
COMPROMISE SETTLEMENT AND RELEASE AGREEMENT

This Compromise Settlement and Release Agreement is entered into by, between, and among the parties identified below, and shall be effective upon the Effective Date, as defined below. This Agreement is a binding contract, the terms of which are delineated below.

1. PARTIES

- 1.1 “**Insurance Company**” means 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.
- 1.2 “**Receiver**” means Thomas L. Taylor III, Esq., solely in his capacity as Court-appointed Receiver 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, appointed by the December 2, 2009 Agreed Order Appointing Receiver (Doc. # 7) in *S.E.C. v. Kaleta, et. al.*, No. 4:09-CV-3674, in the United States District Court for the Southern District of Texas, and as amended by the June 17, 2010 Order Modifying Order Appointing Receiver (Doc. # 34).
- 1.3 “**Settling Parties**” means the Receiver and the Insurance Company, collectively (or, individually, “**Settling Party**”).

2. DEFINITIONS

- 2.1 “**Agreement**” means this Compromise Settlement and Release Agreement and its exhibits.
- 2.2 “**Claim**” or “**Claims**” means all actions, causes of action, claims, counterclaims, cross-claims, debts, demands, controversies, liabilities, suits, legal, equitable, arbitration and administrative proceedings of any kind, payments, charges, reimbursements, obligations, judgments, and theories of recovery of whatever nature, arising before the Effective Date, whether presently known or unknown, foreseen or unforeseen, fixed or contingent, asserted or unasserted, liquidated or unliquidated, accrued or unaccrued, recognized by the law of any jurisdiction, whether arising under statute or common law, in contract or in tort, at law or in equity, or under any theory of liability or damages including without limitation any theory of strict liability, trespass, nuisance, breach of any duty, fraud, bad faith, breach of the duty of good faith and fair dealing, intentional or negligent misrepresentation, common law or statutory negligence, breach of contract, fraudulent transfer or conveyance, securities violations, insurance code violations, breach of fiduciary duty, conversion, defamation, unjust enrichment, tortious interference, property damage, conspiracy, inducement, aiding and abetting, quantum meruit, promissory

- estoppel, waiver, mental anguish, gross negligence, vicarious liability, "alter ego" liability, piercing the corporate veil, exemplary damages, disgorgement, fee forfeiture, constructive trust, penalties, suit for accounting, injunctive relief, attorneys' fees and costs, intentional acts or omissions, or violation of any regulation or statutory duty under State, Federal, or local law (including insurance and securities laws).
- 2.3 "Claim Bar Notice" means the written notice given by the Receiver of his filing of a motion seeking approval of this Agreement and the entry of a Final Claim Bar Order (defined below) to all persons sought to be bound by the Final Claim Bar Order. Such Claim Bar Notice shall include copies of said motion seeking approval of this Agreement (without exhibits) and the proposed Final Claim Bar Order. A Claim Bar Notice in a form approved by the Settling Parties is attached as **Exhibit A**.
- 2.4 "Effective Date" means the date that all Settling Parties having executed the Agreement and a Final Claim Bar Order in the form attached as **Exhibit B** (or another form agreed to by the Settling Parties in writing) becomes final and any and all appeals of the Final Claim Bar Order are exhausted or the time for appeal has expired and the Final Claim Bar Order is not the subject of any pending collateral attack.
- 2.5 "Final Claim Bar Order" means an order or judgment by the Court in the Litigation that, to the satisfaction of the Insurance Company, permanently bars or enjoins 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 asserting or prosecuting any Claims against any of the Insurance Company (and against the Policy), its respective past, present, and future agents, officers, directors, employees, heirs, representatives, relations by blood and marriage, affiliates, predecessors, successors, assigns, and related entities arising out of, in connection with, or relating 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. Without limiting the generality of the foregoing, to constitute a Final Claim Bar Order, (i) the order or judgment must be final and not subject to further appeal or any pending collateral challenge; and (ii) the order or judgment must be binding on the Settling Parties, the Receivership Entities, the Policy Insureds, the Policy Claimants, the Other Investors and the Third Persons. A Final Claim Bar Order in a form approved by the Settling Parties is attached as **Exhibit B**.
- 2.6 "Kaleta" means Albert Fase Kaleta, a defendant in the Litigation.
- 2.7 "KCM" means Kaleta Capital Management, Inc., a defendant in the Litigation, and all of the entities it owns or controls.
- 2.8 "KCM LP" means Kaleta Capital Management, L.P., a Texas limited partnership controlled by KCM.
- 2.9 "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.

