

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.
IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

JUL - 9 2007

OKLAHOMA DEPARTMENT OF SECURITIES)
ex rel. Irving L. Faught, Administrator,)

Plaintiff,)

vs.)

FARMERS & MERCHANTS BANK, an)
 Oklahoma banking entity; JOHN V. ANDERSON,)
 Individually, and as Officer and Director of)
 Farmers & Merchants Bank; and JOHN TOM)
 ANDERSON, Individually, and as Officer and)
 Director of Farmers & Merchants Bank,)

Defendants,)

and)

ROBERT LYNN POURCHOT, Trustee of the)
 Robert Lynn Pourchot Trust; DONALD W. ORR,)
 Trustee of the Pork Chop trust; THE WILL)
 FOUNDATION; POURCHOT INVESTMENTS,)
 LP; PHILLIP M. POURCHOT, Trustee of the)
 Phillip M. Pourchot Revocable Trust; RICHARD)
 REYNOLDS; RICHARD REYNOLDS, Trustee of)
 the Richard Reynolds Living Trust; ANNENDA)
 REYNOLDS; STEVEN B. SANDERS; VICKI L.)
 SANDERS; and CRANDALL & SANDERS, INC.,)

Intervenors.)

PATRICIA PRESLEY, COURT CLERK
 by _____
Deputy

Case No. CJ-2006-3311

DEFENDANTS' ANSWER TO PETITION IN INTERVENTION

COME NOW Defendants Farmers & Merchants Bank, a state chartered Oklahoma banking entity, John V. Anderson, individually, and as an officer and director of Farmers & Merchants Bank, and John Tom Anderson, individually, and as an officer and director of Farmers & Merchants Bank (collectively referred to as "Defendants"), and answer Intervenors' Petition in Intervention. Except as specifically admitted below, Defendants

deny each and every allegation of the Petition in Intervention and demand strict proof thereof.

DEFENDANTS

1. Defendants admit that Farmers & Merchants Bank is a state chartered bank located in Crescent, Oklahoma. Farmers & Merchants Bank also has a bank located in Guthrie, Oklahoma. To the extent that the allegations in paragraph 1 of the Petition in Intervention are inconsistent with these admissions, they are denied.

2. Defendants admit the allegations in paragraph 2 of the Petition in Intervention.

3. Defendants admit the allegations in paragraph 3 of the Petition in Intervention.

MARSHA SCHUBERT'S SCHEME

4. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 4 of the Petition in Intervention.

5. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 5 of the Petition in Intervention.

6. Defendants admit that Marsha Schubert was an authorized signer on account number 34-7477 and account number 35-9424. To the extent that the allegations in paragraph 6 of the Petition in Intervention are inconsistent with these admissions, they are denied.

7. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 7 of the Petition in Intervention. Defendants did not know and, in the exercise of reasonable care could not have known, of any securities fraud scheme perpetrated by Marsha Schubert. Defendants further deny that it materially aided or participated in any securities fraud scheme of Marsha Schubert.

8. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 8 of the Petition in Intervention.

9. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 9 of the Petition in Intervention.

10. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 10 of the Petition in Intervention. Defendants did not know and, in the exercise of reasonable care could not have known, of any securities fraud scheme perpetrated by Marsha Schubert. Defendants further deny that it materially aided or participated in any securities fraud scheme of Marsha Schubert.

11. Defendants deny the allegations in paragraph 11 of the Petition in Intervention.

DEFENDANTS' INVOLVEMENT IN THE SECURITIES FRAUD

12. Defendants deny the allegations in paragraph 12 of the Petition in Intervention.

13. Defendants deny the allegations in paragraph 13 of the Petition in Intervention.

NON-DEFENDANTS ASSOCIATED WITH F&M BANK

14. Defendants deny the allegations in paragraph 14 of the Petition in Intervention.

15. Defendants admit the allegations in the first and second sentences of paragraph 15 of the Petition in Intervention. Defendants further admit that Ed Stanton was Farmers & Merchants Bank's compliance officer, beginning January 12, 1996, and was designated as the Bank Secrecy Act officer in January 1999. Defendants admit that Ed

Stanton resigned his position at Farmers & Merchants Bank, effective March 31, 2004. To the extent that the allegations in paragraph 15 of the Petition in Intervention are inconsistent with these admissions, they are denied.

16. Defendants admit the allegations in the first sentence of paragraph 16 of the Petition in Intervention. Defendants deny that Chad Johnson was the assigned loan officer for Marsha Schubert.

