

IN THE DISTRICT COURT OF LOGAN COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA
LOGAN COUNTY SS:
FILED FOR RECORD ON

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REJEANIA ZMEK
COURT CLERK

BY _____ DEPUTY

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

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.

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
Grescent, Okla 73028

Schubert and Associates:

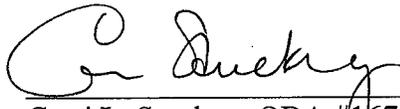
By: Marsha Schubert

Title: Sole operator

Date: 11-4-04

Address: PO Box 314
Grescent, Ok 73028

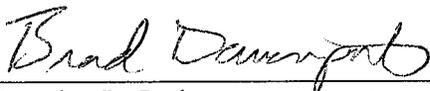
Approved as to form and substance:



Gerri L. Stuckey, OBA #16732
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and Schubert and Associates



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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.)

ORDER OF PERMANENT INJUNCTION

This matter came on for hearing this _____ day of _____, 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 "A"

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.

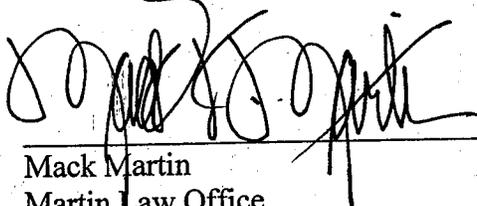
Dated this _____ day of _____, 2004.

DISTRICT COURT JUDGE

Approved as to form:



Gerri L. Stuckey, OBA #16732
Amanda Cornmesser, OBA #20044
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individually and *dba* Schubert and Associates,
and Schubert and Associates

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323 W. Broadway
Enid, OK 73701
(580) 234-1284
Receiver

**STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102**

In the Matter of:

Marsha Schubert,

Respondent.

ODS File No. 05-031

**CONSENT ORDER BARRING FROM ASSOCIATION
WITH BROKER-DEALERS AND INVESTMENT ADVISERS**

The Oklahoma Department of Securities (Department) conducted an investigation into the activities of the Respondent pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003) and Section 405 of the Oklahoma Securities Act (Predecessor Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

Marsha Schubert (Schubert), without admitting or denying any violation of the Act or Predecessor Act, desires to settle this matter expeditiously and in a manner consistent with the purposes fairly intended by the policies and provisions of the Act, the Predecessor Act, and the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules). The Administrator of the Department (Administrator) finds that the issuance of this Consent Order Barring from Association with Broker-Dealers and Investment Advisers (Consent Order) in partial resolution of this matter is in the public interest.

Schubert voluntarily consents to the issuance of this Consent Order by the Administrator, as of the effective date set forth below, and voluntarily waives her right to notice, hearing, and appeal as provided by law.

Findings of Fact

1. In May of 1992, Schubert was registered under the Predecessor Act as an agent of AXA Advisors, LLC (AXA Advisors), a broker-dealer registered under the Predecessor Act. In April of 2004, AXA Advisors conducted an audit on Schubert regarding wire fund activity involving her customers' brokerage accounts and deposits from an entity called Schubert and Associates. In May of 2004, AXA Advisors permitted Schubert to resign while she was under investigation.

2. In May of 2004, Schubert was registered under the Predecessor Act as an agent of Wilbanks Securities, Inc. (Wilbanks Securities), a broker-dealer registered under the Predecessor

Act. On July 1, 2004, the Act became effective. Pursuant to Section 1-701 of the Act, Schubert's registration as an agent and Wilbank's registration as a broker-dealer remained in effect under the Act.

3. Beginning in or about 2001, and continuing to the present, Schubert 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 Schubert represented she would invest Investor funds returning large profits to Investors.

4. Schubert's 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.

5. Schubert did not advise Wilbanks Securities or AXA Advisors of her outside securities activities.

6. Schubert directed Investors to make their checks payable to her personally or to Schubert and Associates. Schubert did not disclose to Investors how she would invest their money, but generally stated that the money would be used to make trades in option contracts. Schubert promised that the investments were "fool 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 Interests. Investors relied completely on the judgment and discretion of Schubert for the promised profit.

