IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

LARRY JONES, Plaintiff, v. FEED THE CHILDREN, INC., RICK ENGLAND, LEO FUNDARO, C. EARNEST WYATT, DAN MUGG, DR. MARY SCHRICK, Defendants.	)	CJ-2009-11047 (Judge Robertson)

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

DEC 28 2009

PATRICIA PRESLEY, COURT CLERK
by ______ DEPUTY

ANSWER AND COUNTERCLAIMS OF FEED THE CHILDREN, INC.

PLEASE NOTE: The allegations and statements in the Answer and all counts of the Counterclaim are cross-alleged and adopted within each other. Some of the facts alleged in the counterclaims came to light within days of Larry Jones' termination and are considered as further justification for his termination. This is particularly true since Larry Jones was an officer and a director of Feed The Children, Inc. and should have revealed these facts before he was terminated.

ANSWER OF FEED THE CHILDREN, INC.

Feed The Children, Inc., (FTC), for answer to Plaintiff's Petition, alleges and states that:

1. Defendant admits the allegations of paragraphs 1 through 6 and denies the rest of Plaintiff's material allegations.

2. Regarding paragraph 7, Defendant alleges there is a CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE among certain of the parties. That document speaks for itself and should be attached to Plaintiff's Petition and Plaintiff

should refer to specific clauses or portions thereof. Defendant is not required to respond to Plaintiff's characterizations of that document because they are not allegations of fact. However, to the extent such may be required, they are denied.

3. Regarding paragraph 8, Defendant admits that Plaintiff's employment was terminated for good reasons and causes, including the solicitation of kick backs or corporate bribes and the bugging of offices of top executives by Plaintiff, among others. Defendant took into account Plaintiff's history and pattern of conduct over the years. Defendant denies the rest of paragraph 8, and alleges the individual defendants were acting in their capacities as directors of Feed The Children, Inc. and exercising sound business judgment in voting to terminate Plaintiff.

4. Regarding paragraph 9, the same is merely a long, legal conclusion and is not an allegation of fact. As such, it does not merit a response, but to the extent such may be required, Defendant denies the same.

5. Paragraphs 10, 11 and 12 are denied, however Defendant takes notice that in paragraph 12 Plaintiff is requesting punitive damages against himself.

6. Regarding paragraph 13, Defendant admits Plaintiff brought his lawyer to the meeting. His lawyer brought Exhibit A, and passed out various copies of this unnecessary document which indicates Larry Jones believed he was going to be terminated at the meeting. After the meeting, Defendant gave immediate and explicit instructions that Plaintiff's name, likeness and voice should never be used again in relation to FTC, and those instructions have been carried out. Defendant's intent was to sever FTC's relationship and association with Plaintiff and Defendant had decided

FTC had no use for Plaintiff's name, likeness or voice, and that the same would be harmful to FTC in the future. The rest of paragraph 13 is denied.

7. Regarding paragraph 14, Plaintiff signed the letter he now complaints about on November 5, 2009, the day before he was terminated, knowing that he was to meet with the Board of Directors the following day to discuss his continued involvement with FTC. The letter was then duplicated/copied, placed into addressed envelopes, postage was then affixed to the envelope, and the envelopes were banded or boxed and sitting in the mailroom ready for mailing the same afternoon Plaintiff's lawyer passed out Exhibit A. Rather than waste the expense of money, time and effort, an officer of FTC decided that the letters should be mailed. This was after the Board of Directors had instructed officers, agents and employees of FTC to discontinue using Plaintiff's name, likeness and voice immediately. The decision of the officer of FTC was based upon common sense, good business judgment and the law that allows an ex-employer a reasonable amount of time in which to stop using an ex-employee's name. Moreover, the law in the State of Oklahoma allows corporations such as FTC to use the names of its directors even without their written consent. All of the allegations of paragraph 14 B, 14 C, and 14 D are false and denied and Plaintiff will be required to state the basis upon which he made these allegations under penalty of perjury.

8. Defendant denies paragraphs 15 and 16. Plaintiff does not need any assistance to get FTC to quit using his voice, name or likeness. Despite Plaintiff's demands to cease using his name, voice and likeness, he refuses to voluntarily remove himself from

FTC as a Director on various Boards in the United States and internationally. FTC is doing its very best to separate FTC from the reputation, voice, name and likeness of Larry Jones, and would have done so regardless of Plaintiff's demands.

