

IN THE DISTRICT COURT OF LOGAN COUNTY

STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF)
SECURITIES ex rel. IRVING L.)
FAUGHT, Administrator,)

Plaintiff,)

vs.)

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.)

ANSWER AND CROSS-CLAIM

COMES NOW the Defendant, Richard L. Schubert, and for his Answer, Response and Cross-Claim, alleges and states as follows:

1. This Defendant denies each and every allegation contained in the Petition for Permanent Injunction and Other Equitable Relief (the "Petition"), except as may be specifically admitted herein.

2. That to the extent that the Petition alleges that this Defendant has violated any provisions of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. Tit. 71, Sections 1-101 through 1-701 (Supp. 2003) and the Oklahoma Securities Act ("Predecessor Act"), Okla. Stat. Tit. 71, Section 1-413, 1-501, 701-703 (1991 Supp. 2003), this Defendant denies each and every such allegation.

3. This Defendant further states that at no time has he offered or sold registered or unregistered securities, nor has he at any time acted as an agent, registered or unregistered, for the purpose of offering the sale, or purchase of securities.

4. This Defendant further alleges and states that he is employed, operating a farm in Logan County, Oklahoma, and that he has operated his farming business as a sole proprietorship, for in excess of 30 years.

5. This Defendant denies that he is involved in any manner with the company, whether a legal entity or not, known as "Schubert and Associates".

6. This Defendant further denies that he has been involved in any manner with any of the actions or transactions alleged to have been committed by Marsha Schubert, relating to the offering, sale and/or purchase of any securities, whether registered or unregistered, nor has he acted in any capacity on behalf of Marsha Schubert, or Schubert and Associates, nor has he in any manner participated in soliciting funds from any party with whom the Defendants, Marsha Schubert and/or Schubert and Associates may have done business.

7. For further Answer and Cross-Claim, this Defendant alleges that Marsha Schubert, an individual and dba Schubert and Associates, did on multiple occasions, without his knowledge or authorization, forge his signature to numerous documents, including but not limited to, checks drawn on this Defendant's checking account, same being an account that this Defendant was the only authorized party to sign on, and that by reason of the unauthorized acts and the forgeries committed by the Defendants, Marsha Schubert, an individual and dba Schubert and Associates, this Defendant has suffered a loss in excess of \$100,000.00.

8. That this Defendant is entitled to a judgment against the Defendant, Marsha Schubert, an individual and dba Schubert and Associates, for any and all monies which have been paid out of his checking account by reason of the unauthorized and illegal acts of the Defendant Marsha Schubert and/or Schubert and Associates.

9. This Defendant is further entitled to judgment against Marsha Schubert for any and all damages that may be awarded to the Plaintiff or any other parties pursuant to a judgment of this court or a court of proper jurisdiction against this Defendant, which arise from the unauthorized and illegal acts of the Defendant, Marsha Schubert, an individual and dba Schubert and Associates.

10. That in regard to the Plaintiff's request for a permanent injunction, this Defendant states that he is without sufficient information or knowledge with which to admit or deny the allegations contained in the Petition as they relate to the Defendants, Marsha Schubert, an individual and dba Schubert and Associates; however, to the extent that any such allegations pertain to this Defendant, he denies each and every such allegation, and further specifically denies that any proper injunctive relief, whether temporary or permanent, should be granted against him, or against any assets owned by him.

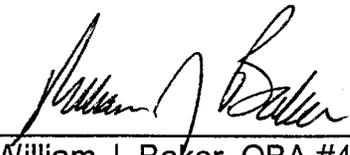
11. This Defendant further states that by reason of his operation of the aforementioned farming business, it is necessary that his assets not be subject to any orders of this Court, nor be frozen, and that he be permitted to have access to all such property, including but not limited to any cattle or other farm equipment or machinery which may have been seized by the Receiver, Douglas L. Jackson, or by any third parties acting on behalf of or in conjunction with the said Douglas L. Jackson, Receiver herein.

12. That to the extent that the Plaintiff and/or any third parties may have frozen or seized the assets of this Defendant, this Defendant prays that such orders be vacated

forthwith, and that any damages sustained by this Defendant be granted as a judgment against the Plaintiff, the Defendant, Marsha Schubert, an individual and dba Schubert and Associates, and all other persons by or on behalf of said parties.

13. That this Defendant has been required to employ the services of an attorney in order to defend and prosecute this action, and requests that the Court award reasonable attorney fees and costs herein.

WHEREFORE, premises considered, having fully answered and cross-claimed, the Defendant, Richard L. Schubert, prays that the Court grant judgment as requested above and for such other and further relief as the court may deem proper.



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Attorney for Richard L. Schubert

VERIFICATION

STATE OF OKLAHOMA)
)SS.
COUNTY OF PAYNE)

Richard L. Schubert, of lawful age, being first duly sworn upon oath, deposes and states that he is a Defendant in the above-entitled cause of action; that he has read the above and foregoing Answer and Cross-Claim, knows the contents thereof and the allegations contained therein; and states the same are true and correct to the best of his knowledge and belief.


Richard L. Schubert, Defendant

Subscribed and sworn to before me this 18 day of November, 2004.

My Commission Expires:
November 13, 2005


Notary Public
Commission No. 1018778

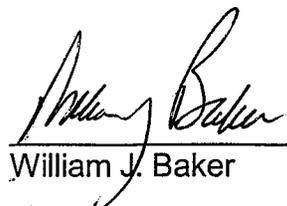
CERTIFICATE OF MAILING

I, William J. Baker, do hereby certify that on the 2nd day of November, 2004, I mailed a true and correct copy of the above and foregoing Answer and Cross-Claim via First Class U. S. Mail, with postage prepaid thereon and addressed to the following:

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William J. Baker