

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