9. Plaintiff's Petition fails to state a claim upon which relief can be granted against FTC.

10. While cleaning out Plaintiff's personal office space, FTC found evidence of other causes for Plaintiff's termination. Had Plaintiff been truthful with FTC and fulfilled his duty to FTC as an officer and a director of FTC, he would have been terminated earlier than November 6, 2009 and those causes would have been considered further grounds for termination on November 6, 2009. Generally, such after-acquired evidence can be used only to mitigate damages, but since Plaintiff owed – and still owes – a fiduciary duty to FTC. and should have fulfilled that duty by disclosing his misdeeds, acts of dishonesty, use of position for personal gain other than salary and legitimate benefits, failure to follow directives of the Board of Directors and violations of FTC policy and law, those additional causes for his termination should relate back to the actual date of his termination.

11. Plaintiff's punitive damages requests are unconstitutional and not properly levied against a charitable organization which would punish the recipients of the charity.

12. For decades, Plaintiff insisted that his name, likeness and voice be used by FTC when possible. Plaintiff considered FTC as his own personal property and wanted to be thought of synonymously with FTC. While Defendant denies Plaintiff has or can suffer any damage or injury from use of his name, voice or likeness by FTC, any such

injury or damage would have been caused, and foreseen, by Plaintiff, and would be the result of his own comparative fault and Plaintiff assumed the risk of such injury or damage.

13. Defendant acted promptly and properly in removing Plaintiff's name, likeness and voice and did so within a reasonable time of Plaintiff's request.

14. Each count of the Counterclaim provides additional reasons for Plaintiff's termination and a defense of Plaintiff's claims.

WHEREFORE, FTC requests that Plaintiff be granted no relief and that it recover its fees, costs and a sanction against Plaintiff for filing this frivolous lawsuit.

COUNTERCLAIMS

15. FTC is a not-for-profit corporation incorporated pursuant to the laws of the State of Oklahoma. FTC is a 501(c)(3) organization under the Internal Revenue Code.

16. FTC's corporate offices and principal place of business are located in Oklahoma County, State of Oklahoma.

17. FTC is a charity that receives donations of money, food, clothing, services, etc. for the purpose of distributing the items to children and families in the U.S. and world wide.

18. At all times relevant hereto, Larry Jones was, and is, a director on the Board of Directors of FTC as well as a former employee and officer (the former President) of FTC.

19. In 2008, FTC's Board of Directors ("Board") learned that Larry Jones had been taking action without the Board's knowledge, approval, and against its direction. In an effort to prevent this and to implement procedures regarding governance by the Board, certain actions were taken by the Board, including setting forth processes, procedures, and controls. Further, the Board discussed and implemented certain resolutions ("resolutions") and directives ("directives"), which were made applicable

to Larry Jones, amongst others. Due to Larry Jones' actions, the Board openly discussed putting him in a forced sabbatical or leave of absence. Larry Jones was determined to ignore the Board and its resolutions and directives and decided he would not be controlled by the Board.

20. In or about the latter part of November, 2008, Linda Schluchter, who was a Director of FTC at the time, as well as the Chair of FTC's Audit Committee, requested internal auditor and Director George Stevens to create a document outlining the instances in which Larry Jones had failed to follow the resolutions, directives, and/or procedures of the Board.

21. Stevens prepared the document, as requested, and circulated it amongst certain Board members and certain employees. There were continued discussions about whether to put Larry Jones on a forced sabbatical or leave of absence, or whether to take some other form of disciplinary action to force Larry Jones to conform his actions to the directives and resolutions of the Board.

22. Larry Jones learned of the document and of the investigations that produced it from Richard Gray, then Vice President of Human Resources and that the Board meant to control his actions and were conducting an investigation into his past actions. Larry Jones was fearful that the directors had "a noose around my neck" and were going to "hang him". He decided he had to take desperate action to preserve his unfettered control of FTC.

