

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA

In Re: )  
 ) Case No. 10-12185-R  
RC SOONER HOLDINGS, LLC, et al.,<sup>1</sup> )  
 ) Chapter 11  
Debtors. )  
 ) (Jointly Administered)

**FANNIE MAE'S REPORT ON STATUS OF PRODUCTION**

COMES NOW Fannie Mae, and pursuant to the Court's Order entered August 19, 2010 (Doc. No. 102), directing Fannie Mae to file a report on or before August 30, 2010, advising the Court of the status of production of documents requested by Fannie Mae pursuant to Fannie Mae's Motion To Compel Debtor's Compliance With The Stipulation And Consent Order Granting Motion Of Fannie Mae For Relief From the Automatic Stay Pursuant To 11 U.S.C. § 362(d) And Rule 4001 Of The Federal Rules Of Bankruptcy Procedure ("Motion to Compel") submits the following:

1. On August 20, 2010, counsel for Fannie Mae sent counsel for Debtors, via e-mail, a letter listing the documents requested as read into the record near the conclusion of the hearing

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<sup>1</sup>The Debtors and the last four digits of their taxpayer identification numbers are: RC Sooner Holdings, LLC (7904); RC Brixton Square Owner, LLC (8002); RC Cedar Crest Owner, LLC (7914); RC Fulton Plaza Owner, LLC (8011); RC Magnolia Owner, LLC (7998); RC Pomeroy Park Owner, LLC (7939); RC Salida Owner, LLC (7947); RC Savannah South Owner, LLC (7983); RC Southern Hills Owner, LLC (7958); Brixton Square Apartments, LLC (1844); CC Apartments, LLC (1798); Fulton Plaza Apartments, LLC (4344); Magnolia Manor Apartments, LLC (4486); Pomeroy Park Apartments, LLC (1649); Salida Apartments, LLC (1915); Savannah South Apartments, LLC (8586); and Southern Hills Villa Apartments, LLC (1721). The business address for each of the Debtors where notices should be sent is 1515 Broadway, 11th Floor, New York, New York 10036-8901.

on the Motion to Compel, held August 19, 2010. A copy of the August 20, 2010, letter is attached hereto as Exhibit "A".

2. On August 27, 2010, a conference telephone call was held among Sean J. Bellew and Christopher S. Chow, counsel for Debtors, Dan Gordon, manager of the Debtors, and the undersigned counsel for Fannie Mae to discuss production of documents. (The call was initiated at the request of Debtors' counsel made on August 26, 2010). Following the telephone conference, correspondence was exchanged between counsel summarizing the conference call. Said correspondence is attached hereto as Exhibits "B" and "C". Subsequently, on August 30, 2010, counsel for Fannie Mae sent counsel for Debtors a letter (Exhibit "D" hereto) clarifying one issue regarding one of the matters covered by Exhibits "B" and "C".

3. On August 30, 2010, counsel for Debtors contacted the undersigned counsel for Fannie Mae regarding production of redacted bank statements by RC Realty Management, Inc. ("Realty") requesting a stipulation that by providing such items Realty is not consenting to the jurisdiction of the Oklahoma Bankruptcy Court or otherwise waiving its rights to object to any further production. A Fannie Mae officer has been contacted regarding such a stipulation.

4. A Federal Express shipment from Realty to counsel for Fannie Mae is scheduled to be sent on August 30, 2010. Federal Express has provided tracking information for the shipment to counsel for Fannie Mae, presumably at the request of the Debtors or Realty. Fannie Mae is advised that the shipment consists of a CD containing scanned YARDI documents.

5. Attached hereto as Exhibit "E" is the Affidavit of Jim Parrack, describing communications and documents he has received from the Debtors subsequent to the August 19, 2010, hearing on the Motion to Compel.

6. As of the date and time of filing of this report, Fannie Mae and/or the Receiver have received the following from the Debtors:

A. The Cash Flow Report attached to Exhibit "C" hereto.

DOERNER, SAUNDERS, DANIEL &  
ANDERSON, L.L.P.

