

ORIGINAL

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

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
**FILED**

FEB 12 2001

CLERK, U.S. DISTRICT COURT

By \_\_\_\_\_ Deputy *ayl*

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

VS.

**FUNDING RESOURCE GROUP  
a/k/a FRG TRUST, ET AL.**

**Defendants.**

[illegible]

NO. 3-98-CV-2689-M



### SHOW CAUSE ORDER

Michael J. Quilling, as Receiver for Howe Financial Trust, has filed a motion to compel the reconveyance of certain receivership property, the payment of rent, and the vacation of property by Strong Heart, Inc. The property at issue is a 6,000 square foot house situated on 17 acres of land in Oceola, Indiana. On March 12, 1998, the Howe Financial Trust entered into a Lease/Option Purchase Agreement with Jack Warner to buy this property for the sum of \$450,000. To date, the Trust has paid at least \$320,000 toward the purchase price. On June 1, 1999, after entry of the Receivership Order,<sup>1</sup> the Trust assigned its rights under the Lease/Option Purchase

<sup>1</sup> The Receivership Order provides, in relevant part:

The Temporary Receiver shall take custody, possession and control of any and all assets, monies, securities and property, real and personal, tangible and intangible, of whatever kind and description, and wherever situated, belonging to . . . [Howe [Financial Trust] (hereinafter referred to as "Receivership Assets"), as well as any documents relating to the Receivership Assets.

\* \* \* \*

All persons and entities, including . . . [Howe Financial Trust], and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them . . . who receive actual notice of this Order Appointing

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Agreement to Strong Heart, Inc. According to the Receiver, Strong Heart is a Kentucky corporation controlled by Rodger Griggs, a former agent of the Howe Financial Trust. Strong Heart is the record owner of the property, which is currently occupied by Griggs and his family.

By this motion, the Receiver seeks a court order requiring Strong Heart to reconvey the property to him, to pay reasonable rent for use of the property since June 1, 1999, and to vacate the property. The Receiver also wants Rodger Griggs to pay all costs and attorney's fees incurred in investigating this matter.

A show cause hearing is set for March 1, 2001 at 10:00 a.m. in the courtroom of Magistrate Judge Jeff Kaplan, 1100 Commerce Street, 16th Floor, Dallas, Texas. Rodger Griggs and an authorized representative of Strong Heart, Inc. are ordered to attend this hearing to show cause why they should not be required to reconvey the property at issue to the Receiver, to pay reasonable rent for use of the property since June 1, 1999, and to vacate the property instantler. A written response to the motion is not required. However, Griggs and Strong Heart may file a response by February 26, 2001. No other submissions will be allowed without leave of court.

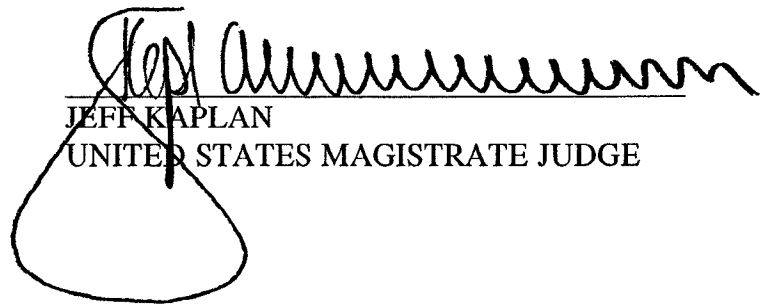
The district clerk is directed to send a copy of this order to Rodger Griggs and Strong Heart, Inc. at 58100 Pottawatomie, Osceola, Indiana 46561. The Receiver also shall serve Griggs and Strong Heart with a copy of this order in accordance with the Federal Rules of Civil Procedure. Proof of service must be provided to the Court before any relief is granted.

SO ORDERED.

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Temporary Receiver, by personal service or otherwise, shall promptly deliver and surrender to the Temporary Receiver all Receivership Assets in the possession of or under the control of any one or more of them and shall promptly surrender all books and records of any kind pertaining or belonging to Defendants which relate to Receivership Assets.

DATED: February 12, 2001.



JEFF KAPLAN  
UNITED STATES MAGISTRATE JUDGE