23. On or about December 4, 2008, before the next Board meeting scheduled for Monday, December 8, 2008, Larry Jones requested that only certain Board members and their wives join him and his wife, Frances, at Deep Fork Grill in Oklahoma City for the purported purpose of discussing the Jones' retirement. Larry Jones deceived Rick England into coming to the "dinner party". Larry Jones had no intention of retiring. He had hatched a scheme to remove the members of the Board who were investigating him and to install a Board of Directors of puppets who would have no control over him. This scheme would leave Larry Jones in full, complete and total control over FTC.

24. Larry Jones did not ask all of the Board members to attend the dinner party. Larry Jones, Dwight Powers, and Rick England were the only Board members in attendance at the dinner party on December 4, 2008. Each had their respective spouses accompany them.

25. Directors Mugg, England, Fundaro, Wyatt, Stevens and Schluchter did not receive any type of notice for a Board Meeting on the evening of December 4, 2008.

26. At the dinner party Larry Jones approached Rick England and told him that Wayne Anderson, whom Rick England had never met or heard of before, was a preacher from Hawaii and that FTC needed a "black" Board member because President Obama would not look favorably on charities without a "black" Board member. Mr. Anderson was at the restaurant and was introduced to Mr. England.

27. Though Rick England indicated that he did not have a problem with the eventual inclusion of Anderson as a Board member, England informed Larry Jones that the election of Anderson as a Board member should be voted on by all of the Board members at the next Board meeting, as required by the bylaws, which meeting was to be held that coming Monday, December 8, 2008.

28. At no time did Director England vote or believe he was voting on the immediate addition of Anderson as a member of Plaintiff's Board of Directors.

29. Larry Jones then called Director Leo Fundaro on Larrry Jones' cell phone regarding Wayne Anderson. Larry Jones did not have the conversation with Leo Fundaro on a speaker so others could hear him or so Director Fundaro could hear them, which is a requirement of the bylaws of FTC if such telephone call is to be effective in recognizing a quorum.

30. Director Fundaro had never met or heard of Defendant Wayne Anderson prior to the telephone call.

31. Like Rick England, Director Fundaro indicated to Larry Jones that he did not have a problem with the eventual inclusion of Anderson as a Board member; however, Fundaro indicated that the election of Anderson as a Board member should be voted

on by all Board members at the next Board meeting, as required by the bylaws, which meeting was to be held that coming Monday, December 8, 2008.

32. At no time did Director Fundaro vote or believe he was voting on the immediate addition of Anderson as a member of FTC's Board of Directors.

33. Larry Jones had learned of the Board's intention to limit his role, responsibilities and his authority levels and restrict his behavior. He stated to Rick England that the other Board members "have a noose around my neck and are going to hang me." He said "wait here" and left the dining room, only to return a short time later with several other individuals who had been located somewhere else in the restaurant.

34. Jones then informed Dwight Powers and Rick England that he wanted the other individuals on the Board as well. The other individuals were some or all of the following: Paul Osteen, Mark Crow, Mark Beeson, and Al Jandl.

35. Rick England said "no" to this request, and England informed Dwight Powers and Larry Jones that this was not a Board meeting – it was a dinner.

36. Larry Jones then placed another cell phone call to Leo Fundaro again without using a speaker.

37. Larry Jones informed Fundaro that he had other individuals he also wanted on the Board to which Fundaro said "no." Larry Jones told Fundaro that he was being railroaded and that he was just "trying to survive." Later that night, after Rick England left it appears that Larry Jones purported to install Paul Osteen, Mark Crow, Mark Beeson, Al Jandl and Wayne Anderson as board members, (the Pastor Board).

38. That evening at the restaurant, Larry Jones, Dwight Powers and the Pastor Board purported to terminate the employment of Travis Arnold, Chief Operating Officer; Christy Tharp, Chief Financial Officer, Larri Sue Jones, Vice President and General Counsel and George Stevens, Internal Auditor of FTC, all of whom were conducting an investigation into Larry Jones' activities and who were following the directions of the Board. These four were told they were terminated upon their arrival to work the next morning, December 5, 2008.

39. At the time of their termination, Larry Jones told Stevens that he knew Stevens was preparing a document "to take his head off." Stevens had prepared a document at the direction of the Board, which listed Larry Jones' improper conduct.

40. After the dinner at the Deep Fork Grill, Larry Jones, Dwight Powers and the Pastor Board met and purportedly removed Directors Mugg, Fundaro, Wyatt, England, Stevens, and Schluchter who received letters dated Friday, December 5, 2008, stating that "the Board of Feed The Children, Inc. has released you as a director." Uniformed, armed guards were put in place to keep the directors and terminated officers and employees away from FTC offices.

