

Robertson

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

MAY 11 2005

PATRICIA PRESLEY, COURT CLERK  
By \_\_\_\_\_  
Deputy

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator; )  
 )  
Plaintiffs, )  
 )  
v. )  
 )  
Barry Pollard and Roxanne Pollard, )  
 )  
Defendants. )

CJ-2005-3799

Case No. CJ-2005-

**PETITION**

Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, Administrator (Department), alleges and states as follows:

**OVERVIEW**

1. On October 14, 2004, the Department filed suit against Marsha Schubert, individually and doing business as Schubert and Associates (Marsha Schubert), and Schubert and Associates in the District Court of Logan County, State of Oklahoma, for violations of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), and the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 2003) (Logan County Suit). *See Exhibit 1.* Specifically, the Department alleged that Marsha Schubert and Schubert and Associates offered and sold unregistered securities, failed to register as agents and employed unregistered agents, and perpetrated fraud in connection with the offer, sale, or purchase of securities.

2. On October 14, 2004, the Logan County District Court appointed Douglas L. Jackson as Receiver for the assets of Marsha Schubert and Schubert and Associates. *See Exhibit*

2. On December 10, 2004, the Logan County District Court amended the order appointing receiver providing that Douglas L. Jackson be the Receiver for the investors and creditors of Schubert and Associates and have the authority to institute actions to recover assets and to protect the interests of and promote equity among the investors in the Schubert and Associates investment program. *See Exhibit 3.*

3. On November 15, 2004, upon stipulation and consent of Marsha Schubert, the Logan County District Court entered a permanent injunction against Marsha Schubert and Schubert and Associates (Permanent Injunction). The Permanent Injunction enjoins Marsha Schubert and Schubert and Associates from offering and selling securities and transacting business as a broker-dealer or agent in and/or from Oklahoma and provides for the continuation of the receivership. *See Exhibit 4.*

#### **RELIEF DEFENDANTS**

4. Plaintiff brings this action against Barry and Roxanne Pollard, individuals who are husband and wife and residents of Garfield County, Oklahoma (Pollard Relief Defendants), who received cash and other property and/or control property that are the proceeds of the unlawful activities of Marsha Schubert and/or Schubert and Associates (collectively, Investor Assets).

#### **NATURE OF THE CASE**

5. In the year 2000 until mid-October 2004, Marsha Schubert and/or Schubert and Associates accepted money from investors, and represented that their money would be invested in option contracts or used to "day trade". In fact, less than one percent of the money deposited into the Marsha Schubert and/or Schubert and Associates bank accounts was used to invest in option contracts. No money was used to "day trade".

6. Marsha Schubert and/or Schubert and Associates did not provide regular and authentic monthly or quarterly account statements or K-1 or 1099 tax statements to investors.

7. Marsha Schubert and/or Schubert and Associates made a large number of cash transactions and wrote a large number of checks with no payee identified.

8. Marsha Schubert and/ Schubert and Associates moved funds back and forth between the Schubert and Associates account at Farmers and Merchants Bank in Crescent Oklahoma (F&M Bank), the Kattails, LLC account at F&M Bank, the Schubert and Associates account at BancFirst in Kingfisher, Oklahoma (BancFirst), Richard Schubert's account at BancFirst, and the accounts of various individuals.

9. To perpetuate the fraud, Marsha Schubert made payments to investors, purportedly generated from investment activities, when in actuality the payments came from other investors' money - a classic Ponzi scheme.

10. The Pollard Relief Defendants received Investor Assets either as purported returns on a non-existent investment or as gifts, in the nature of payments of insurance premiums, contributions to their investment account, and cash for living and/or other expenses.

11. The Pollard Relief Defendants received Investor Assets in excess of any funds they transferred to Marsha Schubert and/or Schubert and Associates.

**FIRST CAUSE OF ACTION  
(Unjust Enrichment)**

12. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 11 above.

13. The Pollard Relief Defendants received Investor Assets as part of and in furtherance of the securities violations alleged in the Logan County Suit and as described in paragraphs 5 through 11 above.

14. The Pollard Relief Defendants received Investor Assets that do not belong to them.

15. The Pollard Relief Defendants have been unjustly enriched. It would be inequitable under the circumstances described above for the Pollard Relief Defendants to retain the benefit of the money or other assets they received in excess of the funds they transferred to Schubert and Associates to the detriment of other investors.

**SECOND CAUSE OF ACTION  
(Fraudulent Transfer)**

16. Plaintiffs reallege and incorporate by reference each and every allegation contained in paragraphs 1 through 15 above.

17. The transfers of Investor Assets to the Pollard Relief Defendants made as part of a Ponzi scheme, were by definition made with actual intent to hinder, delay or defraud creditors and/or investors of Marsha Schubert and/or Schubert and Associates.

18. Marsha Schubert and/or Schubert and Associates were insolvent or became insolvent in 2000.

19. The transfers of Investor Assets to the Pollard Relief Defendants were for inadequate consideration or no consideration. Marsha Schubert and/or Schubert and Associates did not receive reasonably equivalent value in exchange for the transfers.

20. Marsha Schubert and/or Schubert and Associates intended to incur, or believed or reasonably should have believed that they would incur, debts beyond their ability to pay as the debts became due.

**PRAYER FOR RELIEF**

WHEREFORE, based upon the foregoing, Plaintiff prays for the court to grant the following relief:

I.

Plaintiff prays for a judgment requiring the Pollard Relief Defendants to disgorge any and all Investor Assets received or held by the Pollard Relief Defendants, for which the Pollard Relief Defendants gave inadequate or no consideration, or to which the Pollard Relief Defendants have no legitimate claim, plus interest at the statutory rate accruing from the date of judgment until paid in full;

II.

Plaintiff prays for a judgment against the Pollard Relief Defendants for an amount equal to all assets received by them that were generated from Investor Assets and for which the Pollard Relief Defendants gave no consideration or to which the Pollard Relief Defendants have no legitimate claim, plus interest at the statutory rate accruing from the date of judgment until paid in full; and

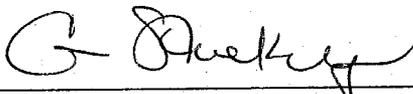
III.

