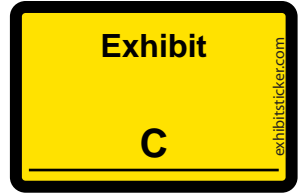


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION



SECURITIES AND EXCHANGE §
COMMISSION, §
§
Plaintiff, §
§
v. §
§
ALBERT FASE KALETA and KALETA §
CAPITAL MANAGEMENT, INC., §
§
Defendants, §
§
and §
§
BUSINESSRADIO NETWORK, L.P., §
d/b/a BizRadio and DANIEL §
FRISHBERG FINANCIAL SERVICES, §
INC., d/b/a DFFS CAPITAL §
MANAGEMENT, INC., §
§
Relief Defendants, §
Solely for the purposes §
of Equitable Relief. §

Civil Action No. 4:09-cv-3674

ORDER APPROVING SETTLEMENT AND ENTERING
FINAL BAR ORDER AND INJUNCTION

For purposes of this Order:

a. The term "Insurance Company" refers to American International Specialty Lines Insurance Company, Chartis, Inc., Chartis Claims, Inc., American International Companies ("AIG"), and each of their respective past, present, and future agents, directors, officers, underwriters, reinsurers, shareholders, predecessor companies, successor companies, employees, representatives, affiliates, assigns, attorneys and all other related and/or affiliated entities.

- b. The term “Receiver” refers to Thomas L. Taylor III, solely in his capacity as Court-appointed Receiver in the above-styled action (“SEC Action”) of Kaleta Capital Management, Inc., BusinessRadio Network, L.P. d/b/a BizRadio, Daniel Frishberg Financial Services, Inc. d/b/a DFFS Capital Management, Inc., and all of the entities they own or control (collectively, the “Receivership Entities”).
- c. The term “Policy” refers to that third party liability claims-made and reported Investment Management Insurance Policy No. 01-766-06-99 issued by American International Specialty Lines Insurance Company to Daniel Frishberg Financial Services Inc. d/b/a Frishberg, Jordan & Stewart Advisors with a policy period of April 1, 2009 to April 1, 2010 and limits of liability of \$1,000,000 (which erodes by payment of defense costs), and which includes all terms, conditions, exclusions, limitations, endorsements and contractual provisions made a part of the Policy.
- d. The term “Named Insured” refers to Daniel Frishberg Financial Services Inc. d/b/a Frishberg, Jordan & Stewart Advisors.
- e. The term “Insured” refers to Daniel Frishberg and/or Elisea Frishberg, and any past, present or future partners, officers, directors, trustees or employees of the Named Insured Daniel Frishberg Financial Services Inc. d/b/a Frishberg, Jordan & Stewart Advisors, as defined in the Policy.
- f. The term “Policy Insureds” refers to the Named Insured and any Insured.
- g. The term “Investments” refers to those series of transactions in which persons or entities, at the encouragement and direction of the Policy Insureds and others related to them, placed money in the care of the Policy Insureds which were then

funneled into various companies allegedly owned and/or controlled, directly or indirectly, by the Policy Insureds including BusinessRadio Network, L.P., Kaleta Capital Management, L.P. and/or Wallace Bajjali limited partnerships which then loaned the monies back into Policy Insured controlled businesses or related businesses in which Policy Insureds had a financial interest.

- h. The term “Policy Claimants” refers to those investors who timely asserted a professional liability claim under the Policy against Policy Insureds for damages arising from the Investments. This term only shall mean the following fourteen (14) claimants: Doreen House, David Selter (wife Joanne Cassidy), Phillip Jones (wife Alissa Jones), Steve Cook, John Dosier, Ronald Ellisor, Ed Gray, Glenn Latta, Doug Shaffer, Kohur Subramanien, Blake Taylor, the Roger Taylor Trust, Paul Williams and Morris Wolf, and each of their respective heirs, beneficiaries, assigns, representatives, agents, trustees, relations by blood and marriage, and other related and/or affiliated entities.
- i. The term “Other Investors” refers to all other individuals and entities who allege damages against the Policy Insureds arising from the Investments but who failed to tender a claim against the Policy Insureds prior to the expiration of the Policy, and each of their respective heirs, beneficiaries, assigns, representatives, agents, trustees, relations by blood and marriage, and other related and/or affiliated entities.
- j. The term “Third Persons” refers to all other individuals and entities who have had any connection with the Policy Insureds associated with the Investments including but not limited to Richard Jordan, Daniel Stewart, David Wallace, Costa Bajjali,