41. On December 9, 2008, purported new Articles of Incorporation were caused to be filed on behalf of FTC with the Oklahoma Secretary of State, naming Larry Jones, Dwight Powers, and the Pastors as the Board of Directors of FTC.

42. Before the unilateral actions taken by Larry Jones on December 4 and 5, 2008, set forth herein, the duly authorized Board of Directors was in the process of carrying out the resolutions and directives it implemented in 2008, which limited the control and activities of Larry Jones and others. The internal governance as stated in paragraph 19 put in place by the Board of FTC was purportedly set aside by the Pastor Board and Larry Jones.

43. Larry Jones and the Pastor Board purported to enact new bylaws on December 5, 2008. Larry Jones was attempting to gain absolute control of, and power over, the organization. (Sections 12, 13, 14, 16, 17, 19, 20, 21, 22, art. V sec 5, art VI.) The bylaws Larry Jones attempted to put in place, would have allowed him to have complete and total control over the organization. As President, by example, but not limitation, he would have the power to resolve any "deadlock" of the Board of Directors; he would have "sole discretion" to veto any resolution of the Board; the removal of any Director of the Board would have become effective only if signed by the President; no resolution of the Board removing an officer would become effective unless signed by the President; every quorum of the Board must include the President; vacancies of the Board were to be filled only "with the approval of the

President"; and amending the bylaws required an affirmative vote of the President. None of the actions of Larry Jones, Dwight Powers and the Pastor Board were legal, proper or effective.

44. After that, on behalf of FTC, the Board initiated a lawsuit in the District Court of Oklahoma County styled Feed The Children, Inc. v. Paul Osteen, Mark Crow, Mark Beeson, Al Jandl and Wayne Anderson, Case no. CJ-2009-907. The Court entered a Temporary Restraining Order establishing that the Board was still in control of FTC.

45. After the Board was restored to power by the Court, it began to learn of additional issues involving Jones, and his failure to follow Board directives and resolutions, some of which issues are set out herein and all of which justify his termination individually and collectively.

46. In 2008, Larry Jones was to be considered for a potential pay raise. Due to issues surrounding his activities, the Board put off giving consideration to an increase of his pay. After the Court entered the Temporary Restraining Order, the Board asked Larry Jones if his salary and other benefits were the same as before their absence. Jones responded that they were and presented a letter from payroll stating his salary was the same in 2009 as it was in 2008. However, Jones failed to inform the Board that during the time the Board was locked out he gave himself and Frances Jones pay raises which were retroactive to July, 2008. After the Temporary Restraining Order was entered, he tried to cover what he had done. Larry Jones began paying the increase back, treating it like it was a non-interest bearing loan. He repaid the amounts for both himself and his wife by deducting it out of only his gross salary (and not hers), not his net salary. This was without approval or knowledge of the Board.

47. One of Larry Jones' chosen Pastor Board members was Paul Osteen, brother of Joel Osteen of Lakewood Church. In violation of the Board's resolutions and directives. Larry Jones caused FTC to give $1,500,000 to Lakewood Church. Larry Jones subsequently was paid $15,000.00 by Lakewood Church.

48. For his personal benefit, Larry Jones used salaried personnel of FTC to act as a nanny and provide care for a young boy living in his home. He was directed to stop and repay certain monies associated with the issue. He refused and continued to pull a staff member away from the job at FTC she was paid to do. To date he has not reimbursed FTC for their salaries or expenses associated with this issue.

49. Larry Jones hired his niece during the time the Board was locked out giving her a 5-year written employment contract at an annual salary which made her a "key" employee. No other employee has such a contract and he was not authorized to enter into this contract.

50. After Jerrald Buchanan, Vice President of Information Technology and Richard Gray, Vice President of Human Resources were terminated, Larry Jones directed employees to talk to them about FTC business. He also directed Human Resources not to ask for FTC's property back from them after their terminations by the Board. Both of these men were loyal supporters of Larry Jones and were determined to work against the interests of FTC as determined by the Board. Prior to their terminations, they were instructed to make life difficult for the officers and employees who were reinstated to their jobs.

