

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

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

**UNSWORN SECOND SUPPLEMENTAL DECLARATION PURSUANT TO
28 U.S.C. § 1746(2) AND FED. R. BANKR. P. 2014(a) OF
TOBEY M. DALUZ, ESQUIRE, A PARTNER IN BALLARD SPAHR LLP**

I, TOBEY M. DALUZ, ESQUIRE, declare as follows:

1. I am a partner in the law firm of Ballard Spahr LLP ("Ballard Spahr"). As such, I am duly authorized to execute this Supplemental Declaration on behalf of Ballard Spahr.

2. I am an attorney at law, duly admitted to practice law in the State of Delaware, the Commonwealth of Pennsylvania, the United States District Court for the District of Delaware, and the United States District Court for the Eastern District of Pennsylvania.

3. I submit this Second Supplemental Declaration in accordance with the Court's minute order filed on August 19, 2010 [Docket No. 102] (the "Minute Order"). The Minute Order provided, in relevant part that "Ballard Spahr LLP shall file a supplemental Bankruptcy Rule 2014 declaration addressing its past and current connections with the Debtors

1 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.

(continued...)

and with Daniel Gordon and any entity of which he is an officer, director, manager, member, shareholder, partner or trustee, as well as connections with any other party in interest in these bankruptcy cases not previously disclosed.” Id.

BACKGROUND

4. On February 22, 2010 (the “Petition Date”), each of the Debtors filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”).

5. On the Petition Date, the Debtors filed the Application of the Debtors for an Order Authorizing the Retention and Employment of Ballard Spahr LLP as Counsel to the Debtors and Debtors in Possession Pursuant to 11 U.S.C. § 327(a), Fed. R. Bankr. P. 2014(a) and Del. Bankr. L.R. 2014-1 *Nunc Pro Tunc* to the Petition Date [Del. Docket No. 9] (the “Original Application”).

6. The Debtors filed in support of the Original Application the Unsworn Declaration Pursuant to 28 U.S.C. § 1746(2) and Fed. R. Bankr. P. 2014(a) of Tobey M. Daluz, Esquire, a Partner in Ballard Spahr LLP [Del. Docket No. 9] (the “Original Declaration”).

7. On March 1, 2010, the Debtors filed the Amended Application of the Debtors for an Order Authorizing the Retention and Employment of Ballard Spahr as Counsel to the Debtors and Debtors in Possession Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P. 2014(a) and Del. Bankr. L.R. 2014-1 *Nunc Pro Tunc* to the Petition Date [Del. Docket No. 40] (the “Amended Application”).

(...continued)

8. The Debtors filed in support of the Amended Application the Unsworn Supplemental Declaration Pursuant to 28 U.S.C. § 1746(2) and Fed. R. Bankr. P. 2014(a) of Tobey M. Daluz, Esquire, a Partner in Ballard Spahr LLP [Del. Docket No. 40] (the “First Supplemental Declaration”).

9. On March 22, 2010, the Delaware Bankruptcy Court entered an order approving the Amended Application [Del. Docket No. 76]

BALLARD’S CONNECTIONS

10. As of this date, neither I, Ballard Spahr, nor any partner, counsel or associate thereof, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors’ estates in the matters upon which Ballard Spahr has been engaged.

11. As of this date, neither I, Ballard Spahr, nor any of its partners, counsel or associates, insofar as I have been able to ascertain:

- (i) is a creditor of any of the Debtors, equity security holder or insider of any of the Debtors;
- (ii) is or has been a director, officer, or an employee of any of the Debtors;
- (iii) except as set forth below, presently represents a creditor or security holder of the Debtors, or a person otherwise adverse or potentially adverse to the Debtors or their estates, on any matter that is related to the Debtors or their estates or that is unrelated to the Debtors or their estates;
- (iv) except as set forth below, previously represented a creditor or equity security holder of the Debtors, or person who is otherwise adverse or potentially adverse to the Debtors or the Debtors’ estates, on any matter substantially related to the Debtors’ bankruptcy cases;
- (v) except as described in this Second Supplemental Declaration, has any other connection with Daniel Gordon and any entity of which he is an officer, director, manager, member, shareholder, partner or trustee;
- (v) except as described in this Second Supplemental Declaration, has any other connection with the Debtors, creditors of the Debtors, the Office of

the United States Trustee or any employee of that office, or any other parties in interest; or

- (vi) has any other interest, direct or indirect, which may affect or be affected by the proposed representation.

