



CLAIM SUBMITTED TO THE FOLLOWING:

CITY OF BLACKWELL, OKLAHOMA
ATTN: MARK CORDELL, City Mayor
MARK SKILES, City Manager

CYNTHIA NEUMAYER,
CITY CLERK
City of Blackwell Administration Building
P.O. Box 350
221 West Blackwell
Blackwell, Oklahoma 74631

THE BLACKWELL MUNICIPAL AUTHORITY
CYNTHIA NEUMAYER,
CITY CLERK
City of Blackwell Administration Building
P.O. Box 350
221 West Blackwell
Blackwell, Oklahoma 74631

THE BLACKWELL PUBLIC TRUST
CYNTHIA NEUMAYER,
CITY CLERK
City of Blackwell Administration Building
P.O. Box 350
221 West Blackwell
Blackwell, Oklahoma 74631

NOTICE OF CLAIM

This constitutes a Notice of Claim filed against the City of Blackwell, State of Oklahoma pursuant to 51 Okla. Stat. Ann. § 156.

Name of Claimant: **GREG DEFFNER and JESSICA PEPPER**

Address of Claimant: 412 West Blackwell Avenue, Blackwell, Oklahoma 74631

Telephone Number of Claimant: (580) 363-7799

Both own real property in Blackwell, Oklahoma and conduct business based in Blackwell, Oklahoma and are subscribers to the Blackwell Municipal Authority. Have been City of Blackwell voters until January 1, 2011.

Name of Claimant: **GREG DEFFNER**, Managing Member for **GET LLC** d/b/a **GET REAL CABLE**

JESSICA PEPPER, Manager of **GET LLC** d/b/a **GET REAL CABLE**

Address of Claimant: 412 West Blackwell Avenue, Blackwell, Oklahoma 74631

Telephone Number of Claimant: (580) 363-7799

Both own real property in Blackwell, Oklahoma and conduct business based in Blackwell, Oklahoma and are subscribers to the Blackwell Municipal Authority.

Name of Claimant: **JAKE DEFFNER**

Address of Claimant: 823 East College, Blackwell, Oklahoma 74631

Telephone Number of Claimant: (580) 262-9308

He resides, owns property, works and is eligible to vote in Blackwell, Oklahoma and is a subscriber to the Blackwell Municipal Authority.

Name of Claimant: **PATRICIA PEPPER**

Address of Claimant: 1202 South Main, Blackwell, Oklahoma 74631

Telephone Number of Claimant: (580) 363-6190

She resides, owns property, works and votes in Blackwell, Oklahoma and subscribes to the Blackwell Municipal Authority.

Name of Claimant: **DEANNA WHITMAN**

Address: 601 North 6th Street, Blackwell, Oklahoma 74631; P.O. Box 973, Blackwell, OK 74631

Telephone Number of Claimant: (580) 401-7177

She resides, owns property and votes in Blackwell, Oklahoma and subscribes to the Blackwell Municipal Authority.

Name of Claimant: **GREG DEFFNER** and **JESSICA PEPPER** on behalf of **The Citizens of Blackwell as a Class**

They reside within the City of Blackwell, Oklahoma. Some are eligible to vote in Blackwell, Oklahoma, and some are subscribers to the Blackwell Municipal Authority.

Name of Claimant: **GREG DEFFNER** and **JESSICA PEPPER** on behalf of **The Subscribers of the BLACKWELL MUNICIPAL AUTHORITY as a Class**

Some are residents and voters of Blackwell, Oklahoma. All are subscribers to the Blackwell Municipal Authority.

Date of Occurrence Giving Rise to Claims: on or about July 5th, 2010, and for each month accruing thereafter shall be considered a separate claim against the above and foregoing political entities, and continuing until date of trial

Occurrence and Circumstances Giving Rise to Claims:

CLAIM ONE:

Formation of **THE BLACKWELL PUBLIC TRUST** on or about the 5th day of July, 2010 by the **CITY OF BLACKWELL**, approved by the **City of Blackwell Resolution No. 07-05-10A/07-05-10MA**, was

improper and in violation of the **CHARTER** of the **CITY OF BLACKWELL** in that it circumvents the right of the people to vote on city expenditures in excess of \$25,000.00. That a trust created and being valid under Oklahoma law can become invalid and improper if same violates the rules and conditions set forth in the **CHARTER**. **THE BLACKWELL PUBLIC TRUST** is in violation of the **CHARTER**.

