

IN THE DISTRICT COURT OF TULSA COUNTY
STATE OF OKLAHOMA

MARK CHANG, an individual;)
ALAN KWOK WAI WONG, an individual))
LIM HONG BENG, an individual,)
HUIOS ENERGY, LLC, an Oklahoma)
limited liability company; and)
OILPODS SINGAPORE PTE LTD.,)
a Singapore private limited company,)

Plaintiffs,)

vs.)

POWDER RIVER PETROLEUM)
INTERNATIONAL, INC., an Oklahoma)
corporation; and BRIAN FOX, an)
individual,)

Defendants.)

DISTRICT COURT
FILED

JUL 14 2008

SALLY HOWE SMITH, COURT CLERK
STATE OF OKLA. TULSA COUNTY

Case No. CL-2008-4855

ORDER APPOINTING RECEIVER

WHEREAS, Plaintiffs have filed a Motion for Appointment of Receiver over Defendant, Powder River, with full and exclusive power, duty and authority to: administer and manage the business affairs, funds, assets, choses in action and any other property of Defendant; marshal and safeguard all of the assets of Defendant, POWDER RIVER, and take whatever actions are necessary for the protection of the investors.

WHEREAS, the Plaintiffs have made a sufficient and proper showing in support of relief requested by evidence demonstrating a case of violations of the Oklahoma and federal securities laws by Defendants.

WHEREAS, the Plaintiffs have submitted the credentials of a candidate to be appointed as Receiver of all of the assets, properties, books and records, and other items of Defendants, including any properties, assets and other items held in Defendants'

names, or their principals' names, and the Plaintiffs have advised the Court that this candidate is prepared to assume this responsibility if so ordered by the Court;

NOW, THEREFORE, IT IS ORDERED AND ADJUDGED that Bruce W. Day is hereby appointed the Receiver over Defendant, POWDER RIVER.

Based upon the foregoing:

IT IS HEREBY ORDERED that Bruce Day is appointed as Receiver, with ^{\$5,000,000} ~~out~~ bond, with full powers of an equity receiver for Powder River Petroleum International, Inc. and Oklahoma corporation and successor in interest by merger to Powder River Basin Gas Corp., a Colorado corporation (collectively "Powder River"), its subsidiaries and affiliates (hereinafter, the "Receivership Entities"). Defendant Powder River, its assets, and the assets of its subsidiaries and affiliates, are collectively referred to herein as "the Receiver Estate". Powder River's assets, for purposes of this Order, are defined to include all real and personal property held in the name of any of the Receivership Entities, all contract rights of Powder River, all legal and equitable claims of any of the Receivership Entities, all banking, brokerage and depository accounts of any of the Receivership Entities, all electronic currency accounts of any of the Receivership Entities, and all internet payment processor accounts of any of the Receivership Entities. No person holding or claiming any position of any sort with the Receiver Estate shall possess any authority to act by or on behalf of any of the Receiver Estate, except as authorized by the Receiver. All persons, including but not limited to the Defendants and their officers, agents, servants, employees, attorneys, subsidiaries, affiliates, and all persons in active concert or participation with

them, who receive actual notice of this Order by personal service or otherwise, are enjoined from in any way interfering with the operation of the Receivership or in any way distributing or disposing of the assets of the Receivership Estate and from filing or prosecuting any actions or proceedings which involve the Receiver or which affect the Receivership Estate, specifically including any proceeding initiated pursuant to the United States Bankruptcy Code, except with prior permission of this Court.

IT IS FURTHER ORDERED that the Receiver shall have and possess all powers and rights of any equity receiver to administer and manage the Receiver Estate in a commercially reasonable manner, with the intent to maximize the value of the Receiver Estate, including, but not limited to the power and authority:

1. to take custody, control and possession of all records, assets, funds, personal property, vehicles, bank accounts, brokerage accounts, real property premises and other materials of any kind in the possession of or under the direct or indirect control of the Receiver Estate or the Receivership Entities and, until further order of this Court;
2. to manage, control, operate and maintain the Receiver Estate, to use income, earnings, rents and profits of the Receiver Estate, with full power to sue for, collect, recover, receive and take into possession all goods, chattels, rights, credits, monies, effects, lands, books and records of accounts and other documents, data and materials;
3. to conduct the business operations of the Receivership Entities, including the purchase and/or sale of real or personal property or inventory, the continuation and termination of any contract, employment arrangement and