Albert Fase Kaleta, Kaleta Capital Management, Inc., Kaleta Capital Management, L.P., West Houston WB Realty Fund, L.P., Wallace Bajjali Investment Fund II, L.P., Laffer Frishberg Wallace Economic Opportunity Fund, L.P., Wallace Bajjali Development Partners, L.P., Spring Cypress Investments, L.P. and all other investment vehicles or entities; and each of their respective past, present, and future agents, directors, officers, shareholders, heirs, beneficiaries, assigns, representatives, agents, trustees, predecessors, successors, employees, affiliates, assigns, attorneys and all other related and/or affiliated entities.

WHEREAS, on February 21, 2013 the Receiver filed a motion (Doc. #234) (the "Motion") seeking (i) a determination that a proposed settlement between the Receiver and the Insurance Company be deemed fair, equitable, reasonable, and in the best interest of the Receivership Estate and, thus be approved by the Court; and (ii) an Order, as a condition of the proposed settlement, releasing any and all claims against the Insurance Company and the Policy by the Policy Insureds and Policy Claimants, and (iii) an Order, as a condition of the proposed settlement, permanently barring or enjoining any and all Policy Insureds, Policy Claimants, Other Investors and Third Persons from commencing or continuing any judicial, administrative, arbitration, or other proceeding and/or from asserting or prosecuting any claims and/or causes of action against the Insurance Company or the Policy arising out of, in connection with, or relating in any way to the Investments or arising out of any advice, recommendation, opinion or act by the Policy Insureds in providing Investment Advisory Services for others as defined in the Policy;

WHEREAS, due and proper notice of the Motion, the proposed settlement, and any hearing on the Motion, has been given to all interested persons, and the court has considered the

papers filed and arguments made by the Receiver in support of his motion, and any objections to the Motion, and such other and further evidence as has been presented to the Court.


NOW, THEREFORE, it is hereby ORDERED that:

- I. The Motion is GRANTED;
- II. The settlement between the Receiver and the Insurance Company, as specifically provided for in the Compromise Settlement and Release Agreement, attached to the Motion as Exhibit 1, is hereby approved;
- III. The Policy Insureds, Policy Claimants, Other Investors and Third Persons are hereby permanently barred, restrained, and enjoined, consistent with general equitable principles and in accordance with this Court's ancillary equitable jurisdiction in this matter, from commencing or continuing any judicial, administrative, arbitration or other proceeding and/or from asserting or prosecuting any claims and/or causes of action against the Insurance Company or the Policy arising out of, in connection with, or relating in any way to the Investments or arising out of any advice, recommendation, opinion or act by the Policy Insureds in providing Investment Advisory Services for others as defined in the Policy or in any manner taking any adverse action against the Insurance Company and/or the Policy;
- IV. Neither the Insurance Company's settlement with the Receiver, nor any of the settlement's terms or provisions, nor any of the negotiations or proceedings in connection with the settlement, nor any of the documents or statements referred to therein shall be construed as or deemed in any judicial, administrative, arbitration or other type of proceeding to be evidence of a presumption, concession, or an admission by the Insurance Company of the truth of any fact alleged or the validity of any claim that has

been, could have been, or in the future might be asserted in the SEC Action or any other judicial, administrative, arbitration or other proceeding;

- V. The rights of the Policy Claimants, Other Investors and/or Third Persons to participate in the claims process for the Receiver's ultimate plan of distribution for the Receivership Estate shall not be impaired by this Order;
- VI. The Court shall have and retain jurisdiction over all matters related to the administration, interpretation, effectuation, or enforcement of this Order, the Compromise Settlement and Release Agreement between the Insurance Company and the Receiver, and any related disputes;
- VII. There being no just cause for delay, this Order is, and is intended to be, a final, appealable decision of the Court within the meaning of Rule 54(b) of the Federal Rules of Civil Procedure.
- VIII. The clerk shall promptly serve copies of this Order upon all parties to the SEC Action.

IT IS SO ORDERED, this 31st day of May, 2013.



Nancy F. Atlas
United States District Judge