

IN THE DISTRICT COURT OF TULSA COUNTY
STATE OF OKLAHOMA

DISTRICT COURT
FILED

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)
)
Plaintiff,)
)
v.)
)
Universal Factoring Company, Inc., an)
Oklahoma corporation, Newco-HC, Inc.,)
an Oklahoma corporation, James)
Ray Eckhart, an individual, *et al.*,)
)
Defendants.)

MAR 30 2001

SALLY HOWE SMITH, COURT CLERK
STATE OF OKLA. TULSA COUNTY

Case No. CJ 98-04212

STIPULATION AND CONSENT

Defendants, James Ray Eckhart ("Eckhart"), Universal Factoring Company, Inc. ("UFC"), Newco-HC, Inc. ("Newco-HC") and Randy Guest ("Guest") (collectively, "Defendants") stipulate to the following facts and consent to the following undertakings:

Stipulations:

Defendants hereby stipulate as follows:

1. The Oklahoma Department of Securities ("Department"), pursuant to Section 406.1 of the Oklahoma Securities Act ("Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 1998), is the proper party to bring this action seeking the relief requested in the Department's Amended Petition For Permanent Injunction and Other Equitable Relief ("Department's Petition").

2. Defendants are subject to the jurisdiction of this Court by proper service of the Department's Petition and its appearance in this matter.

Cele.

3. Defendants offered and sold promissory notes ("Notes") in and from the state of Oklahoma. The Notes constitute "securities" as set forth in Section 2(v)(1), 2(v)(6) and 2(v)(11) of the Act, although the Defendants were not aware at the time of sale that such Notes constituted "securities" within the applicable sections of the Act.

4. Defendants admit to the application of the Act over them in connection with the offer and sale of the Notes in and from the state of Oklahoma.

Undertakings:

Defendants hereby undertake as follows:

1. Defendants consent to the entry of the Agreed Order in the form attached as Exhibit "A" and made a part of this undertaking.

2. Defendants state that this Stipulation and Consent is entered into voluntarily and that no threat or promise of immunity of any kind has been made by the Department to coerce agreement with this Stipulation and Consent.

3. Defendants waive any right to appeal from the Agreed Order.

4. Defendants agree that this Stipulation and Consent and all provisions hereof shall be incorporated into the Agreed Order.

5. Defendants agree that they will not, directly or indirectly, offer or sell a security in or from the state of Oklahoma.

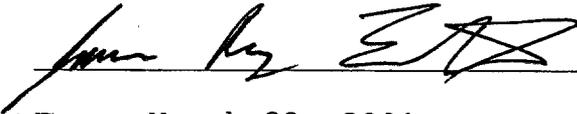
6. Eckhart, UFC and Newco-HC agree that they will not seek a discharge in bankruptcy of those claims made by purchasers of Notes that are not disallowed by the Bankruptcy Court.

7. Defendants agree to the presentation of this Stipulation and Consent and the Agreed Order, executed by each party hereto, to the Court to be entered without further notice.

8. Defendants consent to the Court's retention of jurisdiction of this matter for all purposes including enforcement of the Agreed Order.

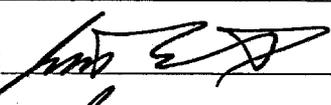
IN WITNESS WHEREOF, Defendants have executed this Stipulation and Consent as of the date and year set forth below.

James Ray Eckhart:



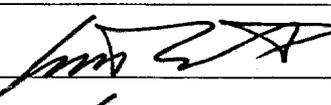
Date: March 23, 2001

UNIVERSAL FACTORING COMPANY, INC.:

By: 

Title: President
Date: March 23, 2001

Newco-HC, INC.:

By: 

Title: President
Date: March 23, 2001

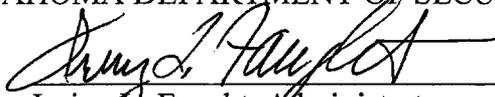
Randy Guest:



Date: March 23, 2001

OKLAHOMA DEPARTMENT OF SECURITIES:

By:



Irving L. Faught, Administrator

Date:

3/30/01

Address:

First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

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STATE OF OKLAHOMA

Oklahoma Department of Securities)
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Defendants.)

AGREED ORDER

This matter comes on for hearing on this ____ day of March, 2001, before the undersigned Judge of the District Court in and for Tulsa County, State of Oklahoma, upon the motion of Plaintiff, the Oklahoma Department of Securities ("Department"), for entry of a final order including an order of permanent injunction and restitution. The Department appears by and through its attorney, Gerri Stuckey; Defendants James Ray Eckhart ("Eckhart"), Universal Factoring Company, Inc. ("UFC"), Newco-HC, Inc. ("Newco-HC") and Randy Guest ("Guest") appear by and through their attorney, Morgan Powell, and UFC's court appointed bankruptcy trustee, Patrick J. Malloy, III. The Court, having reviewed all of the evidence offered and the Court file, and being advised that the parties agree to the entry of this Agreed Order, finds as follows:

On September 3, 1998, the Department filed a Petition For Permanent Injunction and Other Equitable Relief pursuant to the Oklahoma Securities Act ("Act"), Okla. Stat. tit. 71, §§ 1-

413, 501, 701-703 (1991 & Supp. 1998). On February 18, 1999, the Department filed an Amended Petition For Permanent Injunction and Other Equitable Relief pursuant to the Act.

Defendants have executed a Stipulation and Consent ("Stipulation and Consent"), attached hereto as Exhibit "A" and made a part hereof. The Department has no objection to the terms of the Stipulation and Consent and agrees to the entry of this Agreed Order.

Therefore, based on the evidence reviewed and the execution of the Stipulation and Consent, the Court finds that the following final judgment and order should be entered.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Court that a permanent injunction be and is hereby entered, forever enjoining, restraining and prohibiting Eckhart, UFC, Newco-HC, and Guest, directly or indirectly, from issuing, offering or selling any securities in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Court that claims made by persons who purchased promissory notes that the Bankruptcy Court does not disallow shall be non-dischargeable.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court will retain jurisdiction of this matter for the purpose of enforcement of this Agreed Order.

IT IS SO ORDERED.

Dated this _____ day of _____, 2001.

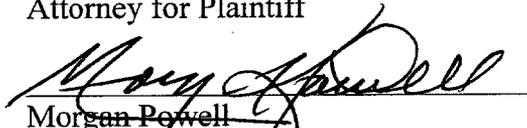
Sharron Bubenik, TULSA COUNTY DISTRICT COURT JUDGE

Approved as to form:

Oklahoma Department of Securities
Irving L. Faught, Administrator



Gerri L. Stuckey OBA #16732
Oklahoma Department of Securities
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Attorney for Plaintiff



Morgan Powell
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Attorney for Defendants

Patrick J. Malloy, III
Trustee for Universal Factoring Company, Inc.
1924 S. Utica, Suite 810
Tulsa, Oklahoma 74104-6515