



IN THE DISTRICT COURT OF OKLAHOMA COUNTY FOR THE STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF SECURITIES, ex rel. MELANIE HALL, ADMINISTRATOR,

Plaintiff,

v.

PREMIER GLOBAL CORPORATION, et al.,

Defendants.

FILED IN DISTRICT COURT OKLAHOMA COUNTY

CJ-2021-4397

JUN - 2 2022

Judge Don Andrews

RICK WARREN COURT CLERK

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DEFENDANTS MOTION FOR EXTENSION OF PRODUCTION DEADLINE

Defendants Premier Global Corporation (“Premier Global”); Premier Factoring, LLC; Premier Factoring Group, LLC; PF-2, LLC; PF-3, LLC; PF-4, LLC; PF-5, LLC; PF-6, LLC; and PF-7, LLC (collectively “Premier”) move for a 30-day extension of the production deadline ordered by this Court in its April 14, 2022 Journal Entry. In support of this Motion, Defendants state:

1. After months of collaborating with Premier to receive records to explain how Premier’s business works, the ODS applied, on October 15, 2021, for an order requiring Premier to provide an unduly burdensome quantity of invoices and related supporting documents underlying Premier’s business (the “Invoices”).

2. On November 10, 2021, Premier responded in opposition. The ODS replied on January 24, 2022.

3. At a hearing held on March 22, 2022, the Court denied the ODS’s request for all invoices and supporting documentation, but granted the ODS’s request, after brokering a collaborative resolution among the parties, for 12 days’ worth of Invoices.

4. In the hearing, the Court set the deadline for production to be within 45 days. Based on the Journal Entry, the deadline was set for June 2, 2022.

5. Following the hearing and unanticipated at the time of the hearing, Premier has faced significant changes in circumstances, specifically, (1) the loss of its principal financial institution, and (2) significantly increased lender and customer relations concerns surrounding contacts by the Office of the Kansas Securities Commissioner (the “KSC”).

Loss of Premier’s Previous Banking Relationship

6. On March 28, 2022, as a result of receiving a subpoena to look into Premier’s accounts, Simmons Bank notified Premier that the bank was closing Premier’s accounts.

7. Premier had worked with Simmons Bank over the previous four years to establish a trusted relationship with the additional privileges that came with it. Premier’s relationship with Simmons Bank allowed it to have a streamlined mobile and electronic banking platform that enabled Premier to grow in volume and serve its customers quickly and efficiently.

8. As of March 31, 2022, Premier was no longer able to execute any transactions through Simmons Bank. As a result, Premier faced the following critical challenges with the transition away from Simmons Bank:

- a. The loss of \$2.5 million in daily ACH banking capability, requiring the use of manually created paper transactions.
- b. The elimination of mobile check scanners requiring deposits to be driven to multiple banks in person, despite a chiefly remote workforce.
- c. Delays in processing payments to customers and vendors due to the need to mail certain payments where in-person deposits are unavailable.
- d. Holds on random deposits for up to seven business days.
- e. Additional seven-day holds, randomly and without warning, due to use of third-party ACH services.

9. Throughout April and May, Premier’s lean staff have worked diligently to respond to the loss of its primary banking relationship and to institute new processes and protocols to make up for the streamlined privileges previously enjoyed with Simmons Bank. During the transition,

Premier has had to combat reduced efficiency in the absence of its previous banking platform with significantly increased manpower dedicated to manually achieve the same results for customers, vendors, and lenders.

Increased Customer and Lender Relations

10. Since the hearing, Premier has also fielded a spike in inquiries from lenders and customers as a result of the issuance of subpoenas for testimony and records by the Office of the Kansas Securities Commissioner—which Premier understands is, to some extent, sharing information and coordinating efforts with the ODS.

11. Upon information and belief, the KSC has been issuing dozens of subpoenas for testimony and records to Kansas lenders and loan contractors. Reports from those that the KSC contacted describe intimidation and being made to feel like they were in trouble for some reason. As a result, the same individuals at Premier that would be tasked with pulling together the requested records are instead fielding lender and customer inquiries about the government's contact, responding to concerns, and resolving redemption requests.

Logistics of Production

12. Considering these unforeseen challenges, Premier has not been able to meet the Court's initial deadline. To comply with the Court's Order, Premier needs dedicated time to locate stored files that predate its current recordkeeping system.

13. As part of the services it provides, Premier operates a third-party billing service that creates and processes hundred of thousands of receivables and documents annually. As was the practice when most of the requested Invoices were processed, the receivables, once closed out, were boxed up and taken to storage.

14. The requested production requires Premier to locate and deliver around 400 receivables that span 12 days across a two-year period and related supporting documents. Because each receivable is unique and gets approved, processed, paid, and closed out at different times, locating 400 of them requires physically searching through hundreds of boxes and likely millions

of sheets of paper. Further complicating the task is that once receivables are closed out, their supporting documents are stored separately (such as invoices with customer records, vendor payments with vendor records, pay applications with subcontractor records).

15. The time-consuming and tedious task might have achievable—or at least significant progress might have been accomplished—by the original deadline, but for these substantial hardships placed on Premier’s continued business operations because of the government’s investigation. Granting a 30-day extension will allow Premier to make meaningful strides toward full compliance with the Court’s Order.

RELIEF REQUESTED

Premier requests that this Court extend the production deadline for the invoices and related supporting documents identified in the April 14, 2022 *Journal Entry* by 30 days for the reasons stated above.

DATED: June 2, 2022

Respectfully submitted,

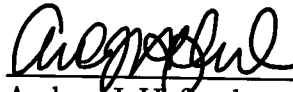


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COUNSEL FOR DEFENDANTS
PREMIER GLOBAL CORPORATION, et al.

CERTIFICATION OF CONFERENCE

I certify that on May 27, 2022, I conferred in good faith with opposing counsel to request an extension of Premier's production deadline. I also certify that on June 2, 2022 at 8:34AM, I attempted to confer with opposing counsel on the specific relief requested in this Motion but failed to connect by the time this Motion was sent for filing.



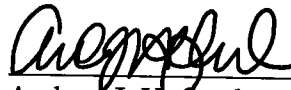
Andrew J. Holland

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the above and foregoing document was sent, via electronic mail, to the following counsel of record on this 2nd day of June 2022:

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