Claims for Relief:

(a) That the **CITY OF BLACKWELL** and **THE BLACKWELL PUBLIC TRUST** are operating in excess of the power conveyed to them by Oklahoma law. That the trust indenture for **THE BLACKWELL PUBLIC TRUST** is in excess of the authority conveyed to same by Oklahoma law. That **THE BLACKWELL PUBLIC TRUST** is also operating in excess of its authority in that same is in violation of the **CHARTER** which limits its authority. Therefore, **THE BLACKWELL PUBLIC TRUST** should be dissolved forthwith.

(b) That the claimants shall seek an order of the court enjoining present and future acts and omissions that are in violation of the **CHARTER**.

(c) The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM TWO:

The City of Blackwell Resolution No. 07-05-10A/07-05-10MA date July 5, 2010, violated the purpose and spirit of the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010. That the **BLACKWELL PUBLIC TRUST** authorized expenditure of trust funds that are not part of the remediation of Blackwell City property. The purpose of the Fifty-Four Million Dollars (\$54,000,000.00) obtained through the **SETTLEMENT AGREEMENT AND RELEASE** was for cleanup and remediation of contamination from the smelter waste. Examples of inappropriate allocation of trust funds include, but are not limited to, §2.2(d)(f) together with §2.4(e)(g) of **THE BLACKWELL PUBLIC TRUST**.

Claim for Relief:

That the claimants shall seek an order of the court enjoining present and future acts and omissions that are in violation of the **SETTLEMENT AGREEMENT AND RELEASE**. The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM THREE:

Violation of the **CHARTER** of the **CITY OF BLACKWELL, OKLAHOMA, ARTICLE II,**

SECTION 14, wherein “a City Councilor shall not be eligible to fill any office created by the City Council while such City Councilor was a member of the Council until one year after the expiration of the Term of Office of such City Councilor.”

The current Mayor and City Councilors created **THE BLACKWELL PUBLIC TRUST** and simultaneously served on the Board of **THE BLACKWELL PUBLIC TRUST** while in the same term as City Councilors, prior to the expiration of one year after the termination of their current term of office violates the **CHARTER**.

Claim for Relief:

Mayor John Mark Cordell and **Brad Bechtel** should be removed forthwith as Trustees of **THE BLACKWELL PUBLIC TRUST**. All actions and orders by the current board should be found null and void. That the claimants shall seek an order of the court enjoining present and future acts and omissions that are in violation of the **CHARTER**. The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM FOUR:

(a) There is a conflict of interest between the following Trustees: **Mayor John Mark Cordell, Brad Bechtel, Jim Rodgers** and **Mike Loftis**; serving on **THE BLACKWELL PUBLIC TRUST** and also serving on the following Trusts more specifically set forth herein below:

Mayor John Mark Cordell, also serving as Mayor for the City of Blackwell and Trustee of the Blackwell Municipal Authority as Chairman
Brad Bechtel, also serving as Trustee of the Blackwell Municipal Authority
Jim Rodgers, also serving as a Trustee of the Blackwell Hospital Trust Authority
Mike Loftis, also serving as a Trustee of the Blackwell Industrial Authority and holding the position of 1st Assistant Secretary

(b) There is a conflict of interest between the following persons:

John Mark Cordell, Chairman
Brad Bechtel, Trustee
Nita Carroll, Trustee
Max Woirtz, Trustee
Piccola Hudsonpillar, Trustee

serving simultaneously as Trustees of **THE BLACKWELL MUNICIPAL AUTHORITY**, and also serving as City Councilors for the City of Blackwell.

Claims for Relief:

(a) **Mayor John Mark Cordell, Brad Bechtel, Jim Rodgers and Mike Loftis** serving on **THE BLACKWELL PUBLIC TRUST** should be removed forthwith and precluded from serving on the board.

(b) **John Mark Cordell, Brad Bechtel, Nita Carroll, Max Woirtz, and Piccola Hudsonpillar** should be precluded from serving as both City Councilors of the City of Blackwell and Trustees of **THE BLACKWELL MUNICIPAL AUTHORITY**.