By: /s/ Sam G. Bratton II  
Sam G. Bratton II, OBA No. 1086  
Lewis N. Carter, OBA No. 1524  
320 South Boston Avenue, Suite 500  
Tulsa, Oklahoma 74103-3725  
Telephone: (918) 591-5215  
Facsimile: (918) 925-5215  
sbratton@dsda.com  
lcarter@dsda.com  
Counsel for Fannie Mae

**CERTIFICATE OF SERVICE**

I hereby certify that on the 30<sup>th</sup> day of August, 2010, I electronically transmitted the foregoing document to the Clerk of Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the ECF registrants in this case.

/s/ Sam G. Bratton II  
Sam G. Bratton II

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**DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.**

**ATTORNEYS AT LAW**

**SAM G. BRATTON II**

**WRITER'S DIRECT:**  
sbratton@dada.com

**E. J. DOERNER (1897-1980)**  
**DICKSON M. SAUNDERS (1920-2001)**

August 20, 2010

**via email: chowc@ballardspahr.com**

Christopher S. Chow  
Ballard Spahr, LLP  
919 N. Market Street, 12<sup>th</sup> Floor  
Wilmington, DE 19801

Re: RC Sooner Holdings, LLC, et al., Case No. 10-12185-R  
In the United States Bankruptcy Court for the Northern District of Oklahoma

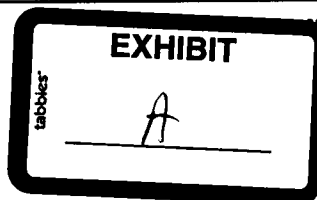
Dear Chris:

Following is the list of items Fannie Mae requests be produced which I read into the record at the conclusion of the hearing yesterday:

1. The full YARDI database.
2. Bank records for all accounts into which Debtor revenues were deposited or transferred including:
  - A. Bank statements
  - B. Cancelled checks/debit memos
  - C. Deposit slips/credit memos
  - D. Check register
3. Deposit slips with attached checks, money orders and cash receipts.
4. Back up for Debtor expenditures (invoices, etc.)
5. Records showing tenant security deposits indicating tenant name, address, amount, depository bank and account number. This request covers at least tenant deposits received during the time the Debtors were in possession of the properties, and also includes all other tenant deposits if such information is known or knowable by the Debtors or any of the Debtors' affiliates.

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320 SOUTH BOSTON AVENUE, SUITE 500  
TULSA, OKLAHOMA 74103-3725  
TELEPHONE (918) 582-1211  
FACSIMILE (918) 591-5360



901 ROBERT S. KERR AVENUE, SUITE 700  
OKLAHOMA CITY, OKLAHOMA 73102-4203  
TELEPHONE (405) 319-3500  
FACSIMILE (405) 319-3509

August 19, 2010  
Page 2

6. Accounting for the \$41,508.58 turned over to the Receiver, broken down by Debtor.

We appreciate your offer to use best efforts to provide this information without a Court Order within ten days of yesterday, August 19, 2010. I believe the Court directed me to file a Compliance Report within ten days so hopefully we can have the production done in advance of that time so that the report can be timely and complete. Thank you.

Sincerely,

/s/Sam G. Bratton II

Sam G. Bratton II of  
DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.

SGB/vr

cc: David H. Herrold – dherrold@sneedlangherrold.com  
Lewis N. Carter  
Gary Moore – gary\_moore@fanniema.com  
Jim Parrack – jparrack@priceedwards.com

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**DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.**

ATTORNEYS AT LAW

SAM G. BRATTON II

WRITER'S DIRECT:  
sbratton@dsda.com

E. J. DOERNER (1997-1980)  
DICKSON M. SAUNDERS (1920-2004)

August 27, 2010



**VIA E-MAIL: bellews@ballardsparr.com**

Sean J. Bellew, Esq.  
Ballard Spahr LLP  
919 North Market Street, 12<sup>th</sup> Floor  
Wilmington, DE 19801

Re: *RC Sooner Holdings, LLC, et al.*, Case No. 10-12185-R  
In the United States Bankruptcy Court for the Northern District of Oklahoma