Plaintiff prays for such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act, the Oklahoma Uniform Fraudulent Transfer Act, common law, and principles of equity.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
Irving L. Faught, Administrator

By:

  
Gerri Stuckey, (OBA #16732)  
Amanda Cornmesser, (OBA # 20044)  
Melanie B. Hall, (OBA #1209)  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700 phone number  
(405) 280-7742 facsimile number  
Attorneys for Oklahoma Department of Securities





IN THE DISTRICT COURT OF LOGAN COUNTY  
STATE OF OKLAHOMA

STATE OF OKLAHOMA  
LOGAN COUNTY SS:  
FILED FOR RECORD ON

04 OCT 14 PM 3:22

CLERK OF DISTRICT COURT

BY \_\_\_\_\_ DEPUTY

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff, )

v. )

Case No. *CT-2004-256*

Marsha Schubert, an individual and )  
*dba* Schubert and Associates; )  
Richard L. Schubert, an individual and )  
*dba* Schubert and Associates; and )  
Schubert and Associates, )  
an unincorporated association, )

Defendants. )

PETITION FOR PERMANENT INJUNCTION

AND OTHER EQUITABLE RELIEF

COMES NOW the Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, ("Department"), and for its claims against the above-named Defendants, alleges and states as follows:

**OVERVIEW**

1. This case involves violations of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003) and the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 2003), by Marsha Schubert, Richard Schubert, and Schubert and Associates ("Defendants"). Specifically, the Department alleges Defendants offered and sold unregistered securities in violation of Section 1-301 of the Act and Section 301 of the Predecessor Act, failed to register as agents and

EXHIBIT 1

employed unregistered agents in violation of Section 1-401 of the Act and Section 201 of the Predecessor Act, and perpetrated fraud in connection with the offer, sale, or purchase of securities in violation of Section 1-501 of the Act and Section 101 of the Predecessor Act.

### **JURISDICTION**

2. The Administrator of the Department brings this action pursuant to Section 1-603 of the Act and is the proper party to bring this action against the Defendants.

3. Pursuant to Sections 1-102 and 1-610 of the Act and Sections 2 and 413 of the Predecessor Act, Defendants, in connection with their activities in the offer, sale, and purchase of securities, are subject to the provisions of the Act and the Predecessor Act. By virtue of their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendants have engaged in acts and practices in violation of the Act and the Predecessor Act and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

### **DEFENDANTS**

5. Marsha Schubert is an individual and an Oklahoma resident. At all times material hereto, Marsha Schubert offered and/or sold securities in and/or from Oklahoma as described herein in her own name and/or in the name of Schubert and Associates.

6. Richard Schubert is an individual and an Oklahoma resident. At all times material hereto, Richard Schubert offered and/or sold securities in and/or from Oklahoma as described herein in his own name and/or in the name of Schubert and Associates.

7. Schubert and Associates is an unincorporated association, purporting to operate as an investment program, with its principal place of business in Crescent, Oklahoma. At all times material hereto, Schubert and Associates issued, offered, and/or sold securities in and/or from Oklahoma as described herein. At all times material hereto, Schubert and Associates acted under the control of Marsha Schubert and/or Richard Schubert.

#### NATURE OF THE CASE

8. Beginning in or about 2001, and continuing to the present, Defendants engaged in the issuance, offer, and/or sale of securities in and/or from Oklahoma to investors ("Investors") in the nature of interests in an investment program ("Investment Program Interests") in which Defendants represented they would pool and invest Investor funds returning large profits to Investors. Defendants have solicited and are soliciting Investors to invest money in the Investment Program. Defendants' representations were made through the use of oral communications.

9. To purchase Investment Program Interests, Investors were directed to make their checks payable to Schubert and Associates. Defendants then deposited Investor funds into a bank account in the name of Schubert and Associates. Defendants did not disclose to Investors how Defendants would invest Investors' money, but generally stated that the money would be used to make trades in option contracts. Defendants promised that the Investment Program Interests are "full proof" and promised profits of thirty percent (30%) annual interest. Investors

had no role in the success or outcome of the investments or in affecting the promised profit in the Investment Program. Investors relied completely on the judgment and discretion of the Defendants for the promised profit.

10. Defendants rarely provided statements to Investors documenting their investments in the Investment Program Interests. Some Investors received a computer produced statement in January of 2004 reflecting the amount or value of their investment at that time. Some Investors also received handwritten statements from time to time on request. However, in most cases, Investors who inquired about their profits merely received a handwritten note reflecting the percentage of profit Defendants claimed the Investors were making. When Investors asked to see the Schubert and Associate investment records, Defendants told Investors that the records were at the Schubert residence.

11. At all times material hereto, Marsha Schubert was registered as an agent of a broker-dealer registered to engage in the securities business in the state of Oklahoma. Marsha Schubert held herself out as competent to transact securities trades on behalf of customers and that because of her registered status she would deal fairly with her customers in accordance with the standards of the securities profession. The Investors placed trust and confidence in Marsha Schubert to act for their benefit. She lured the Investors into thinking that the Investment Program was part of a legitimate brokerage investment. However, the offer and sale of the Investment Program Interests involved securities transactions outside the regular course or scope of her employment with a registered broker-dealer, and were therefore, outside the scope of her agent registration.

12. In addition to investing in the Investment Program Interests, the Investors were brokerage customers of Marsha Schubert and her affiliated broker-dealers. The Investors did

receive statements from the broker-dealers reflecting the securities held in their brokerage accounts. Some Investors believed their money had been placed in their brokerage accounts and questioned Marsha Schubert about why the account value depicted on their brokerage statements did not match the amount they believed they had invested with Defendants. Marsha Schubert told Investors she had resigned from one brokerage firm and became affiliated with a different firm because of problems with the account statements and that the statements from the new brokerage firm should be accurate.

13. In May of 2004, Marsha Schubert was permitted to resign while under investigation by the broker-dealer with whom she was registered. In April of 2004, the broker-dealer had conducted an audit on Marsha Schubert regarding wire fund activity involving her customers' brokerage accounts and deposits from Schubert and Associates. When Marsha Schubert's customers, who had check writing authority on their brokerage accounts, wrote checks exceeding their cash availability for withdrawal, Marsha Schubert would be notified by the brokerage firm that her customer had insufficient funds. Marsha Schubert would then make a deposit in the form of a wire transfer from Schubert and Associates to cover the deficiency. This practice continued after Marsha Schubert became affiliated with the second brokerage firm. Phone logs retrieved from Marsha Schubert's office support that customers called to notify Ms. Schubert when they were writing checks. Ms. Schubert would deposit funds from Schubert and Associates to cover any checks drawn in that customer's brokerage account.