17. Defendants admit the allegations in the first sentence of paragraph 17 of the Petition in Intervention. Defendants state that Justin Tarrant advised Farmers & Merchants Bank in January 2004 that he was resigning, effective February 15, 2004. To the extent that the allegations in paragraph 17 of the Petition in Intervention are inconsistent with these admissions and statements, they are denied.

18. Defendants admit the allegations in paragraph 18 of the Petition in Intervention, with the qualification that Beth Armer is employed by Farmers & Merchants Bank as a part-time teller.

19. Defendants admit that, beginning in January 2002, the loan committee at Farmers & Merchants Bank was comprised of John V. Anderson, John Tom Anderson, Ed Stanton, Justin Tarrant, and Chad Johnson. Defendants further admit that John V. Anderson, John Tom Anderson, and Chad Johnson remained on the loan committee after the resignations of Ed Stanton and Justin Tarrant in 2004. To the extent that the allegations in paragraph 19 of the Petition in Intervention are inconsistent with these admissions, they are denied.

20. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 20 of the Petition in Intervention.

THE PONZI SCHEME

21. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 21 of the Petition in Intervention.

22. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 22 of the Petition in Intervention.

23. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 23 of the Petition in Intervention.

24. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 24 of the Petition in Intervention.

25. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 25 of the Petition in Intervention.

26. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 26 of the Petition in Intervention.

27. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 27 of the Petition in Intervention.

28. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 28 of the Petition in Intervention.

29. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 29 of the Petition in Intervention.

30. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 5 of the Petition in Intervention.

THE CHECK EXCHANGE SCHEME

31. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 31 of the Petition in Intervention.

32. Defendants admit that Robert Mathews opened an account at Farmers & Merchants Bank on November 10, 2003. Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 32 of the Petition in Intervention.

33. Defendants admit that Farmers & Merchants Bank has made secured loans to Robert Mathews. To the extent that the allegations in paragraph 33 of the Petition in Intervention are inconsistent with this admission, they are denied.

34. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 34 of the Petition in Intervention.

35. Defendants admit that Marvin Wilcox opened an account at Farmers & Merchants Bank on November 10, 2003. Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 35 of the Petition in Intervention.

36. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 36 of the Petition in Intervention.

37. Defendants admit that Lance Berry opened an account at Farmers & Merchants Bank on November 12, 2003. Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 37 of the Petition in Intervention.

38. Defendants deny the allegations in paragraph 38 of the Petition in Intervention.

39. To the extent that the allegations contained in paragraph 39 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

40. To the extent that the allegations contained in paragraph 40 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

41. To the extent that the allegations contained in paragraph 41 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

42. To the extent that the allegations contained in paragraph 42 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

43. To the extent that the allegations contained in paragraph 43 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

44. To the extent that the allegations contained in paragraph 44 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

45. Defendants deny the allegations in paragraph 45 of the Petition in Intervention.

46. Defendants admit that Farmers & Merchants Bank's standard procedure was for the Loan Committee to meet each business and review the bank's business from the previous banking day. This review includes new requests for loans, renewed loans, extensions or deferrals of loans, overdrafts, and "large items." During the relevant time period, it did not include a review of accounts with uncollected balances. To the extent that the allegations of paragraph 46 of the Petition in Intervention are inconsistent with these admissions, they are denied.

47. Defendants define "large item" as any deposit or check in an amount greater than \$2,500.00. To the extent that the allegations of paragraph 47 of the Petition in Intervention are inconsistent with this statement, they are denied.

48. Defendants admit that all outgoing wire transfers require the prior approval of a loan officer, up to the loan officer's specified limit. To the extent that the allegations of paragraph 48 of the Petition in Intervention are inconsistent with this admission, they are denied.

49. Defendants deny the allegations in paragraph 49 of the Petition in Intervention.

F&M BANK'S KNOWLEDGE AND ASSISTANCE

50. Defendants deny the allegations in paragraph 50 of the Petition in Intervention.

51. Defendants deny the allegations in paragraph 51 of the Petition in Intervention.

VOLUME OF ACTIVITY

52. To the extent that the allegations contained in paragraph 52 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

53. To the extent that the allegations contained in paragraph 53 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

54. Defendants deny the allegations in paragraph 54 of the Petition in Intervention.

UNCOLLECTED FUNDS

55. Defendants deny the allegations in paragraph 55 of the Petition in Intervention.

56. Defendants deny the allegations in paragraph 56 of the Petition in Intervention.

57. Defendants admit that Marsha Schubert's uncollected balances were discussed by members of the loan committee, beginning in the fall of 2002. To the extent that the allegations in paragraph 57 of the Petition in Intervention are inconsistent with this admission, they are denied.

