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February 27, 2017

VIA EMAIL

Patrick O. Howard
By and through counsel,
Brandon N. McCarthy, Esq.
Barrett R. Howell, Esq.
Phil Bezanson, Esq.
1445 Ross Avenue, Suite 3800
Dallas, Texas 75202

Re: Civil Action No. 3:17-cv-00420-L, *Securities and Exchange Commission, Plaintiff v. Patrick O. Howard; Howard Capital Holdings, LLC; and Optimal Economics Capital Partners, LLC, Defendants*, pending in the United States District Court, Northern District of Texas, Dallas Division;

Order Appointing Receiver as to Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economic Capital Partners, LLC.

Counsel:

As you are aware, on February 14, 2017, the Securities and Exchange Commission filed suit against Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economic Capital Partners, LLC and, on that date, The Honorable Sam Lindsey entered his *Order Appointing Receiver* over the Defendants in the action, appointing W. Craig Stokley as Receiver. The purpose of this correspondence is to make demand that Patrick O. Howard comply with the Court's Orders and cease and desist from any other further conduct in violation of the Orders, as described in detail below.

The *Order Appointing Receiver* provides, in relevant part:

All persons and entities with direct or indirect control over any Receivership Assets are ordered to relinquish such control to the Receiver.

See Asset Freeze, Section I, Paragraph 3.

The Order further provides:

The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the entity Receivership Defendants . . .

The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys, and other agents of the Receivership Defendants are hereby dismissed and the powers of any general partners, directors, or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Defendants' operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Defendants and shall pursue and preserve all of their claims.

No person holding or claiming and position of any sort with any of the Receivership Defendants shall possess any authority to act by or on behalf of any of the Receivership Defendants.

See General Powers and Duties of Receiver, Section II, Paragraphs 4-6.

The *Order Appointing Receiver* was served on the Receivership Defendants on February 14, 2017. The Order, in addition to the provisions above, further provides that the Receiver will manage, control and maintain the Receivership Estate and take any action which, prior to the entry of the Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants. See Section II, Paragraph 7, Subsections C and E.

On February 14, 2017, the Receiver assumed control of the Receivership Entities pursuant to the *Order Appointing Receiver*. Since that date, the Receiver has become aware that Mr. Howard, after notice and service of the *Order Appointing Receiver*, violated the Order by taking action on behalf of Optimal Economic Capital Partners, LLC. Specifically, Mr. Howard appears to have directed an employee of Optimal Economic Capital Partners, LLC to execute a contract on February 17, 2017, three days after the Order was entered, both in violation of the Order and contrary to the express directive of the Receiver. A copy of the contract is enclosed for your reference.

In addition, we have become aware that Mr. Howard continues to make false representations to employees with the apparent intent that the communications be transmitted to investors. The representations include Mr. Howard's statement that the SEC admits that it moved too fast and/or was wrong in its allegations against Defendants; that agreement was made that Howard would pay a fine and then take back control of the investment funds at issue; and that the investors will get all of their money back. Each of the representations is in contrast to the prohibitions in the *Order Appointing Receiver*, the *Ex Parte Order Granting Temporary Restraining Order, Asset Freeze, and Other Emergency and Ancillary Relief*, and *setting Hearing Date on Plaintiff's Preliminary Injunction Motion* and the pending *Interlocutory Judgment*, which was unopposed by Mr. Howard.

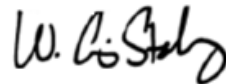
Further, in addition to prohibiting certain conduct by Howard, the *Order Appointing Receiver* requires action by Howard. Specifically, the Order requires that within 10 days of the entry of the Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Defendants; and (c) the names, addresses and amounts of claims of all known creditors of the Receivership Defendants. This information was due by the Receivership Defendants to the Receiver on Friday, February 24, 2017, but was not received. As a result, the Receiver requests that the information be provided no later than March 1, 2017, without the necessity of court intervention.

Finally, in connection with the information to be provided and the Receiver's control over the assets of the Receivership Defendants, the Receiver intends to terminate the lease for Mr. Howard's leased vehicle effective as of February 28, 2017. Accordingly, we request that Mr. Howard provide a copy of the lease no later than 5:00 p.m. tomorrow.

Should the Receiver become aware of any further acts by Mr. Howard which appear to violate the Court's Orders, the Receiver will bring such action to the attention of the Court and seek appropriate relief. However, we trust that these matters can be resolved without the necessity of Court intervention.

Please contact me with any questions or to discuss these matters further.

Sincerely yours,



By: _____
W. Craig Stokley, Receiver