

IN THE DISTRICT COURT OF PITTSBURG COUNTY
STATE OF OKLAHOMA

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IN DISTRICT COURT
PITTSBURG COUNTY, OKLA

2008 MAY 16 P 12:31

GENE STIPE, an individual, and
RICK FALING, as trustee of
THE GENE STIPE TITLE COMPANY
TRUST,

Plaintiffs,

vs.

STEVEN R. PHIPPS, an
individual, PHIPPS ENTERPRISES,
INC., an Oklahoma corporation; and
CORPORATE FINANCING GROUP,
INC., a/k/a or d/b/a CORPORATE
FINANCE GROUP, INC., an
Oklahoma corporation,

Defendants.

Case No.: C-05-687

Judge James D. Bland

AMENDED ORDER APPROVING RECEIVER'S MOTION, AS
AMENDED, FOR AN ORDER (I) APPROVING BIDDING PROCEDURES
AND FOR THE SALE OF CERTAIN ASSETS AND STOCK; (II)
ESTABLISHING DATES REQUIRED IN BIDDING PROCEDURES; (III)
SCHEDULING A HEARING FOR APPROVAL OF THE SALE OF ASSETS
AND STOCK; AND (IV) APPROVING RECEIVER'S PLAN OF
DISSOLUTION AND DISTRIBUTION

Came on for consideration the Receiver's Motion, as amended, for the entry of an Order (i) approving bidding procedures and for the sale of substantially all of the assets of Latimer County Abstract Company ("Latimer") and Guaranty Abstract Company of Stigler, Inc. ("Stigler") and for Phipps Enterprises, Inc. ("PEI") common stock ownership in Meurer Abstract & Title Company ("Meurer"); (ii) establishing the dates required in the bidding procedures; (iii) scheduling a hearing for approval of the auction and sale of Latimer's and Stigler's assets and of the stock of Meurer;

and (iv) approving the Receiver's Plan of Dissolution and Distribution ("the Motion"). The Court has reviewed and considered the Motion, representations of counsel and the evidence before it and, after due deliberation, finds and concludes as follows:

1. On March 20, 2007, this Court entered its order selecting Receiver for Phipps Enterprises, Inc. ("PEI"), Idabel Abstract Company ("Idabel"), Pushmataha County Abstract Company "Pushmataha"), Southern Abstract & Title Company ("Southern"), Choctaw County Abstract Company ("Choctaw"), Latimer County Abstract Company ("Latimer"), and Stigler Abstract Company of Stigler, Inc. ("Stigler") (all collectively referred to as "Companies") in *Stipe et al. v. Phipps Enterprises, Inc., et al.*, Case No. C-2005-687.

2. On May 18, 2007, in the same case, this Court entered its Order Appointing Receiver and Approving Waiver of Receiver's Bond. Pursuant to the Order, the Receiver was given "full authority to manage and operate the business and affairs of the Companies." Further, Receiver was given the authority to "exercise possession, control and authority over all assets of the Companies." Receiver was further authorized to "appraise and determine a proposed plan to distribute and/or advertise and market for sale, any or all of the Companies or any of their assets.

3. On August 9, 2007, in *In Re: Phipps Enterprises, Inc. and Brenda Phipps*, Case No. C-2007-426, this Court ruled that Petitioner was entitled to dissolution of Phipps Enterprises, Inc. ("PEI") and that Kraettli Q. Epperson should

be appointed as Receiver to facilitate the dissolution process. At the same time, the Court requested that Receiver file a proposed plan of dissolution (the "Proposed Plan") on or before September 10, 2007.

4. Between August 9, 2007 and September 10, 2007, Receiver and his representatives met personally and participated in numerous telephone conferences with representatives of Brenda Phipps ("Phipps") and Gene Stipe ("Stipe"). Both sides were given ample opportunity to provide their thoughts, ideas and concepts for the plan to the Receiver.