- all other aspects of any active business operation;
4. to make such ordinary and necessary payments, distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance or preservation of the Receivership Estate;
 5. to terminate business operations and to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate;
 6. to contact and negotiate with any creditors of Powder River for the purpose of compromising or settling any claim, including the surrender of assets to secured creditors;
 7. to have control of, receive and collect any and all sums of money due or owing to Powder River whether the same are now due or shall hereafter become due and payable, and incur such expenses and make such disbursements as are necessary and proper for the collection, preservation, maintenance, administration and operation of the Receiver Estate;
 8. to renew, cancel, terminate, or otherwise adjust any pending lease agreements to which Powder River is a party;
 9. to institute, defend, compromise or adjust such actions or proceedings in state or federal courts now pending or hereinafter instituted, as may in his discretion be advisable or proper for the protection and administration of the Receivership Estate;
 10. to institute such actions or proceedings to disgorge assets of the Receiver Estate held by third parties, impose a constructive trust, obtain possession and/or recover judgment with respect to persons or entities who received

assets or funds traceable to investor monies, with all such actions filed in this Court;

11. to open bank accounts or other depository accounts, in the name of the Receiver on behalf of the Receiver Estate;
12. to prepare any and all tax returns and related documents regarding the assets and operation of the Receiver Estate;
13. to prepare or have prepared and file any report or form necessary or appropriate with state or federal regulatory authorities or self regulatory organizations, including the Securities Exchange Commission, state securities departments, or the Financial Industry Regulatory Authority;
14. to take any action which could be taken by the officers, directors, managers, members, partners, trustees or other principals of the Receiver Estate;
15. to abandon any asset that, in the exercise of his reasonable business judgment, will not provide benefit or value to the Receiver Estate; and
16. to take such other action as may be approved by this Court.

IT IS FURTHER ORDERED that the Receiver shall not make any other disbursements or transfers from the Receiver Estate (except as otherwise allowed by this Order), without prior approval and/or permission of the Court.

IT IS FURTHER ORDERED that the Receiver shall be empowered, but is not required, to file a voluntary petition for relief under Title 11 of the United States Code (the "Bankruptcy Code") for the Receiver Estate or any portion thereof. If a bankruptcy petition is filed, the Receiver shall become, and shall be empowered to operate the Receiver

Estate as a debtor in possession, with all powers and duties provided to a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity.

Without leave or further order of this Court, no person other than the Receiver is authorized to seek relief under the Bankruptcy Code for any person or entity included within the Receiver Estate

IT IS FURTHER ORDERED that with respect to the asset freeze set forth in _____ of this Order, the Receiver shall be authorized, but not required, to administer, manage, and direct the marshaling, disbursement and/or transfer of monies or other assets held by third parties that are subject to the freeze. The Receiver may, in the reasonable exercise of his discretion, authorize the release, use or segregation of proceeds held by third parties.

IT IS FURTHER ORDERED that the Receiver shall perform an accounting of the offering and sale of securities that is outlined in the Petition filed herein, including but not limited to, the Defendants' solicitation, receipt, disposition and use of the proceeds from such offering. This accounting shall include the names of all investors and/or lenders participating in Powder River's scheme as alleged and described in the Petition (collectively, the "Investors"), the principal amount invested with and/or loaned to Powder River by all Investors, and the amounts paid by Powder River to any Investors.

IT IS FURTHER ORDERED that the Receiver shall perform an accounting of all inventory, merchandise, products, assets or things of value in the possession, custody, or control of Powder River or other persons that were acquired with funds or proceeds received from the Investors (collectively, the "Inventory"), perform a valuation of the

Inventory, and ensure that any liquidation, sale or disposition of the Inventory takes place in a commercially reasonable manner so as to maximize the value of the Receiver Estate.

