

IN THE FIRST JUDICIAL CIRCUIT COURT IN AND FOR
ESCAMBIA COUNTY, FLORIDA

2014 DEC 22 P 3:37

B&C COMMUNICATIONS, LLC,
a New York Limited Liability Company,

Plaintiff,

v.

CASE NO.: 2013 CA 000527

FRANKLIN MEDIA, INC., a Florida
Corporation, JOHN L. FRANKLIN, SR.,
Individually, and FRANKLIN & HOYNACKI
COMMUNICATIONS, a Florida Corporation,

Defendants.

ORDER GRANTING PLAINTIFF'S MOTION FOR APPOINTMENT OF RECEIVER

THIS CAUSE came before this Court on the Motion for Appointment of a Receiver filed by Plaintiff, **B&C COMMUNICATIONS, LLC, a New York Limited Liability Company,** and the Court, having reviewed the evidence and testimony of the parties, finds that good cause is shown, no other remedy would afford adequate protection and that it is necessary to prevent irreparable harm to the company's creditors to appoint a Receiver to preserve, protect and administer the assets of the Defendants, **FRANKLIN MEDIA, INC., JOHN L. FRANKLIN, SR. and FRANKLIN & HOYNACKI COMMUNICATIONS,** during the pendency of this action and further orders as follows:

1. Jeffrey L. Timmons, Esq. is hereby appointed as Receiver of **FRANKLIN MEDIA, INC. AND FRANKLIN & HOYNACKI COMMUNICATIONS,** (the "Companies") and shall serve as such, with reasonable compensation, until further order of this Court. The Receiver shall be compensated from the assets of the Companies, and to the extent there are not sufficient assets, by the Plaintiff.

2. The Receiver shall enter upon the property located at 3300 N. Pace Blvd. Pensacola, Florida, 32505 and to the extent necessary, 5519 Maverick Lane Gulf Breeze, FL 35261 and 2425 W. Nine Mile Rd., Suite 1, Pensacola, Florida 32526 for the purpose of taking any and all actions the Receiver deems reasonable and appropriate to prevent waste of the secured assets and shall otherwise preserve, secure, manage, maintain and safeguard the secured assets. The Receiver shall immediately take and have complete and exclusive control, possession and custody of all assets of the Companies and create an inventory list of any assets identified and any of the above locations. The Receiver may take any and all actions the Receiver deems reasonable and appropriate to prevent waste to the property and assets of the Companies, and to preserve, secure, manage, maintain and safeguard said assets.

3. Defendant, John L. Franklin, Sr., and all persons acting under the direction of John L. Franklin, Sr. shall deliver immediate possession or access to the Receiver without any right of offset or recoupment, including: a) all keys and access codes, to include any computer passwords to any computer owned by the Companies; b) all leases, sale contracts and/or other contracts to include any contracts to sell any assets of the Companies, not limited to the contract with I Square Media, LLC; c) all communication and correspondence files of all types, to include any Federal Communication Commission communications; d) all security deposits, rent, prepaid rent, prepaid amounts, or other sums relating to the use, enjoyment, possession, improvement or occupancy of all or any part of the Company property, and any accountings of any of the foregoing; e) any and all accounts receivable and accounts payable reports; f) any and all documents relating to any litigation in which the Companies are involved; g) any and all documents pertinent to any licenses and/or intellectual property rights maintained in connection with the property of the Companies, to include all documentation or licenses issued by the

Federal Communication Commission; h) any and all documents pertinent to vendor relationships or vendor agreements entered into by the Companies; i) any and all contracts in effect with respect to any of the property of the Companies; j) any and all contracts, bids, customer orders or sales requests submitted to the Companies by any potential buyer of any of its products; k) any and all payroll records, employee files, applications and other materials relevant to those persons employed by the Companies; l) any documents relating to any taxes owed by the Companies; and m) any documents relating to any insurance on any asset maintained by the Companies.

5. Defendant, John L. Franklin, Sr., and all persons acting under the direction of John L. Franklin, Franklin Media, Inc. or Franklin & Hoynacki Communications, are hereby immediately enjoined from in any manner disturbing the Receiver's possession of the property of the Companies, and are prohibited and restrained from disposing of, dissipating, mishandling or misappropriating any of the property, assets or inventory of the Companies and are prohibited and restrained from collecting any receipts or income or other sums due to the Companies, all until further order of the Court.

6. The Receiver is immediately vested with the books and records with respect to the operation of the Companies including any and all information related to: a) contracts with respect to the purchase or sale of the inventory or assets of the Companies, to include Federal Communication Commission licenses; b) lease obligations affecting the real property leased by the Companies; c) amounts paid to the Companies from any source; d) liens, encumbrances and other interests against or affecting the property of the Companies; e) taxes owed by the Companies; f) all types of insurance affecting the Companies; g) intellectual property, specifications and drawings with respect to the products owned by the Companies; h) all codes necessary to access any part of the Companies, to include any internet or software passwords;

i) all operating statements or financial statement of the Companies; j) all manuals for any equipment or software that is part of or that is used in connection with the business activities of the Companies; k) any other aspect of the property, inventory or assets of the Companies and the operation and management thereof; and l) all other information that will enable the effective conservation, of the Companies' assets;

7. The Receiver shall allow Plaintiff and the Defendants access to the Companies or their assets for inspection at all reasonable times;

8. The Receiver is authorized to retain such professionals as necessary to continue to manage, operate, lease, market and, with the consent of this Court, sell the Companies;

9. The Receiver is vested with full authority to collect and apply receivables and all other forms of income payable to Companies;