5. The Receiver consulted with his accountants, BKD, L.L.P., regarding the appropriate valuation of PEI and its subsidiaries for purposes of determining a fair distribution of the assets and/or companies between PEI's shareholders, after providing for payment of all creditors of PEI and its subsidiaries. This valuation analysis was provided to counsel for Phipps and counsel for Stipe on August 28, 2007 and September 10, 2007, and provided to the Court, under seal, on September 11, 2007 (the "Valuation Analysis"). Both sides raised questions with the analysis that have been answered by Receiver, his attorneys and accountants. Access to Receiver's accountants was made available to both Stipe and Phipps for purposes of discussing the Valuation Analysis. The Valuation Analysis does not constitute a valuation performed in accordance with the Uniform Standards of Professional Appraisal Practice. Stipe and Phipps each employed their own professionals to counsel them on valuation issues. The Valuation Analysis was performed solely for

the benefit of Receiver in the formulation of this plan and cannot be used or relied upon by any of the parties, any third party or lending institution.

6. On September 10, 2007, Receiver distributed the Proposed Plan to Stipe and Phipps.

7. On September 11, 2007, this Court ruled that:

- a. on or before October 5, 2007, Receiver shall file the Motion;
- b. any objection to the Motion shall be filed on or before October 19, 2007; and
- c. a hearing will be held on October 30, 2007 at 1:00 p.m. before Judge Bland at which time the Motion and any objections thereto will be taken up by the Court. Notice thereof was good, sufficient and proper under the circumstances.

8. A sale of the Latimer Assets, the Stigler Assets, and of the Meurer Stock is in the best interests of the Companies, their creditors, shareholders and the receivership estate.

9. With an increase of the Equalization Payment from \$750,000.00 to \$800,000.00, the Plan of Dissolution and Distribution is fair and equitable to Stipe and Phipps.

10. Any person, firm, corporation or any entity wishing to operate an abstract plant in Oklahoma must do so in accordance with the Oklahoma Abstractors Law, Section 227.10 through 227.30 at Title 74 of the Oklahoma Statutes (please note that this includes the filing of appropriate bonds and

obtaining errors and omissions insurance policies) and the rules promulgated in the Oklahoma Administrative Code, Title 80, Chapter 10. Forms containing sufficient information as may be necessary to determine whether or not the person, firm, corporation or other entity is in compliance with the Oklahoma Abstractors Law will be required to be filed with the Office of the State Auditor and Inspector until January 1, 2008, at which time they will be filed with the new Oklahoma Abstractors Board.

IT IS THEREFORE ORDERED AS FOLLOWS:

A. Receiver is hereby authorized to sell: (a) substantially all the assets of Latimer associated with the abstract and title business conducted in Wilburton, Oklahoma (the "Latimer Assets"); (b) substantially all the assets of Stigler associated with the abstract and title business conducted in Stigler, Oklahoma (the "Stigler Assets"); and (c) 6,667 shares of the common stock of Meurer Abstract & Title Company owned by PEI representing two-thirds (2/3) of the outstanding common stock of Meurer (the "Meurer Stock").

B. The Receiver is hereby authorized to: (a) to solicit and receive written offers to purchase the Latimer Assets in the form set forth in Exhibit "B" to the Motion (the "Latimer Asset Purchase Agreement"); (b) to solicit and receive written offers to purchase the Stigler Assets in the form set forth in Exhibit "C" to the Motion (the "Stigler Asset Purchase Agreement"); (c) to solicit and receive written offers to purchase the Meurer Stock in the form set forth in Exhibit "D" to the Motion (the "Meurer Stock Purchase Agreement"); (d) schedule a public auction (the

"Auction") for the sale of the Latimer Assets, the Stigler Assets, and the Meurer Stock; and (e) decide, in his sole discretion, the form and manner of notice of the Auction and hearing on the proposed Sale.

C. The Receiver is hereby authorized to sell the Latimer Assets, the Stigler Assets, and the Meurer stock on the terms and conditions set forth herein, after competitive bidding at an auction to be conducted in accordance with the following Bidding Procedures:

i. Any person or entity wishing to participate in the Bidding Process (as defined below) must deliver to the Receiver: (a) an executed confidentiality agreement in the form of Exhibit "E" to the Motion and (b) a statement demonstrating to the Receiver's satisfaction a *bona fide* interest in acquiring the Latimer Assets, the Stigler Assets, and/or the Meurer Stock. Upon delivering these materials, the interested party will be considered a "Potential Bidder."