14. In October of 2004, the Department conducted an examination of Marsha Schubert's broker-dealer office. Marsha Schubert claimed that Schubert and Associates is a limited partnership managed by her husband Richard Schubert. She stated that Richard Schubert is the general partner and that the limited partners are just a small group of his friends who

wanted to form an investment club. Marsha Schubert asserted that she is not acting as a representative of Schubert and Associates. Marsha Schubert stated there were no records for Schubert and Associates in her office. Marsha Schubert refused to produce documents and has since closed the business without notice or explanation to Investors and advised employees that their employment was terminated.

15. The Investment Program Interests are not registered as securities with the Department.

16. Martha Schubert and Richard Schubert are not registered as issuer agents with the Department.

#### **FIRST CAUSE OF ACTION.**

##### **(Violation of Section 1-301 of the Act and Section 301 of the Predecessor Act: Offering and/or Selling Unregistered Securities)**

17. Plaintiff realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 14 above.

18. The Investment Program Interests are securities as defined by Section 1-102 of the Act and Section 2 of the Predecessor Act.

19. The securities offered and sold by Defendants are not and have not been registered, or otherwise qualify for, an exemption from registration pursuant to Section 1-201 of the Act or Section 401 of the Predecessor Act.

20. By reason of the foregoing, Defendants have violated Section 301 of the Predecessor Act and have violated, are violating, and unless enjoined, will continue to violate Section 1-301 of the Act.

## SECOND CAUSE OF ACTION

**(Violation of Section 1-401 of the Act and Section 201 of the Predecessor Act:  
Failure to Register as Agents and Employing Unregistered Agents)**

21. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding cause of action.

22. Defendants are not, and have not been, registered as issuer agents pursuant to Section 1-401 of the Act or Section 201 of the Predecessor Act.

23. Schubert and Associates is an issuer as defined in Section 1-401 of the Act and Section 2 of the Predecessor Act.

24. Richard Schubert and Marsha Schubert, by virtue of their efforts and activities in this state in effecting or attempting to effect transactions in securities, are issuer agents, as defined in Section 1-102 of the Act and Section 2 of the Predecessor Act. Richard Schubert and Marsha Schubert have transacted and are transacting business in this state as issuer agents without benefit of registration under the Act or the Predecessor Act.

25. Schubert and Associates employed unregistered agents.

26. By reason of the foregoing, the Defendants have violated Section 201 of the Predecessor Act and have violated, are violating, and unless enjoined, will continue to violate Section 1-401 of the Act.

## THIRD CAUSE OF ACTION

**(Violation of Section 1-501 of the Act and Section 101 of the Predecessor Act:  
Untrue Statements of Material Facts and Omissions of Material Facts  
in Connection With Offer, Sale or Purchase of Securities)**

27. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

28. Defendants, in connection with the offer, sale, or purchase of securities, directly and indirectly, made and are making untrue statements of material facts including, but not limited to, that the Investment Program would provide guaranteed profits or returns in the nature of annual interest of thirty percent (30%) or greater.

29. Defendants, in connection with the offer, sale, or purchase of securities, directly and indirectly, omitted and are omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were and are made, not misleading, including, but not limited to, the following matters:

- a. any general or specific risk factors associated with the Investment Program Interests;
- b. that the Investment Program Interests are securities under the Act and the Predecessor Act;
- c. that the securities have not been and are not registered under the Act or the Predecessor Act;
- d. that the Investment Program Interests were not being offered and sold through a registered broker-dealer;
- e. that the Defendants were not registered to offer and sell securities under the Act or the Predecessor Act;
- f. that Schubert and Associates was not affiliated with the customers' brokerage accounts;
- g. that the Investment Program Interests were not an authorized product of Marsha Schubert's broker-dealer; and
- h. information on the manner in which profits would be generated on the Investment Program Interests or Investors' funds would be disposed.

30. By reason of the foregoing, Defendants, directly and indirectly, have violated Section 101 of the Predecessor Act, and have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

#### FOURTH CAUSE OF ACTION

**(Violation of Section 1-501 of the Act and Section 101 of the Predecessor Act:  
Engaging in any Act, Practice, or Course of Business Which Operates or  
Would Operate as a Fraud or Deceit upon any Person)**

31. The Department realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

32. Defendants, in connection with the offer, sale, or purchase of securities, and through the use of the untrue statements of material fact and the omissions of material facts described in paragraphs 28 and 29 above, have engaged and are engaging in an act, practice, or course of business that has operated and continues to operate as a fraud or deceit upon investors.

33. By reason of the foregoing, Defendants, directly and indirectly, have violated Section 101 of the Predecessor Act, and have violated, are violating, and unless enjoined, will continue to violate Section 1-501 of the Act.

#### PRAYER FOR RELIEF

Defendants have engaged in acts and practices in violation of the Act and the Predecessor Act and have, as a result of these activities, received a substantial amount of money from Investors. Unless enjoined, Defendants will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object. A danger exists that the money received by Defendants from the Investors or money or securities held by Defendants on behalf of the Investors will be lost, removed, or transferred. A temporary restraining order to issue *instanter* and temporary and permanent injunctions to issue against Defendants are necessary to preserve the money received and money or securities held and the records relating thereto and to prevent further violations of the Act.

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, the Department prays for the court to grant the following relief:

I.

A temporary restraining order to issue *instante* and a temporary and permanent injunction, restraining and enjoining the Defendants, their agents, servants, employees, assigns, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the restraining order or temporary and/or permanent injunction, by personal service, facsimile or otherwise, and each of them from:

- a. offering and selling any security in this state; and
- b. transacting business in this state as a broker-dealer, agent, investment adviser, and/or investment adviser representative.

II.

An order prohibiting Defendants, their agents, servants, employees, assigns, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice of the order, by personal service, facsimile or otherwise, and each of them from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants or any financial transactions by Defendants or to which Defendants were parties;

III.

An order *instanter* freezing the assets of Defendants and ordering that all financial or depository institutions comply with the Court's order;

IV.

