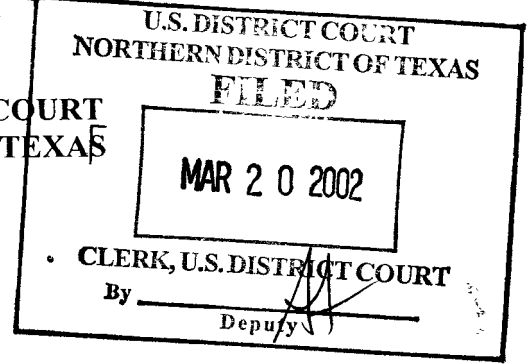


ORIGINAL

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



ORIGINAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

THOMAS J. KEARNS, individually and doing business as
Financial Associated Service; and
KEARNS FINANCIAL SERVICES, INC.,
a Texas corporation,

Defendants.

Civil Action No.
3:00-CV-1358-M



**AGREED FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF AGAINST THOMAS J. KEARNS**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter, and Defendant Thomas J. Kearns ("Kearns"), through his Stipulation and Consent ("Consent"), having admitted service of the Summons, of the Complaint, having admitted the jurisdiction of this Court over Kearns 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 Kearns 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 And Other Equitable Relief against Thomas J. Kearns (“Final Judgment”) enjoining Kearns from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of section 206 (1) and (2) of the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §80b-6 (1) and (2); it further appearing that this Court has jurisdiction over Kearns 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 ^{mlc} that Kearns, individually and doing business as Financial Associated Service, 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, as an investment adviser, directly and indirectly, from violating section 206 (1) and (2) of the Advisers Act, 15 U.S.C. §80b-6 (1) and (2), by use of the mails or any means or instrumentality of interstate commerce,

(a) to employ any device, scheme or artifice to defraud any client or prospective client, or

(b) to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{mlc} that, based on Kearns' ^{mlc} April 11, 2001 entry of a plea of guilty before the Court to one count of ~~a~~ investment adviser fraud and one count of mail fraud based on the same conduct as that which underlies this action and based

on the Court's June 20, 2001 sentencing of Kearns to 90 months in prison and three years of supervised release and its requiring Kearns to make restitution in the amount of \$2,693,146, see United States v. Kearns, Case No. 3:01-CR-00105 (N.D. Tex.), the Court foregoes requiring Kearns to make disgorgement, together with prejudgment interest, or to pay a civil money penalty.

III.

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

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{mll} 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.

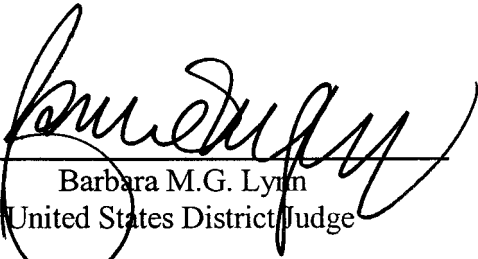
V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED ^{mll} that this Final Judgment may be served upon Kearns 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.

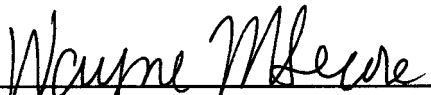
VI.

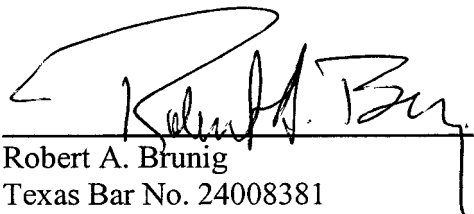
IT IS FINALLY ORDERED ^{mll} that, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, this Court determines that there is no just reason for delay in the entry of judgment and expressly directs that the Clerk of Court shall enter judgment forthwith.

DATED and SIGNED this 20 day of March, 2002.


Barbara M.G. Lynn
United States District Judge

Agreed As To Form:


Wayne M. Secore
Texas Bar No. 17973700
SCORE & WALLER, LLP
1100 Three Forest Plaza
12221 Merit Drive
Dallas, TX 75251-2246
Telephone: (972) 776-0200
Facsimile: (972) 776-0240
Attorney for Thomas J. Kearns


Robert A. Brunig
Texas Bar No. 24008381
SECURITIES AND EXCHANGE COMMISSION
Fort Worth District Office
801 Cherry Street
Suite 1900
Fort Worth, TX 76102-6819
Telephone: (817) 978-3821
Facsimile: (817) 978-2700
Attorney for Securities and Exchange Commission