51. FTC advanced monies for the expenses of Larry Jones to travel on behalf of FTC. He has failed to pay back monies which were not used for expenses.

52. While traveling on behalf of FTC, Larry Jones would receive "honorariums" which he would keep rather than pay to FTC, but he was there as an FTC representative and FTC was paying his expenses.

53. Jones was involved in a conspiracy to secretly install listening devices (bugging) the offices of the reinstated upper management employees of FTC, i.e. the Chief Operating Officer, Chief Financial Officer and Vice President and General Counsel, all of which he had tried to fire for investigating his activities. Using FTC personnel to assist in the scheme, "bugs" were placed in the ceilings of their offices. This scheme was not authorized by the Board and was in violation of FTC policy and business ethics in general.

54. The Board later heard facts indicating that some bugging had occurred. An internal investigation was approved by all Board members, including Larry Jones, regarding the bugging. At no time did Larry Jones volunteer to the Board his participation in and knowledge regarding the bugging. It was only after he obtained counsel and required counsel to be present when he was interviewed regarding the bugging, did he admit to his part in the conspiracy.

55. Larry Jones presented FTC with what he represented to be an unrestricted $250,000 donation from the Nazarene Church. Sometime later he presented a contract for the purchase of books from an entity called TQL owned by a top executive at the Nazarene Church, which also included the creation of an FTC publishing company to be run by the Nazarene executive. The cost to purchase the books was to be $250,000.00. Larry Jones represented that the donation and the purchase of the books were unrelated. This was absolutely false. He had already entered into a contract, in violation of Board directives and resolutions, concerning the purchase of the books by FTC with the $250,000.00 donation from the Nazarene Church, which was eventually presented by the Nazarene executive. Larry Jones attempted to involve FTC in the payment of money from the Nazarene Church to one of its top executives, which the Church would be prohibited from doing directly or indirectly.

56. Within two business days after Larry Jones' termination, the Board learned from more documents found in his office that he had been receiving money regularly from Affiliated Media Group one of FTC's largest vendors.

57. Larry Jones failed to disclose that he entered into an improper and unauthorized 3-year contract with Affiliated Media Group/Cross Media Works without disclosing or discussing it with the Board and in violation of the Board's directive and resolution. Affiliated Media Group is the vendor where Larry Jones' son was purportedly employed. This vendor was the TV time buyer for FTC. Additionally, Larry Jones failed to disclose that he was in business with a top executive of Affiliated Media Group in another business venture that also impacted the Elkhart facility, discussed below. He attempted to get FTC to give the Elkhart facility to this top

executive/venture for $1.00.

58. Larry Jones failed to disclose he had entered into an unauthorized contract to lease 800 acres of land FTC owns, near Guthrie Oklahoma, for 99 years, for $1.00 per year, for a total of $99.00. The land is valued in excess of $1,000,000 and was being leased for simple grazing for $12,000 a year, which grazing lease Larry Jones terminated, without the Board's knowledge or approval.

59. Larry Jones failed to disclose to the Board that he had entered into a purported contract for $800,000.00 for a phone system with the same company that he had used to install the equipment and wiring for the "bugging" scheme, again in violation of the Board's directives and resolutions.

60. FTC was looking for an independent tax attorney to review the actions and financial transactions of Larry Jones. Larry Jones represented at a Board meeting that he did not have a relationship with the attorney considered; and he failed to disclose to the Board a prior relationship with, and the engagement of, the attorney being considered had assisted him in his legal battle with the Board in the previous lawsuit. Because of this lack of disclosure, FTC retained that attorney and only thereafter learned of his involvement with Jones regarding the power struggle. His services were promptly terminated, but not until he had been paid $9,726.00 by FTC.

61. After Larry Jones' termination, certain pornographic material was found hidden in his office and in his private area. These materials consisted of various publications and excerpts from publications, which ranged from hardcore pornography to incestuous sexual family relationships. They included: Family Affairs, Taboo's Family Heat, Best of Family Touch, Penthouse Secret Fantasies, The Penthouse Sex Files, Penthouse Forum, Best of Forum Letters, Penthouse Letters, Penthouse, Penthouse Variations and Playboy.

62. Larry Jones solicited a vendor of FTC to give him a "gift" of $22,000, which would not have to be reported to the Internal Revenue Service.

