

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 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.)

APPLICATION OF RECEIVER FOR AUTHORITY
TO PAY INTERIM ACCOUNTING FEES

COMES NOW the Receiver, Douglas L. Jackson, and makes Application to this Court for authority to pay interim accounting fees to Baird, Kurtz & Dobson, LLP (hereinafter "BKD"), and would show the Court as follows:

1. Pursuant to the Order of this Court entered on January 14, 2005, Receiver employed BKD as accountants to represent and assist Receiver in reviewing the Defendants' investor records and bank records, as well as assisting Receiver in tracing assets on behalf of the Receivership Estate.

2. The Order provided that the amount of the fee paid to Receiver's accountants would be determined by the terms of the BKD Engagement Letter attached to the Receiver's Application for Approval for Employment of Accounting Firm, submission of an Application for payment of fees, and approval of the fees by the Court.

3. From March 31, 2005 through June 30, 2005, BKD employees have expended approximately 177.75 hours in and about the performance of duties assisting the Receiver and

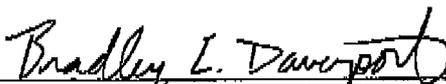
working on the accounting relative to money paid into and out of Schubert and Associates from January 1, 2000 through October 31, 2004. See BKD statements for May, June and July attached at Exhibit "A". Specifically, BKD has been working to identify cash transactions and checks without named payees that were previously placed into the "suspense" category of its accounting.

4. Receiver believes that it would be unduly burdensome and inequitable to require BKD to devote so many hours of time to the service of the Receiver and Schubert Receivership Estate without receiving interim compensation to remunerate the accountants, at least in part, for the time spent and the costs incurred.

5. BKD's efforts have resulted in them being able to identify \$685,398 worth of transactions that were previously placed in the "suspense" category of its accounting, leaving only \$231,679 worth of unidentified transactions. See 7/12/05 Letter from M. Marshall to B. Davenport attached as Exhibit "B". This information is important to the Receiver and Receivership Estate, and will allow the Receiver to have a more accurate accounting to pursue recovery of funds for the benefit of the Receivership Estate. The Receiver does have on hand sufficient funds with which to pay interim accounting fees to BKD.

WHEREFORE, the Receiver respectfully requests that this Court authorize the Receiver to pay to the Receiver's accountants, Baird, Kurtz & Dobson, LLP, \$16,365.00 as interim accounting fees.

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 Receiver, Douglas L. Jackson

CERTIFICATE OF SERVICE

I hereby certify that on the 26th day of July 2005, I faxed and mailed a true and correct copy of the above and foregoing instrument, postage pre-paid to:

Oklahoma Department of Securities

Fax No. 405-280-7742

Attn: Gerri Stuckey

Amanda Commesser

First National Center, Suite 860

120 N. Robinson

Oklahoma City, OK 73102

Attorneys for Plaintiff

Mack Martin

Fax No. 405-236-8844

Martin Law Office

119 N. Robinson, Suite 360

Oklahoma City, OK 73102

Attorneys for Defendant Marsha Schubert,

individually, and d/b/a Schubert and Associates

William J. Baker

Fax No. 405-377-6363

Hert, Baker & Koemel, PC

P. O. Box 668

Stillwater, OK 74076

Attorney for Richard Schubert

Charles Meyers

Fax No. 405-743-3773

711 S. Husband

Stillwater, OK 74074

Attorney for Farmers & Merchants Bank

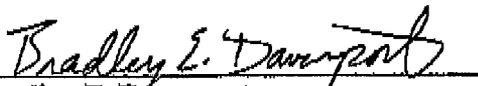
Alexander L. Bednar

Fax No. 405-235-5800

P.O. Box 3021

Oklahoma City, OK 73101

Attorney for Richard LeBoeuf


Bradley E. Davenport



Continental Center South
205 West Maple, Suite 200
Enid, OK 73701-4026
580 237-3300 Fax 580 234-5046

