

December 26, 1929.

Hon. James R. Keaton, President,
Board of Governors, Oklahoma State Bar,
Oklahoma City, Oklahoma.

Dear Judge:--

I desire to call your attention to some unprofessional conduct on the part of Reuben M. Roddie particularly, and J.B. Dudley, which in my judgment will merit an investigation by your organization.

After the rendition of the second opinion in the now notorious Riverside case, No. 13646 in the Supreme Court, a petition for rehearing was filed by the Riverside Company, myself, and others; the petition was denied in December, 1925. A few days thereafter Mr. Justice Hunt advised me that Reuben M. Roddie, who at that time was a stranger to me, and whom I had never heard of before, had been out to the Supreme Court, ostensibly for the purpose of having a judgment rendered on the supersedeas bond, but his principal activity was calling on the different members of the court and thanking them for the consideration they had given the case, evidently under the assumption that the case was concluded and the mandate would issue immediately. Neither at that time nor at any time prior thereto was Roddie ever identified as an attorney of record in the case; however, he was associated or identified in some capacity with Dudley in the practice of law, and I am informed they officed together. According to Justice Hunt's statement, Roddie explained that he was interested in the case. However, Hunt, so he stated me, advised Roddie that he was informed that an application for leave to file a second petition for rehearing had been filed, consequently the mandate could not issue, whereupon Roddie stated that he would appreciate early action on the part of the court in the disposition of the new application just filed. These statements were made to me on the night following the day on which Roddie was represented to have made his overtures, and at a time when the incident was undoubtedly fresh in Justice Hunt's mind. I have heretofore testified repeatedly about the incident, and Justice Hunt, in keeping with his palliating attitude, has attempted to soften the incident as much as possible.

In March, 1926, the application for leave to file a second petition for rehearing was denied, and a week later V.V. Harris, who had previously been named by the District Court as receiver for the Riverside Company, pretended to qualify by taking the oath and making a bond. Collateral attacks made upon the trial court's judgment and the Supreme Court opinion affirming the same, subsequently became so embarrassing to Harris that he resigned as receiver, and

Dudley, without notice to any one, procured the immediate appointment of Roddie as Harris' successor. Soon thereafter Roddie and Dudley openly commenced the practice of law together, and Roddie has at all times since claimed to be the receiver of the Riverside Company, and for approximately a year or more continued his relationship with Dudley as a law partner or associate. When Dudley went into the firm of Everest, Vaught & Brewer following the appointment of Mr. Vaught as federal judge, the partnership, or whatever relationship it might be termed, between Roddie and Dudley, was terminated, but Roddie has still claimed to act as receiver for the Riverside Company. My understanding of the law is that an attorney interested in a case cannot act as a receiver in such case.

Prior to the time that Harris qualified as receiver, the Riverside Oil & Refining Company had obtained a \$50,000 loan from the First National Bank of Tulsa, and secured same by a mortgage on some of its properties. The mortgage covered not only the properties but the oil and gas runs therefrom, and as a part of the transaction transfer and division orders in proper form were executed by the company and delivered to the First National Bank. Shortly thereafter, when Mr. Harris qualified as receiver, Dudley, acting for Harris, demanded of the various companies purchasing oil and gas from the Riverside Company that all future payments be made to Harris as receiver. None of the companies respected the demand, on account of the attacks then being made on the judgment by which Harris was appointed. The Empire Gas & Fuel Company, however, did suspend payment for gas being purchased from one certain property which was mortgaged to the First National Bank.

At a later date the Riverside Company defaulted in its obligation to the bank, and soon thereafter the bank brought suit to foreclose. In so doing, leave was obtained from the District Court of Oklahoma County to sue Roddie as receiver, inasmuch as he had then succeeded Harris. The district judge entered an order directing the bank to sue Roddie as receiver, and further provided in the order that any and all moneys that might have theretofore come into Roddie's hands, or that should thereafter be received by him from the mortgaged properties, should be held and retained by Roddie, and not paid out except on order of the District Court of Oklahoma County after a hearing, with reasonable notice of such hearing having been given.

The suit was filed by the bank about August, 1926, and all payments were held in suspense by the Empire Company until the latter part of June, 1927, when the Empire Company was induced by Dudley to ignore the mortgage and suit, of which the Empire Company had both constructive and actual notice, and the transfer and division orders on file with the Empire Company at its office in Bartlesville, and further induced said company to pay the sums then accrued to Roddie in his pretended or real capacity as receiver. This happened a few days before I was released from jail, and as soon as I learned of it I, on account of my connection with the Riverside Company, and being surety

on the Riverside Company's obligation to the bank, made demand for the money to be paid to the bank, as it should have been. The attorney for the Empire Company, Mr. Spies, evidently for the purpose of currying favor with the Supreme Court by accommodating Dudley in the Riverside case, which was then very much of a sore spot for the court, refused to consider the demand, offering as his only excuse that the fund was paid to Roddie in order to prevent being adjudged in contempt of the Supreme Court. However, they immediately required Roddie to furnish an indemnity bond for \$7500. The sum previously paid to Roddie amounted to about \$6000. After Roddie furnished the indemnity bond the Empire Company resumed payments to him at monthly intervals for the gas currently produced and accruing to the Riverside Company's interest, and continued such practice until after the bank's mortgage had been foreclosed and the property sold. The Empire Company extended itself to such an extent as to make a final payment to Roddie after the sale of the property involved had been confirmed by the District Court of Creek County.