ii. After a Potential Bidder delivers all of the materials required by the preceding paragraph, the Receiver will deliver to the Potential Bidder: (a) a due diligence package on CD-Rom containing information and financial data with respect to the Latimer Assets, the Stigler Assets, and/or the Meurer Stock sought to be acquired (the "Due Diligence Package"); and (b) a copy of the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement.

iii. For a period commencing on the date the Receiver receives the executed confidentiality agreement from the Potential Bidders and ending on the Bid Deadline (as defined below), the Receiver will provide any Potential Bidder such due diligence access or additional information as may be reasonably requested and that the Receiver determines, in its sole business judgment, to be reasonable and appropriate. The Receiver will designate an employee or other representative to coordinate all reasonable requests from such Potential Bidders for additional information and due diligence access. Unless otherwise determined by the Receiver in his sole discretion, the availability of additional due diligence to a Potential Bidder will cease (a) if the Potential Bidder does not become a Qualified Bidder (as such term is defined below), (b) from and after the Bid Deadline (as such term is defined below), or (c) if the Bidding Process is terminated in accordance with its terms. Except as provided above with respect to the Due Diligence Package and the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement provided to Potential Bidders, neither the Receiver nor his representatives will be obligated to furnish any information of any kind whatsoever relating to the Latimer Assets, the Stigler Assets, and/or the Meurer Stock to any party.

iv. Not later than 5:00 p.m., Central Time, on the 18th day of January, 2008, (the "Bid Deadline"), a Potential Bidder that desires to make a bid shall deliver written copies of its bid to both: (a) Kraettli Q. Epperson, 4334 N.W.

Expressway, Ste. 174, Oklahoma City, OK 73116; and (b) Stephen 1. Moriarty, 100 North Broadway, Suite 3300, Oklahoma City, Oklahoma 73102.

v. Potential Bidders may bid on the Latimer Assets, the Stigler Assets, and/or the Meurer Stock described in the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement.

vi. To qualify, a bid must be in writing and state that: (1) The Potential Bidder offers to purchase the Latimer Assets, the Stigler Assets, and/or the Meurer Stock upon the terms and conditions set forth in the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement enclosed therewith, marked to show any proposed amendments and modifications thereto (the "Marked Agreement"); (2) The Potential Bidder's cash offer is not subject to any due diligence or financing contingency, except as set forth herein, and is irrevocable until the earlier of: (A) the closing of the sale of the Latimer Assets, the Stigler Assets, and/or the Meurer Stock, whether or not to such Potential Bidder; or (B) the withdrawal of the Latimer Assets, the Stigler Assets, and/or the Meurer Stock from the sale process; and (3) The Potential Bidder is ready and willing to close on its proposed purchase of the Latimer Assets, the Stigler Assets, and/or the Meurer Stock as provided in the Marked Agreement.

vii. A Potential Bidder shall accompany its bid with (a) written evidence of available cash, or a firm commitment from its financial institution for financing, and/or such other evidence of ability to consummate the transaction as

the Receiver may reasonably request; (b) a copy of a corporate resolution (or a comparable resolution if submitted by a limited liability company) authorizing the Potential Bidder to make a binding and irrevocable bid on the terms proposed, or if the offer is submitted by a partnership, affidavits signed by all general partners of the partnership stating that the Potential Bidder is authorized to make a binding and irrevocable bid; (c) any pertinent factual information regarding the Potential Bidder's operations that would assist the Receiver in its analysis of the bid; (d) the Potential Bidder's valuation of its bid (the "Bid Valuation"); and (e) any pertinent factual information regarding the Potential Bidder's intended operation of Latimer and/or Stigler necessary to evaluate the Receiver's potential WARN Act exposure, if any. The Bid Valuation shall not be binding on the Receiver or any other party in interest.

viii. By the Bid Deadline, a Potential Bidder must deposit with counsel for Receiver (the "Escrow Agent") a good faith deposit (the "Good Faith Deposit") of \$75,000.00. The Good Faith Deposit must be made by certified check or wire transfer.

ix. A bid received from a Potential Bidder that meets the requirements set forth above shall be considered a "Qualified Bid" and such Potential Bidder shall be a "Qualified Bidder." A Qualified Bid will be evaluated based upon factors such as: (a) the purported amount of the Qualified Bid; (b) the fair value to be provided to the Receiver under the Qualified Bid; (c) the ability to

close the proposed sale transaction without delay; and (d) any other factors that the Receiver may deem relevant.