63. Shortly after Jones termination, certain documents were found that demonstrated that he was aware of the misuse of FTC monies in Elkhart, Indiana and the stripping of that building, and Allen Jones' involvement and misuse of that facility.

COUNT I (Corporate Bribery and Kickbacks)

1. Larry Jones solicited and/or accepted kickbacks, corporate bribes, or other benefits for himself and his son, Allen Jones. Allen Jones is the adult son of Larry Jones, but Larry Jones continues to support Allen Jones. Any benefit Larry Jones can bestow on Allen Jones through third parties lessens the amount of support Larry Jones has to expend for Allen Jones. Further, the conduct of Larry Jones outlined below potentially exposes FTC to injury and damages for "excess benefits" paid to Larry Jones or a member of his immediate family, as defined by the Internal Revenue Code.

2. On information and belief Defendant alleges that Allen Jones has rarely had significant employment that was not procured or maintained by Larry Jones. Larry Jones persuaded a major vendor of FTC to put Allen Jones on its payroll.

3. Larry Jones has solicited and accepted cash payments from entities that receive millions of dollars from FTC. He has not reported these payments to FTC and has, instead, concealed these payments.

4. As an officer and a director of FTC, Larry Jones owed a fiduciary duty to FTC, the same as any trustee. He has violated those duties and injured FTC in the process.

5. Had Larry Jones been functioning properly as an officer and a director of FTC, the funds and other benefits he received, or their equivalent, would have been received by FTC.

6. The extent and amount of these damages is not yet known to FTC, but it will exceed the sum of $10,000.

7. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the fiduciary duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in an amount in excess of $10,000 for actual damages and punitive damages, plus costs, interest and attorney's fees.

COUNT II (Reimburse FTC For Funds Improperly Spent)

1. As a result of Larry Jones' improper actions, FTC initiated a suit against persons who were pretending to be directors of FTC. These persons engaged lawyers to defend themselves in Case No. CJ-2009-907 filed in the District Court of Oklahoma County, Oklahoma.

2. Larry Jones improperly and wrongfully authorized and directed FTC to pay the legal fees of those persons, in the sum of at least $50,000.

3. On July 28, 2009, Larry Jones promised to pay this money back to FTC, but has failed, refused and/or neglected to do so.

4. Larry Jones also spent in excess of $150,000 of FTC's funds on lawyers and other professionals in an attempt to bring FTC under his own personal control, unfettered by any Board of Directors. He should be required to reimburse FTC for these funds.

5. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and directors and an example should be made of him by awarding FTC punitive

damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in an amount in excess of $200,000 for actual damages and in excess of $10,000 and punitive damages, plus costs, interest and attorney's fees.

COUNT III (Repay Interest on Excess Benefits)

1. As alleged in paragraph 32, Larry Jones secretly gave himself and his wife salary raises in excess of $23,000 and $18,000 respectively. He then falsely misrepresented to the Board of Directors that he had not done so. Later, he began repaying both of these sums to FTC out of his gross income. FTC is not permitted to make a non-interest bearing loan to Larry Jones or his wife.

2. Larry Jones should account to FTC and make FTC whole by paying a reasonable interest rate on the money he caused himself and his wife to receive and to pay back that money out of his net income. FTC estimates the amount due to be less than $10,000.

WHEREFORE, FTC prays for a judgment from and against Larry Jones for an accounting, a sum of less than $10,000, plus costs, interest and attorney's fees.

COUNT IV (Installing Secret Recording Devices)

1. In or about April of 2009, Larry Jones caused and directed at least three secret recording devices to be installed in the ceilings of the offices of the Chief Operating Officer, the Chief Financial Officer and the General Counsel of FTC, all of which had been investigating his activities.

2. This conduct of Larry Jones was dishonest, deceitful, unethical and forbidden by FTC. Larry Jones was not authorized to install secret listening devices anywhere, much less in the executive office suites of FTC's headquarters.

3. This conduct has embarrassed, humiliated and injured or damaged the good will and reputation of FTC in excess in the sum of $10,000. This conduct has also caused FTC to already needlessly expend approximately $12,500 in time, effort and money.

4. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in an amount in excess of $10,000 actual damages and punitive damages, plus costs, interest and attorney's fees.

