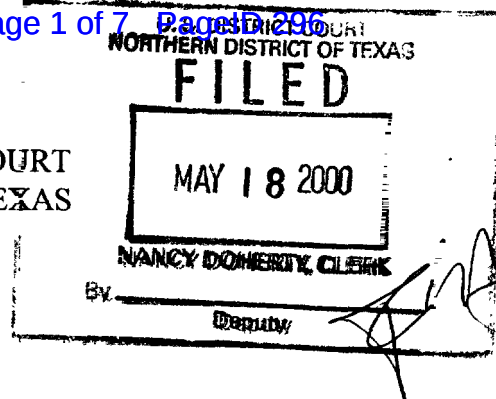


**ORIGINAL**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

LENNOX INVESTMENT GROUP, LTD., ACTIVE  
INTERNATIONAL, INC., RANDALL W. LAW,  
JAMES F. WARDELL, MONICA M. ILES, FRANK L.  
PEITZ, and DANIEL B. BENSON

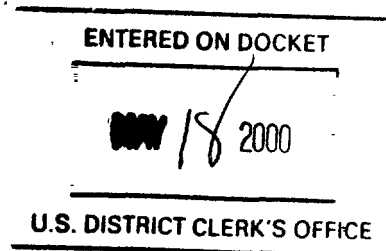
Defendants,

and

P.B.F. CAPITAL GROUP, INC., BENSON  
FINANCIAL, INC., ROBERT PALADINO, PEOPLE'S  
RESIDENTIAL MORTGAGE CORP., BENNY  
GRIFFIS, L E CONSULTANT COMPANY,  
and I.B.I., Inc.

Defendants Solely for Purposes  
of Equitable Relief.

**FINAL JUDGMENT AS TO DEFENDANT  
MONICA M. ILES**



This matter came before this Court on the 18th day of May, 2000, on the motion of Plaintiff Securities and Exchange Commission and by consent of Defendant Monica M. Iles ("Iles"), for issuance of this Final Judgment in this action, providing the relief as set out herein. Iles has provided this Court with a Stipulation and Consent ("Stipulation") in which, *inter alia*, she (1) acknowledges and admits the *in personam* jurisdiction of this Court over her and subject matter jurisdiction over the causes of action asserted by the Commission herein; (2) waives entry of findings of fact and conclusions of law under rule 52, Fed. Rules Civ. Proc., 28 U.S.C.A., with

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respect to the entry of this Order; and (3) consents, for purposes of this action only, to the entry of this Final Judgment, without admitting or denying any of the allegations of the Commission's Amended Complaint in this matter and without admitting or denying any violation of the federal securities laws, except as set forth herein, and except that Iles admits, solely for the purpose of any bankruptcy proceeding commenced by or against her, to the findings set forth at Part VI.

It appears this Court has *in personam* jurisdiction over Iles, and subject matter jurisdiction over the cause of action claimed by the Commission; it appears that no further notice of hearing is required prior to entry of this Final Judgment and there is no just reason for delay; and it appears the Court has been fully advised of the premises for entry of this Final Judgment.

**IT IS THEREFORE ORDERED:**

**I.**

Iles, and her respective agents, servants, employees, attorneys, and all persons in active concert or participation with her who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of securities, including securities in the form of investment contracts involving investments in debt instruments issued by banks, from making use of any means or instrumentality of interstate commerce or of the mails:

- (a) to employ any device, scheme or artifice to defraud;
- (b) 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 light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**II.**

Iles, and her respective agents, servants, employees, attorneys, and all persons in active concert or participation with her who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined in the offer or sale of securities, including securities in the form of investment contracts involving investments in debt instruments issued by banks, from making use of any means or instruments of transportation or communication in interstate commerce or the mails, directly or indirectly:

- (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 light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**III.**

Iles, and her respective agents, servants, employees, attorneys, and all other persons in active concert or participation with her who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)] by, directly or indirectly, in the absence of any applicable exemption:

- a. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;

- b. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities; or
- c. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

Iles shall pay disgorgement in the amount of \$49,309.00, with pre-judgment interest thereon as provided by Section 6621 of the Internal Revenue Code and Revenue Ruling 99-16, subject to the following *provisos*: First, Iles shall have credit against this total amount, dollar-for-dollar, for any sums actually collected by the Commission through the Receiver in this or any ancillary proceeding against any person holding funds that were paid or given by Iles from the proceeds of the activities alleged against her in the Commission's Amended Complaint. Second, based upon Iles' Sworn Statement of Financial Condition, dated August 17, 1999, which she submitted to the Commission in connection with settlement negotiations herein, the Commission waives collection of the balance of this total amount, contingent upon (1) the accuracy and completeness of her Sworn Statement of Financial Condition; and (2) the accuracy and completeness of her deposition testimony given in these proceedings on March 8 and 9, 1999.

V.

Based upon Iles' Sworn Statement of Financial Condition, dated August 17, 1999, the Court is not ordering her to pay a civil money penalty pursuant to the provisions of Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

VI.

The Court's determination not to impose a civil penalty is contingent upon the accuracy and completeness of Iles' Sworn Statement of Financial Condition, dated August 17, 1999. Similarly, the Court recognizes and adopts the Commission's representation that it waives collection of the balance of the disgorgement amount due from Iles not previously paid, based upon her same sworn statement. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Iles' representations to the Commission concerning her assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Iles, petition this Court for an order requiring Iles to pay the referenced disgorgement amount, with pre- and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues that need be presented to the Court are whether the financial information provided was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Iles to pay funds or surrender assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Iles may not, by way of defense to such petition, challenge the validity

of this Stipulation and Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission or the amount of disgorgement and pre- or post-judgment interest, or assert that disgorgement or payment of a civil penalty should not be ordered.

#### **VII.**

It is the intent of the parties that this Final Judgment be given preclusive effect in any bankruptcy case filed by or against Iles. To effectuate this intent, Iles admits, solely for the purpose of such bankruptcy proceedings, that Iles willfully made material misrepresentations and omissions in connection with the purchase or sale of a security which resulted in the disgorgement sum set forth in Part IV. above, and further admits that the sum to be disgorged is a debt for money obtained by fraud within the meaning of 11 U.S.C. § 523(a)(2)(A).

#### **VIII.**

The Stipulation and Consent of Defendant Iles filed herein is incorporated herein with the same force and effect as if fully set forth herein, and, therefore, a breach of the terms of the Stipulation and Consent will constitute a contempt of this Final Judgment.

#### **IX.**

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission or the Receiver for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint.

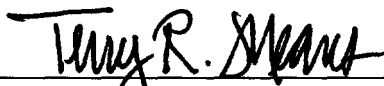
**X.**

This Final Judgment may be served upon Iles in person or by mail either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Commission.

**XI.**

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment pursuant to rule 58, Fed. Rules Civ. Proc., 28 U.S.C.A.

**IT IS SO ORDERED. SIGNED** this 18<sup>th</sup> day of May, 2000.

  
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HONORABLE TERRY MEANS  
UNITED STATES DISTRICT JUDGE