IT IS FURTHER ORDERED that the Defendants and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, who receive actual notice of this Order, shall cooperate with the Receiver and the other professionals working with him in the administration of the Receiver Estate, including, but not limited to, the immediate delivery to the Receiver of the following;

- A. all assets and other materials of the Receiver Estate in the possession or under their control, as well as the name and contact information of any person who has knowledge of the nature or location of assets or other materials belonging to the Receiver Estate;
- B. business records of any kind (including legal files), whether in hard copy or electronic format, including e-mail files and accounts, customer files, accounting and financial records, bank records, brokerage records, and other depository records;
- C. insurance policies regarding any assets or persons that are in any way affiliated with the Receiver Estate, along with other information regarding insurance coverage or the absence thereof;
- D. computers and computer files, including e-mail files, along with all passwords for such files, that belong to or are under the control of Powder River or that in any way relate to the assets or the operation of the Receiver Estate;
- E. passwords and other identifying information regarding all computer or on-line files, websites, banking or brokerage accounts and/or any other assets of

Powder River or under the direct or indirect control, specifically including but not limited to, passwords for internet or electronic access banking, brokerage and other on-line accounts;

- F. keys, security cards, parking cards and other access codes for premises, vehicles, safety deposit boxes or accounts or assets under the direct or indirect control of Powder River;
- G. title documents for equipment, vehicles and boats, and
- H. such other information related to the Receiver Estate as the Receiver and those working with him reasonably request.

IT IS FURTHER ORDERED that any bank, brokerage firm, mutual fund or other financial institution or any other person, partnership, corporation or other entity maintaining or having custody or control of any brokerage or depository accounts or other assets of the Receiver Estate and the Receivership Entities, accounts into which proceeds of the subject investment offerings have been deposited, or accounts or assets under the direct or indirect control of the Defendants, who receives actual notice of this Order shall:

1. freeze such accounts, funds or assets;
2. turn over to the Receiver control of all such accounts, funds, cash and securities;
3. within twenty-one (21) business days of receipt of such notice, file with the Court and serve on the Receiver a certified statement setting forth, with respect to each such account or other assets, the balance in the account or the description of the assets as of the close of business on the date of the receipt of the notice;

4. promptly cooperate with the Receiver to determine whether and to what extent any accounts, funds or other assets are actually assets or proceeds of assets of the Receiver Estate;
5. provide to the Receiver records of such funds, accounts and assets and tender said funds and/or the assets to the Receiver.

To the extent that there are assets or accounts about which a determination of ownership cannot be made, they shall be turned over to the Receiver to be held in escrow pending a determination of the ownership of such assets. The Receiver is authorized to provide notice of the entry of this Order to any governmental agency, person or other entity he deems appropriate. Actual notice may be accomplished by delivery of a copy of this Order by hand, U.S. mail, courier service, facsimile, by e-mail or by any other reasonable means of delivery.

IT IS FURTHER ORDERED that the Receiver is hereby authorized to make appropriate notification to the United States Postal Service to forward delivery of any mail addressed to any of the Receivership Entities, to any Post Office box or other mail depository, or to himself. Further, the Receiver is hereby authorized to open and inspect all such mail, to determine the location or identify of assets or the existence and amounts of claims.

IT IS FURTHER ORDERED that the Receiver may investigate any matters he deems appropriate in connection with discovering additional information as it relates to the activities of the Receiver Estate. In connection with any such investigation, the Receiver is authorized to:

- A. compel, including by subpoena, the appearance and testimony of all persons, including the Defendants (prior to and/or after the filing of responsive pleadings in this action) and the production of the originals of any records and materials, of any sort whatsoever, within the possession, custody or control of any person, though the Receiver's authority under this paragraph shall not be construed to require the waiver by any person of any validly asserted privilege; and,
- B. order consumer and credit reports that he deems necessary and appropriate as a part of his pursuit of additional Receiver Estate assets.

IT IS FURTHER ORDERED that the Receiver is hereby directed to file with this Court and serve upon the parties, within 45 days after entry of this Order, a preliminary report setting out the identity, location and value of the Receivership Estate, and any liabilities pertaining thereto.

IT IS FURTHER ORDERED that all persons having notice of this Order, including creditors and others seeking money damages or other relief from the Receiver Estate, and all others acting on behalf of any such creditors and other persons, including sheriffs, marshals, and all officers and deputies, and their respective attorneys, servants, agents and employees, are restrained from doing anything to interfere with the Receiver's performance of his duties and the administration of the Receiver Estate.

IT IS FURTHER ORDERED that the Receiver is authorized to communicate with all such persons as he deems appropriate to inform them of the status of this matter and the financial condition of the Receiver Estate. The Receiver is also hereby authorized to

employ such employees, accountants, consultants, attorneys and other professionals, including employees of his own professional firm, as are necessary and proper for the administration of the Receiver Estate and the performance of his duties as set forth herein. **The Receiver shall seek and obtain the approval of this Court prior to disbursement of professional fees and expenses to himself, his firm or his counsel, by presentation of a written application therefore, and after consultation with the Commission. All costs incurred by the Receiver shall be paid from the Receivership Estate. Upon notice to all parties in this case the Receiver may submit a proposed order regarding an administrative process for the approval and payment of professional fees and expenses consistent with this provision.**

IT IS FURTHER ORDERED that upon the request of the Receiver, law enforcement officers in any applicable judicial district, are hereby ordered and/or requested to assist the Receiver in carrying out his duties to take possession, custody or control of or identify the location of any assets, records or other materials belonging to the Receivership Estate.

