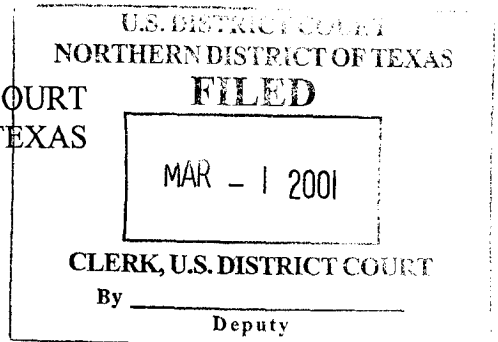


IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

FUNDING RESOURCE GROUP, a/k/a FRG Trust;  
QUENTIN HIX; GENE COULTER; STEVEN C.  
ROBERTS; MVP NETWORK, INC., a Texas corporation,  
a/k/a MVP Network (Trust); FMCI TRUST; FUNDERS  
MARKETING COMPANY, INC., a Texas corporation;  
RAYMOND G. PARR; WILLARD VEARL SMITH;  
EARL D. McKINNEY; FORTUNE INVESTMENTS,  
LTD., a Nevada corporation; ROBERT CORD, a/k/a  
Robert F. Schoonover, Jr.; WINTERHAWK WEST  
INDIES, INC.; IGW TRUST; CAROLYN  
DON HICKS; and CARL LaDANE WEAVER,

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation;  
TREDS FINANCIAL TRUST; and  
MARY ANN BAUCE,

Defendants Solely for Purposes  
of Equitable Relief.

CIVIL ACTION NO.  
3:98-CV-2689-M

**UNOPPOSED MOTION TO APPROVE COMPROMISE AND  
SETTLEMENT AGREEMENT WITH STRONG HEART, INC.**

TO THE HONORABLE BARBARA M.G. LYNN, UNITED STATES DISTRICT JUDGE:

COMES NOW, Michael J. Quilling ("Receiver") and files this Unopposed Motion to  
Approve Compromise and Settlement Agreement with Strong Heart, Inc. and in support of such  
would respectfully show unto the Court as follows:

1. On November 13, 1998, the United States Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, sought the appointment of a Receiver. By Order dated November 13, 1998, Michael J. Quilling was named as the Receiver as to the Defendants and Equity Relief Defendants named at that time.

2. In connection with performing his duties for Howe Financial Trust the Receiver has asserted various claims and contentions against Strong Heart, Inc., Rodger Griggs, individually and Julie Griggs, individually some of which claims are set forth in the Receiver's Motion to Compel Reconveyance of Receivership Property, Payment of Rent and Vacation of Property filed on February 9, 2001.

3. After extensive arm's-length negotiations, an agreement has been reached between Strong Heart, Inc., Rodger Griggs, individually and Julie Griggs, individually and the Receiver regarding the claims of the Receiver. The agreement covers all claims of the Receiver against Julie Griggs, individually and as to Strong Heart, Inc., and Rodger Griggs, individually it is limited to the Receiver's claims relating to the Property referenced in the attached agreement. A true and correct copy of the Compromise and Settlement Agreement reached between the parties is attached hereto as Exhibit "1" and incorporated herein by reference for all purposes.

4. The Compromise and Settlement Agreement has been approved by the SEC through its representative Bob Brunig. None of the other Defendants or Equity Relief Defendants named in these proceedings has any stake with regard to or interest in the assets addressed by the Compromise and Settlement Agreement and, therefore, should have no objection to it.

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court approve the Compromise and Settlement Agreement and authorize the Receiver to conclude the transactions

referenced therein and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

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

2001 Bryan Street, Suite 1800

Dallas, Texas 75201

(214) 871-2100 (Telephone)

(214) 871-2111 (Facsimile)

By: 

Michael J. Quilling

State Bar No. 16432300

ATTORNEYS FOR RECEIVER

#### CERTIFICATE OF CONFERENCE

I have conferred with Bob Brunig of the SEC and he does not oppose Court approval of the Compromise and Settlement Agreement. No other Defendants or Equity Relief Defendants have any stake with regard to the matters covered by the Agreement and, therefore, should have no objections to it. For that reason, the Motion is presented as unopposed.

