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

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DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

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

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation, et al,

Defendants Solely for Purposes of Equitable Relief.

CLERK, U.S. D.S. TECT COURT

By

Deputy

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

ORDER MODIFYING FINDINGS AND RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE

On July 28, 2003, the Court held an evidentiary hearing to consider the Findings and Recommendation of the United States Magistrate Judge Kaplan issued on April 22, 2003 with respect to a motion to approve a compromise and settlement with David Johnson in Case No. 00-2098-TU styled *Granite Holdings, et al. v. Johnson* currently pending in the United States District Court for the Western District of Tennessee. The Court, having carefully considered the evidence, arguments and applicable law makes the following orders:

- 1. The \$600,000.00 settlement is approved and the Receiver is authorized to undertake all necessary action to consummate the settlement.
- 2. Upon receipt of the settlement funds, the Receiver is authorized to make the following payments:

ORDER MODIFYING FINDINGS AND RECOMMENDATION OF U.S. MAGISTRATE JUDGE - Page 1

- a. \$19,496.80 of attorneys' fees and \$3,683.98 of expenses to the law firm of Borod & Kramer, P.C. for services rendered to the Receiver;
- b. \$10,480.55 of attorneys' fees and expenses to the law firm of Borod & Kramer, P.C. for services rendered to the Hammersmith Investor Group prior to the intervention of the Receiver;
- c. \$8,924.80 of receiver fees and attorneys' fees and \$3,134.31 of expenses to the law firm of Quilling, Selander, Cummiskey & Lownds, P.C.
 - d. \$29,225.00 to Professor Harold Levinson for expert witness fees;
- e. \$58,591.35 for legal fees and expenses to the Hammersmith Investor Group to reimburse them for amounts previously paid by them to Borod & Kramer, P.C. prior to the intervention of the Receiver.

So Ordered this $\frac{1}{2}$ day of July, 2003.

HONORABLE BARBARA M.G. LYNN

UNITED STATES DISTRICT COURT JUDGE