58. Defendants deny the allegations in paragraph 58 of the Petition in Intervention.

59. Defendants deny the allegations in paragraph 59 of the Petition in Intervention.

60. Defendants deny the allegations in paragraph 60 of the Petition in Intervention.

61. Defendants deny the allegations in paragraph 61 of the Petition in Intervention.

62. Defendants admit that, at some point, it changed the service charge method for account number 34-7477. To the extent that the allegations of paragraph 62 of the Petition in Intervention are inconsistent with this admission, they are denied.

63. Defendants deny the allegations in paragraph 63 of the Petition in Intervention.

MANAGEMENT'S KNOWLEDGE OF THE CHECK EXCHANGE SCHEME

64. Defendants deny the allegations in paragraph 64 of the Petition in Intervention.

65. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 65 of the Petition in Intervention.

66. Defendants deny the allegations in paragraph 66 of the Petition in Intervention.

USE OF INVESTMENT PROCEEDS

67. Defendants deny the allegations in paragraph 67 of the Petition in Intervention.

68. Defendants deny the allegations in paragraph 68 of the Petition in Intervention.

69. To the extent that the allegations contained in the first and second sentences of paragraph 69 of the Petition in Intervention interpret the bank records of Marsha Schubert,

the documents speak for themselves and any allegations contrary therewith are denied. Defendants deny the allegations in the third sentence of paragraph 69 of the Petition in Intervention.

70. Defendants deny the allegations in paragraph 70 of the Petition in Intervention.

71. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 71 of the Petition in Intervention.

72. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 72 of the Petition in Intervention.

73. Defendants admit that Barry Anderson and Don Spicer are employees of F&M Bank and that both individuals are registered representatives, but deny the remaining allegations in paragraph 73 of the Petition in Intervention.

74. To the extent that the allegations contained in the first sentence of paragraph 74 of the Petition in Intervention interpret written documents, the documents speak for themselves and any allegations contrary therewith are denied. Defendants deny the allegations in the second sentence of paragraph 74 of the Petition in Intervention.

75. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 75 of the Petition in Intervention.

76. Defendants deny the allegations in paragraph 76 of the Petition in Intervention.

UNAUTHORIZED ACTIVITY

77. Defendants admit the allegations in paragraph 77 of the Petition in Intervention.

78. Defendants deny the allegations in paragraph 78 of the Petition in Intervention.

79. Defendants deny the allegations in paragraph 79 of the Petition in Intervention.

80. Defendants deny the allegations in paragraph 80 of the Petition in Intervention.

81. Defendants deny the allegations in the first and second sentences of paragraph 81 of the Petition in Intervention. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in the third sentence in paragraph 81 of the Petition in Intervention.

82. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 82 of the Petition in Intervention.

83. Defendants deny the allegations in paragraph 83 of the Petition in Intervention.

LENDING ACTIVITY

84. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 84 of the Petition in Intervention. Additionally, to the extent that the allegations contained in paragraph 84 of the Petition in Intervention interpret the bank records of Marsha Schubert, the documents speak for themselves and any allegations contrary therewith are denied.

85. Defendants deny the allegations in paragraph 85 of the Petition in Intervention.

86. Defendants deny the allegations in paragraph 86 of the Petition in Intervention.

87. Defendants admit that when a borrower purchases cattle under private treaty, typically no proof of sale is provided to the purchaser by the seller. To the extent that the allegations of paragraph 87 of the Petition in Intervention are inconsistent with this admission, they are denied.

88. Defendants deny the allegations in paragraph 88 of the Petition in Intervention.

89. Defendants deny the allegations in paragraph 89 of the Petition in Intervention.

OTHER COMMINGLING OF FUNDS

90. Defendants deny the allegations in paragraph 90 of the Petition in Intervention.

91. Defendants deny the allegations in paragraph 91 of the Petition in Intervention.

CONFLICTS OF INTEREST

92. To the extent that the allegations contained in paragraph 92 of the Petition in Intervention interpret written documents, the documents speak for themselves and any allegations contrary therewith are denied.

93. To the extent that the allegations contained in paragraph 93 of the Petition in Intervention interpret written documents, the documents speak for themselves and any allegations contrary therewith are denied.

94. Defendants admit that Ed Stanton was designated as Farmers & Merchants Bank's compliance officer in January 1996. Stanton oversaw compliance with all policies of the bank, not just the bribery policy. To the extent the allegations in paragraph 94 of the Petition in Intervention are inconsistent with these admissions, they are denied.