An order *instanter* appointing a receiver *pendente lite* for Defendants, empowering said receiver to marshal and take possession of the books, records, funds and assets of Defendants; to undertake whatever manner of legal or equitable action is required to preserve or maintain the assets of Defendants; and to operate or liquidate the assets of Defendants for the benefit of the Investors, as equity may require;

V.

An order *instanter* requiring Defendants to file with this Court and to serve on Plaintiff, within ten (10) days of the filing of this petition, an accounting, under oath, detailing all of their assets and detailing all funds received from Investors and the disposition and/or use of those funds;

VI.

An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or who transferred money to Defendants for the purpose of making securities investments on their behalf;

VII.

An order requiring Defendants, their agents, servants, employees, assigns, and all persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains;

VIII.

An order imposing a civil penalty against Defendants in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) each; and

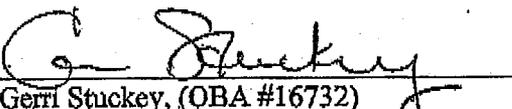
IX.

Such other equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act and the Predecessor Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES  
Irving L. Faught, Administrator

By:



Gerri Stuckey, (OBA #16732)  
Amanda Cornmesser, (OBA # 20044)  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

STATE OF OKLAHOMA )  
 )  
COUNTY OF OKLAHOMA ) SS.

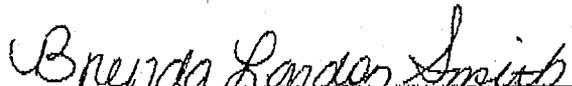
Irving Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition for Permanent Injunction and Other Equitable Relief and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
(405) 280-7700

Subscribed and sworn to before me this 14th day of October, 2004.

  
Notary Public

My Commission Expires: August 26, 2004  
My Commission No.: 01013792  
(NOTARIAL SEAL)

IN THE DISTRICT COURT OF LOGAN COUNTY  
STATE OF OKLAHOMA

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff, )

v. )

Case No. *CJ2004-256*

Marsha Schubert, an individual and )  
*dba* Schubert and Associates; )  
Richard L. Schubert, an individual and )  
*dba* Schubert and Associates; and )  
Schubert and Associates, )  
an unincorporated association, )

Defendants. )

**TEMPORARY RESTRAINING ORDER, ORDER APPOINTING RECEIVER,  
ORDER FREEZING ASSETS AND ORDER FOR ACCOUNTING**

This matter came on for hearing this 14<sup>th</sup> day of October, 2004, before the undersigned Judge of the District Court in and for Logan County, State of Oklahoma, upon the verified Petition for Permanent Injunction and Other Equitable Relief of the Plaintiff ("Petition") and the application therein for a temporary restraining order, an order freezing assets, an order for an accounting, and an order appointing a receiver pursuant to Section 1-603 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

It appears to this Court from the facts alleged in Plaintiff's verified Petition that Plaintiff is entitled to the relief prayed for; it further appears that the public will suffer irreparable damage and injury unless the Defendants, their officers, directors, agents, and other individuals acting on their behalf and under their direction and control are restrained forthwith and without notice.

**EXHIBIT 2**

It further appears to the Court that if the issuance of this temporary restraining order, order appointing receiver, order freezing assets, and order for accounting is delayed until notice is given to the opposing party there is a strong likelihood that investor funds may be lost to the detriment of those investors. The irreparable injury to be suffered by Plaintiff is the continued violations of the Act by Defendants if not temporarily restrained.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants, their agents, servants, employees, assigns, and those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them who receive actual notice of this order, by personal service, facsimile or otherwise, be and hereby are, and until further notice of this Court, restrained from:

1. offering or selling any security in this state; and
2. transacting business in this state as broker-dealers or agents.

IT IS FURTHER ORDERED that Defendants, their agents, servants, employees, assigns, and those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them who receive actual notice of the order, by personal service, facsimile, or otherwise, and each of them from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants or any financial transactions by Defendants or to which Defendants were parties.

IT IS FURTHER ORDERED that pending determination of the motion for temporary injunction, the assets of Defendants be, and hereby are, frozen ("assets"). The freeze shall include, but not be limited to, those funds located in any bank or other depository or financial

institution or securities brokerage firm. It shall also apply to accounts in the name of any individuals or entities controlled by Defendants or over which Defendants have signatory or other designated authority, if the funds are derived to any extent from the activities alleged in Plaintiff's Petition. All banks or other depository or financial institutions or securities brokerage firms served with a copy of this order shall cooperate with the Department relating to implementation of this order, including imposing a freeze on all Assets, including accounts and funds, and producing records relating thereto. Facsimile transmission shall constitute service on the banks or other depository or financial institutions or securities brokerage firms.

IT IS FURTHER ORDERED that Douglas Jackson ("Receiver") be appointed as Receiver for Defendants. The Logan County Sheriff shall immediately install the Receiver at the place of business of Defendants. The Receiver is given directions and authority to accomplish the following with regard to Defendants:

1. to assume full control of Schubert and Associates by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of Schubert and Associates, including any Defendant, from control of, management of, or participation in the affairs of Schubert and Associates;
2. to take immediate and exclusive custody, control, and possession of all assets and the documents of, or in the possession or custody, or under the control of Defendants, of whatever kind and description, and wherever situated. The Receiver shall have full power to divert mail and to sue for, collect, receive, take possession of, hold, and manage all assets and documents of the Defendants;
3. to conserve, hold, and manage all assets of Defendants and the business Schubert and Associates pending further action by this Court in order to prevent any irreparable

loss, damage, or injury to investors; to conserve and prevent the withdrawal or misapplication of funds entrusted to Defendants, their agents, employees, officers, directors, principals, distributors, sales representatives, and/or attorneys; to take the necessary steps to protect the interests of investors, including the liquidation or sale of assets of Defendants; and to prevent violations of the Act by Defendants;

4. to make such payments and disbursements as may be necessary and advisable for the preservation of the assets of Defendants and as may be necessary and advisable in discharging his duties as Receiver;

5. to retain and employ attorneys, accountants, computer consultants, and other persons as the Receiver deems advisable or necessary in the management, conduct, control, or custody of the affairs of Defendants, and of the assets thereof and otherwise generally to assist in the affairs of Defendants. Receiver may immediately retain or employ such persons, and compensate such persons, all subject to filing as soon as practicable with this Court, an application seeking approval of the employment;

6. to institute, prosecute and defend, compromise, adjust, intervene in or become party to such actions or proceedings in any state court, federal court, or United States bankruptcy court as may in Receiver's opinion be necessary or proper for the protection, maintenance, and preservation of the assets of Defendants, or the carrying out of the terms of this order, and likewise to defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings now pending in any court by or against Defendants where such prosecution, defense, or other disposition of such actions or proceedings that will, in the judgment of the Receiver, be advisable or proper for the protection of the assets of Defendants; and

7. to take all steps necessary to secure the business premises of Schubert and Associates and to exercise those powers necessary to implement his conclusions with regard to disposition of this receivership pursuant to the orders and directives of this Court.