x. Notwithstanding the foregoing, the Receiver may disqualify any bid if the bid: (1) is conditional or is on terms that are materially different from the terms of the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement; (2) proposes to purchase items other than the Latimer Assets, the Stigler Assets, and/or the Meurer Stock; (3) is not received by the Bid Deadline; (4) includes a non-cash instrument or similar consideration; or (5) is subject to any due diligence or financing condition. Any bid rejected pursuant to this paragraph shall not be deemed to be a Qualified Bid.

xi. The Receiver will, in his sole discretion: (1) determine whether any Potential Bidder satisfies the requirements specified above for obtaining the Due Diligence Package and the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer Stock Purchase Agreement; (2) coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding the Latimer Assets, the Stigler Assets, and/or the Meurer Stock; (3) determine whether any Potential Bidder is a Qualified Bidder; (4) evaluate bids from Qualified Bidders and determine whether any such bid is a Qualified Bid; (5) negotiate any bid made to purchase the Latimer Assets, the Stigler Assets, and/or the Meurer Stock, and negotiate any related transaction issues; (6) perform the actions set forth herein pertaining to the Auction and Sale

Hearing; and (7) make such other determinations as are provided in the Asset Sale Procedures. All of the foregoing activities and other actions relating to the Receiver's efforts to sell the purchased Assets under the Asset Sale Procedures are referred to collectively as the "Bidding Process."

xii. Unless otherwise ordered by the Court for cause shown, only a Qualified Bidder that has submitted a Qualified Bid shall be eligible to participate at the Auction. At least two (2) business days prior to the Auction, the Receiver will determine, based on the nature of the Qualified Bids received and in its sole discretion, whether to (1) conduct an Auction of the Latimer Assets, the Stigler Assets, and/or the Meurer Stock, or (2) exercise its right to designate a Prevailing Bid in accordance with paragraph 10(n), below. If an Auction is to be conducted, the Receiver will select, in its sole discretion, the highest or best bid (the "Baseline Bid") to serve as the starting point for the Auction.

xiii. At least two (2) business days prior to the Auction, the Receiver will provide all Qualified Bidders with a copy of the Qualified Bid constituting the Baseline Bid. At least one (1) business day prior to the Auction, each Qualified Bidder that has submitted a Qualified Bid must inform the Receiver whether it intends to participate in the Auction.

xiii. If the Receiver receives only one Qualified Bid with respect to the Assets, the Receiver shall designate the sole Qualified Bid to be the Prevailing Bid with respect to the Latimer Assets, the Stigler Assets, and/or the Meurer Stock for the purposes of the Asset Sale Procedures.

xiv. The Auction, if any, will be conducted at 10:00 a.m., Central Time, on January 29, 2008, at the offices of Andrews Davis, 100 N. Broadway Avenue, Suite 3300, Oklahoma City, Oklahoma, or at such other place as the Receiver shall have previously provided no less than two (2) business days notice to all Qualified Bidders that have submitted Qualified Bids and that expressed an intent to participate in the Auction.

xv. At the Auction, participants will be permitted to bid based only upon the terms of the Baseline Bid (except to the extent otherwise authorized by the Receiver). Any initial overbid shall be equal to the Baseline Bid, plus a minimum overbid of \$10,000.00. Subsequent to the initial overbid, bidding will continue in increments of no less than \$1,000.00 in cash.

xvi. At the Auction, all bids will be made and received in one room, on an open basis, and all other bidders will be entitled to be present for all bidding with the understanding that the true identity of each bidder will be fully disclosed to all other bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire auction. A record of the auction will be made by a certified court reporter. Each Qualified Bidder will be permitted a reasonable but limited amount of time, as determined by the Receiver, to respond to the previous bid at the Auction. The Receiver may adopt such other rules for the bidding process at the Auction that it deems necessary.