Dear Sean:

Confirming our telephone conversation of this morning. Paragraph numbers relate to the numbered paragraphs in my August 20, 2010, letter:

1. Debtors will furnish printouts of YARDI reports. I requested the full database in electronic form. Debtors do not know whether there is a technical reason that the electronic data cannot be delivered, but Debtors will check on it. Debtors advised that whatever YARDI data is furnished, it will be accompanied by some form of disclaimer.
2. Debtors stated that they have no ability to produce any bank records because other non-debtor persons have control of the records and such persons have not made the records available to the Debtors. Debtors will approach the non-debtor persons to see what can be produced. We discussed redaction as a possible method to alleviate privacy concerns with no commitments as to redaction one way or the other.
3. Debtors stated that they do not have any of the deposit slips with attached checks, etc. Debtors will attempt to ascertain what became of those records.
4. Debtors stated that all backup for Debtor expenditures was turned over to the Receiver.
5. Debtors stated that there were no security deposits received during the DIP time and that any receipts from new tenants during the DIP time in addition to basic rent, was in the form of application fees, processing fees, etc., and that all such additional receipts were booked as revenue. Debtors stated that they never

EXHIBIT

tabbles  
6

August 27, 2010

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received the pre-Petition security deposits from the Remys and that they do not have possession, control or knowledge of the pre-Petition security deposits.

6. Debtors will produce an accounting for the \$41,508.58.

Please let me know if the foregoing summary is inaccurate in any respect.

Sincerely,

*/s/ Sam G. Bratton*

Sam G. Bratton II of  
DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.

SGB:emw

cc: David H. Herrold – dherrold@sneedlangherrold.com  
Lewis N. Carter  
Gary Moore – gary\_moore@fanniema.com  
Jim Parrack – jparrack@priceedwards.com

1853679v1

# Ballard Spahr LLP

1735 Market Street, 51st Floor  
Philadelphia, PA 19103-7599  
TEL 215.665.8500  
FAX 215.864.8999  
www.ballardspahr.com

August 27, 2010

*Via email*

Sam G. Bratton II  
Doerner, Saunders, Daniel & Anderson, L.L.P.  
320 South Boston Avenue, Suite 500  
Tulsa, Oklahoma 74103-3725

Re: RC Sooner Holdings, et al., Case No. 10-12185-R

Dear Sam:

I write with respect to our telephonic conference this morning regarding the document requests addressed to the above-captioned debtors (the "Debtors") by Fannie Mae as set forth in your letter to me dated August 20, 2010. This will confirm our discussions concerning the following requests:

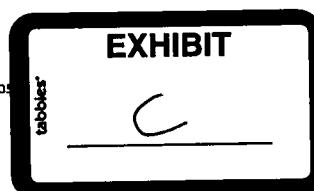
1. YARDI database- The Debtors have agreed to provide to Fannie Mae printouts or screen captures of the entirety of the YARDI database records, subject to the following disclaimer, which Fannie Mae acknowledges. The YARDI database does not constitute the books and records of the Debtors, and the Debtors did not use YARDI for the purpose of creating books and records or for any similar purpose. The YARDI database was experimental in nature and the data contained in the YARDI database was never reconciled by the Debtors. Accordingly, the Debtors do not make any representation or warranty as to the integrity, accuracy or completeness of the data set forth therein.

2. RC Realty bank records- The Debtors are not in possession of any of the bank records of RC Realty Management, Inc. ("RC Realty") and RC Realty has not authorized their release. The Debtors have agreed to request that RC Realty provide the bank records requested by Fannie Mae in redacted form.

3. Deposit slips- The Debtors are not in the possession of any deposit slips or attached checks, money orders or cash receipts. Furthermore, RC Realty has informed the Debtors that RC Realty has no deposit slips or attached checks, money orders or cash receipts in its possession. The Debtors are not aware of the existence of any document retention policy that was in place during their period of ownership that would have required the retention of such documents after deposit.

