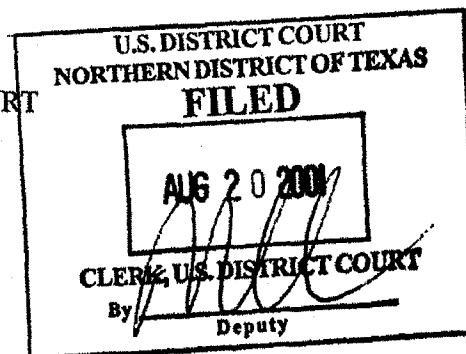


ORIGINAL

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

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

VS.

NO. 3-98-CV-2689-M

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

Defendants.

ORDER SETTING HEARING

Michael J. Quilling, as Receiver for Howe Financial Trust, has filed an interim report and proposed distribution plan. Since his appointment, the Receiver has taken possession of and administered cash and other assets belonging to the Howe Financial Trust Estate totaling \$1,525,688.69. The cost of administration totals \$502,976.62.¹ The Receiver has requested a reserve of \$22,662.89 to cover future expenses until the time for final distribution. This leaves \$75,000.00 available for interim distribution to 21 investors on a *pro rata* basis. The Court previously approved claims totaling \$2,410,224.08,² which means that each investor would receive approximately 31.87% of their claim.

A hearing on the Receiver's final report and proposed distribution plan is set for September 21, 2001 at 9:00 a.m. in the courtroom of Magistrate Judge Jeff Kaplan, 1100

¹ These costs include \$72,879.14 in attorney's fees and expenses requested by the Receiver, and assumes that the Hammersmith Trust Estate repays \$250,049.18 to the Howe Financial Trust Estate when this case is ready for final distribution.

² This amount would be reduced to \$2,353,244.08 if the Court grants the Receiver's motion to treat the \$100,000.00 claim filed by Nancy Sims in two portions. Under this proposal, Sims would receive \$57,000.00 from proceeds realized from the sale of certain real property in Elkart, Indiana which she jointly owns with the Howe Financial Trust. This would reduce her claim to \$43,000.00.

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Commerce Street, 16th Floor, Dallas, Texas. Written objections to the plan must be filed by September 11, 2001. Defendants and interested parties will be given an opportunity to present their objections at the hearing.

The Receiver is ordered to post a copy of his interim report and proposed distribution plan and this Order on his website, SECRECEIVER.COM. Appropriate links to the court's docket sheet shall also be provided on the website.

SO ORDERED.

DATED: August 20, 2001.



JEFF KAPLAN
UNITED STATES MAGISTRATE JUDGE