- 2.10 **"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: Barbara 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.
- 2.11 **"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.
- 2.12 **"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 their 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., KCM and/or Wallace Bajjali limited partnerships which then loaned the monies back into Policy Insured controlled businesses or related businesses in which the Policy Insureds had a financial interest.
- 2.13 **"Litigation"** means Civil Action No. 4:09-cv-3674, *Securities and Exchange Commission 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 Purpose of Equitable Relief*; in the United States District Court for the Southern District of Texas, Houston Division.
- 2.14 **"Named Insured"** refers to Daniel Frishberg Financial Services, Inc. d/b/a Frishberg, Jordan & Stewart Advisors.
- 2.15 **"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.
- 2.16 **"Policy Insureds"** refers to the Named Insured and any Insured.
- 2.17 **"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.¹, and all of the entities they own or control (collectively, the "Receivership Entities").

- 2.18 **"Receivership Entities"** means all entities, now or hereafter subject to the Receivership Estate, including without limitation KCM, KCM LP, BusinessRadio, Daniel Frishberg Financial Services, Inc. d/b/a DFFS Capital Management, Inc. and all of the entities they own or control.
- 2.19 **"Receivership Estate"** means that receivership created by and defined in the December 2, 2009 Agreed Order Appointing Receiver (Doc. 7) and amended by the June 17, 2010 Order Modifying Order Appointing Receiver (Doc. 34) in the Litigation.
- 2.20 **"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, Dan 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.

3. **RECITALS**

- 3.1 WHEREAS, on November 13, 2009, the United States Securities and Exchange Commission instituted the Litigation against KCM and Kaleta alleging violations of the federal securities laws in connection with the alleged Investments;
- 3.2 WHEREAS, on December 2, 2009, the Court presiding over the Litigation (the "Court") appointed Thomas L. Taylor, III ("Taylor") as the Receiver for KCM in the Litigation;
- 3.3 WHEREAS, on June 17, 2010, the Court modified its order appointing Taylor as the Receiver to add the Named Insured and BusinessRadio to the Receivership Estate;
- 3.4 WHEREAS, on April 1, 2009, the Insurance Company issued the Policy to the Named Insured;
- 3.5 WHEREAS, the Policy may provide a duty to defend and/or a duty to indemnify Policy Insureds under a properly tendered claim under the Policy as long as the claim falls within the terms, conditions and contractual language of the Policy;

¹ The Settling Parties agree that there is a corporate name difference between the Policy's Named Insured Daniel Frishberg Financial Services Inc. d/b/a Frishberg, Jordan & Stewart Advisors and the named Relief Defendant sued in the Litigation, Daniel Frishberg Financial Services, Inc. d/b/a DFFS Capital Management, Inc. For purposes of this Agreement, the Named Insured also will include DFFS Capital Management, Inc.

- 3.6 WHEREAS, on July 24, 2009, the Policy Insureds were sued in a lawsuit styled: Cause No. 2009-46559; *Barbara Doreen House v. Daniel S. Frishberg, et al*, pending in the 234th Judicial District Court of Harris County, Texas (“House Lawsuit”);
- 3.7 WHEREAS, on March 9, 2010, the Policy Insureds were sued in a lawsuit styled: Cause No. 2010-15157; *David A. Selter and Joanne M. Cassidy v. Daniel Frishberg*, pending in the 270th Judicial District Court of Harris County, Texas (“Selter Lawsuit”);
- 3.8 WHEREAS, on March 30, 2010, the Policy Insureds sent a demand to the Insurance Company to defend and indemnify the Policy Insureds under the Policy from claims being brought against them by twelve (12) additional Policy Claimants for wrongful acts in the rendering of or failure to render Investment Advisory Services by the Policy Insureds;
- 3.9 WHEREAS, prior to the expiration of the Policy on April 1, 2010, the *only* persons or entities that had made a valid claim for defense and indemnity under the Policy due to misconduct alleged against the Policy Insureds were the Policy Claimants;
- 3.10 WHEREAS, there are more than sixty (60) Other Investors who did not timely tender a claim against the Policy Insureds and under which the Policy has no duty to defend and no duty to indemnify the Policy Insureds for the Other Investors’ claims due to the Policy’s expiration;
- 3.11 WHEREAS, the Insureds Daniel Frishberg and Elissa Frishberg are not Receivership Entities;
- 3.12 WHEREAS, the Insureds have demanded insurance coverage under the Policy in the House Lawsuit and in the Selter Lawsuit in which there is no Receivership Entity Defendant;
- 3.13 WHEREAS, the House Lawsuit and the Selter Lawsuit have been stayed by the Court in this proceeding to preserve the status quo of the Receivership Estate;
- 3.14 WHEREAS, but for the stay of the various proceedings brought by the Policy Claimants against the Policy Insureds, the Policy would likely undertake a duty to defend the Policy Insureds in the various claims subject to reservation of rights letters that have been issued to the Policy Insureds arising out of the claims made by the Policy Claimants;
- 3.15 WHEREAS, the Policy is an “eroding limits” policy with defense costs first reducing the limits of liability under the Policy;
- 3.16 WHEREAS, there are significant insurance coverage issues which may result in no indemnification payments being made under the Policy for the claims asserted by the Policy Claimants which coverage issues would have to be determined in this Litigation or in separate litigation as a matter of law;
- 3.17 WHEREAS, both the Insureds and the Receiver for the Named Insured would be necessary parties to any insurance coverage litigation;