10. The Receiver is authorized to retain, hire, and discharge such consultants and accountants as may in the Receiver's judgment be advisable or necessary to retain in connection with the conduct, control or custody of the assets of the Companies;

11. The Receiver is authorized to make payments and disbursements, in the ordinary course of business, as may be necessary for the preservation of assets of the Companies;

12. The Receiver is authorized to receive and collect any and all sums due and owing to the Companies, whether the same are now due or hereafter become due and owing and to deposit such sums into an account in the Companies names, which sums shall not be commingled with any other funds, established and maintained by the Receiver;

13. The Receiver is authorized to maintain appropriate insurance, is authorized to continue any current policies in place, and is authorized to purchase further insurance as the Receiver deems appropriate, subject to Approval, as defined below;

14. The Receiver is authorized to pay all current and past due taxes, personal property taxes and any other taxes and assessments against any of the Companies assets, but subject to Court approval in the event net operating income from the Property is not sufficient to pay such taxes and assessments at any given time;

15. The Receiver is authorized to: a) negotiate and enter into new leases, occupancy agreements, contracts to sell the assets of the Companies and contracts in the ordinary course of the business of the Companies; b) modify existing leases, contracts for sale of assets, occupancy agreements and other contracts in the ordinary course of the business of the Companies; c) file any required documents, to include applications of transfer, (to include an involuntary transfer of control application) to protect, preserve or transfer the WPAN license, with the Federal Communications Commission; d) receive and escrow the proceeds from the sale of any assets; e) pay all utilities, expenses and other obligations secured by or which may give rise to liens, and pay all other outstanding obligations to suppliers and servicers in the ordinary course of business, including, obligations incurred prior to the commencement of the receivership so long as the Receiver has determined that it is prudent to do so in order to maintain business relationships that are beneficial to the conduct of the receivership; f) make repairs necessary for the maintenance of the assets of the Companies in order to preserve the Companies in the ordinary course of business, provided, however, that the Receiver shall not make any improvements and/or physical repairs having a cost of \$1000.00 or more without first obtaining Approval; and g) comply with all requirements and regulations applicable to the Companies, and, with Approval, utilize counsel for Plaintiff and/or retain other counsel in connection with any of the foregoing;

16. The Receiver is authorized to, in its discretion, institute, prosecute, defend, compromise and/or intervene in or become a party for the carrying out of the terms of any order

of the Court and, with Approval, to utilize counsel for the Plaintiff or retain its own counsel to assist with all of the foregoing;

17. The Receiver, with Approval, is authorized to maintain sufficient cash on hand to enable the Receiver to meet those expenses, the payment of which is authorized herein.

18. Any time "Approval" is required with respect to any action authorized in the Order, such action is authorized only if and when the Receiver obtains entry of a further order of the Court;

19. The Receiver is authorized to undertake all actions specifically set forth in the Order, as well as to exercise the usual and customary powers afforded to a receiver under Florida law (except as otherwise limited by any order of the Court);

20. The Receiver is authorized to apply to the Court at any time, with notice to all parties in the case, for further instruction and for further power necessary to enable the Receiver to properly fulfill its duties;

21. The Receiver and any property manager retained by the Receiver shall be paid compensation which shall be either approved by mutual consent of the parties, or this Court.

22. The Receiver shall file with the Court and serve on parties of record, within 45 days of entry of this Order, not less than quarterly thereafter, and within 30 days after termination of the receivership, full and complete reports, under oath, detailing receipts, disbursements and transactions affecting the Company. Such reports may be submitted to the Clerk of the Court under seal and shall not be available for public inspection without further order of the Court;

23. No person or entity may file suit against the Receiver, in his capacity as Receiver, or against the Receiver's appointed manager, unless first authorized in advance by the Court, that the Receiver and those agents, contractors and property managers working under the Receiver's

control have no personal liability in connection with any obligations owed by the Companies to their respective creditors, and that the Receiver and those agents and any property manager acting under its control shall have no personal liability in connection with their conduct in the course of this receivership, except for claims due to their gross negligence, gross or willful misconduct, malicious acts, and/or failures to comply with the orders of this Court;

24. The Receiver may be removed upon an order of this Court, in which case the receivership shall terminate or a substitute receiver may be recommended and appointed by the Court;

25. Nothing in the Order shall be construed as obligating the Receiver to advance its own funds in order to pay the costs and expenses of the receivership.

26. Plaintiffs shall post a surety bond, within ^{thirty 30} ~~sixty (60)~~ days of the entry of this Order, in the amount of \$500,000.00.

27. The bond of the Receiver shall be canceled, and the Receiver discharged, upon the Court's approval of the Receiver's final accounting;

28. The Receiver shall take an oath, and reduce such oath to writing, in connection with its duties as receiver in this case, and file such written oath with the Court;

29. The entry of the Order and none of the provisions of the Order shall in any manner prejudice any of the other rights and remedies of the parties; and

30. The receiver may present this Order to any and all law enforcement, banking institutions, state or federal licensing agencies (to specifically include the Federal Communications Commission) and/or contracting parties with the Companies, who shall recognize the proper authority of the Receiver to act in the manner set forth herein.

IT IS SO ORDERED.

DONE AND ORDERED in Escambia County, Florida on this 12nd day of December, 2014.


JAN SHACKELFORD
Circuit Court Judge

Conformed copies to:

Robert O. Beasley, Esq., 226 East Government Street, Pensacola, FL 32502
Michael M. Mead, Esq., P.O. Box 1329, Fort Walton Beach, FL 32549

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12/26/14