(c) The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM FIVE:

Violation of the **CHARTER of the CITY OF BLACKWELL, OKLAHOMA, ARTICLE II, SECTION 15** by circumventing same through **BLACKWELL MUNICIPAL AUTHORITY**. The charter calls for a vote of the people on all city expenditures over Twenty-Five Thousand Dollars (\$25,000.00) for any sale or purchase of real or personal property or any interest therein. That the City of Blackwell is consistently using **THE BLACKWELL MUNICIPAL AUTHORITY** to buy, sell, lease, and acquire interest for the City in real and personal property in excess of the value of Twenty-Five Thousand Dollars (\$25,000.00), circumventing a vote of the people thus denying them their right to determine the expenditures of the City and violating the **CHARTER**.

Claims for Relief:

(a) That the **CITY OF BLACKWELL** and **THE MUNICIPAL AUTHORITY** are operating in excess of the power conveyed to them by Oklahoma law. That the trust indenture for **BLACKWELL MUNICIPAL AUTHORITY** is in excess of the authority conveyed to same by Oklahoma law. That **THE BLACKWELL MUNICIPAL AUTHORITY** is acting in excess of its authority and should be dissolved. That the claimants shall seek an order of the court enjoining present and future acts and omissions that are in violation of the **CHARTER**.

(b) That the claimants will seek an order of the court enjoining present and future acts by the City of Blackwell and the City of Blackwell by and through **THE BLACKWELL MUNICIPAL AUTHORITY** which violate and/or circumvent the **CHARTER**.

(c) The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM SIX:

The City of Blackwell Resolution No. 07-05-10A/07-05-10MA date July 5, 2010, violated the purpose and spirit of the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of

February, 2010, by the transfer of approximately One Million Five Hundred Thousand Dollars (\$1,500,000.00) into the General Fund of the City of Blackwell, Oklahoma, from the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010. The general fund is not related in any part to contamination remediation by the City.

Claims for Relief:

(a) One Million Five Hundred Thousand Dollars (\$1,500,000.00) should be returned forthwith to the remediation funds obtained from the **SETTLEMENT AGREEMENT AND RELEASE** for proper disbursement.

(b) The City of Blackwell should be permanently enjoined from any such future acts, including but not limited to transferring funds obtained from the **SETTLEMENT AGREEMENT AND RELEASE** to the general fund.

(c) The claimants named here and above should be awarded the sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs.

CLAIM SEVEN:

There were multiple utility surcharge rate increases by the **BLACKWELL MUNICIPAL AUTHORITY** on or about June 16, 2007, which were assessed for the cleanup of contamination issues facing the City of Blackwell, but did not specify why; said surcharges were not decreased after receipt of the Fifty-four Million Dollars (\$54,000,000.00) from the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010. Mail fraud has been committed and is continuing to be committed each month by the City of Blackwell and the Blackwell Municipal Authority when the utility bills are sent to its Subscribers after substantial funds have been received from the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010;

Claims for Relief:

(a) Each of the claimants: **GREG DEFFNER, JESSICA PEPPER, GREG DEFFNER**, Managing Member for **GET LLC** d/b/a **GET REAL CABLE**, **JESSICA PEPPER**, Manager of **GET LLC** d/b/a **GET REAL CABLE**, **JAKE DEFFNER, PATRICIA PEPPER, DEANNA WHITMAN** and **GREG DEFFNER** and **JESSICA PEPPER** on behalf of **The Subscribers of the BLACKWELL MUNICIPLAL AUTHORITY** as a Class should be awarded a sum equal to the multiple surcharges wrongfully imposed upon same commencing from July 5, 2010 and accruing thereafter until said refund is made.

(b) The sum of Twenty-Five Thousand Dollars (\$25,000) per claimant as set forth here and above in paragraph (a), for an aggregate amount of One Million Dollars (\$1,000,000.00) per month until said egregious conduct is terminated.

(c) An injunction against any and all further utility surcharges.

CLAIM EIGHT:

Resolution 07-05-10B violates the **CHARTER** of the **CITY OF BLACKWELL, OKLAHOMA, ARTICLE II, SECTION 15** wherein a fire truck lease/purchase renewal expenditure of \$29,071.60 was approved by the Council for the City of Blackwell without a prior vote of the people.

Claims for Relief:

- (a) No lease over Twenty-Five Thousand Dollars (\$25,000.00) should be approved nor paid until a vote of the people has been had.
- (b) The sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs should be awarded to **GREG DEFFNER, JESSICA PEPPER, JAKE DEFFNER, PATRICIA PEPPER** and **DEANNA WHITMAN**; and **GREG DEFFNER** and **JESSICA PEPPER** on behalf of **The Citizens of Blackwell** as a Class.
- (c) The question of the lease/purchase of the fire truck should be resolved by a vote of the people.
- (d) An injunction against payment of the lease/purchase money for the fire truck until a vote of the people authorizing same.