95. Defendants deny the allegations in paragraph 95 of the Petition in Intervention.

96. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 96 of the Petition in Intervention.

97. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 97 of the Petition in Intervention.

98. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 98 of the Petition in Intervention.

ASSISTANCE TO BANK CUSTOMERS

99. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 99 of the Petition in Intervention.

100. Defendants deny the allegations in paragraph 100 of the Petition in Intervention.

101. To the extent that the allegations contained in paragraph 101 of the Petition in Intervention interpret the bank records of Marsha Schubert and/or Richard Hedrick, the documents speak for themselves and any allegations contrary therewith are denied.

102. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 102 of the Petition in Intervention.

103. Defendants deny the allegations in paragraph 103 of the Petition in Intervention.

CAUSE OF ACTION - AIDING AND ABBETTING SECURITIES FRAUD

104. In response to paragraph 104 of the Petition in Intervention, Defendants incorporate and reallege their prior responses to paragraphs 1 through 103 of the Petition in Intervention.

105. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 105 of the Petition in Intervention.

106. Defendants deny the allegations in paragraph 106 of the Petition in Intervention.

107. Defendants deny the allegations in paragraph 107 of the Petition in Intervention.

108. Defendants deny the allegations in paragraph 108 of the Petition in Intervention.

109. Defendants deny the allegations in paragraph 109 of the Petition in Intervention.

110. Defendants deny the allegations in paragraph 110 of the Petition in Intervention.

DEFENSES/AFFIRMATIVE DEFENSES

1. The Petition in Intervention, in whole or in part, fails to state a claim upon which relief can be granted.

2. The Petition in Intervention fails to join necessary and/or indispensable parties in whose absence complete relief cannot be accorded among those already parties.

Therefore, this action must be dismissed, or alternatively, the action should be stayed pending other appropriate relief by the Court.

3. Intervenor's lack standing to bring this lawsuit.

4. Defendants cannot be held jointly and severally liable for the acts or omissions of Marsha Schubert.

5. Intervenor's claims are barred in whole or in part by the actions or omissions of Marsha Schubert's employers or entities on behalf of which Marsha Schubert acted as an agent or contractor.

6. Intervenor's claims are barred in whole or in part by the applicable statutes of limitations.

7. Intervenor's claims are barred in whole or in part by the doctrine of respondeat superior.

8. Intervenor's claims are barred in whole or in part by its failure to meet and/or comply with all conditions precedent under Oklahoma law prior to maintaining an action in the district court.

9. Intervenor's claims are barred in whole or in part by the doctrines of: assumption of risk, comparative fault, *in pari delicto*, ratification, unclean hands, and lack of due diligence in monitoring, managing, and handling their investments.

10. Intervenor's claims are barred in whole or in part by failure of consideration.

11. Intervenor's claims are barred in whole or in part by the doctrine of laches.

12. Intervenor's claims are barred in whole or in part by the doctrine of waiver.

13. Intervenor's claims are barred in whole or in part by the doctrine of payment.

14. Intervenor's claims are barred in whole or in part by the doctrine of accord and satisfaction.

15. Intervenor's claims are barred in whole or in part by the doctrine of release.

16. Intervenor's claims are barred in whole or in part by the doctrine of estoppel.

17. Intervenor's claims are barred in whole or in part by the doctrine of res judicata.

18. Intervenor's claims are barred in whole or in part by the doctrine of arbitration and award.

19. Intervenor's claims are barred in whole or in part by the doctrine of misjoinder.

20. Intervenor's claims are barred in whole or in part by the negligence of third parties over whom Defendants had no control and for whom Defendants are not legally responsible in that the failure of said third parties to exercise ordinary care proximately caused in whole or in part the relief requested by Intervenor.

21. Intervenor's are barred in whole or in part by the comparative negligence or fault of third parties.

22. Intervenor's claims are barred in whole or in part by failure to mitigate damages.

23. Any award of punitive damages to Intervenor in this case violates the constitutional safeguards afforded to Defendants and is barred by:

- a) The Eighth Amendment to the United States Constitution prohibiting excessive fines;
- b) The Fifth and Fourteenth Amendments to the United States Constitution prohibiting substantive and procedural due process violations;

- c) The Fourteenth Amendment to the United States Constitution guaranteeing equal protection of the laws;
- d) The Fourth, Fifth, Sixth, and Eighth Amendments to the United States Constitution, to the extent such sanctions are attempted to be imposed without requiring the burden of proof to be beyond a reasonable doubt;

24 The punitive damage claims as alleged cannot be allowed to the extent they violate the holdings of the United States Supreme Court in *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 116 S. Ct. 1589, 134 L.Ed.2d 809 (1996), *Cooper Industries, Inc. v. Leatherman Tool Group, Inc.*, 532 U.S. 424, 121 S. Ct. 1678, 149 L.Ed.2d 674 (2001), *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 123 S. Ct. 1513, 155 L.Ed.2d 585 (2003), and other cases.