4. Back up for Debtor expenditures (invoices, etc.)- The Debtors believe that they have already turned over to Fannie Mae all back up documentation in their possession with respect to this category. Furthermore, with respect to this category RC Realty has informed the Debtors that RC

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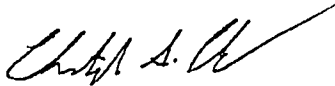
Realty has no additional back up documentation in its possession that has not already been turned over to Fannie Mae by the Debtors.

5. Security deposits- The Debtors believe that during their period of ownership, "move-in fees" or "application fees" were collected in lieu of security deposits. The Debtors further believe that such fees were not classified or recorded separately from rent revenue generally. Security deposits on hand prior to the Debtors' acquisition of the properties were in fact never turned over to the Debtors by the sellers and to the extent they exist it is the Debtors' belief that such deposits remain in the possession of the sellers.

6. Cash collateral accounting- A copy of the requested accounting is enclosed.

Please note that the YARDI database records are currently in the process of being assembled and the Debtors have been informed that the process may not be complete until Monday, at which time the Debtors intend to arrange for delivery directly to your offices.

Very truly yours,



Christopher S. Chow

CSC

cc: Tobey M. Daluz  
Sean J. Bellew  
David H. Herrold

Enclosure

**RC SOONER HOLDINGS, LLC**  
*Cash Flow Report*

Period Beginning	1-May-10
Period Ending	<u>5-May-10</u>
<b><u>BEGINNING CASH BALANCE</u></b>	33,287.71
<b><u>RENT REVENUE</u></b>	
Pomerdy Park	48,600.00
Cedar Crest	5,575.00
Southern Hills	15,554.00
Salida Creek	8,050.00
Fulton Plaza	6,650.00
Magnolia Manor	6,855.00
Savannah South	4,750.00
Brixton Square	<u>3,350.00</u>
<b>TOTAL RENT REVENUE</b>	<b>99,384.00</b>
<b><u>EXPENSES</u></b>	
Payroll, Taxes & Benefits	44,225.00
Utilities	2,552.00
Maintenance/Supplies/Make-Ready	2,233.00
Pomeroy Fire Security/Supplies	4,944.00
Management Fee	3,975.36
US Trustee Fee	6,500.00
Office/Administrative Expense	<u>4,383.00</u>
<b>TOTAL EXPENSES</b>	<b>68,812.36</b>
<b><u>ENDING CASH BALANCE</u></b>	<b>63,859.35</b>
<b><u>ALLOWANCE FOR INCOME TAXES</u></b>	<b>22,350.77</b>
<b><u>NET CASH BALANCE</u></b>	<b>41,508.58</b>

**DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.**

ATTORNEYS AT LAW

SAM G. BRATTON II

WRITER'S DIRECT:  
sbratton@dada.com

E. J. DOERNER (1897-1980)  
DICKSON M. SAUNDERS (1920-2001)

August 30, 2010

**VIA E-MAIL: chowc@ballardspahr.com**

Christopher S. Chow  
Ballard Spahr, LLP  
919 N. Market Street, 12<sup>th</sup> Floor  
Wilmington, DE 19801

Re: RC Sooner Holdings, LLC, et al., Case No. 10-12185-R  
In the United States Bankruptcy Court for the Northern District of Oklahoma

Dear Chris:

Regarding your August 27, 2010 letter, one point needs clarification regarding the YARDI database, your paragraph no. 1. The Debtors did advise during our telephone conference of August 27, 2010, that the YARDI information which is going to be furnished to Fannie Mae will be accompanied by a disclaimer. I acknowledged that we have been advised of such, but made no acceptance or agreement to a disclaimer. We discussed this specifically in our telephone conversation. I do not believe your letter was intended to imply Fannie Mae's acceptance or agreement to a disclaimer, but in case it could be read as such, this will clarify that issue. Please let me know if there any disagreement on this point.