The vital point of the complaint is this: As rapidly as Roddie received the money, and in violation of the court's order, he proceeded to disburse it to Lydick, Dudley, a laymen named Lynch who was involved in the litigation, and himself. He at no time ever filed a report as receiver from the time of his pretended appointment in 1926 until June 16, 1929. The sums received by Roddie from the Empire Company represented not only money due the First National Bank, and subsequently its successor, as mortgagee, but also represented one-half of the royalty portion of the gas produced. Roddie did not distinguish between the funds, but dissipated the royalty owner's money (in the face of the direct obligation and specific contract between the royalty owner and the Riverside Company to account for it) with the same reckless abandon that he appropriated the money belonging to the mortgagee.

During the 3-year interval the company's affairs became more involved, and I was paying all of its operating expenses with my personal funds, its income in the meantime having been tied up through various developments in the litigation. Roddie at no time attempted to use any of the money paid to him in discharging the company's obligations, and made no effort whatever to apply the funds received on the loan of the bank, which was then being foreclosed. On the contrary, however, Roddie, according to his own statement, organized a group of his friends for the purpose of buying the company's properties at foreclosure sale, and personally appeared at such sale and bid on the properties for other persons, but he failed to buy them. During this interval, and while so conducting himself, he was dissipating the funds coming into his hands, as above stated.

As a result of the foregoing developments and conditions, I, with five other creditors of the company, caused the company to be thrown into bankruptcy, and an order adjudging the company a bankrupt was made on July 13th last. A receiver was appointed to conduct the

company's business in bankruptcy, and then Mr. Roddie filed a report in the District Court of Oklahoma County showing his receipts and disbursements. The total sum received by him was \$8914.29, all of which was obtained from the Empire Company and all of which was dissipated as above stated, in direct violation of the court's order commanding him to retain the funds. No hearing was ever had or notice of any pretended hearing given, and no order was ever made by the District Court of Oklahoma County directing Roddie to dispose of the money obtained by him. All of the judges of the District Court of Oklahoma County had disqualified, and no special judge had ever been called to act on any application of Roddie's, if he had filed one.

With the adjudication in bankruptcy the jurisdiction of the state court was terminated, and as a consequence Roddie's report has never been approved, or at least it had not been the last time I investigated. The receiver in bankruptcy filed a proper application with the District Court of Oklahoma County for an order directing Roddie to turn over all moneys and properties that he might have received as receiver, but nothing has been done on that application.

It occurs to me that this matter should be investigated, and the task will be simple, because my statements are all supported by the records.

While going into this matter I believe it would not be amiss to inquire into the conduct of both Roddie and Dudley in connection with the Crews heirs case, which was fully disclosed during the trial of Justice Mason before the Senate. If you desire I will give you the substance of the disclosures made in connection with that case, or will give you the proper citations in the Senate Journal where the evidence may be found.

I hope that you will not misconstrue my motive in communicating with you. It is not an attempt on my part to secure the aid of your organization in any of my controversies, as I have always felt, and still feel, that I am amply able to take care of myself. It is unfortunate that this incident arose in the particular case mentioned, but if these attorneys have by their conduct merited an investigation, it seems clear to me that such investigation should be made, regardless of who makes the complaint. You realize, of course, that I could have informed some one else of the facts and caused them to make the complaint, but I am not given to dodging the responsibility on any issue. Inasmuch as I feel that I was largely responsible for the passage of the State Bar Act by the Legislature, it behooves me to offer such assistance as I can to see that it becomes potent, and I am furnishing this information as a beginning point. If this is favorably received, I shall feel much more inclined to furnish you with the facts and data with reference to a great many other cases that, in my judgment, should be investigated, and of course I shall be more than willing to render such assistance as might be acceptable to you in simplifying any investigation your organization may see fit to make of the evidence ad-

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duced by the legislative investigating committee and in the impeachment trials. However, please do not think that I am presumptuous and inclined to believe that your organization cannot function without suggestion or direction from me. This matter is offered in the kindest spirit, and if you consider action on my part improper I shall appreciate your so advising me, as I certainly do not want to do anything that would impair your efforts.

Very sincerely yours,

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After 5 days, return to
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Mr. C. Guy Cutlip,
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