  
Michael J. Quilling

**CERTIFICATE OF SERVICE**

I hereby certify that on the 15<sup>th</sup> day of March, 2001, a true and correct copy of the foregoing document was served via first-class mail, postage pre-paid, on:

Robert B. Brunig  
Securities & Exchange Commission  
801 Cherry Street, 19th Floor  
Fort Worth, Texas 76102

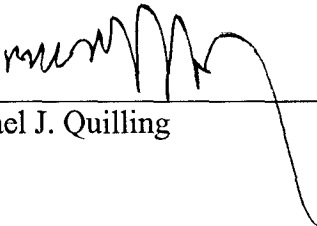
Wendell A. Odom, Jr.  
440 Louisiana, Suite 800  
Houston, Texas 77002

S. Cass Weiland  
Sheinfeld, Maley & Kay, P.C.  
1700 Pacific Avenue, Suite 4400  
Dallas, Texas 75201-4618

Deborah Goodall  
Goodall & Sooter  
12830 Hillcrest Rd., Suite 111  
Dallas, Texas 75230

Dan R. Waller  
Secore & Waller, LLC  
13355 Noel Road, Suite 2290  
Dallas, Texas 75240

Charles C. Sanders  
1411 West Avenue, Suite 200  
Austin, Texas 78701

  
\_\_\_\_\_  
Michael J. Quilling

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

CIVIL ACTION NO.  
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MARKETING COMPANY, INC., a Texas corporation,  
RAYMOND G. PARR; WILLARD VEARL SMITH,  
EARL D. McKINNEY; FORTUNE INVESTMENTS,  
LTD., a Nevada corporation; ROBERT CORD, a/k/a  
Robert F. Schoonover, Jr.; WINTERHAWK WEST  
INDIES, INC.; IGW TRUST; CAROLYN  
DON HICKS; and CARL LaDANE WEAVER,

Defendants

and

HOWE FINANCIAL TRUST, an Indiana corporation;  
TREDS FINANCIAL TRUST; and  
MARY ANN BAUCE,

Defendants Solely for Purposes  
of Equitable Relief.

**COMPROMISE AND SETTLEMENT AGREEMENT**



This agreement is entered into between Michael J. Quilling, in his capacity as Receiver for Howe Financial Trust ("Receiver") and Strong Heart, Inc., Rodger Griggs, individually and Julie Griggs, individually.

**RECITALS**

WHEREAS, on November 13, 1998 the Securities and Exchange Commission ("SEC") initiated the above-entitled and numbered proceedings in connection with which the Receiver was

appointed as to the Defendants and Equity Relief Defendants named in the Complaint at that time;  
and

WHEREAS, the Receiver has asserted various claims against Strong Heart, Inc., Rodger Griggs, individually and Julie Griggs, individually which claims they have each denied; and

WHEREAS, in order to avoid the inconvenience and expense of litigation, the parties have, without admitting any liability but only so as to buy peace and resolve the disputes between them, agreed to the terms set forth below

NOW, THEREFORE, based upon the consideration set forth hereafter, the sufficiency of which is hereby acknowledged, the parties agree as follows:

**I. TRANSFER OF PROPERTY TO THE RECEIVER**

On or before March 1, 2001, Strong Heart, Inc. shall execute and deliver to the Receiver a Warranty Deed to that certain property having a street address of 58100 Pottawatamie, Osceola, Indiana ("Property")

**II. COVENANT TO PROVIDE INFORMATION TO THE RECEIVER.**

On or before March 1, 2001, Strong Heart, Inc. shall provide to the Receiver a list of all utility and service providers with respect to the Property including account numbers.

