

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA**

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Greater Midwest Agency, Inc., an Oklahoma)
corporation, Greater Midwest Investment Trust,)
Special Care Marketing, Inc., an Oklahoma)
corporation, Jerry Thane Davis, an individual,)
and Max O. Davis, an individual,)
)
Defendants.)

Case No. CJ-99-9293

ANSWER OF DEFENDANT JERRY THAYNE DAVIS

1. Defendant, Jerry Thayne Davis, denies he offered or sold securities in violation of the Oklahoma Securities Act, or that they were exempt from registration with the Oklahoma Department of Securities.
2. Defendant, Jerry Thayne Davis, admits the allegations in Paragraph 2 of the Petition.
3. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 3 of the Petition.
4. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 4 of the Petition, as to him and Special Care Marketing, Inc.
5. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 5 of the Petition.
6. Defendant, Jerry Thayne Davis, has no connection with GM Trust and denies the allegations in Paragraph 6 of the Petition.

7. Defendant, Jerry Thayne Davis, admits the allegations in Paragraph 7 of the petition, except that Jerry Thayne Davis denies the allegation that Special Care Marketing, Inc. offered and sold securities in and from Oklahoma.

8. Defendant, Jerry Thayne Davis, admits the allegations in Paragraph 8 of the Petition, except that he denies that SCM acted under his control.

9. Defendant, Jerry Thayne Davis, has no knowledge concerning the allegations in Paragraph 9 of the Petition.

10. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 10 of the Petition, except he admits that fewer than 25 persons who were financially able to bear risk of loss entered into Joint Venture Agreements to purchase bank debentures through Special Care Marketing, Inc.

11. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 11 of the Petition.

12. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 12 of the Petition.

13. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 13 of the Petition.

14. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 14 of the Petition.

15. Defendant, Jerry Thayne Davis, is without information sufficient to admit or deny the allegations in Paragraph 15 of the Petition.

16. Defendant, Jerry Thayne Davis, is without information sufficient to admit or deny the allegations in Paragraph 16 of the Petition.

17. Defendant, Jerry Thayne Davis, is without information sufficient to admit or deny the allegations in Paragraphs 17 and 20 of the Petition.

18. Defendant, Jerry Thayne Davis, denies the allegations in Paragraph 18 of the Petition, except as admitted herein, and states that the investments referred to in Paragraphs 19 and 21, are exempt from registration under the Oklahoma Securities Act.

19. Defendant, Jerry Thayne Davis, denies the allegations in Paragraphs 22, 23 and 24 of the Petition.

20. Defendant, Jerry Thayne Davis, denies the allegations in Paragraphs 25, 26, 27, 28 and 29 of the Petition, except he admits the allegation in Paragraph 27a of the Petition.

21. Defendant, Jerry Thayne Davis, denies the allegations in Paragraphs 30, 31, and 32 of the Petition.

22. Defendant, Jerry Thayne Davis, denies that Plaintiff is entitled to the relief sought on pages 10-12 of the Petition.

AFFIRMATIVE DEFENSES

1. Defendant, Jerry Thayne Davis, denies that he sold securities which were subject to registration and denies that he received any proceeds from the sale of such investments.

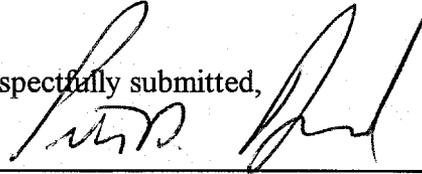
2. Any Special Care Management, Inc. investments participated in by Joint Venture Partners were exempt from registration with Plaintiff's agency.

3. Any financial losses suffered by Joint Venture Partners were the result of acts of third parties, not Defendant, Jerry Thayne Davis.

4. Joint Venture Partners who invested in bank debentures were assured the risk of loss of the return on their investment.

5. There is improper joinder of claims by Plaintiff against Defendant, Jerry Thayne Davis with claims against Defendants, Max O. Davis, Greater Midwest Agency, Inc. and Greater Midwest Investment Trust.

Respectfully submitted,



PETER B. BRADFORD, OBA # 1044
CONNER & WINTERS, P.C.
One Leadership Square
211 North Robinson, Suite 1700
Oklahoma City, OK 73102
(405) 272-5711
(405) 232-2695 Facsimile
ATTORNEYS FOR DEFENDANT,
JERRY THAYNE DAVIS