

IN THE DISTRICT COURT OF LOGAN COUNTY,  
STATE OF OKLAHOMA

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

Plaintiff,

vs.

MARSHA SCHUBERT, an individual, and d/b/a  
SCHUBERT AND ASSOCIATES;  
RICHARD L. SCHUBERT, an individual and d/b/a  
SCHUBERT AND ASSOCIATES;  
and  
SCHUBERT AND ASSOCIATES, an unincorporated  
association,

Defendants.

Case No. CJ-2004-256

APPLICATION BY RECEIVER FOR APPROVAL OF EMPLOYMENT  
OF ACCOUNTING FIRM

COMES NOW, Douglas L. Jackson, Receiver for Defendants Marsha Schubert, Richard Schubert and Schubert and Associates, and would show the Court the following:

1. Mr. Jackson was appointed Receiver by Order of this Court entered in the above-entitled case on October 14, 2004. Mr. Jackson has qualified to act as Receiver and filed his Oath of Receiver on October 18, 2004.

2. The Order appointing Mr. Jackson as Receiver contained a provision authorizing him to retain and employ attorneys, accountants, computer consultants, and other persons that he deems advisable and 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. See October 14, 2004 Order at p. 4, ¶5.

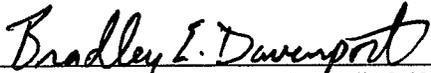
3. The Order appointing Mr. Jackson as Receiver authorized him to immediately retain or employ attorneys, accountants or other persons, all subject to filing as soon as practical with this Court an Application seeking approval of the employment.

4. The Receiver has employed the accounting firm of Baird, Kurtz & Dobson, LLP ("BKD") and believes it is necessary to continue to have an accounting firm employed to assist in the review and assessment of Defendants' investor records and bank records.

5. The Receiver seeks the Court's authorization to employ the accounting firm of BKD as accountants for the receivership. BKD is a well-established, regional accounting firm. Patrick S. Donehue and Don Wingler will be the lead service providers for this project. BKD understands and agrees to accept such amount on account of its fees as may be awarded therefor by this Court. A copy of BKD's engagement letter is attached as Exhibit "A."

WHEREFORE, Receiver requests the Court approve his employment of the accounting firm of Baird, Kurtz & Dobson, LLP of Enid, Oklahoma as accountants to assist Receiver in the review and assessment of Defendants' investor records and bank records, as well as generally assisting the Receiver in unraveling Defendants' scheme and tracing assets on behalf of the Receivership.

Respectfully submitted,

  
\_\_\_\_\_  
Bradley E. Davenport, OBA #18687  
GUNGOLL JACKSON, COLLINS, BOX & DEVOLL, P.C.  
Post Office Box 1549  
Enid, Oklahoma 73702-1549  
(580) 234-0436 phone number  
(580) 233-1284 facsimile number  
Attorney for Court-Appointed Receiver  
Douglas L. Jackson

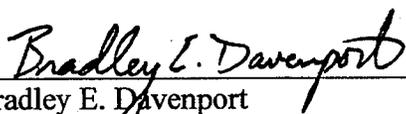
CERTIFICATE OF SERVICE

I hereby certify that on the 13<sup>th</sup> day of December 2004, I mailed a true and correct copy of the above and foregoing instrument, postage pre-paid to:

Gerri Stuckey  
Amanda Cornmesser  
Oklahoma Department of Securities  
First National Center, Suite 860  
120 N. Robinson  
Oklahoma City, OK 73102

Mack Martin  
Martin Law Office  
119 N. Robinson, Suite 360  
Oklahoma City, OK 73102  
Attorneys for Defendant Marsha Schubert,  
individually, and d/b/a Schubert & Associates,  
Schubert & Associates.

William J. Baker  
Hert, Baker & Koemel, PC  
P. O. Box 668  
Stillwater, OK 74076  
Attorney for Defendant Richard Schubert, individually  
and d/b/a Schubert and Associates

  
\_\_\_\_\_  
Bradley E. Davenport



Continental Center South  
205 W. Maple, Suite 200  
Enid, Oklahoma 73701  
580 237-3300 Fax 580 234-6046

bkd.com

November 16, 2004

Mr. Doug Jackson  
Gungoll, Jackson, Collins, Box & Devoll, P.C.  
P. O. Box 1549  
Enid, OK 73702-1549

Dear Mr. Jackson:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to Gungoll, Jackson, Collins, Box & Devoll, P.C.

### OUR SERVICES AND RESPONSIBILITIES

We will provide fraud investigation services for Gungoll, Jackson, Collins, Box & Devoll, P.C. as receiver for the District Court in the Securities Fraud Case of Marsha and Richard L. Schubert in connection with a security fraud violation alleged at Crescent, Oklahoma. We will work with you to develop the scope and nature of specific procedures to be performed.

There can be no assurance that such procedures will identify fraud that may exist. Therefore, at the conclusion of our engagement, we will request representation from you that the procedures performed are sufficient for your purposes.

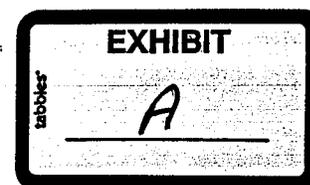
At the conclusion of our work, we will present our findings either orally or through a written report. We have been retained to provide fraud investigation services only; however, we understand and accept that we may be requested to furnish testimony at trial and will prepare accordingly.

**Solutions  
for  
Success**

We will not update our report for or disclose any event or circumstances after the date of our report.

If for any reason we are not able to complete our fraud investigation, we may decline to issue a report as a result of this engagement.

Patrick S. Donehue and Don Wingler will be the lead service providers for this engagement.



A member of  
Moore's Rowland  
International

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### ENGAGEMENT FEES

Our fees will be based on time expended plus charges for travel, long-distance telephone, copies, etc. We will issue progress billings during the course of our engagement and our statements are due when received. Due to the nature of our engagement, we are unable to provide a maximum fee range for our services.

Our invoices are due within 30 days. If our invoices for this or any other engagement you may have with BKD are not paid when due, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

### OTHER ENGAGEMENT MATTERS AND LIMITATIONS

During the course of our engagement, it may be necessary for us to prepare written reports that support our conclusions. These reports are not to be published or used in any other manner other than noted above without the written consent of BKD.

As of the date of this letter, we are not aware of any potential conflicts of interest with any party except as separately disclosed to you in the attached acknowledgement. If we determine that any additional potential conflict of interest has arisen, we will immediately advise you so that a determination may be made by both of us as to whether we should continue to be engaged. If services are terminated as a result of a conflict of interest, or for any other reason, you agree to pay us for time expended to date plus charges for travel, long-distance telephone, copies, etc.

We will use and rely on information furnished by you and on information available from generally recognized public sources.

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information pursuant to legal process.

You agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

Any liability of BKD and its personnel to you is limited to the amount of the fee you paid for this engagement as liquidated damages.

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You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

We will be pleased to discuss this letter with you and look forward to the opportunity of serving you. If the above arrangements are acceptable to you, please sign the enclosed copy of this letter and return it to us.

*BKD, LLP*

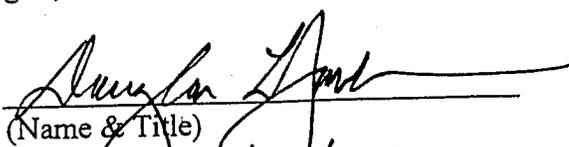
**BKD, LLP**

PSD/ELH/adg

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Gungoll, Jackson, Collins, Box & Devoll, P.C.

BY

  
(Name & Title)

DATE

