

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: MICHAEL EDWARD McADAMS)
 and JOHN POWELL WALKER) CAUSE NO. PUD 980000188
 RELIEF SOUGHT: RELIEF FROM IMPROPER)
 EXCESSIVE PURCHASED GAS)
 COSTS.

**COMMUNICATIONS RECEIVED FROM AND COMMUNICATIONS TO MICHAEL
 McADAMS**

COMES NOW Oklahoma Natural Gas Company and hereby files, of record in this Cause, copies of correspondence received this date from Michael E. McAdams and its response thereto.

Respectfully submitted,



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Attorneys for Oklahoma Natural Gas
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FILED
 MAY 28 2002

COURT CLERK'S OFFICE - OKC
 CORPORATION COMMISSION
 OF OKLAHOMA

CERTIFICATE OF MAILING

This is to certify that on the 28th day of May, 2002, a true and correct copy of the above and foregoing document was mailed, postage prepaid, faxed, e-mailed and/or hand-delivered to:

Russell James Walker, Esq.
WALKER & WALKER
950 Landmark Towers East
3535 NW 58th Street
Oklahoma City, OK 73112

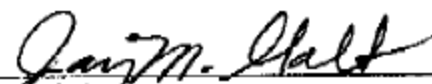
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Jay M. Galt

May 28, 2002

John,

See attached Dresch/Walker orchestrated e-mail sent Saturday evening. Since Walker likes to make some e-mails public I thought I would share this particular one with you. I had no idea of the Galt offer or I would have been more active in pushing Walker to negotiate on that deal. Walker being quoted in this e-mail as saying that his "ethics" stopped that from happening is one of the better jokes I've heard during all of this.

Who these people are that Dresch/Walker mention in this e-mail, that they say have ONG (?) attachments, is way off base. (Walker/Dresch think inside the box too much)

I did run across Burton (old ex-RICO filing advisor) Saturday. He made a suggestion as to an attorney who would be willing to file my appeal of the settlement. However, I have already been approached by a more interesting and viable offer which I am seriously considering.

**Mike McAdams
(405)364-3534**

Mike and Sylvia McAdama

From: Stephen P. Dresch [sdresch@forensic-
Sent: Saturday, May 25, 2002 5:16 PM
To: Mike & Sylvia McAdama
Subject: Compensation
Mike:

Several points regarding costs and compensation:

(1) Except for a claim presented to ONG after his deposition (covering predeposition review and deposition testimony), the precise amount of which I don't recall (but it was relatively small, less, I am sure, than \$16k), which ONG specifically identified as to be paid out of the \$450k, James Proctor has presented Walker with no bill for his services.

(2) While Walker may have said something about "several hundred thousand," I am confident that this was in reference to payments which he would make to both me and Proctor. Recall that I had given him an invoice for about \$106k (for my time in preparation of the proffered testimony) just prior to the initiation of settlement discussions. At that time Walker and I discussed Proctor's compensation. Although Proctor (while working parttime for Anthony but on his own time, and prior to your first contact with Walker, following the dismissal of federal court action) was consulted by Walker concerning the filing of this action (which, initially, was to be in the name of Walker's Vietnamese lawn men) and has been a source of continuing advice to Walker (e.g., in preparation of interrogatories, assistance at the May 2000 ONEOK depositions, which I also joined, etc.), the significant time and effort by Proctor came in connection with me, for which reason Walker and I tentatively agreed that I would retroactively retain Proctor and bill for his time. When, early on, the legal fees and costs were set (by ONG) at \$450k, independent of actual expenses, determining my final bill to Walker (which would include Proctor) became irrelevant to the settlement, for which reason Proctor, Walker and I have not determined the amount of the Dresch/Proctor final bill. [I would also note that Russ occasionally confuses, or merges (into one), Dresch and Proctor, probably because we share a similar, economically irrational, commitment to seeing the truth exposed in this matter. Thus, Walker might well say either Dresch or Proctor but mean both.]

