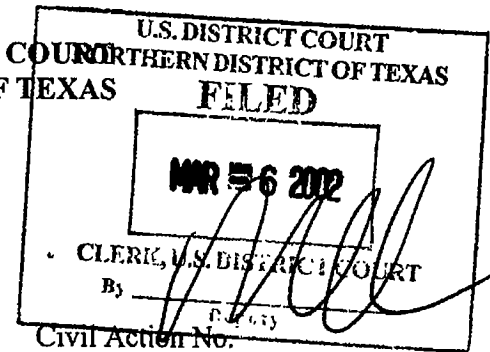


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FUNDING RESOURCE GROUP, a/k/a FRG Trust; et al.,

Defendants,

and

HOWE FINANCIAL TRUST, et al.,

Defendants Solely for Purposes
of Equitable Relief.



**AGREED FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF AGAINST WILLARD VEARL SMITH**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint and amendments thereto in this matter, and Defendant Willard Vearl Smith ("Smith"), through his Stipulation and Consent ("Consent"), having admitted service of the Summons and of the Complaint, together with amendments thereto, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having entered into his Consent voluntarily, no threats, promises of immunity or assurances having been made by the Commission or by any of its members, officers, agents or representatives to induce him to enter into this Consent, having consented, without admitting or denying any of the allegations in the

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Commission's Complaint and amendments thereto, except as to jurisdiction as set forth above, to entry without further notice of this Final Judgment of Permanent Injunction and Other Equitable Relief ("Final Judgment") enjoining Smith from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of sections 5(a) and (c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§5(a) and (c) and 77q(a), section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §78j(b), and Commission Rule 10b-5, 17 C.F.R. §240.10b-5; it further appearing that this Court has jurisdiction over Smith and the subject matter of this action and that no further notice of hearing for the entry of this Final Judgment need be given; and the Court being fully advised in the premises:

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED ^{mlc} That Smith and his agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating section 5(a) and (c) of the Securities Act, 15 U.S.C. §77e(a) and (c), by directly or indirectly

(a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through the use or medium of a prospectus or otherwise; or

(b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after sale,

unless a registration statement has been filed and is in effect as to the security.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+mlc} That Smith and his agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with

him who receive actual notice of this order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating section 17(a) of the Securities Act, 15 U.S.C. §77q(a), in the offer or sale of securities from making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, by directly or indirectly:

- (a) employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or
- (c) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchaser.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mfc} That Smith and his agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), or Commission Rule 10b-5, 17 C.F.R. §240.10b-5, by directly or indirectly, in connection with the purchase or sale of securities from making use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (a) using or employing any manipulative or deceptive device, scheme or contrivance;
- (b) employing any artifice to defraud;

(c) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or

(d) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mll} that Smith shall make full disgorgement, *i.e.*, \$53,021.03, together with prejudgment interest, *i.e.*, \$10,764.90, by disgorging \$63,985.93 to Michael J. Quilling, Esq. ("Quilling"), Quilling, Selander, Cummiskey & Lownds, PC, 2001 Bryan Street, Suite 1800, Dallas, Texas 75201-3730, Telephone: 214/871-2100, Facsimile: 214/871-2111, as temporary receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mll} that, based upon Smith's sworn representations in his Sworn Statement of Financial Condition dated August ^{mll} 11, 2001, submitted to the Commission, the Court is not ordering Smith to pay a civil money penalty pursuant to the provisions of section 20(d) of the Securities Act of 1933, 15 U.S.C. §77t(d), and section 21(d)(3) of the Securities Exchange Act of 1934, 15 U.S.C. §78u(d)(3).

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mll} that the Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mll} that Smith shall deliver all of his books of account and financial records to Quilling.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ mll} that this Court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court,

including but not limited to the relief requested by the Commission in its Complaint in this action.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{+ m/c} That this Final Judgment may be served upon Smith in person or by mail either by the United States marshal, by the Clerk of the Court or by any member of the staff of the Commission.

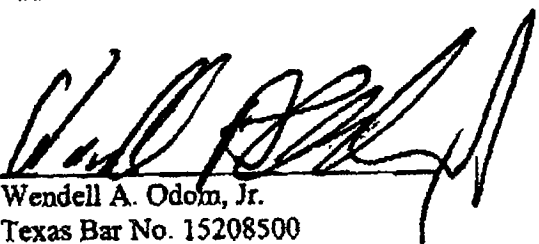
IT IS FINALLY ORDERED ^{+ m/c} That, based on an express determination that there is no just reason for delay, the Clerk of Court shall enter judgment accordingly.

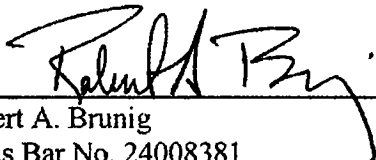
Dated:

3/6/02


Barbara M.G. Lynn
United States District Judge

Approved As To Form And Content:


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