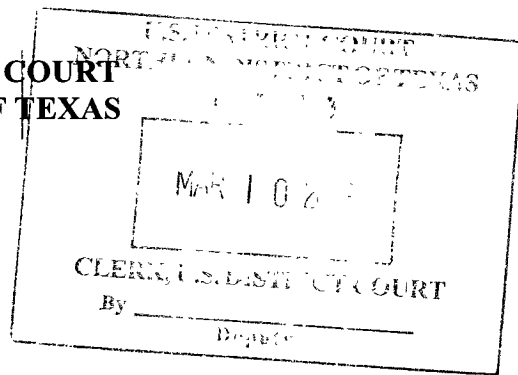


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**- IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**



Case No.: 3:01-CV- 2189X *R*

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

v.

**MICHAEL EARL HILL, INDIVIDUALLY AND  
D/B/A FINANCIAL INVESTMENTS, MIKE HILL,  
INC.,**

**Defendants,**

and

**STALWART FINANCIAL INVESTMENTS, L.L.C.,**

**Relief Defendant.**

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**AGREED FINAL JUDGMENT OF PERMANENT INJUNCTION  
AGAINST MICHAEL EARL HILL**

Plaintiff Securities and Exchange Commission (“Commission”), having filed its Complaint in this matter and Defendant Michael Earl Hill (“Hill”), through his Stipulation and Consent (“Consent”), having admitted service of the Summons and of the Complaint, having admitted the jurisdiction of this Court over Hill and over the subject matter of this action, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having entered into his Consent voluntarily, no threats, promises of immunity or assurances having been made by the Commission or by any of its members, officers, agents or representatives to induce Hill to enter into the Consent, having consented, without admitting or denying any of the allegations in the Commission’s Complaint, except as to

jurisdiction as set forth above, to entry without further notice of this Final Judgment of Permanent Injunction against Michael Earl Hill (“Final Judgment”) enjoining Hill from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§77e(a), (c), and 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §78j(b) and 17 C.F.R. § 240.10b-5], it further appearing that this Court has jurisdiction over Hill and the subject matter of this action and that no further notice of hearing for the entry of this Final Judgment need be given, and the undersigned being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Hill, individually and doing business as Financial Investments, and his agents, servants, employees, attorneys, and all persons in active concert or participation with them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, be and hereby are restrained and enjoined, directly and indirectly, from violating sections 5(a) and (c) of the Securities Act, 15 U.S.C. §§77e(a) and (c),

(a) by making use of any means or instruments of transportation or communication in interstate commerce or of the mails, to sell a security through the use or medium of a prospectus or otherwise; or

(b) by carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after sale unless a registration statement is in effect as to the security; or to make use of any means or instruments of transportation or communication in

interstate commerce of the mails to offer to sell or offer to buy through the use or medium of a prospectus or otherwise a security unless a registration statement has been filed as to the security; or while the registration statement is the subject of a refusal order, stop order or (prior to the effective date of the registration statement) any public proceeding or examination under section 8 of the Securities Act, 15 U.S.C. §77h.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Hill, individually and doing business as Financial Investments, his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, and all other persons in active concert or participation with defendant who receive actual notice of this judgment, by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating section 17(a) of the Securities Act [15 U.S.C. §77q(a)], directly or indirectly, in the offer or sale of a security, by making use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- a. to employ any device, scheme or artifice to defraud;
- b. to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or
- c. to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Hill, individually and doing business as Financial Investments, his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, and all other persons in active concert or participation with defendant who receive actual judgment, by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating section 10(b) of the Exchange Act and Rule 10b-5 [15 U.S.C. §78j(b), 17 C.F.R. §240.10b-5], directly or indirectly, in connection with the purchase or sale of a security, by making use of any means or instrumentality of interstate commerce, of the mails or of any facility of any national securities exchange:

- a. to use or employ any manipulative or deceptive device or contrivance;
- b. to employ any device, scheme or artifice to defraud;
- c. to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or
- d. to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based on Hill's October 23, 2002, conviction under 15 U.S.C. §§77q(a), and 77x (Securities Fraud) and 18 U.S.C. § 1341 (Mail Fraud) based on conduct related to that which underlies this action and based on the Court's sentencing of Hill to 120 months in prison and three years of supervised release and its requiring Hill to make restitution in the amount of \$1,691,718.75, see United States v. Hill, Case No. 3:01-

CR-361-R(01) (N.D. Tex.), the Court foregoes requiring Hill to make disgorgement, together with prejudgment interest, or to pay a civil money penalty.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, because Hill has agreed that he is not the prevailing party in this action, he shall not recover attorney's fees or other fees, expenses or costs expended by him to defend against this action under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996 or any other provision of law.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Stipulation and Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint in this action.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment may be served upon Hill in person or by mail either by the United States marshal, by the Clerk of the Court or by any member of the staff of the Commission.

IX.

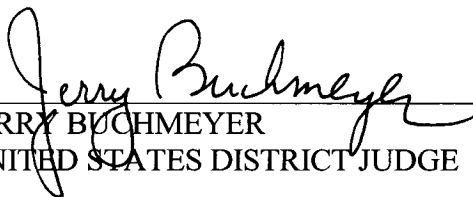
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the United States

marshal in any district in which Hill resides or may be found is authorized and directed to make service on Hill at the request of the Commission.

X.

IT IS FINALLY ORDERED That, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, this Court determines that there is no just reason for delay in the entry of judgment and expressly directs that the Clerk of Court shall enter judgment forthwith.

DATED and SIGNED this 7 day of March 2003.

  
JERRY BUCHMEYER  
UNITED STATES DISTRICT JUDGE

Agreed As To Form And Substance:



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