BKD Tax ID#: 44-0160260

I N V O I C E

AMOUNT ENCLOSED

\$

MARSHA SCHUBERT
DOUGLAS JACKSON
GUNGOLL JACKSON COLLINS BOX & DEVOLL PC
P O BOX 1549
ENID OK 73702-1549

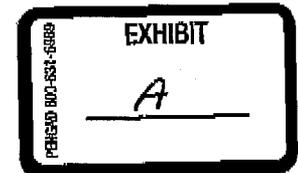
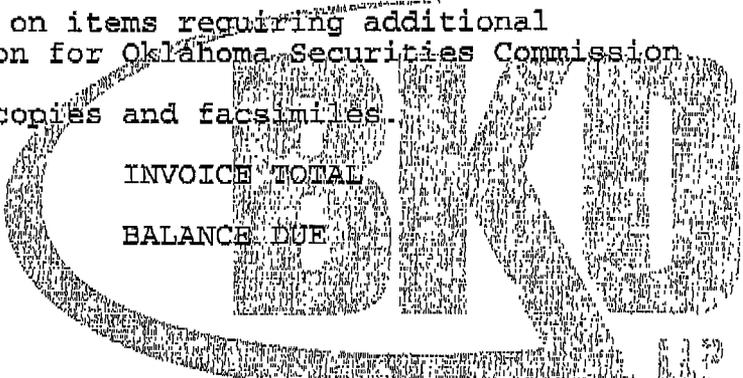
Date: 5/16/05
Page: 1
22135-110576

Return Top Portion With Payment

BALANCE FORWARD \$ 102,519.00

Professional services rendered from April 1,
2005 to April 30, 2005 for 10 hours for the
following services:

Follow-up on items requiring additional information for Oklahoma Securities Commission	610.00
Charges for copies and facsimiles	40.00
INVOICE TOTAL	\$ 650.00
BALANCE DUE	\$ 103,169.00



Invoices are due upon receipt unless detailed in your engagement
letter. A service charge is assessed on accounts 45 days past due.

Thank you for your business!

Fees charged for the preparation of income tax returns do not include services that may later be
required relative to any federal or state examination of a return.

SCHUBERT AND ASSOCIATES
MARSHA AND RICHARD SCHUBERT DBA
DOUGLAS L JACKSON RECEIVER
P O BOX 1548
ENID, OK 73702

1007
66-19/1031

DATE May 16, 2005

CHICLAND STYLE #77

PAY TO THE ORDER OF Baird, Kurtz & Dobson, LLP \$97,756.00

Ninety-Seven Thousand Seven Hundred Fifty-Six and no/100 * * * DOLLARS



FOR E4 22135 Schubert Receivership

[Handwritten Signature]





Continental Center South
205 West Maple, Suite 200
Enid, OK 73701-4026
580 237-3300 Fax 580 234-5046

BKD Tax ID#: 44-0160260

I N V O I C E

AMOUNT ENCLOSED	
\$	

MARSHA SCHUBERT
DOUGLAS JACKSON
GUNGOLL JACKSON COLLINS BOX & DEVOLL PC
P O BOX 1549
ENID OK 73702-1549

Date: 6/21/05
Page: 1
22135-121352

Return Top Portion With Payment

BALANCE FORWARD \$ 5,413.00

Professional services rendered from May 1,
2005 to May 31, 2005 for 30.25 hours for the
following services:

Preparation of documents for court.

Attendance in court.

Follow-up on additional information for the
Oklahoma Security Commission.

4,126.00

Charges for facsimiles and mileage.

116.00

INVOICE TOTAL

\$ 4,242.00

BALANCE DUE

\$ 9,655.00

Invoices are due upon receipt unless detailed in your engagement
letter. A service charge is assessed on accounts 45 days past due.

Thank you for your business!

Fees charged for the preparation of income tax returns do not include services that may later be
required relative to any federal or state examination of a return.



Continental Center South
205 W. Maple, Suite 200
Enid, OK 73701-4026
580 237-3300 Fax 580 234-5046

BKD Tax ID#: 44-0160260

I N V O I C E

AMOUNT ENCLOSED:
\$

MARSHA SCHUBERT
DOUGLAS JACKSON
GUNGOLL JACKSON COLLINS BOX & DEVOLL PC
P O BOX 1549
ENID OK 73702-1549

Date: 7/19/05
Page: 1
22135-130021

Return Top Portion With Payment

BALANCE FORWARD \$ 9,655.00

Professional services rendered from June 1,
2005 to June 30, 2005 for 88 hours for the
following services:

Analyzing additional information from Farmers and Merchants Bank	
Conferences with attorneys and investors regarding investor requests for information	6,653.00
Charges for facsimiles, copies and telephone	57.00
INVOICE TOTAL	\$ 6,710.00
BALANCE DUE	\$ 16,365.00

Invoices are due upon receipt unless detailed in your engagement
letter. A service charge is assessed on accounts 45 days past due.

Thank you for your business!

Fees charged for the preparation of income tax returns do not include services that may later be
required relative to any federal or state examination of a return.