COUNT V (Repay Expense Advances)

1. As alleged in paragraph 38, before travelling on FTC business, Larry Jones withdrew cash to cover his expenses.

2. Larry Jones may have turned in some receipts for some of the cash spent, but the receipts are less than the cash withdrawn. Larry Jones kept the difference between what he spent as expenses and the amount drawn to cover the expenses.

3. Larry Jones should account to FTC for the money he has pocketed, i.e. the difference between the cash withdrawn and the cash actually spent. FTC estimates this amount to be less than $10,000.

WHEREFORE, FTC prays for a judgment from and against Larry Jones for an accounting, a sum of less than $10,000, plus costs, interest and attorney's fees.

COUNT VI (Logan County Property)

1. Feed The Children, Inc. ("FTC") owns approximately 800 acres of real estate situated in Logan County, Oklahoma. That real property is valued in excess of $1,000,000. In January, 2009, without advising the Board and contrary to the Board's directions, Larry Jones purported to lease this real property to a third party for ninety-nine (99) years at a rental rate of $1.00 per year, and he cancelled a grazing lease which paid FTC $12,000 a year.

2. Larry Jones was instructed and directed to not enter into agreements of this magnitude. Larry Jones was not authorized to enter into this lease to, for practical purposes, give away this real property. After he had done so, he was under a duty as an officer and a director to tell the Board that he had given away the property, i.e. leased it for 99 years for $99.00. He did not tell the Board that he had entered into this purported agreement. After the Court Order in February, 2009, the Board asked repeatedly for a list of contracts and agreements that Larry Jones had entered into or executed on behalf of FTC. This Logan County property was on an agenda to be discussed at a Board meeting on October 1, 2009. When it came up for discussion, Larry Jones said, in a vague fashion, that he had leased the land to an individual in return for an appropriate amount of consideration to FTC, including some grain which was to be delivered to FTC in Africa. He did not bring the lease to the meeting, even though he knew the property was to be discussed at the meeting and the Board was going to decide whether to keep it or put it on the market for

sale.

3. The Board insisted that Larry Jones show them the lease and that he explain, in an explicit way, what the agreement was. After first stating he did not know where to find the lease, some days later, he instructed his personal assistant to turn over the lease to the Board. There is no mention of grain in Africa, nor an enforceable agreement to deliver grain to FTC in Africa, nor any other valuable consideration to FTC.

4. FTC has already expended funds and has incurred expenses in an effort to recover the real property and cancelled the purported lease. FTC will expend funds and expenses in the future in this regard. FTC has lost $12,000 in rental income. It appears at this time that the third party is agreeable to vacating the property, but FTC will incur further costs and expend further funds to recover the real property and remove the cloud on its title caused by Larry Jones' unauthorized and improper act.

5. FTC has been damaged in excess of $10,000 by Larry Jones' actions in this regard.

6. FTC believes the third party has agreed to return possession of the real property to FTC. In the event the third party does not do so, and cannot be made to do so, Larry Jones will owe FTC the value of this real property, which is in excess of $1,000,000.

7. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others for similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones from and against Larry Jones in an amount in excess of $10,000 in actual damages and punitive damages plus costs, interest and attorney's fees.

COUNT VII (Use of FTC Personnel)

1. As alleged in paragraph 34, Larry Jones improperly used and misappropriated salaried employees of FTC to work at his home, for his own personal benefit. It is believed the work involved nanny-type services to a young boy who was staying with Larry Jones.
2. Larry Jones should be made to repay FTC for the time these employees worked for his benefit.
3. FTC estimates that Larry Jones owes FTC in excess of $10,000 in this regard. Larry Jones should give FTC an accounting on this matter.
4. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones for an accounting, in an amount in excess of $10,000 plus punitive damages, costs, interest and attorney's fees.

COUNT VIII (Gifts/Honorariums Kept)

1. As alleged in paragraph 39, FTC believes that Larry Jones has been collecting gifts or "honorariums" from various entities. FTC believes these gifts or "honorariums", were received in conjunction with his appearances at these entities on FTC's behalf and that

FTC paid for Larry Jones' expenses to make these appearances on behalf of FTC.

2. Larry Jones should account to FTC for these gifts and "honorariums", which he has kept. FTC estimates the amount is in excess of $10,000.