(3) The reason for Walker's resistance to your proposed division of the \$450k is precisely that which he indicated before the commission. There is an ethical prohibition of legal fee-splitting. Having come to know Russ quite well, I have complete confidence in his ethics. Even if his ethical compass were defective, he could certainly anticipate scrutiny in this case: if he were to make a questionable payment, someone, for political reasons, would make a public issue of it. While he felt that a payment of \$5 to \$10k could be justified ethically, he was even uncomfortable about that, for the second reason.

The last point is particularly significant in light of a proposal made by Jay Galt when the issue of your demand for \$100k arose. Because this settlement is extremely important to ONEOK (for which \$100k is small change), Galt went so far as to offer that ONG would cover (apart from the \$450k) a significant share of any payment made to you. Russ rejected that proposal on ethical grounds (which, apparently, do not weigh so heavily with Galt, former second-string bagman for first-string bagman Tator Anderson).

At this point Russ will do nothing to prevent you from scuttling the settlement. He did everything he could to see that the fraudulence of the settlement was exposed in the media, and he was quite clear on his reasons (legal, not financial) for grudgingly agreeing to it. If the settlement is derailed, he is prepared to go forward to trial representing John Powell Walker.

Regards, SPD

P.S. You never indicated if your contact was from Vincent Stone or Virgil Smith. In light of ONEOK's concern that the settlement go through, Stone/Smith could only be looking for something apparently compromising to Bob Anthony, although they might have been sent in to ensure that you don't take any action which would threaten the settlement (by paying you off, or breaking your legs, or, if it appeared that you would appeal). My revised hunch is that your contact came from political quarters (Edmundson, Watts, Walters. ...)

P.P.S. For reasons implicit above, I view Apple's dissent as an entirely fraudulent attack on Anthony, made on

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behalf of ONEOK. If Anthony had voted against the settlement, Apple would have served ONG by voting for it (and his attack on Anthony would have taken the form of a concurring opinion).

P.P.S. I anticipate that Part II of Anthony's opinion will disembowel Apple and sing the praises of those who thanklessly pursued this matter.

Stephen P. Dresch, sdresch@forensic-intelligence.org on 05/25/2002
the Kauth house, 318 Cooper Avenue, Hancock, Michigan 49930, USA
151 Moore Street SE, Crawfordville, Georgia 30831, USA
908-370-9993 (MI), 706-456-2255 (GA)
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5/28/2002

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JAY M. GALT

May 28, 2002

Mr. Michael E. McAdams
4017 Pleasant Grove
Norman, OK 73072

Re: Oklahoma Corporation Commission Cause No. 98-188

Dear Mr. McAdams:

Mr. Gaberino's office forwarded to me your fax to Mr. Gaberino bearing today's date along with an attached e-mail to you from Stephen P. Dresch, dated May 25, 2002 and showing a time of 5:16 p.m., so that I might respond.

If you need to contact or speak with an Oklahoma Natural Gas Company ("ONG") attorney, rather than attempting to contact Mr. Gaberino, please direct any correspondence to either me or Mr. Vivian Hale, my co-counsel in the above-referenced case.

Ms. Hale's address, telephone number and e-mail address is as follows:

Ms. Vivian Hale
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100 W. 5th Street, Suite 1100
Tulsa, OK 74103-4217
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E-mail: vhale@gablelaw.com

My address, telephone number and e-mail address is a follows:

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E-mail: jgalt@wcgflaw.com

While the main purpose of my letter is to acknowledge receipt of your correspondence and to remind you to contact Ms. Hale or myself, I might also clear up a few misstatements in Mr. Dresch's May 25 e-mail. The \$450,000 attorney fee amount was determined by the Oklahoma Corporation Commission and not by ONG. Neither I nor anyone associated with

Mr. Michael E. McAdams
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ONG ever offered to make any payment to you outside the \$450,000 payment that ONG agreed to fund as part of the settlement.

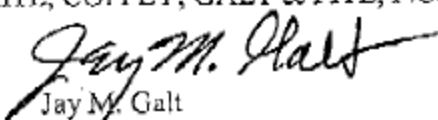
Finally, I was never associated with Bill Anderson on either a professional or personal basis.

Again, if you, or your wife, need to correspond or talk with an ONG attorney, please feel free to write, call or e-mail us.

Yours truly,

WHITE, COFFEY, GALT & FITE, P.C.

By:


Jay M. Galt

JMG:kmf