BKD, LLP
Work in Process

Employee Name	Billing Rate	Time Period	Services Rendered	Hours	Amount
P Donehue	220	3/31/2005	Review and Supervision	1.00	220.00
A Garrison	44	3/31/2005	Copying	0.75	33.00
M Marshall	121	3/31/2005	Making changes and reprinting	15.50	1,875.50
M Marshall	121	3/31/2005	Meet with Pourchot's attorney	2.25	272.25
J Huckins	61	3/31/2005	Research sec e-mails, etc	10.00	610.00
J Huckins	61	3/31/2005	Purchot doc search/assemble	6.00	366.00
J Huckins	61	3/31/2005	Narrative of process	2.75	167.75
J Link	68	3/31/2005	Help Martha with assembly f/s for lawyers	0.50	34.00
M Williams	57	3/31/2005	F/S format: setup Investor profiles	6.50	370.50
R Bentley	57	3/31/2005	Help Martha with assembly f/s for lawyers	2.00	114.00
P Donehue	220	3/31/2005	Review and Supervision	2.00	440.00
J Huckins	61	4/15/2005	Look up SEC questions, emails	10.00	610.00
P Donehue	220	5/15/2005	Review and Supervision	4.00	880.00
D Tagge	220	5/15/2005	Hearing on fees	4.00	880.00
M Marshall	121	5/31/2005	Mtg w/Schuberts @GJCB&D	8.00	968.00
P Donehue	220	5/31/2005	Conference with Schuberts	1.75	380.00
J Huckins	61	5/15/2005	SEC e-mail response	0.50	30.50
J Huckins	61	5/15/2005	Amanda sec required farm detail	0.25	15.25
J Huckins	61	5/15/2005	Brad Davenport call	0.25	15.25
J Huckins	61	5/31/2005	W/Martha, calls w/Sec	0.75	45.75
J Huckins	61	5/31/2005	Mtg w/Schuberts @GJCB&D	7.00	427.00
M Marshall	121	5/31/2005	Adj accis re:meetings & phone call w/Schuberts	4.00	484.00
P Donehue	240	6/30/2005	With Schuberts	0.75	180.00
M Marshall	127	6/15/2005	Analysis on monies in	8.00	1,016.00
M Marshall	127	6/30/2005	F/S format: setup Investor profiles	3.50	444.50
T Lytle	49	6/30/2005	Copying	0.50	24.50
T Lytle	49	6/30/2005	Setting up new file	1.00	49.00
J Huckins	69	6/15/2005	Lance Berry mtg & sec call	1.00	69.00
J Huckins	69	6/15/2005	Go thru suspense info	12.50	862.50
J Huckins	69	6/30/2005	Research family chgs, docs	8.25	570.00
J Huckins	69	6/30/2005	Suspense firm bank, chgs to date	43.25	2,984.25
M Scott	49	6/30/2005	Preparing suspense items & corr files	2.00	98.00
A Garrison	49	6/30/2005	Changes/files	6.25	306.50
C McFarland	49	6/15/2005	Doug J ltr	1.00	49.00
Total Time Charges				177.75	15,892.00
3/31/2005 Copying Expense					175.00
3/31/2005 Facsimile Charges					61.00
3/31/2005 Postage					6.00
3/31/2005 Telephone Expense					17.00
3/31/2005 Automobile Reimbursement- L Estill					1.00
4/15/2005 Facsimile Charges					19.00
4/30/2005 Postage					21.00
5/15/2005 Facsimile Charges					38.00
5/15/2005 Automobile Reimbursement- D Tagge					57.00
5/31/2005 Automobile Reimbursement- J Huckins					21.00
6/15/2005 Copying Expense					6.00
6/30/2005 Copying Expense					11.00
6/30/2005 Facsimile Charges					32.00
6/30/2005 Telephone Expense					6.00
Total Expense					473.00
Total Billing					16365.00



July 12, 2005

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

Re: Marsha Schubert

Dear Brad:

Enclosed are the revised reports and supporting general ledgers for all three Schubert children. Also enclosed is the revised list of recipients and investors. Changes appear in bold. The reports for those individuals with changes are included along with supporting ledgers.

We were able to clear out \$685,398 worth of transactions in the attached suspense account. Two large transactions that involve the estate will be removed from this suspense account as we continue to resolve the remaining issues between Richard and the estate. After these are removed, the suspense account will hold \$231,679 in transactions. We are submitting one more list to the bank for clarification.

If you have any questions, please call.

Sincerely,
BKD, LLP

A handwritten signature in cursive script that reads "Martha".

Martha Marshall, CPA
Manager

MLM//tdl

Enclosures

c. Amanda Commesser
State of Oklahoma
Department of Securities