25. In the unlikely event that Defendants are held liable in this case, which is not admitted and is expressly denied, Defendants assert its rights of contribution, comparative fault, indemnity, and/or credits or offsets as permitted by applicable law.

26. Intervenor's claims are barred in whole or in part by the rule against double recovery.

27. Defendants are entitled to a setoff or credit for any amounts received by Intervenor from any source whatsoever with respect to any recovery arising out of claims and/or allegations asserted herein against any other person or party. Such would include but not be limited to any settlement and/or compromise and/or any damages paid as a result of bankruptcy, arbitration, and/or other litigation.

28. Defendants deny that they materially aided, or is about to materially aid an act, practice, or course of business constituting a violation of the Oklahoma Securities Act, or

a rule adopted or order issued under the Oklahoma Securities Act or constituting a dishonest or unethical practice.

29. Defendants did not materially aid and/or participate in any securities violation committed by Marsha Schubert. Defendants did not participate in the solicitation, negotiation, and/or disposition stages of any securities transaction between Marsha Schubert and any alleged investor, which led to his/her investment with Marsha Schubert.

Further, Defendants did not know and, in the exercise of reasonable care could not have known, of the purported securities violations committed by Marsha Schubert.

30. Defendants deny any misconduct in connection with the offer, purchase, or sale of securities. Defendants deny that it made any untrue statements of material fact or omitted to state a material fact necessary in order to make a statement made not misleading. Defendants further deny that it engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

31. Activities that occur after the purchase of a security cannot form the basis for liability as alleged by Intervenors.

32. Regular and routine banking practices cannot form the basis for liability as alleged by Intervenors.

33. The interests sold by Marsha Schubert do not meet the definition of a security under Oklahoma law. To the extent the Court finds that the interests were securities, they were exempt from registration.

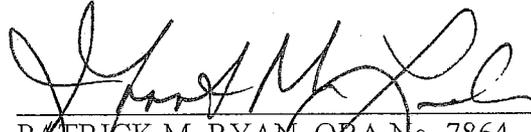
34. Intervenors cannot demonstrate that Defendants acted with the requisite scienter.

35. Intervenors cannot demonstrate that a sale of a security occurred.

36. Defendants reserve the right to amend and/or assert further defenses and affirmative defenses into the matters alleged in the Petition in Intervention.

PRAYER FOR RELIEF

WHEREFORE, having fully answered, Defendants pray for judgment in its favor and against Intervenors, and for such further relief as the Court may deem just and equitable.



PATRICK M. RYAN, OBA No. 7864
DANIEL G. WEBBER, JR., OBA No. 16332
MATTHEW C. KANE, OBA No. 19502
GRANT M. LUCKY, OBA No. 17398
Of the Firm:

RYAN, WHALEY & COLDIRON

900 Robinson Renaissance
119 North Robinson
Oklahoma City, Oklahoma 73102
Telephone: (405) 239-6040
Facsimile: (405) 239-6766

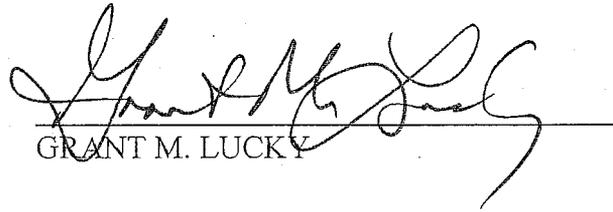
**ATTORNEYS FOR DEFENDANTS
FARMERS & MERCHANTS BANK, JOHN V.
ANDERSON and JOHN TOM ANDERSON**

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of July, 2007, a true and correct copy of the above and foregoing instrument was mailed, via U.S. First Class Mail, postage prepaid, to the following counsel of record:

Joseph H. Bocock
Spencer F. Smith
McAfee & Taft
Tenth Floor, Two Leadership Square
211 N. Robinson Avenue
Oklahoma City, OK 73102-7103

Melanie Hall
Amanda Cornmesser
Gerri Stuckey
Oklahoma Department of Securities
120 N. Robinson Avenue, Suite 860
Oklahoma City, OK 73102



GRANT M. LUCKY