- 3.18 WHEREAS, the Named Insured and Insureds would be competing for defense and indemnity recovery under the eroding limits Policy;
- 3.19 WHEREAS, the Settling Parties wish to buy peace and avoid the expense and time required to litigate potentially lengthy and complex insurance coverage disputes;
- 3.20 WHEREAS, the Insurance Company disputes and does not admit any of the Receiver's allegations;
- 3.21 WHEREAS, given the Insurance Company's intent to defend vigorously against any Claims asserted against it by the Receiver, and the likelihood that claim litigation would significantly erode the limits of liability of the Policy, the risks inherent in litigation and the expenses that would likely result from protracted litigation, and the limited resources of the Receivership Parties, the Receiver has concluded that it is in the best interest of the Receivership Estate to avoid litigation that will deplete the assets of the Receivership Estate and that the terms of this Agreement will provide more benefit to the Receivership Estate than any recovery that might be achieved through litigation; and

NOW THEREFORE, IN CONSIDERATION of the promises, terms, provisions, and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties agree as follows:

4. SETTLEMENT TERMS

- 4.1 Within fifteen (15) days of the Effective Date, the Insurance Company shall pay to the Receiver on behalf of the Policy Insureds for the benefit of the Policy Claimants and the Receivership Estate the sum of Eight Hundred Thousand Dollars and No Cents (\$800,000.00).
- 4.2 The Receiver shall credit any sums paid by the Insurance Company pursuant to the terms of this Agreement to the Receivership Estate. The Insurance Company will have no responsibility for the allocation, distribution, or payment of such funds to any Claimant against the Receivership Entities or the Receivership Estate, their respective attorneys, or to any other person.
- 4.3 The Receiver shall secure the written approval of the Insurance Company of any motions and proposed orders that the Receiver files in the Litigation in connection with this Agreement, including without limitation the motion to approve this Agreement and for entry of a Final Claim Bar Order and related proposed orders, before such motions and orders are filed with the Court.
- 4.4 Within twenty (20) days of the signing of this Agreement, the Receiver shall file with the Court in the Litigation a motion seeking the Court's approval of this Agreement and entry of a Final Claim Bar Order, subject to the approval of the Insurance Company required by the terms of ¶ 4.3. The Receiver shall serve by regular, first-class United States mail, a copy of the Claim Bar Notice, the proposed Final Claim Bar Order, and the motion seeking approval of the settlement (without exhibits), on the persons and entities listed in **Exhibit C** at the addresses listed in **Exhibit C**. The Receiver shall post this Agreement,

the motion seeking its approval (and all exhibits thereto), the proposed Final Claim Bar Order, and the Claim Bar Notice on the Receivership Estate's website at <http://www.kcmreceivership.com>.

- 4.4.1 The entry of a Final Claim Bar Order in the form attached as **Exhibit B** (or a form agreed to by the Insurance Company in writing) and Court approval of the Agreement are conditions precedent to the formation of this Agreement. Subject to ¶ 2.4, this Agreement shall not become effective unless and until the Court approves this Agreement and a Final Claim Bar Order as defined in ¶ 2.5 and in the form attached as **Exhibit B** (or a form agreed to by the Insurance Company in writing) exists.
- 4.4.2 Nothing in this Agreement or the Final Claim Bar Order is intended to or shall impair in any way the rights of the Policy Claimants, the Other Investors and/or the Third Persons to participate in the claims process for the Receiver's ultimate plan of distribution for the Receivership Estate or to receive distributions of receivership assets pursuant to that ultimate plan of distribution.
- 4.5 The Insurance Company will not be liable for the attorneys' fees and costs incurred by the Receiver or any Policy Insureds, Policy Claimants, the Other Investors and/or the Third Persons, in finalizing and implementing the terms of this Agreement, including without limitation those attorneys' fees and costs related to motions filed with the Court in the Litigation and the Final Claim Bar Order. Likewise, the Receiver and any Policy Insureds, Policy Claimants, the Other Investors and/or the Third Persons who may have a claim against the Receivership Estate, will not be liable for the attorneys' fees and costs incurred by the Insurance Company in finalizing and implementing the terms of this Agreement, including without limitation those attorneys' fees and costs related to the Final Claim Bar Order.