WHEREFORE, FTC prays for a judgment from and against Larry Jones for an accounting and an amount in excess of $10,000, plus costs, interest and attorney's fees

COUNT IX (Marcus Owens, Esq.)

1. As alleged in paragraph 45, FTC was looking for disinterested, independent legal counsel to advise FTC on certain issues, including excess benefits as defined by the Internal Revenue Code, which may have arisen by reason of Larry Jones' activities which precipitated the Board's litigation and the resulting settlement agreement between the parties.

2. A certain lawyer named Marcus Owens, Esq., had been represented to the Board of Directors by Larry Jones as being independent and having no connection with either party. After the settlement, his name was brought up as a candidate for the disinterested, independent legal counsel needed to advise on issues potentially raised by the settlement agreement.

3. Being an officer and a director of FTC, Larry Jones owed FTC the duty of truthfulness and candor. He owed FTC a fiduciary/trustee duty. He was under a duty to advise FTC fully of all information regarding Marcus Owen, Esq.

4. In fact, Marcus Owens, Esq., had be assisting Larry Jones in his efforts to remove the Board of Directors of FTC and replace them with his hand picked Pastor Board, so Larry Jones would have unfettered control over FTC and he could continue his free wheeling

dominance of its affairs. He was not independent or disinterested.

5. Larry Jones misrepresented and suppressed facts he was bound to disclose regarding Marcus Owen, Esq., or he gave information and other facts which he knew were likely to mislead FTC for want of communication of facts.

6. Larry Jones willfully deceived FTC with the intent to induce FTC to alter its position and engage Marcus Owens, Esq. FTC paid Marcus Owens, Esq. $9,726.00 but then had to discharge him and received no benefit from the money paid. Had FTC known of Marcus Owens' work on behalf of Larry Jones, he would not have been engaged in the first place.

7. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in the amount of $9,726.00 actual damages and punitive damages in an amount in excess of $10,000, plus costs, interest and attorney's fees.

COUNT X (Violation of Duties)

1. As an officer and a director of FTC, Larry Jones owed and owes FTC the duty of loyalty. He owes FTC the same duty as a trustee owes his beneficiary, i.e. a fiduciary duty.

2. Rather than fulfilling his duties, Larry Jones violated them. He used his position to benefit himself as the expense of FTC, to FTC's detriment in excess of $10,000.

3. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in an amount in excess of $10,000 in actual damages and punitive damages plus costs, interest and attorney's fees.

COUNT XI (Elkhart, Indiana)

1. FTC was given a building in Elkhart, Indiana. It had been used to manufacture over-the-counter pharmaceuticals.
2. FTC engaged a management company for the building. Unbeknownst to the Board, and against their specific instructions, Larry Jones sent his son, Allen Jones, to Elkhart, Indiana to oversee the management of this building and to look after the interests of FTC.
3. Between Allen Jones and the management company, acting together, the building has been stripped of anything valuable without benefit to FTC.
4. Larry Jones allowed Allen Jones to use the building for Allen Jones' own business without any benefit to FTC.
5. Due to deception, FTC paid for improvements and goods and merchandise that benefitted Allen Jones in Elkhart, Indiana and which did not benefit FTC.
6. Rather than taking advantage of this wonderful gift of the building, Larry Jones allowed it to become a problem for FTC and then tried to give it away to an individual Larry Jones was in a business venture with, without advising the Board of his involvement.

7. The damage to FTC from Larry Jones' blatant disregard of specific instructions and his gross mismanagement of the gift is still being evaluated, but damages will exceed $10,000.

8. Larry Jones' actions in this regard were willful, deliberate, malicious, and taken in complete and utter disregard for the rights of FTC and the duties he owed to FTC as an officer and a director and an example should be made of him by awarding FTC punitive damages in excess of $10,000 to punish Larry Jones and dissuade others from similar conduct.

WHEREFORE, FTC prays for a judgment from and against Larry Jones in an amount in excess of $10,000 in actual damages and punitive damages plus costs, interest and attorney's fees.

RESPECTFULLY SUBMITTED,

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ATTORNEY LIEN CLAIMED

CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of December, 2009, a true and correct copy of the above and foregoing was mailed, via U.S. Mail, to the following address:

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An Employee of Miller Dollarhide