

FOR IMMEDIATE RELEASE

December 11, 2017

Media Contact:

Russ Florence
Schnake Turnbo Frank
(918) 633-8587
Russ@Schnake.com

**Statement from the Oklahoma Beef Council Board of Directors Regarding Lawsuit Filed
Against Former Auditing Firm**

The Oklahoma Beef Council (OBC) filed a lawsuit today in the District Court of Oklahoma County against Edmond-based accounting firm Arledge & Associates, P.C. The lawsuit relates to the embezzlement of OBC funds by one of its former employees, Melissa Morton. OBC's management discovered the embezzlement in July 2016, and Melissa Morton pled guilty to charges arising from it in May 2017. Her sentencing date is currently set for December 28, 2017.

The lawsuit alleges that Arledge was the accounting firm engaged to perform audits of OBC for fiscal years 2012-2015, and for each audited year, Arledge issued clean, unqualified opinions that the financial statements presented fairly, in all material respects, the financial position of OBC. The lawsuit further alleges that after a thorough investigation, it became clear that Arledge's audit opinions were incorrect and misleading, that Arledge had failed to reasonably and properly perform a risk assessment of OBC, that Arledge employed inadequate and flawed audit planning and testing procedures, and that Arledge failed to perform the audits in accordance with reasonable and applicable auditing standards. The lawsuit seeks to recover all damages caused by Arledge's conduct.

According to OBC Chairman, Angie Meyer, the Council approached the lawsuit very carefully. "We made this decision after an exhaustive review process with legal and accounting experts and we have full confidence we have made the right decision in filing this lawsuit," according to Meyer. "The Oklahoma Beef Council's mission throughout this process remains to seek maximum recovery and justice for the farmers and ranchers it represents."

The board of directors of OBC has been aggressively pursuing efforts on all fronts to maximize recovery, restitution, and justice, and it continues to do so. OBC has also strengthened its internal controls to ensure the integrity of its accounting systems, and engaged a third-party firm for accounting services, which provides an additional level of oversight.

The OBC board of directors continue to express its regrets to Oklahoma's beef producers for this devastating situation. However, addressing the situation head-on with integrity has been OBC's priority from the beginning, and will continue to be its priority moving forward.

"We have taken what we have learned from this situation to create a stronger organization. It's important to note that despite this tumultuous and exhaustive process, the work of the Beef Checkoff to strengthen and protect beef demand continues to move forward in Oklahoma," said Heather Buckmaster, the executive director.