5. RELEASES

- 5.1 The releases granted in this section by the Settling Parties shall not impair in any way the rights of any Settling Party to enforce this Agreement or any breach of this Agreement against any other Settling Party.
- 5.2 The Receiver and the Receivership Entities and their respective past, present, and future officers, directors, owners, shareholders, members, agents, partners, parent companies, subsidiaries, related entities, affiliates, employees, representatives, attorneys, trusts, trustees and estates, executors, administrators, predecessors, successors, relations by blood and marriage, beneficiaries, heirs, assigns, and all persons, natural and corporate, in privity with any of the foregoing, and anyone claiming by, through or under them (collectively, the "Receiver Releasing Parties") RELEASE, ACQUIT, AND FOREVER DISCHARGE the Insurance Company, and its respective past, present, and future officers, directors, owners, shareholders, members, agents, partners, parent companies, subsidiaries, underwriters, reinsurers, related entities, affiliates, employees, representatives, attorneys, trusts, trustees and estates, executors, administrators, predecessors, successors, relations by blood and marriage, beneficiaries, heirs, assigns,

and all persons, natural and corporate, in privity with them (collectively, the "Insurance Company Released Parties") from any and all Claims, including without limitation, all Claims asserted or that could have been asserted by the Receiver Releasing Parties in the Litigation or otherwise against the Insurance Company Released Parties, which the Receiver Releasing Parties have ever had, or now have, or may have in the future against the Insurance Company Released Parties based upon events, actions, and/or omissions which occurred prior to and through the Effective Date arising out of, concerning, or relating, directly or indirectly, to the Litigation, the Receiver, the Receivership Entities, and/or the Receivership Estate, the Policy, the Policy Insureds, the Policy Claimants including without limitation, the Investments or arising out of, related to or in connection with any advice, recommendation, opinion or act by the Policy Insureds in providing Investment Advisory Services for others as defined in the Policy; and any other transactions or dealings that the Insurance Company Released Parties had with the Receiver Releasing Parties.

- 5.3 The Insurance Company and its respective past, present, and future officers, directors, owners, shareholders, members, agents, partners, parent companies, subsidiaries, related entities, affiliates, employees, representatives, attorneys, trusts, trustees and estates, executors, administrators, predecessors, successors, relations by blood and marriage, beneficiaries, heirs, assigns, and all persons, natural and corporate, in privity with them (collectively, the "Insurance Company Releasing Parties") RELEASE, ACQUIT, AND FOREVER DISCHARGE the Receiver, the Receivership Entities, and the Receivership Estate, as well as their respective past, present, and future parent companies, subsidiaries, attorneys, predecessors, successors and assigns (collectively, the "Receiver Released Parties"), from any and all Claims, including without limitation, all Claims asserted or that could have been asserted by the Insurance Company Releasing Parties against the Receiver Released Parties in the Litigation, or otherwise under the Policy, which the Insurance Company Releasing Parties have ever had, or now have, or may have in the future against the Receiver Released Parties based upon events or actions which occurred prior to and through the Effective Date arising out of, concerning, or relating, directly or indirectly, to the Litigation, the Receiver, the Receivership Entities, and/or the Receivership Estate, the Policy, the Policy Insureds, the Policy Claimants including without limitation, the Investments, and any other transactions or dealings that the Receiver Released Parties had with the Insurance Company Releasing Parties.

6. CONSIDERATION ACKNOWLEDGED

- 6.1 The Settling Parties acknowledge that the provisions of this Agreement provide mutually sufficient consideration for any and all rights, duties, or obligations created in the provisions of this Agreement. The Settling Parties have made no agreement or promise to do any act or thing not set forth in this Agreement.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Settling Parties expressly represent that the purpose of this Agreement is to compromise doubtful and disputed Claims in which liability is expressly denied. This

Agreement will not be deemed to constitute an admission of liability or of the validity of any Claim, or of the truth of any allegation, all of which are expressly denied.