**III. VACATION OF PROPERTY.**

Strong Heart, Inc., and all persons and entities currently occupying any portion of the Property shall vacate it by 10:00 p.m. on Sunday March 4, 2001 and thereafter surrender possession of the Property to the Receiver

**IV. MUTUAL RELEASE.**

Based upon the consideration and the covenants to be undertaken as stated herein the Receiver, on the one hand, and Strong Heart, Inc. and Rodger Griggs, individually, on the other hand, hereby release any and all claims of any nature whatsoever which any of them may have against the other regarding any transactions or claims with respect to the Property and any actions taken by the Receiver, his agents, attorneys or accountants with respect to the Property as of the

date of this agreement. In addition, the Receiver, on the one hand, and Julie Griggs, individually, on the other hand, hereby release any and all claims of any nature whatsoever, which either of them may have against the other as of the date of this agreement.

**V. NO CLAIMS AGAINST RECEIVERSHIP ESTATE.**

For valuable consideration, Strong Heart, Inc., Rodger Griggs and Julie Griggs agree that

they shall not assert any claim against the receivership estate or make any claim of redemption or the right to share in any of the proceeds of assets liquidated or recovered by the Receiver.

**VI. NO EXTRANEIOUS REPRESENTATIONS.**

Each party to this agreement are represented by counsel and are relying upon the advice of their counsel in freely and voluntarily entering into this agreement. It is expressly acknowledged by Strong Heart, Inc., Rodger Griggs, individually and Julie Griggs, individually that the decision to execute this agreement is not based upon any representations, oral or written, of any nature whatsoever, other than expressly set forth herein.

**VII. MULTIPLE COUNTERPARTS.**

This agreement may be executed in numerous identical counterparts, each of which shall be deemed an original for all purposes.

**VIII. ENTIRE AGREEMENT.**

This agreement constitutes the entire agreement between the parties hereto.

**IX. GOVERNING LAW AND VENUE.**

This agreement shall be governed by and construed in accordance with the laws of the State

of Texas and it is expressly agreed that the proper venue for any action which may be brought in connection with this agreement shall be proper in, and only in, the Northern District of Texas.

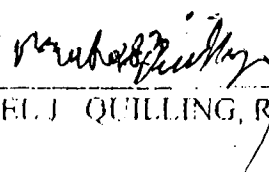
**X. AUTHORIZATION.**

Each signatory hereto, by virtue of his execution hereof, represents and affirms that he is authorized to execute this document.

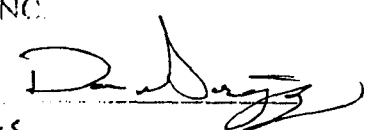
**XI. COURT APPROVAL.**


This agreement will be submitted to the Court for approval. Should such approval not be obtained, this agreement shall be void.


Executed this 1<sup>st</sup> day of MARCH, 2001.

  
MICHAEL J. QUILLING, Receiver

STRONG HEART, INC.

By   
Name: Don Griggs  
Title: Pres.

  
RODGER GRIGGS, Individually

  
JULIE GRIGGS, Individually

STATE OF ~~TEXAS~~ §

COUNTY OF ~~DALLAS~~ §

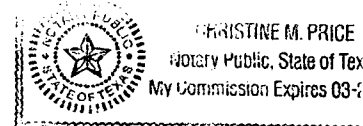
This instrument was ACKNOWLEDGED before me on the 1<sup>st</sup> day of MARCH, 2001 by Michael J. Quilling, Receiver.

  
Notary Public, State of Texas

STATE OF INDIANA §

COUNTY OF LAPORTE §

JANET E. BOARDMAN  
Notary Public, State of Indiana  
County of Laporte  
My Commission Expires 8/16/2007



This instrument was ACKNOWLEDGED before me on the 28<sup>th</sup> day of FEBRUARY, 2001 by Rodger Griggs, individually.



*Janet E Boardman*

Notary Public, State of INDIANA

STATE OF INDIANA §  
COUNTY OF LAPORTE §

**JANET E. BOARDMAN**  
Notary Public, State of Indiana  
County of Laporte  
My Commission Expires 01/31/2007

This instrument was ACKNOWLEDGED before me on the 28<sup>TH</sup> day of FEBRUARY, 2001  
2001 by Julie Griggs, individually

*Janet E Boardman*

Notary Public, State of \_\_\_\_\_