IT IS FURTHER ORDERED that all persons and entities, including Defendants, their subsidiaries, affiliates, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or other depository or financial institutions or securities brokerage firms, wherever chartered or located, federal and state agencies, who receive actual notice of this order, by personal service, facsimile transmission, or otherwise, shall promptly deliver and surrender to the Receiver:

1. all assets of the Defendants;
2. all documents of the Defendants including, but not limited to, books, records, tapes, discs, accounting data, checks, correspondence, forms, advertisements, brochures, manuals, electronically stored data, bank records, customer and investor lists, customer and investor files, telephone records, ledgers, payroll records, to include such information stored in computer maintained form;
3. all assets belonging to members of the public now held by Defendants;  
and
4. all keys and codes necessary to gain or to secure access to any assets or documents of the Defendants including, but not limited to, access to their

business premises, means of communication, accounts, computer systems,  
or other assets or property, wherever located.

IT IS FURTHER ORDERED that Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them refrain from interfering with said Receiver taking such custody, control, or possession and from interfering in any manner, directly or indirectly, with such custody, possession, and control of said Receiver.

IT IS FURTHER ORDERED that Defendants and Receiver allow representatives of the Oklahoma Department of Securities access to any and all documents relating to the sales of securities and the business of Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, including, but not limited to, books, records, tapes, discs, accounting data, checks, correspondence, forms, advertisements, brochures, manuals, electronically stored data, bank records, customer and investor lists, customer and investor files, telephone records, ledgers, payroll records, to include such information stored in computer maintained form.

IT IS FURTHER ORDERED that Defendants file with this Court and serve on the Plaintiff an accounting, under oath, detailing all of their assets and detailing all funds received from investors and the disposition and/or use of those funds received pursuant to the scheme described in the Plaintiff's Petition. This accounting shall include, but not be limited to, the total amount received from investors, the name and address of each investor, the amount invested, the date each such investment was made, and a listing of all expenditures showing the amount and to

whom paid and the date of payment. This accounting shall be submitted to this Court and served upon Plaintiff within 10 days from the date of entry of this order.

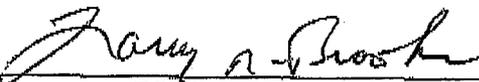
IT IS FURTHER ORDERED that the Receiver may apply to the Court for compensation, from time to time, in a reasonable sum to be determined by the Court and from such sources as approved by the Court and for reimbursement for reasonable expenses incurred in connection with his duties as Receiver. The fees and expenses of the Receiver shall have priority over any other claims made against Defendants. The Receiver shall not be required to give any bond. The Oklahoma Department of Securities shall have the authority to seek removal of the Receiver for cause and upon approval of this Court.

IT IS FURTHER ORDERED that except by leave of Court during the pendency of this receivership, all creditors and other persons seeking money, damages, or other relief from Defendants, and all others acting on behalf of any such creditor or other persons, including sheriffs, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees, are hereby stayed and restrained from doing any act or thing whatsoever to interfere with the orderly transfer of the Receivership assets to the Receiver or with the possession of or management by the Receiver of the Receivership assets, or to interfere in any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over Defendants. This receivership order shall not stay or restrain any pending or future action whatsoever by any government agency or any representative on behalf of any government.

IT IS FURTHER ORDERED that the Defendants shall provide notice of this order to each of their affiliates, successors, directors, officers, and each of their employees, salespersons, representatives, and independent contractors.

IT IS FURTHER ORDERED that a hearing is hereby set at 1:30 P.m. on the 15<sup>th</sup> day of November, 2004 before the Honorable Donald Worthington of Logan County District Court, Logan County Courthouse, Guthrie, Oklahoma, at which time the Defendants may seek the dissolution of this Temporary Restraining Order and the Plaintiff may seek a temporary injunction and other equitable relief.

THIS ORDER IS ENTERED this 14<sup>th</sup> day of October, 2004, at 3:28 P.m.

  
DISTRICT COURT JUDGE

IN THE DISTRICT COURT OF LOGAN COUNTY  
STATE OF OKLAHOMA

STATE OF OKLAHOMA  
LOGAN COUNTY SS:  
FILED FOR RECORD ON

04 DEC 10 PM 2:44

CHRISTINA ZANEK  
COURT CLERK

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff, )

v. )

Marsha Schubert, an individual and )  
*dba* Schubert and Associates; )  
Richard L. Schubert, an individual and )  
*dba* Schubert and Associates; and )  
Schubert and Associates, )  
an unincorporated association, )

Defendants. )

Case No. CJ-2004-256

BY..... DEPUTY

**ORDER AMENDING AUTHORITY OF RECEIVER**

This matter came on for hearing this 10th day of December, 2004, before the undersigned Judge of the District Court in and for Logan County, State of Oklahoma, upon the Plaintiff's Motion to Amend Order Appointing Receiver for modification of the Temporary Restraining Order, Order Appointing Receiver, Order Freezing Assets and Order for Accounting (Temporary Restraining Order) entered in this matter on October 14, 2004.

The Oklahoma Department of Securities appears through its attorneys Amanda Cornmesser and Gerri Stuckey. Defendants Marsha Schubert, individually and *dba* Schubert and Associates (Marsha Schubert), and Schubert and Associates appear through their attorney, Mack Martin. Defendant Richard L. Schubert (Richard Schubert) appears through his attorney William J. Baker. The Receiver, Douglas L. Jackson, appears through his attorney, Brad Davenport.