12. Except as set forth below, neither Ballard Spahr nor I have any “connections,” as contemplated within Fed. R. Bankr. P. 2014(a), with (i) any of the Debtors or their creditors, (ii) Daniel Gordon or any entity of which he is an officer, director, manager, member, shareholder, partner or trustee or (iii) any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the Office of the United States Trustee.

13. To check and clear potential conflicts of interest in this case, Ballard Spahr researched its client database to determine whether Ballard Spahr has any relationships with the following entities: (i) the Debtors, (ii) the Debtors’ secured lenders, (iii) the unsecured creditors holding the twenty (20) largest unsecured claims against the Debtors, (iv) non-debtor parties to pending litigation matters to which one or more of the Debtors is a party, and (v) non-debtor parties to executory contracts and unexpired leases to which one or more of the Debtors is a party.

14. Furthermore, Ballard Spahr has also researched its client database to determine whether Ballard Spahr has any relationships with Daniel Gordon or any entity of which he is an officer, director, manager, member, shareholder, partner or trustee.

15. Through the foregoing research, Ballard Spahr has determined that it currently represents or has represented, in matters unrelated to the Debtors or these cases, the following four (4) entities (or their subsidiaries or affiliates) among the holders of the Debtors’ twenty largest unsecured claims: Admiral Insurance Company, AT&T, Oklahoma Natural Gas

and Lloyds of London. Ballard Spahr has also represented Bank of the West in matters unrelated to the Debtors or these cases. Ballard Spahr was in the past twice solicited by Allstar Capital, Inc. ("Allstar") the sole member of RC Sooner Holdings, LLC, with respect to potential engagements unrelated to the Debtors or these cases; however, Ballard Spahr ultimately did not enter into an engagement with Allstar with respect to such matters and accordingly has not represented AllStar in any matter.² Ballard Spahr has not represented RC Realty Management, Inc., Rosedale Cooley & Co., Rosedale Cooley Management, Inc. or Daniel Gordon in any matter. Ballard Spahr's client database further indicates that Ballard Spahr has not represented any entity for which Daniel Gordon has been identified as an officer, director, manager, member, shareholder, partner or trustee. Ballard Spahr has not and will not represent any of the aforementioned entities, or any of their respective subsidiaries or affiliates, in relation to the Debtors or their chapter 11 cases. None of the aforementioned entities represents more than 1% of Ballard Spahr's annual revenues.

16. Ballard Spahr and certain of its partners, counsel and associates may have in the past represented, may currently represent, and likely in the future will represent creditors of the Debtors in connection with matters unrelated to the Debtors and the Debtors' pending chapter 11 cases. At this time, Ballard Spahr is unaware of such representations.

17. If an actual conflict arises between the Debtors and an existing client of Ballard Spahr with respect to a particular matter in these cases, Ballard Spahr will not represent

² As indicated in my Original Declaration, Ballard Spahr's preliminary conflicts review had previously identified Allstar as a client in a matter unrelated to the Debtors or these cases. Subsequent inquiry has revealed that Ballard Spahr has in fact never represented Allstar in any capacity.

or render legal advice or services to the Debtors in connection with such matter, and the Debtors will engage conflicts counsel for the purpose of handling such matter.

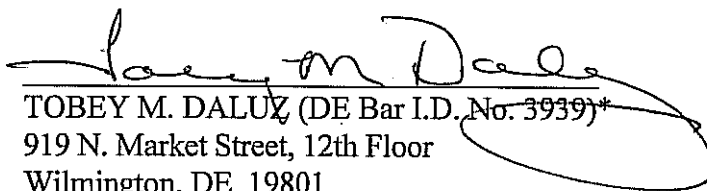
18. Based on the foregoing, to the best of my knowledge, Ballard Spahr is a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

19. As set forth in my Original Declaration, Ballard Spahr is not a prepetition creditor of the Debtors.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: August 30, 2010

FOR BALLARD SPAHR LLP:



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**Admitted Pro Hac Vice*