xvii. Immediately prior to the conclusion of any Auction, the Receiver, in consultation with its legal advisors will: (1) review each bid made at the Auction

on the basis of financial and contractual terms and such factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; (2) in Receiver's sole discretion, identify the highest or best bid for the Latimer Assets, the Stigler Assets, and/or the Meurer Stock at the Auction (the "Prevailing Bid"); and (3) notify all Qualified Bidders participating in the Auction, prior to its adjournment, of the name or names of the maker(s) of the Prevailing Bid for the Latimer Assets, the Stigler Assets, and/or the Meurer Stock as the "Prevailing Bidder", and the amount and other material terms of the Prevailing Bid.

xviii. The Receiver may also designate one or more bids to be a backup bid in the event the Prevailing Bidder does not close (each a "Backup Bid"). The Receiver will present the Prevailing Bid and any Backup Bid to the Court for approval at the Sale Hearing.

xix. Notwithstanding any other provision in these Bidding Procedures to the contrary, the Receiver may: (1) determine, in its business judgment, which bid constitutes the highest or best offer for the Latimer Assets, the Stigler Assets, and/or the Meurer Stock; and (2) disqualify, at any time before entry of an order of the Court approving any bid as the Prevailing Bid, any bid that the Receiver determines, in its sole discretion is (A) inadequate or insufficient; (B) not in conformity with the requirements of the applicable law, the Asset Sale Procedures, or the terms and conditions of sale set forth in the Latimer Asset Purchase Agreement, the Stigler Asset Purchase Agreement and/or the Meurer

Stock Purchase Agreement; or (C) contrary to the best interests of the Receiver, its estate, its creditors, or its shareholders.

xx. Receiver shall present the Prevailing Bid and any Backup Bid to the Court for approval at the Sale Hearing. Receiver's counsel shall release from trust any Good Faith Deposit made by any Potential Bidder which is not selected as a Prevailing Bid or Backup Bid within three (3) business days after the conclusion of the Auction.

xxi. The Receiver will be deemed to have accepted a Qualified Bid only when such Qualified Bid has been approved by the Court at the Sale Hearing.

xxii. Following approval of the Prevailing Bid at the Sale Hearing, if the Prevailing Bidder fails to consummate the approved transaction pursuant to the terms of the Prevailing Bid for any reason, other than a default by the Receiver, the next highest or otherwise best Qualifying Bid (the "Backup Bid"), as determined by the Receiver in the exercise of its business judgment and without further order of the Court, shall be designated by the Receiver as the new Prevailing Bid, and the related Qualifying Bidder (the "Backup Bidder") shall become, upon such designation, the new Prevailing Bidder. The Receiver shall thereupon be authorized, but not required, without further order of the Court, to consummate the transaction contemplated by the new Prevailing Bid with the new Prevailing Bidder. In the event that a Prevailing Bidder fails to consummate the approved transaction because of a material breach or failure to perform on the part of such Prevailing Bidder, the defaulting Prevailing Bidder's Good Faith Deposit shall be

forfeited to the Receiver and its estate, and the Receiver and its estate specifically reserve the right to seek all available damages from the defaulting Prevailing Bidder.

xxiii. The Receiver is hereby authorized to modify or impose, at or prior to the Auction, additional customary terms and conditions regarding the sale of the Latimer Assets, the Stigler Assets, and/or the Meurer Stock.

xxiv. The Court hereby establishes dates for the following events set forth in the Bidding Procedures:

Written Bid Deadline:	JANUARY 18, 2008
Notification of Baseline Bid:	JANUARY 25, 2008
Auction:	10:00 a.m. on JANUARY 29, 2008
Sale Hearing:	JANUARY 31, 2008 at 9:00 a.m.

xxv. The designation of any Bidder as a Qualified Bidder, or the approval of a Qualified Bid by this Court should not be construed as a statement by the Receiver that the Qualified Bidder is entitled to operate an abstract plant. Exclusive authority to determine who may operate an abstract plant rests solely with the Office of The State Auditor and inspector or with the Oklahoma Abstractors Board. Any bidder expressly assumes the risk as to whether they may operate an abstract plant.

