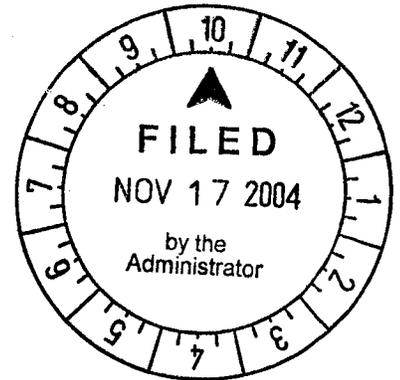


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Larry E. Mack, an individual, and Larry E. Mack
dba Southwest Income Management,

Respondents.

ODS File No. 04-099

AGREEMENT

An investigation into the activities of Respondents, Larry E. Mack, individually, and Larry E. Mack *dba* Southwest Income Management, was conducted by the Oklahoma Department of Securities (Department) pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003), concerning possible violations of Sections 201 and 301 of the Act.

The Department's investigation revealed that beginning in 2000, Respondents offered and/or sold investments to Oklahoma residents in the nature of lease interests in timeshare vacation properties offered by Yucatan Resorts, S.A. de C.V. (Yucatan). The lease interests were offered in conjunction with a program through which investors could assign their lease interest to a third party who guaranteed to rent and manage the lease interest for investors. Investors were told they would receive a return on investment of 11% per year. The Oklahoma investors in the Yucatan program chose to assign the rental and management of the lease interests to the third party

The Department's investigation further revealed that during 2003, Respondents offered and/or sold investments to Oklahoma residents in the nature of lease interests in timeshare motor coaches offered by Universal Luxury Coaches LLC (Universal Luxury Coaches). The timeshare interests were offered in conjunction with a program through which investors could assign their lease interest to a third party who guaranteed to rent and manage the lease interest for investors. Investors were told they would receive a return on investment of 10% per year. The Oklahoma investors in the Universal Luxury Coaches program chose to assign the rental and management of the lease interests to a third party.

The Department's investigation further revealed that at all times material hereto, Mack was licensed by the Oklahoma Insurance Department to sell various insurance products. These investors were clients to whom Mack had previously sold insurance products or provided estate planning services. This prior relationship with Mack fostered trust by investors.

The lease interests offered by Respondents were not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

Respondents were not registered under the Act to transact business in the state of Oklahoma as an agent of a broker-dealer or an issuer.

Respondents desire to settle this matter expeditiously and in a manner consistent with the purposes fairly intended by the policies and provisions of the Act and the Oklahoma Uniform Securities Act of 2004 (Successor Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003).

The undersigned parties hereto agree as follows:

1. **Permanent Injunction.** Respondents agree to the issuance of a Permanent Injunction in the form of *Exhibit A* attached hereto and made a part hereof (Order).

2. **Surrender of License.** Respondent Mack agrees to voluntarily surrender his license with the Oklahoma Insurance Department and agrees he will not offer and/or sell insurance products in the state of Oklahoma for a period of fifteen (15) years from the date of this Agreement.

3. **Entire Agreement.** Respondents voluntarily consent to this Agreement, and represent that the consent contained herein is voluntary and given without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff, the Administrator, or the Oklahoma Securities Commission. Other than the Order, this writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

4. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against any Respondent, the Administrator may assist in such actions as authorized by law. It is further agreed that the execution of this Agreement does not mean that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, the transactions to which it relates.

5. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

6. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Mack and/or Southwest Income Management in connection with the offer and/or sale of the above described lease interests; provided, however, should Respondents fail to comply with the terms of this Agreement in any material respect or if Respondents have made any false or misleading statements to the Department in connection with this matter, the Department will initiate action against Respondents as authorized by law.

7. **Applicability.** This Agreement applies only to the activities of Respondents and to no others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.



LARRY E. MACK

Date: 11-10-04



LARRY E. MACK DBA SOUTHWEST INCOME MANAGEMENT

Date: 11-10-04

OKLAHOMA DEPARTMENT OF SECURITIES:

By: 

Irving L. Faught, Administrator

Date: 11/17/04

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA**

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Larry E. Mack, an individual, and)
Larry E. Mack *dba* Southwest Income)
Management,)
)
)
Defendants.)

Case No.

**FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

On the ____ day of _____, 2004, Plaintiff, Oklahoma Department of Securities (Department), filed its Petition for Permanent Injunction and Other Equitable Relief (Petition) pursuant to the Oklahoma Uniform Securities Act of 2004, (Successor Act) Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003) and the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 and Supp. 2003). Defendants, Larry E. Mack, individually, and Larry E. Mack *dba* Southwest Income Management, through their Entry of Appearance, Waiver of Service and Stipulation and Consent (Waiver and Consent), have admitted the jurisdiction of this Court over them; waived service of summons and the Petition; and consented to the entry of this Final Judgment of Permanent Injunction and Other Equitable Relief.

Based on the Defendants' execution of the Waiver and Consent and being fully advised in the premises, the Court finds that the following order should be entered.

EXHIBIT A

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that judgment be, and hereby is, entered against Defendants.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that Defendants be, and hereby are, permanently enjoined and restrained from, directly or indirectly, offering and/or selling securities in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that Defendants be, and hereby are, permanently enjoined and restrained from, directly or indirectly, acting as broker-dealers or agents, or from employing broker-dealers or agents, in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that the Waiver and Consent filed herewith be, and hereby is, incorporated in this Final Judgment of Permanent Injunction and Other Equitable Relief with the same force and effect as if set forth herein.

IT IS SO ORDERED this ____ day of _____, 2004.

JUDGE OF THE DISTRICT COURT

Approved as to form:

Rebecca A. Cryer OBA #2065
Enforcement Attorney
Oklahoma Department of Securities
First National Center, Suite 860
120 N. Robinson
Oklahoma City, OK 73102
(405) 280-7700
Attorney for Plaintiff