

Defendant Schaeffer contends that Plaintiffs' First Amended Complaint fails to state a claim upon which relief can be granted, and that plaintiffs' allegations of fraud do

not meet the requirements of Fed.R.Civ.P. 9(b). Plaintiffs are required to allege the fraud claims with specificity and must include allegations of time, place, content of false representations, the identity of the person making the representation, and what was obtained or given thereby.

The court makes the rulings for the reasons stated orally at the June 26, 2007 hearing. The court finds that with respect to all fraud claims, plaintiffs have failed to allege the time, location, or particulars required by Fed.R.Civ.P. 9(b). Defendant Linda Schaeffer's motion should be sustained as to all securities fraud claims under Section 10(b) of the Securities Act of 1934, 15 U.S.C. § 78j(b); S.E.C. Rule 10b-5; and Kan.Stat.Ann. § 17-1268(a)-(b). However, the Court finds that plaintiffs have alleged predicate acts of extortion and money laundering under RICO which are not subject to Rule 9 pleading. Defendant's motion to dismiss is DENIED as to the money laundering and extortion RICO claims.

IT IS, THEREFORE, ORDERED that defendant Linda K. Schaeffer's Motion to Dismiss (Doc. 78) is GRANTED as to all fraud claims and DENIED as to the RICO claims alleging predicate acts of extortion and money laundering.

Dated this 13th day of August, 2007, at Kansas City, Kansas.

s/ Carlos Murguia
HONORABLE CARLOS MURGUIA
UNITED STATES DISTRICT COURT JUDGE

Submitted By:

VASOS LAW OFFICES
s/ Donald W. Vasos
DONALD W. VASOS KS 6371/MO 40462
DAVID A. HOFFMAN KS 13470

4400 Shawnee Mission Parkway, Suite 100
Fairway, KS 66205-2518
(913) 362-4400 / (913) 362-4244 [FAX]
ATTORNEYS FOR DEFENDANT
LINDA K. SCHAEFER