Sincerely,

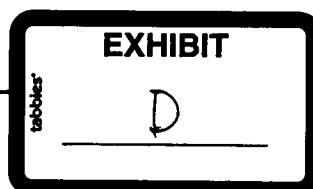
*/s/Sam G. Bratton II*

Sam G. Bratton II of  
DOERNER, SAUNDERS, DANIEL & ANDERSON, L.L.P.

SGB/emw

cc: David H. Herrold – [dherrold@sneedlangherrold.com](mailto:dherrold@sneedlangherrold.com)  
Lewis N. Carter  
Gary Moore – [gary\\_moore@fanniemaecom](mailto:gary_moore@fanniemaecom)  
Jim Parrack – [jparrack@priceedwards.com](mailto:jparrack@priceedwards.com)  
Sean J. Bellew - [bellews@ballardsparr.com](mailto:bellews@ballardsparr.com)

1855621v1



IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA

In Re: )  
RC SOONER HOLDINGS, LLC, et al.,<sup>1</sup> ) Case No. 10-12185-R  
Debtors. ) Chapter 11  
)  
) (Jointly Administered)

AFFIDAVIT OF JIM PARRACK

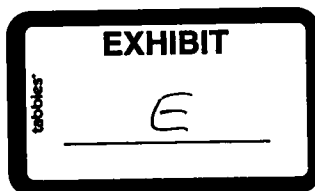
STATE OF OKLAHOMA )  
COUNTY OF OKLAHOMA ) SS:

The undersigned, Jim Parrack, at first being duly sworn, does state under oath that:

1. I am the Receiver of the eight (8) apartment projects formerly subject to administration in the above bankruptcy cases.

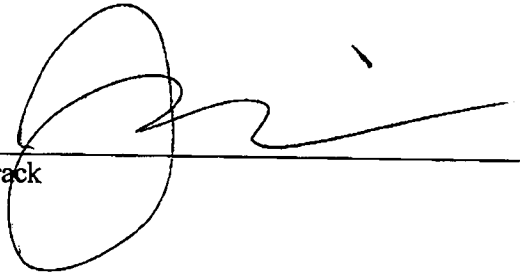
2. Subsequent to the hearing regarding Fannie Mae's Motion To Compel Debtor's Compliance With The Stipulation And Consent Order Granting Motion Of Fannie Mae For Relief From the Automatic Stay Pursuant To 11 U.S.C. § 362(d) And Rule 4001 Of The Federal Rules Of Bankruptcy Procedure ("Motion to Compel"), held on August 19, 2010, I have received no communications from the above Debtors.

<sup>1</sup>The Debtors and the last four digits of their taxpayer identification numbers are: RC Sooner Holdings, LLC (7904); RC Brixton Square Owner, LLC (8002); RC Cedar Crest Owner, LLC (7914); RC Fulton Plaza Owner, LLC (8011); RC Magnolia Owner, LLC (7998); RC Pomeroy Park Owner, LLC (7939); RC Salida Owner, LLC (7947); RC Savannah South Owner, LLC (7983); RC Southern Hills Owner, LLC (7958); Brixton Square Apartments, LLC (1844); CC Apartments, LLC (1798); Fulton Plaza Apartments, LLC (4344); Magnolia Manor Apartments, LLC (4486); Pomeroy Park Apartments, LLC (1649); Salida Apartments, LLC (1915); Savannah South Apartments, LLC (8586); and Southern Hills Villa Apartments, LLC (1721). The business address for each of the Debtors where notices should be sent is 1515 Broadway, 11th Floor, New York, New York 10036-8901.



3. Subsequent to the hearing regarding the Motion to Compel held on August 19, 2010, I have received only the following document: RC Sooner Holdings, LLC Cash Flow Report for May 1 – May 5, 2010 (attached to Christopher S. Chow letter of August 27, 2010, furnished to counsel for Fannie Mae).

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Jim Parrack

STATE OF OKLAHOMA    )  
                                  ) ss.  
COUNTY OF OKLAHOMA )

Before me, the undersigned, a Notary Public in and for said County and State, on this 30 day of August, 2010, personally appeared Jim Parrack, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
4-13-13

Commission Number: 01004585

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