**EXHIBIT 3**

On October 14, 2004, upon Plaintiff's verified Petition for Permanent Injunction and Other Equitable Relief (Petition), this Court issued the Temporary Restraining Order pursuant to Section 1-603 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

On November 15, 2004, a permanent injunction was entered against Defendant Marsha Schubert and Schubert and Associates. The permanent injunction enjoins Marsha Schubert and Schubert and Associates from offering and selling securities and transacting business as a broker-dealer or agent in and/or from Oklahoma and provides for the continuation of the asset freeze and the receivership pending determination of the amount of restitution owed.

On December 10, 2004, a Temporary Order was entered modifying the Temporary Restraining Order with respect to Richard Schubert.

The Court, having been advised that the Receiver requires the additional authority requested to ensure the effective and equitable administration of the receivership, finds that granting that authority is in the public interest.

The Court, having reviewed all pleadings and submissions of the parties, finds that this Order Amending Authority of Receiver be issued in this matter by agreement of the parties.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Order Appointing Receiver should be modified as provided herein, and, therefore, Douglas L. Jackson ("Receiver"), be appointed receiver for the investors and creditors of Schubert and Associates; continue to serve as Receiver for the assets of Defendants as provided for in the Temporary Restraining Order as modified in the Temporary Order dated December 10, 2004, with respect to Richard Schubert, and as modified herein with respect to Marsha Schubert and Schubert and Associates, including, but not limited to, the Schubert and Associates investment program

described in the Petition (Schubert and Associates Investment Program). The Receiver is authorized to accomplish the following with regard to Marsha Schubert, Schubert and Associates, Kattails, LLC, and The End Zone:

1. to assume full control of the businesses known as Schubert and Associates, Kattails, LLC, and The End Zone, by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of those entities, including any Defendant, from control of, management of, participation in the affairs of, or from the premises of those entities;

2. to take immediate and exclusive custody, control and possession of all assets and the documents of, or in the possession or custody, or under the control of Defendants, of whatever kind and description, and wherever situated. The Receiver shall have full power to divert mail and to sue for, collect, receive, take possession of, hold, and manage all assets and documents of the Defendants;

3. to conserve, hold and manage all assets of Defendants and the businesses known as Schubert and Associates, Kattails, LLC and The End Zone pending further action by this Court in order to prevent any irreparable loss, damage or injury to investors; to conserve and prevent the withdrawal or misapplication of funds entrusted to Defendants, their agents, employees, officers, directors, principals, distributors, sales representatives and/or attorneys; to take the necessary steps to protect the interests of Investors, including the liquidation or sale of assets of Defendants; and to prevent violations of the Act by Defendants;

4. to make such payments and disbursements as may be necessary and advisable for the preservation of the assets of Defendants and as may be necessary and advisable in discharging his duties as Receiver;

5. to retain and employ attorneys, accountants, computer consultants and other persons as the Receiver deems advisable or necessary in the management, conduct, control or custody of the affairs of Defendants and of the assets thereof and otherwise generally to assist in the affairs of Defendants. Receiver may immediately retain or employ such persons, and compensate such persons, all subject to filing as soon as practicable with this Court, an application seeking approval of the employment;

6. to institute, prosecute and defend, compromise, adjust, intervene in or become party to such actions or proceedings in any state court, federal court or United States bankruptcy court as may in Receiver's opinion be necessary or proper for the protection, maintenance and preservation of the assets of Defendants, or the carrying out of the terms of this Order, and likewise to defend, compromise, adjust or otherwise dispose of any or all actions or proceedings now pending in any court by or against Defendants where such prosecution, defense or other disposition of such actions or proceedings will, in the judgment of the Receiver, be advisable or proper for the protection of the Assets of Defendants;

7. to institute actions on behalf of the Schubert and Associates Investment Program, its investors and creditors, including any actions against paid investors, brokerage firms, and/or third parties that the Receiver deems necessary to recover assets and to protect the interests of and promote equity among the investors.

8. to issue subpoenas ad testificandum and subpoenas duces tecum, take depositions, and issue written discovery requests to the parties, investors, family members of Defendants, business associates of Defendants, and other witnesses in and through the pending case of *Oklahoma Department of Securities v. Marsha Schubert, et. al.*, Logan County District Court, Case No. CJ-2004-256; and

9. to take all steps necessary to secure the business premises of the businesses known as Schubert and Associates, Kattails, LLC and The End Zone and to exercise those powers necessary to implement his conclusions with regard to disposition of this receivership pursuant to the orders and directives of this Court.

IT IS FURTHER ORDERED that in agreeing to the entry of this Order, Defendants waive no defenses to this case or the allegations made herein.

THIS ORDER IS ENTERED this 10 day of December, 2004, at 2:00 p.m.

DONALD L. WORTHINGTON

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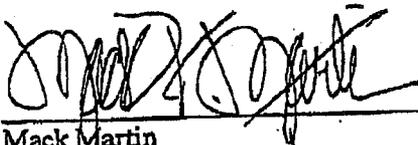
DISTRICT COURT JUDGE

Approved as to Form and Substance:



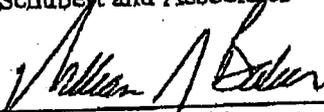
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Gerri L. Stuckey, OBA #16732  
Amanda Commesser, OBA #20044  
Oklahoma Department of Securities  
120 N. Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700  
Attorneys for Plaintiffs



---

Mack Martin  
Martin Law Office  
119 N. Robinson, Suite 360  
Oklahoma City, OK 73102  
Attorney for Defendants Marsha Schubert,  
individually and *dba* Schubert and Associates,  
and Schubert and Associates



---

William J. Baker OBA #443  
Hert, Baker & Koemel, P.C.  
P.O. Box 668  
Stillwater, OK 74076  
Attorney for Defendant Richard Schubert

---

Bradley E. Davenport, OBA #18687  
Gungoll, Jackson, Collins, Box & Devoll, P.C.  
323 W. Broadway  
Enid, OK 73701  
(580) 234-1284  
Attorney for Receiver, Douglas L. Jackson

Approved as to Form and Substance:

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Gerri L. Stuckey, OBA #16732  
Amanda Cornmesser, OBA #20044  
Oklahoma Department of Securities  
120 N. Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700  
Attorneys for Plaintiffs