PLAN OF DISSOLUTION AND DISTRIBUTION

D. The Court hereby approves the following Plan of Dissolution and Distribution:

i. Within thirty (30) days of the entry of an order granting the relief sought herein (the "Order"), Receiver shall give the notice to creditors required by 18 O.S. §1100.1.

ii. Except as to the Escrow account, prior to any distribution to Stipe or Phipps, Receiver shall fully comply with the provisions of 18 O.S. §1100.2.

iii. On or before the Closing Date (to be established by further Order of this Court), Phipps shall make cash contribution:

(1) to PEI, for the benefit of Stipe, in the amount of \$800,000.00, subject to the adjustments described herein (the "Equalization Payment"); and

(2) to PEI, for the benefit of PEI and its subsidiaries, an amount equal to 1/2 of the outstanding creditor claims against PEI and its subsidiaries including, but not limited to (a) 1/2 of the unpaid tax liabilities of PEI and its subsidiaries calculated through the Closing Date (except any tax due by virtue of the sales of the Latimer Assets, the Stigler Assets and the Meurer Stock), and (b) 1/2 of any unpaid receivership expenses or other creditor claims.

iv. At any time before the Closing Date, Stipe and Phipps shall have reasonable access to the business records of the companies for purposes of inspection and copying, at their expense, those business records.

E. At the later of the Closing Date or the date on which all creditor claims against PEI are paid, the Court hereby orders and the Receiver is authorized to

execute and deliver all documents reasonably necessary so that the shareholders of PEI shall receive a final distribution as follows:

To Stipe:

- (1) cash proceeds from the sale of Stigler Assets, Latimer Assets, and Meurer Stock;
- (2) the Equalization Payment;
- (3) one half (1/2) of cash on hand for PEI and its subsidiaries, as of the Closing Date, less payment of creditor claims;
- (4) one half (1/2) the outstanding balance of the obligation of Choctaw County Abstract Company to PEI, computed as of the Closing Date;
- (5) LESS-
 - i. any tax liability due and owing on the sale of the assets of Stigler and Latimer and the stock in Meurer;
 - ii. one half (1/2) of any outstanding tax liability of PEI and its subsidiaries calculated through the Closing Date; and
 - iii. one half (1/2) of any outstanding and unpaid receivership expenses or other creditor claims.

To Phipps:

- (1) Phipps shall ultimately receive the beneficial ownership of Idabel by virtue of the following actions, which are intended to constitute a 'plan of reorganization' within the meaning of Internal Revenue Code §368(a)(3)(B)(ii):

- (a) PEI shall form a new Oklahoma corporation, Idabel Acquisition Co. (“Idabel Acquisition”), and shall contribute 100% of the outstanding capital stock of Idabel to Idabel Acquisition, in exchange for 100% of the stock of Idabel Acquisition;
- (b) Following PEI’s distribution of all cash amounts distributable to Stipe under all other provisions of this Order, PEI shall distribute 100% of the stock of Idabel Acquisition to Phipps;
- (c) After the actions summarized in subparagraphs (a) and (b) immediately above have been taken, PEI shall have no remaining assets other than: (i) any reasonable cash reserve required to fund the payment of Court-approved accrued but unpaid expenses (such as Receiver’s fees) of winding up PEI; and (ii) contingent assets having no liquidated or proven value.
- (d) Immediately following completion of the actions described in subparagraphs (a) through (c) above, the Receiver, Phipps, Stipe and their respective counsel shall take all actions required to cause PEI to be converted into an Oklahoma limited liability company pursuant to, and in accordance with 18 O.S. §1090.5.

(e) The plan of reorganization represented by subparagraphs (a) through (d) above shall, when approved by counsel for each of the Receiver, Phipps and Stipe, be deemed to have thereby been approved by all of the directors and shareholders of each of PEI, Idabel and Idabel Acquisition.

F. PEI may have recoverable claims against National Pet Products, Indian Nations Water and other entities. It is difficult to ascertain the validity and value of these claims. In order to provide a mechanism by which Stipe and/or Phipps may pursue these claims, on the Closing Date; these claims shall be assigned equally to Stipe and Phipps. Receiver for PEI has adopted the Motion for Return of Funds Transferred in Violation of the Court's Standstill Order filed by PEI on December 19, 2006 (the "Meurer Claim"). To the extent the Meurer Claim is not resolved by the Closing Date, it will be assigned, equally, to Stipe and Phipps. The Plan shall not affect or limit any right of Stipe or Phipps to institute or maintain any derivative action against any third party.

