

Michael J. Quilling, (the “Receiver”) has been appointed receiver by the United States District Court for the Northern District of Texas–Dallas Division, in Civil Action No. 3:98-CV-2689 styled *Securities and Exchange Commission vs. Funding Resource Group, et. al.* (the “SEC Action”) and has filed Receiver’s Motion for Turnover Order or, in the Alternative, to Dismiss and/or Transfer Forfeiture Proceedings (the “Turnover Motion”), seeking for this court to order the

United States to transfer custody and control of the Seized Assets, to his possession, for administration in the SEC Action and to transfer venue of this matter to the United States District Court for the Northern District of Texas, Dallas Division, for administration with the SEC Action. For the reasons set forth herein below, the motion is GRANTED.

Numerous individuals have filed appearances in this case, making claims to the Seized Assets, and setting forth those claims pursuant to 18 U.S.C. §981 (the "Claimants"). As was set forth in this Court's order of January 28, 1999 setting a hearing on the Turnover Motion, the Turnover Motion is opposed by some, but not all, of the Claimants.

A hearing was held on February 10, 1999, on the merits of the Turnover Motion, and all interested parties were given notice of the hearing, and the opportunity to file responses to the Turnover Motion, and to be heard. At the hearing, the United States, as well as the Securities and Exchange Commission, were present and represented. Additionally, the Receiver as well as numerous counsel for several Claimants were also present.

At the hearing on February 10, 1999, the Court took notice of the various responses filed by the Claimants, as well as the argument of counsel. At the hearing, the United States informed the Court that it was not the desire of the United States that the Seized Assets should be forfeited to the United States, but that they should be utilized to compensate the true victims of the unlawful actions of Robert Cord. The United States informed the Court that due to procedural issues in the plea bargain of Robert Cord, no procedural mechanism existed whereby the United States could compensate the victims. The United States concluded by stating that based upon the Receiver's representation that the Seized Assets would be segregated to compensate victims of Robert Cord,

and not commingled with the assets of other frauds sought to be compensated under the SEC Action, that the United States had no objection to the transfer. The United States further informed the Court that upon the transfer of this matter to the SEC Action, the United States would no longer have any legal interest in this action, and desired to be dismissed from the action. The aforementioned procedural issues and the lack of a procedural mechanism by which the United States can compensate the Claimants shall not impede the Court or the Receiver in the SEC Action from compensating the Claimants in the SEC Action.

The Court next took note of the convenience of the Parties and Witnesses, as well as the interests of justice, and all other factors under 28 U.S.C. §1404(a), and after determining that many of the victims of Robert Cord's fraud were from out of state, that the Receiver would be duplicating at least some of the efforts of the United States by seeking to compensate the same victims in the SEC Action, and in the interests of judicial economy, determined that this action should be transferred to the United States District Court for the Northern District of Texas, Dallas Division, to be administered in conjunction with the SEC Action. The Court then determined that the Turnover Motion should be granted and should be accomplished by virtue of two orders, one immediately transferring the assets to the Receiver, and the second transferring the action to the United States District Court for the Northern District of Texas for further handling in connection with the SEC Action. This Court signed the order transferring the Seized Assets to the Receiver on February 17, 1999. This order concerns the remaining matters.

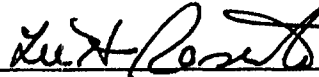
It is accordingly, ORDERED that the United States District Clerk for the Southern District of Texas, Houston Division shall forthwith assemble the file and record of this action, and transfer

the same to the United States District Court for the Northern District of Texas, Dallas Division, for administration with the SEC Action, and that all cross-claims and other actions between the Claimants shall remain in fact for adjudication, as is necessary, in the SEC Action.

It is further ORDERED that all motions and other matters previously pending herein are hereby transferred with the case, for adjudication and resolution by the District Judge in the SEC Action.

It is further ORDERED, that upon transfer of this matter to the United States District Court for the Northern District of Texas-Dallas Division, the United States is hereby DISMISSED as a party to the transferred action.

SIGNED the 5th day of March, 1999.

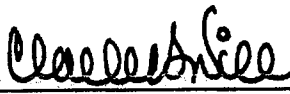


Lee H. Rosenthal
United States District Judge

APPROVED AS TO FORM:

QUILLING, SELANDER, CUMMISKEY,
CLUTTS & LOWNDS, P.C.

By:



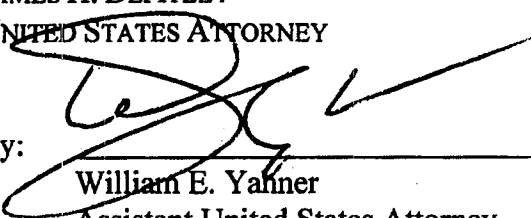
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