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**DOROTHY A. EVANS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OKLAHOMA**

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

IN RE:)	
)	
MASS MARKET COMMUNICATIONS, INC.,)	Case No. 97-01029-R
)	(Chapter 7)
)	
Debtor.)	
)	
STEVEN W. SOULÉ, TRUSTEE FOR THE ESTATE OF MASS MARKET COMMUNICATIONS, INC.,)	
)	
Plaintiff,)	
)	
v.)	Adv. No. 97-0330-R
)	
PATTI A. BROWNE, an individual, and CHARLIE R. BROWNE, an individual, aka C. R. BROWNE,)	
)	
Defendants.)	

JOURNAL ENTRY OF DEFAULT JUDGMENT

NOW on this 30 day of June, 1998, the above-styled case comes on before the Court. The Plaintiff appearing by its attorney, Steven W. Soulé of Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C., and the Defendants Patti A. Browne and Charlie R. Browne, having been duly and properly served, appear not. The Court, being fully advised and having reviewed the pleadings on file herein, finds and orders as follows:

1. That Steven W. Soulé is the duly appointed and authorized Chapter 7 Trustee (the "Trustee") for the above-referenced bankruptcy estate, and that Defendants Patti A. Browne and Charlie R. Browne (the "Defendants") are citizens and residents of the State of Oklahoma. This Court has jurisdiction over the subject matter herein and the parties hereto.

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Clerk, U.S. Bankruptcy Court
Northern District of Oklahoma

2. The Defendants have been duly and properly served with Summons herein. The answer date for the Defendants has expired without their having answered or otherwise pled herein and the Defendants are adjudged in default pursuant to Rule 7055 Fed.R. Bankr. P. which incorporates Rule 55(b)(2) of the Federal Rules of Civil Procedure, and accordingly, all allegations in Plaintiff's Complaint filed October 3, 1997 (the "Complaint"), shall be deemed true.

3. Defendant P. Browne was a principal shareholder and former President of the Debtor.

4. On or about August 10, 1996, P. Browne opened a bank account with State Bank and Trust, N.A. ("State Bank") under the Debtor's name, Account No. 900117370 (the "Account"). The Debtor was not aware of the Account and did not authorize P. Browne to open the Account.

5. The amount of money initially deposited in the Account was \$23,461.20. These monies came from an account receivable check from Webco, Inc. payable to the Debtor. The total amount of \$49,238.65 was deposited to the Account or taken by the Defendants in cash advances out of the Debtor's monies.

6. C. Browne is the husband of P. Browne.

7. C. Browne received transfers from the Account of at least \$26,200.00. C. Browne received the transfers from the Account without the authorization or knowledge of the Debtor.

8. Upon information and belief, P. Browne and C. Browne took the Debtor's monies deposited in the Account for their own personal use.

9. According to the Debtor's bankruptcy schedules, P. Browne also owes the Debtor approximately \$9,000 for an account payable to the Debtor. Upon information and belief, at least part of the account payable also relates to monies wrongfully taken by the Defendants from the Debtor.

10. As an officer of Mass Market, P. Browne transferred the Debtor's property to the State Bank Account and to C. Browne and herself without the knowledge or approval of the Debtor.

11. With respect to transfers made to the State Bank Account and to herself and C. Browne, P. Browne's actions constitute a breach of her fiduciary duty to the Debtor.

12. The Debtor has been damaged by these actions in the amount of at least \$58,238.65, as well as other damages, ultimately resulting in the Debtor filing bankruptcy.

13. The actions of P. Browne constitute conversion of assets of the Debtor.

14. The Trustee may recover, for the benefit of the estate, the value of the damages caused by P. Browne's breach of fiduciary duty and conversion.

15. The transfers referenced above constitute fraudulent transfers of property of the Debtor pursuant to 11 U.S.C. § 548 (a) in that the transfers were (i) made with the actual intent to hinder, delay or defraud the creditors of this estate and/or (ii) the Debtor received less than a reasonably equivalent value in exchange for such transfers, and the Debtor (a) was insolvent on the date such transfers were made, or became insolvent as a result of such transfers; (b) was engaged in business for which the Debtor's property constituted unreasonably small capital; or (c) intended to incur, or believed it would incur, debts which would be beyond the Debtor's ability to pay as they matured.

16. Alternatively, the transfers are voidable as fraudulent transfers pursuant to the Oklahoma Uniform Fraudulent Transfer Act (the "Oklahoma UFTA"), Okla. Stat. tit. 24, § 112 et seq., to which the Trustee may avail himself pursuant to 11 U.S.C. § 544 (b) of the Bankruptcy Code.

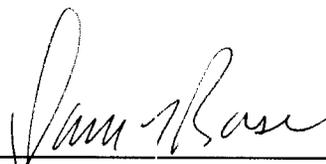
17. Alternatively, the transfers to the Defendants referenced herein are avoidable pursuant to 11 U.S.C. § 547 as they were (1) to or for the benefit of a creditor (the Defendant(s)), (2) for or on account of an antecedent debt owed by the Debtor, (3) made while the Debtor was insolvent, (4) made within 90 days before the filing of the Bankruptcy Petition, or between 90 days and one year before the date of the filing of the Bankruptcy Petition, if such creditor at the time of such transfer was an insider, and (5) they enabled the Defendants to receive more than they would have received in a Chapter 7 liquidation had the transfers not been made.

18. The Defendants were the initial or subsequent transferees of the transfers and the Trustee may recover the transfers from Defendants pursuant to 11 U.S.C. § 550. The Trustee may recover any and all transfers made by the Debtor or of property of the Debtor to the Defendants within four (4) years of the Petition Date to the extent such transfers violate 11 U.S.C. §§ 544, 548 and the Oklahoma UFTA.

19. The issue of whether the Plaintiff is entitled to punitive damages and the amount of those damages and whether the Plaintiff is entitled to attorney fees and costs shall be heard by this Court on July 29, 1998.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by this Court that the Defendants, Patti A. Browne and Charlie R. Browne, have wholly failed and refused to timely answer or otherwise plead herein and therefore are in default, and as a result of such default, all material allegations in the Trustee's Complaint are deemed confessed by said Defendants, and that judgment should be entered against said Defendants Patti A. Browne and Charlie R. Browne accordingly.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by this Court that Steven W. Soulé, Trustee for the Mass Market Communications, Inc. have and recover judgment in his favor against the Defendants, Patti A. Browne and Charlie R. Browne, jointly and severally, for the amount of \$58,238.65 in compensatory damages for breach of fiduciary duty and conversion and for avoidance and recovery of fraudulent transfers, plus (ii) post-judgment interest at the statutory rate until paid.



DANA RASURE, CHIEF JUDGE
UNITED STATES BANKRUPTCY JUDGE

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