CLAIM NINE:

Substantial portions of the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010, eventually deposited into **THE BLACKWELL PUBLIC TRUST** have not been used for remediation of contamination issues, contrary to the public interest and stated purpose of said **SETTLEMENT AGREEMENT AND RELEASE**, and said funds are being expended for the "Private Projects Fund," the "Community Enhancement Project," and others.

"Community Enhancement Project" means projects other than Sewer Projects, Water Projects and Street Projects that results in the enhancement of Beneficiary, as determined by the governing body of Beneficiary, including but not limited to the demolition of dangerous and/or dilapidated structures."

"Private Project" means a project that is: (i) proposed to the City of Blackwell Planning Commission by a private, civic or other public party(ies); (ii) reviewed and determined to be beneficial to the Beneficiary by the City of Blackwell Planning Commission; and (iii) approved for the use of Trust funds by the Beneficiary.

Further, there is an ambiguity as to the money being spent monthly on the Community Enhancement Project which is not accounted for and doesn't deal with remediation of city property that §2.4(e) which states, "Ten percent (20%) to the Community Enhancement Projects Restricted Use Fund."

Claims for Relief:

- (a) Claimants shall seek an injunction against using the monies obtained from the **SETTLEMENT**

AGREEMENT AND RELEASE dated the 4th day of February, 2010, eventually deposited into **THE BLACKWELL PUBLIC TRUST** for any purpose other than remediation of contamination.

(b) The sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs should be awarded to **GREG DEFFNER, JESSICA PEPPER, JAKE DEFFNER, PATRICIA PEPPER, and DEANNA WHITMAN**; and **GREG DEFFNER and JESSICA PEPPER** on behalf of **The Citizens of Blackwell** as a Class.

CLAIM TEN:

The **CITY OF BLACKWELL**, Oklahoma, acting in conjunction with **THE BLACKWELL MUNICIPAL AUTHORITY** and **THE BLACKWELL PUBLIC TRUST**, have been making expenditures for purposes other than remediation of contamination in violation of the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010, and the **CHARTER** of the **CITY OF BLACKWELL**. It is spending vast sums of money in unaccounted-for areas without any line-by-line accounting to claimants, the citizens of Blackwell, and the subscribers of **BLACKWELL MUNICIPAL AUTHORITY**.

Claims for Relief:

(a) A line-by-line accounting of any monies expended by **THE BLACKWELL PUBLIC TRUST**, the **CITY OF BLACKWELL**, and **THE BLACKWELL MUNICIPAL AUTHORITY** by an impartial, independent auditor never having any ties whatsoever with the City of Blackwell, Oklahoma at the expense of same.

(b) The sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs should be awarded to claimants in the event of any discrepancies, missing money, or improper expenditures after auditing the books.

CLAIM ELEVEN

Utility System and Sales Tax Revenue Note, Series 2006, obtained for the City of Blackwell through the **BLACKWELL MUNICIPAL AUTHORITY** for purposes of meeting and remediating decontamination requirements is in violation of the **CHARTER** of the **CITY OF BLACKWELL, OKLAHOMA, ARTICLE II, SECTION 15** because it circumventing same through **BLACKWELL MUNICIPAL AUTHORITY**.

That in addition the City of Blackwell has failed to retire the Utility System and Sales Tax Revenue Note, Series 2006, when same received the net proceeds from the **SETTLEMENT AGREEMENT AND RELEASE** dated the 4th day of February, 2010, the purpose of which was to compensate the City of Blackwell for the issues remediation of contamination. That through the act and omission of the City of Blackwell, by and through the **BLACKWELL MUNICIPAL AUTHORITY**, both are improperly

using the Citizens of the City of Blackwell to pay for the contamination for the cleanup of City property, instead of using its own money received as and for compensation for the necessary cleanup of contamination of City property. The citizens of the City of Blackwell are paying for the cleanup rather than the contaminators, BLACKWELL ZINC COMPANY, INC., a New York corporation ("BZC"), CYPRUS AMAX MINERALS COMPANY, a Delaware corporation ("CAMC"), FREEPORT MCMORAN CORPORATION, a New York corporation fllk/a Phelps Dodge Corporation ("FMC"), FREEPORT-MCMORAN COPPER & GOLD INC., a Delaware corporation ("FCX", together with BZC, CAMC and FMC being collectively referred to as "Freeport").