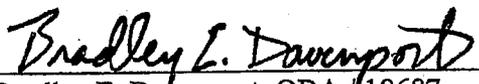
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Mack Martin  
Martin Law Office  
119 N. Robinson, Suite 360  
Oklahoma City, OK 73102  
Attorney for Defendants Marsha Schubert,  
individually and *dba* Schubert and Associates,  
and Schubert and Associates

---

William J. Baker  
Hert, Baker & Koemel, P.C.  
P.O. Box 668  
Stillwater, OK 74076  
Attorney for Defendant Richard Schubert

---

  
Bradley E. Davenport, OBA #18687  
Gungoll, Jackson, Collins, Box & Devoll, P.C.  
323 W. Broadway  
Enid, OK 73701  
(580) 234-1284  
Attorney for Receiver, Douglas L. Jackson

IN THE DISTRICT COURT OF LOGAN COUNTY  
STATE OF OKLAHOMA

STATE OF OKLAHOMA  
LOGAN COUNTY SS:  
FILED FOR RECORD ON

2004 NOV 15 PM 2:28

REJEANIA ZMEK  
COURT CLERK

BY \_\_\_\_\_ DEPUTY

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff, )

v. )

Case No. CJ 2004-256

Marsha Schubert, an individual and )  
*dba* Schubert and Associates; )  
Richard L. Schubert, an individual and )  
*dba* Schubert and Associates; and )  
Schubert and Associates, )  
an unincorporated association, )

Defendants. )

**ORDER OF PERMANENT INJUNCTION**

This matter came on for hearing this 15<sup>th</sup> day of November, 2004,  
before the undersigned Judge of the District Court in and for Logan County, State of Oklahoma,  
upon the verified Petition for Permanent Injunction and Other Equitable Relief of the Plaintiff  
(Petition), pursuant to Section 1-603 of the Oklahoma Uniform Securities Act of 2004 (Act),  
Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), for violations of the Act and the  
Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 &  
Supp. 2003).

The Department appears through its attorneys, Gerri Stuckey and Amanda Cornmesser.  
Defendants appear through their attorney, Mack Martin. The Receiver, Douglas L. Jackson,  
appears *pro se*.

**EXHIBIT 4**

After a review of the pleadings and evidence, this Court finds:

1. At all times material hereto, Defendants Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates (collectively, "Defendants") engaged in the issuance, offer and/or sale of securities in and/or from Oklahoma to investors (Investors), in the nature of interests in an investment program (Investment Program Interests) in which Defendants represented they would invest Investor funds returning large profits to Investors.

2. The Investment Program Interests are securities as defined by Section 1-102 of the Act and Section 2 of the Predecessor Act.

3. The securities offered and sold by Defendants are not, and have not been, registered under the Act or the Predecessor Act. The securities have not been offered or sold pursuant to an exemption from registration pursuant to Section 1-201 of the Act or Section 401 of the Predecessor Act.

4. Defendant Marsha Schubert, by virtue of her efforts and activities in this state in effecting or attempting to effect transactions in securities, is an issuer agent of Schubert and Associates, as defined in Section 1-102 of the Act and Section 2 of the Predecessor Act. Defendant Marsha Schubert is not registered under the Act as an issuer agent. Defendant Schubert and Associates, an issuer as defined in Section 1-102 of the Act and Section 2 of the Predecessor Act, employed an agent who was not registered under the Act or the Predecessor Act to effect or attempt to effect purchases or sales of securities.

5. In its Petition, Plaintiff alleged that Defendants, in connection with the offer, sale, or purchase of securities, directly and indirectly, made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the

circumstances under which they were made, not misleading, in violation of subsection (2) of Section 1-501 of the Act and subsection (2) of Section 101 of the Predecessor Act.

6. In its Petition, Plaintiff alleged that Defendants, in connection with the offer, sale, or purchase of securities, and through the use of untrue statements of material facts and omissions of material facts, engaged in an act, practice, or course of business that has operated as a fraud or deceit upon Investors, in violation of subsection (3) of Section 1-501 of the Act and subsection (3) of Section 101 of the Predecessor Act.

7. Defendants have executed the Stipulation and Consent to Order of Permanent Injunction (Stipulation and Consent) attached hereto as Exhibit "A" and made a part hereof. The Plaintiff has no objection to the terms of the Stipulation and Consent and agrees to the entry of this Order.

8. There is a likelihood of future violations of the Act by Defendants if they are not enjoined.

Therefore, based on the pleadings, evidence, and the execution of the Stipulation and Consent, the Court finds that Plaintiff is entitled to the relief prayed for and that the Order of Permanent Injunction against Defendants be issued by agreement of the parties, and, therefore:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that a permanent injunction be and is hereby entered, forever enjoining and restraining Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates from:

1. offering or selling any security in and/or from this state other than purchasing or selling securities on her own behalf and for her own account; and
2. transacting business in this state as broker-dealers or agents.

IT IS FURTHER ORDERED that Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates pay restitution to Investors in a sum to be determined by this Court at the conclusion of the pending receivership in this matter.

IT IS FURTHER ORDERED that pending determination of the amount of restitution to be paid, the assets of Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates continue to be frozen, as specified in the Temporary Restraining Order, Order Appointing Receiver, Order Freezing Assets and Order for Accounting issued by this Court on October 14, 2004 (Temporary Restraining Order).

IT IS FURTHER ORDERED that pending determination of the amount of restitution to be paid by Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates, the Receiver shall continue to exercise that authority granted by the Temporary Restraining Order.

IT IS FURTHER ORDERED that this Court will retain jurisdiction of this matter for the purpose of the administration of the receivership and the enforcement of this Order of Permanent Injunction and the Stipulation and Consent.

IT IS SO ORDERED.

Dated this 15<sup>th</sup> day of November, 2004.

