that the Receiver may apply to the Court for compensation, 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 fees and expenses of the Receiver shall have priority over any other claims made against the Storybook Defendants. The Receiver shall not be required to post a bond. Plaintiff and the Storybook Defendants shall each have the authority to seek removal of the Receiver for cause and upon approval of this Court.

IT IS FURTHER ORDERED that all persons and entities, including the Storybook Defendants, their subsidiaries, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or financial institutions, wherever chartered or located, who receive actual notice of this Order, by personal service, facsimile transmission or otherwise, fully cooperate with and assist the Receiver and that they take no action, directly or indirectly, to hinder or obstruct the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession or control exercised by said Receiver.

IT IS FURTHER ORDERED that, except by leave of Court during the pendency of this receivership, all creditors and other persons seeking money, damages or other relief from the Storybook Defendants, and all others acting on behalf of any such creditor or other persons, including sheriffs, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees, are hereby stayed and restrained from doing any act or thing whatsoever to interfere with the Receiver or to the possession of or management by the Receiver of the Receivership Assets or in any way to interfere with said Receiver, or to interfere in any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over the Storybook Defendants. This Order shall not stay or restrain any pending or future action whatsoever by any government agency or any representative on behalf of any government.

IT IS FURTHER ORDERED that the Receiver may rely on applicable exclusions or exemptions from registration under the Act in connection with the offer, purchase and/or sale of securities in and/or from the state of Oklahoma to discharge his duties under this Order.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction over this matter and the Storybook Defendants for all purposes.

THIS ORDER IS ENTERED this 7 day of October, 2009, at 11:18 A.m.

Noma D. Gurich

THE HONORABLE NOMA D. GURICH  
Judge of the District Court

I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and correct copy of the instrument recorded on the public records of record in the District Court Clerk's Office of Oklahoma County, Okla. On 7<sup>th</sup> day of October, 2009.  
PATRICIA PRESLEY, Court Clerk  
By Kath Oddy Deputy