7. Most of the Investors were also brokerage customers of Schubert and her affiliated broker-dealers, AXA Advisors and/or Wilbanks Securities. The Investors received statements from the broker-dealers reflecting the securities held in their brokerage accounts. Some Investors believed that the Investment Program Interests were an authorized product of AXA Advisors and Wilbanks Securities. Schubert told some Investors that their brokerage statements from AXA Advisors and Wilbanks Securities should also reflect their trades in the option contracts. Schubert told Investors she had resigned from AXA Advisors because AXA Advisors did not properly account for the securities on their statements.

8. Schubert rarely provided statements to Investors documenting their investments in the Investment Program Interests. If an Investor demanded a statement, Schubert sometimes manufactured a computer generated statement. Other times she gave them a handwritten note reflecting the percentage or amount of profit she claimed they were making.

9. Schubert used new Investor money to pay principal and/or profits to Investors who had previously invested.

10. The Investment Program Interests were not registered as securities under the Act or the Predecessor Act.

Based upon the foregoing willful violations of the Act, the Predecessor Act, and the Rules, it is in the public interest to issue an order barring Schubert from association with broker-dealers and investment advisers in any capacity.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Conclusions of Law

1. The Administrator of the Department is authorized to bar Schubert from association with broker-dealers and investment advisers in any capacity.

2. Schubert acted as an unregistered issuer agent in violation of Section 1-402 of the Act and Section 201 of the Predecessor Act.

3. Schubert offered and sold unregistered securities in violation of Section 1-301 of the Act and Section 301 of the Predecessor Act.

4. Schubert, directly or indirectly, employed a device, scheme, or artifice to defraud, in connection with the offer and sale of securities, in violation of Section 1-501 of the Act and Section 101 of the Predecessor Act.

5. Schubert, directly or indirectly, made untrue statements of material fact, and omitted to state material facts necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading, in connection with the offer and sale of securities, in violation of Section 1-501 of the Act and Section 101 of the Predecessor Act.

6. Schubert, directly or indirectly, engaged in an act, practice, or course of business that operated as a fraud or deceit upon other persons, in connection with the offer and sale of securities, in violation of Section 1-501 of the Act and Section 101 of the Predecessor Act.

7. Schubert engaged in dishonest or unethical practices in violation of subsection (b) of 660:10-5-42 of the Rules and subsection (b) of 660:11-5-42 of the Rules.

8. It is in the public interest to bar Schubert from association with broker-dealers and investment advisers in any capacity.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

ORDER

IT IS HEREBY ORDERED that Marsha Schubert is barred from association with broker-dealers and investment advisers in any capacity.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this
_____ day of _____, 2004.

(SEAL)

IRVING L. FAUGHT, ADMINISTRATOR
OF THE OKLAHOMA DEPARTMENT OF SECURITIES

ACCEPTANCE OF RESPONDENT

Respondent Marsha Schubert represents that she has read, understands, and voluntarily consents to the issuance of this Consent Order, that the consent and waivers contained herein are voluntary and given without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff, the Administrator, or the Oklahoma Securities Commission.

Voluntary Consent of Marsha Schubert:

Marsha Schubert

Date: 11-4-04

Address: Marsha Schubert
Rt. 1, Box 35A
P.O. Box 314
Crescent, OK 73028

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the _____ day of _____, 2004, a true and correct copy of the above and foregoing Consent Order Barring from Association with Broker-Dealers and Investment Advisers was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Marsha Schubert
Rt. 1, Box 35A
P.O. Box 314
Crescent, OK 73028

Mack Martin
Martin Law Office
119 N Robinson, Suite 360
Oklahoma City, OK 73102

Attorney for Respondent

Brenda London Smith
Paralegal