G. If Phipps fails to make the payments required by par. D(iii) on the Closing Date and the Closing Date is not extended by (a) agreement of the parties or (b) order of the Court, Receiver will move toward a public sale of all assets of Phipps Enterprises, Inc., Idabel Abstract Company, Pushmataha County Abstract Company, Southern Abstract & Title Company, and Choctaw County Abstract Company, pursuant to Court approved procedures. If all company assets are sold,

distribution to Stipe and Phipps will occur only upon Court order after payment of all creditors.

H. After Closing, Idabel Abstract Company will retain its ownership of Pushmataha County Abstract Company, Southern Abstract & Title Company, and Choctaw County Abstract Company.

I. On or before the Closing Date, Stipe shall receive the proceeds of the Escrow Account maintained for his benefit by PEI.

J. With respect to the sale of the assets of Latimer and Stigler and the sale of stock of Meurer, to the extent the gross sales proceeds exceed the Valuation Analysis, Stipe and Phipps shall share 50/50 in the excess. To the extent the gross sales proceeds realized from the sale of the assets of Latimer and Stigler and the stock of Meurer are less than that stated in the Valuation Analysis, the Equalization Payment shall be increased by $\frac{1}{2}$ of the amount of such shortfall. Prior to entry of this Order, Receiver has, in writing, advised the Court (under seal), Stipe and Phipps of the relative value of Latimer, Stigler and Meurer (to be sold for the benefit of Stipe) versus Southern, Choctaw and Pushmataha (to be transferred to Phipps). These values are supported by the Valuation Analysis and are adopted by the Court as part of its findings herein. This finding of the value of Latimer, Stigler and Meurer establishes the amount to be used to determine whether the Equalization Payment should be increased or decreased pursuant to this paragraph.

K. The parties agree to maintain and not destroy business records of the Companies that they may have in their possession for a period of three (3) years.

The parties further agree to make non-privileged records available to the other party on reasonable advance notice. The parties further agree that the Ryan Whaley & Coldiron billing records in the possession of the Receiver's counsel, Stephen J. Moriarty, will be sealed by the Receiver and delivered to the District Court of Pittsburg County to be placed in the above-styled Court file under seal. The Ryan Whaley & Coldiron billing records will not be opened, destroyed, or delivered to any person without further order of the Court.

L. This Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

M. Receiver is authorized and empowered to take or perform such actions as may be necessary to effectuate the terms of this Order.

N. This Order is entered without prejudice to the rights of Stipe, Phipps or Receiver to request an Order amending the dates set forth in this Order.

O. The parties stipulate and agree that the actions taken pursuant to this Order, as described in paragraph E.(1), will cause PEI LLC, to be formed pursuant to paragraph (E)(1)(d) on page 18 of this Order, to be the successor in interest to PEI for purposes of the attorney-client privilege and for purposes of any derivative claims that may be brought by shareholders on behalf of PEI.

P. The parties further agree that, at the closing of the transactions contemplated by this Order, the parties will place in escrow sufficient funds to pay any judgment or settlement of a lawsuit styled *Price v. Metcalf and Latimer County Abstract Company*, Case No. CJ08-22 (Pittsburg County). The escrowed funds will

be deposited into the trust account of Fellers, Snider, Blankenship, Bailey & Tippens, P.C. The parties further agree that Phipps's counsel will defend Latimer County Abstract Company, the costs of which will be split between Stipe and Phipps.

Q. From and after the closing date, the Receiver shall have no obligation or responsibility for the preparation and filing of any Federal or State tax return for any of the Companies.

SO ORDERED this 16 day of May, 2008.

ORIGINAL SIGNED BY
JAMES D. BLAND

DISTRICT JUDGE

APPROVED AS TO FORM:

Stephen J. Moriarty (OBA #6410)
ANDREWS DAVIS
100 North Broadway, Suite 3300
Oklahoma City, OK 73102
Phone: 405-272-9241
Fax: 405-235-8786

ATTORNEYS FOR RECEIVER



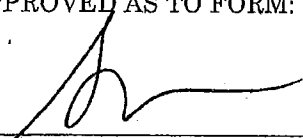
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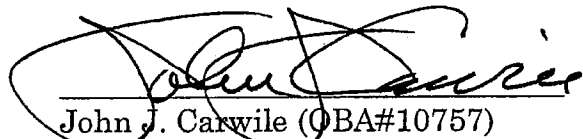
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