Claims for Relief:

(a) Utility System and Sales Tax Revenue Note, Series 2006 should be retired.

(b) The sum of One Million Dollars (\$1,000,000.00) together with attorney fees and costs should be awarded to **GREG DEFFNER, JESSICA PEPPER, JAKE DEFFNER, PATRICIA PEPPER and DEANNA WHITMAN**; and **GREG DEFFNER and JESSICA PEPPER** on behalf of **The Citizens of Blackwell** as a Class.

(c) Claimants, **GREG DEFFNER, JESSICA PEPPER, JAKE DEFFNER, PATRICIA PEPPER and DEANNA WHITMAN**; and **GREG DEFFNER and JESSICA PEPPER** on behalf of **The Citizens of Blackwell** as a Class should be reimbursed for all improper payments made to the **BLACKWELL MUNICIPAL AUTHORITY** for contamination remediation.

CLAIM TWELVE:

That the above numbered claims ONE through ELEVEN comprise and constitute Civil RICO [Racketeer Influenced Corrupt Organizations Act] cause of action pursuant to 18 U.S.C. 1964(c) and Oklahoma 22 Okl. St. Ann. 1409.

Claims for Relief:

(a) Actual damages cannot be pled at this time, as the knowledge of the actual amount is in the hands of the defendants, and claimants are unable to compute same with specificity. Therefore, claimants assert actual damages in excess of Ten Thousand Dollars (\$10,000.00), treble damages, punitive damages, attorney fees and costs.

Location of Claims:

The location of the above and foregoing claims primarily arose in the City of Blackwell, State of Oklahoma and its surrounding vicinities; that the subscribers to the Blackwell Municipal Authority lie both inside and outside the city limits of the City of Blackwell, Oklahoma. That the remaining claims not involving the subscribers of the Blackwell Municipal Authority arose primarily within the City of

Blackwell property holdings, lease holds, ownership of real, personal, and mixed property, and any and all interest therein, and within the boundaries of the City of Blackwell and its surrounding areas.

City Agencies Involved:

CITY OF BLACKWELL, OKLAHOMA

ATTN: MARK CORDELL, City Mayor

MARK SKILES, City Manager

CYNTHIA NEUMAYER,

CITY CLERK

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Blackwell, Oklahoma 74631

Attorneys Authorized to Settle Claim:

CAROLYN A. MILLER

P.O. Box 547, 120 North 2nd Street

Ponca City, Oklahoma 74602

Telephone: (580) 765-6697

Facsimile: (580) 765-6674

OBA #: 11935

BARBARA ANNE MILLER

828 Spring Road

Ponca City, Oklahoma 74604

Telephone: (580) 765-0117

Facsimile: (580) 765-3173

OBA #: 6191

THIS IS NOTICE TO YOU, that suit shall be initiated after the ninety day waiting period for your acceptance or refusal of our claim. If you have any questions or wish to discuss your account with one of our representatives, please contact our law firm at (580) 765-6697 or (580) 765-0117.

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. THIS IS A COMMUNICATION FROM A DEBT COLLECTOR.

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THE DEBT OR ANY PORTION THEREOF, OUR OFFICE WILL ASSUME THIS DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE THAT YOU DISPUTE THIS DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION, UPON YOUR WRITTEN REQUEST WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR IF DIFFERENT FROM THE CURRENT CREDITOR.

CONDUCT YOURSELVES ACCORDINGLY.

GREG DEFFNER, JESSICAL PEPPER,

GREG DEFFNER, Managing Member for *GET LLC d/b/a GET REAL CABLE*

JESSICA PEPPER, Manager of *GET LLC d/b/a GET REAL CABLE*

JAKE DEFFNER

PATRICIA PEPPER

DEANNA WHITMAN

GREG DEFFNER and JESSICA PEPPER on behalf of The Citizens of Blackwell as a Class

GREG DEFFNER and JESSICA PEPPER on behalf of The Subscribers of the BLACKWELL

MUNICIPAL AUTHORITY as a Class

DATED this 5th day of July, 2011.

BY:



**CAROLYN A. MILLER,
Attorney at Law**



**BARBARA ANNE MILLER
Attorney at Law**