IT IS FURTHER ORDERED that the Receiver is authorized to remove any person from any premises or real estate that is owned or controlled by one of the Receivership Entities or that is otherwise part of the Receiver Estate. The Receiver shall keep the Court, and counsel for Defendants apprised at reasonable intervals of developments concerning the operation of the receivership, and shall provide to the Court upon request any documents under the control of the Receiver.

IT IS FURTHER ORDERED that the Receiver shall promptly notify the Court and all parties of any failure or apparent failure of any Defendant to comply in any way with the terms of this Order.

IT IS FURTHER ORDERED that except for an act of gross negligence or intentional misconduct, the Receiver and all persons engaged or employed by him shall not be liable for any loss or damage incurred by any person or entity by reason of any act performed or omitted to be performed by the Receiver or those engaged or employed by him in connection with the discharge of their duties and responsibilities in connection with the receivership.

IT IS FURTHER ORDERED that the assets of Powder River, its affiliated entities, and Fox be, and hereby are, frozen. The freeze shall include but not be limited to those funds located in any bank accounts of said individuals and entities, including any offshore or overseas bank accounts. In addition, all funds or proceeds obtained or derived from investors and/or lenders participating in Powder River's scheme as alleged and described in the Petition remaining in the custody and control of said individuals and entities are hereby frozen, in whatever form now found, regardless of where said proceeds are located. This includes, but is not limited to, proceeds or assets that have been transferred to any account, corporation, partnership, or limited liability company controlled by Powder River, Fox or any combination of them. Until further order of this Court, Powder River, its officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving,

claiming, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said individuals and entities. This court further enjoins any disbursement by the said individuals and entities, their agents, representatives, employees and officers and all persons acting in concert or participation with them, whatever business names they may operate under, of any proceeds derived from the sales of securities described in the complaint. However, this asset freeze shall not extend to the following:

- A. For Defendant Fox, the freeze shall not extend to any future income, as necessary for reasonable living expenses provided such income is derived in a manner consistent with the terms of this Order. Defendant Fox may establish a new bank account and thereafter deposit any future income in the same new bank account, which shall remain outside the terms of this asset freeze so long as the funds within it are not intermingled with those subject to the freeze.

IT IS FURTHER ORDERED that any notice, written or otherwise, to be provided by any party to the Receiver shall be effected and sent by electronic mail to bruceday@dayedwards.com.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes. The Receiver *is* hereby authorized, empowered and directed to apply to this Court, with notice to the parties named in the first paragraph of this Order, above, for issuance of such other orders as may be necessary and appropriate in order to carry out the mandate of this Court

IT IS FURTHER ORDERED that the Receivership Entities shall pay the costs, fees and expenses of the Receiver in connection with the performance of his duties described in this Order, including the costs and expenses of those persons who may be engaged or employed by the Receiver to assist him in carrying out his duties and obligations. All applications for costs, fees and expenses, for services rendered in connection with the receivership other than routine and necessary business expenses in conducting the receivership, such as salaries, rent and any and all other reasonable operating expenses, shall be made by application setting forth in reasonable detail the nature of the services and shall be heard by the Court.

IT IS FURTHER ORDERED that this Order will remain in effect until modified by further order of this Court.

DATED this 14 day of July, 2008.

J. MICHAEL GASSETT

JUDGE OF THE DISTRICT COURT

Approved as to Form:
Cecil G. Drummond, Esq., OBA #2503
BOETTCHER & DRUMMOND, INC.
Attorneys at Law
5200 South Yale, Suite 507
Tulsa, Oklahoma 74135-7489
(918) 492-8448
Attorney for Plaintiffs

I, Sally Howe Smith, Court Clerk, for Tulsa County, Oklahoma, hereby certify that the foregoing is a true, correct and full copy of the instrument herewith set out as appears on record in the Court Clerk's Office of Tulsa County, Oklahoma, this

JUL 14 2008

By 
Deputy