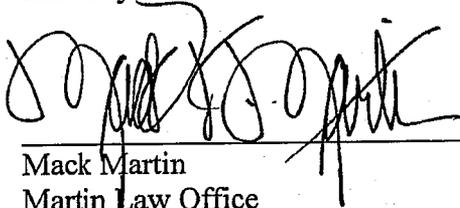
DONALD L. WORTHINGTON

\_\_\_\_\_  
DISTRICT COURT JUDGE

Approved as to form:



Gerri L. Stuckey, OBA #16732  
Amanda Cornmesser, OBA #20044  
Oklahoma Department of Securities  
120 N. Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700  
Attorneys for Plaintiffs



Mack Martin  
Martin Law Office  
119 N. Robinson, Suite 360  
Oklahoma City, OK 73102  
Attorney for Defendants Marsha Schubert,  
individually and *dba* Schubert and Associates,  
and Schubert and Associates



Douglas L. Jackson Brad Davenport OBA 18687  
Gungoll, Jackson, Collins, Box & Devoll, P.C.  
323 W. Broadway  
Enid, OK 73701  
(580) 234-1284  
Receiver  
Counsel for Receiver

IN THE DISTRICT COURT OF LOGAN COUNTY  
STATE OF OKLAHOMA

Oklahoma Department of Securities )  
*ex rel.* Irving L. Faught, )  
Administrator, )

Plaintiff, )

v. )

Case No. CJ 2004-256

Marsha Schubert, an individual and )  
*dba* Schubert and Associates; )  
Richard L. Schubert, an individual and )  
*dba* Schubert and Associates; and )  
Schubert and Associates, )  
an unincorporated association, )

Defendants. )

**STIPULATION AND CONSENT TO ORDER OF PERMANENT INJUNCTION**

Defendants Marsha Schubert, individually and doing business as Schubert and Associates, and Schubert and Associates (collectively, "Defendants"), without admitting or denying any violation of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), or the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 2003), stipulate to the following facts and consent to the follow undertakings:

**Stipulations:**

Defendants hereby stipulate as follows:

1. The Oklahoma Department of Securities (Plaintiff) is the proper party to bring this action seeking the relief requested in the Petition for Permanent Injunction and Other Equitable Relief (Petition) filed in this matter.

**EXHIBIT "A"**

2. Defendants are subject to the jurisdiction of this Court by proper service of the Petition and their appearance in this matter.

3. Defendants engaged in the issuance, offer, and/or sale of securities in and/or from Oklahoma to investors (Investors), in the nature of interests in an investment program (Investment Program Interests) in which Defendants represented they would invest Investor funds returning large profits to Investors. The Investment Program Interests are securities as defined by Section 1-102 of the Act and Section 2 of the Predecessor Act.

4. Defendants admit to the application of the Act and the Predecessor Act to the offer and sale of securities in and/or from Oklahoma referenced in paragraph 3 above.

Undertakings:

Defendants hereby undertake as follows:

1. Defendants consent to the entry of an order of permanent injunction in the form attached as Exhibit "A" hereto and made a part of this Stipulation and Consent.

2. Defendant Marsha Schubert consents to the entry of an administrative order barring her from association with broker-dealers and investment advisers in any capacity in the form attached as Exhibit "B" hereto and made a part of this Stipulation and Consent.

3. Defendants state that this Stipulation and Consent is entered into voluntarily and that no threat or promise of immunity of any kind has been made by Plaintiff, the Oklahoma Securities Commission, the Administrator of the Oklahoma Department of Securities, or any employee of the Oklahoma Department of Securities, to coerce agreement with this Stipulation and Consent.

4. Defendants waive any right to appeal from the order of permanent injunction.

5. Defendants agree that this Stipulation and Consent and all provisions hereof shall be incorporated by reference into the order of permanent injunction.

6. Defendants agree to pay restitution to Investors in a sum to be determined by this Court at the conclusion of the pending receivership in this matter.

7. Defendants agree that pending determination of the amount of restitution to be paid by Defendants, the assets of Defendants will continue to be frozen, as specified in the Temporary Restraining Order, Order Appointing Receiver, Order Freezing Assets and Order for Accounting issued by this Court on October 14, 2004 (Temporary Restraining Order).

8. Defendants agree that pending determination of the amount of restitution to be paid by Defendants, the Receiver shall continue to exercise that authority granted by the Temporary Restraining Order.

9. Defendants understand that Plaintiff will take action as authorized by law for any Defendant's failure to comply with the terms of this Stipulation and Consent in any material respect or for any future violation of the Act.

10. Defendants agree to the presentation to the Court of this Stipulation and Consent, executed by each Defendant, and to the entry of the order of permanent injunction, in the form attached as Exhibit "A", without further notice.

11. Defendant Marsha Schubert agrees to the presentation to the Administrator of the Oklahoma Department of Securities of this Stipulation and Consent and to the entry of the administrative order barring her from association with broker-dealers and investment advisers in the form attached as Exhibit "B", without further notice.

12. Defendants consent to the Court's retention of jurisdiction of this matter for all purposes including, but not limited to, administration of the receivership and enforcement of this Stipulation and Consent.

**IN WITNESS WHEREOF**, the Defendants have executed this Stipulation and Consent as of the date and year set forth below their signatures hereto.

Marsha Schubert, Individually and  
*dba* Schubert and Associates:

Date: Marsha Schubert 11-4-04

Address: PO Box 314  
Crescent, Okla 73028

Schubert and Associates:

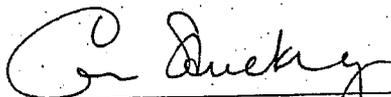
By: Marsha Schubert

Title: Sole operator

Date: 11-4-04

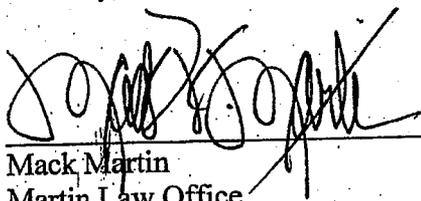
Address: PO Box 314  
Crescent, Ok 73028

Approved as to form and substance:



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Gerri L. Stuckey, OBA #16732  
Amanda Cornmesser, OBA #20044  
Oklahoma Department of Securities  
120 N. Robinson, Suite 860  
Oklahoma City, OK 73102  
(405) 280-7700  
Attorneys for Plaintiff



---

Mack Martin  
Martin Law Office  
119 N. Robinson, Suite 360  
Oklahoma City, OK 73102  
Attorney for Defendants Marsha Schubert,  
individually and dba Schubert and Associates,  
and Schubert and Associates

---

Douglas L. Jackson  
Gungoll, Jackson, Collins, Box & Devoll, P.C.  
323 W. Broadway  
Enid, OK 73701  
(580) 234-1284  
Receiver