- 7.2 The Settling Parties expressly represent that they have had an opportunity and have the means to have had this Agreement reviewed by legal counsel of their own choosing.
- 7.3 The Settling Parties further represent that their attorneys have fully explained the terms of this Agreement to them and they have carefully read and fully understand this Agreement.
- 7.4 The Settling Parties further represent that they are completely satisfied with the advice and assistance of their legal counsel.
- 7.5 The Settling Parties further represent that they have not assigned, conveyed, or encumbered in any way, or agreed to assign, convey, or encumber in any way, any of their interests in any of the Claims released herein.
- 7.6 Each Settling Party represents that no consent, approval, authorization, or order of any governmental authority, person, or entity, except as provided in Section 4, is required for the execution, delivery, and performance of this Agreement.
- 7.7 Each Settling Party represents that it has the power and authority to enter into this Agreement and the documents delivered pursuant to same to which it is a party, and that the person or entity acting on behalf of the Settling Party in executing this Agreement has the authority to do so.
- 7.8 The Settling Parties represent that they have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Settling Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Settling Party by virtue of the authorship of any of the provisions of this Agreement.

8. AGREEMENT BINDING ON PARTIES, SUCCESSORS, AND ASSIGNS

- 8.1 This Agreement shall be binding upon and shall inure to the benefit of the Settling Parties and their respective past, present, and future officers, directors, owners, shareholders, members, agents, partners, parent companies, subsidiaries, underwriters, reinsurers, related entities, affiliates, employees, representatives, attorneys, trusts, trustees and estates, executors, administrators, predecessors, successors, relations by blood and marriage, beneficiaries, heirs, assigns, and all persons, natural and corporate, in privity with them.

9. NOTICE

- 9.1 Any notice, demand, or information required or permitted to be given to the respective Settling Parties pursuant to the terms and conditions of this Agreement, if any, must be in writing. Such notice may be given by messenger, facsimile, Federal Express (or other commercial air carrier), or United States mail. Notice shall be deemed given under the

respective service methods within the following time periods, but actual notice however given or received shall always be effective:

- 9.1.1 Mail—three (3) business days after the deposit in the U.S. mails, certified or registered mail, return receipt requested, adequate postage prepaid, addressed to the parties at the addresses given below. Rejection or other refusal to accept or the inability to deliver because of a change of address of which no proper notice was given shall be deemed receipt of notice;
- 9.1.2 Federal Express (or other commercial air carrier)—two (2) business days after being deposited with such carrier;
- 9.1.3 Facsimile—at the time stated on the confirmation of the facsimile transmission; and
- 9.1.4 Messenger—upon delivery to the person at the address specified below.

By giving at least ten (10) days written notice, any Settling Party shall have the right from time to time and at any time while this Agreement is in effect to change its respective address or fax number and each shall have the right to specify a different address or fax number within the United States of America.

If to the Receiver:

Thomas L. Taylor III, Receiver
THE TAYLOR LAW OFFICES, P.C.
4550 Post Oak Place Dr., Suite 241
Houston, Texas 77027

Telephone No.: (713) 626-5300

Facsimile No.: (713) 402-6154

If to the Insurance Company:

Chartis Claims, Inc.
Financial Lines Claims
P.O. Box 29547
Shawnee Mission, KS 66225

Ref. Claim No. 550-002029

With a copy to
Susan Abbott Schwartz
Henslee Schwartz LLP
8150 N. Central Expressway
Suite 950
Dallas, Texas 75206

Telephone No.: (214) 239-7900
Facsimile No.: (214) 239-7999

10. ENTIRE AGREEMENT

10.1 This Agreement represents the entire agreement between the Settling Parties with respect to the matters referred to herein, and supersedes all prior agreements, negotiations, or statements, all of which are deemed merged into this Agreement, and shall not be modified or affected by any offer, proposal, statement, or representation, either oral or written, heretofore made by or for any Settling Party in connection with the negotiation of the terms hereof. No Settling Party has any obligation to any other Settling Party other than those contained in this Agreement, and this Agreement may not be modified or amended except in writing executed by all of the Settling Parties.

10.2 If any provision of this Agreement is or may be held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless survive and continue in full force and effect without being impaired or invalidated in any way.

11. EACH PROVISION HEREIN IS MATERIAL

11.1 Each of the promises, conditions, and terms set forth herein, including without limitation the releases contained in Section 5 of this Agreement, are essential to this Agreement. Breach of any such promise, condition, or term shall be a material breach of this Agreement.

12. GOVERNING LAW

12.1 The interpretation, validity, and enforceability of this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the choice of law or conflict of laws rules of Texas or any other jurisdiction.

13. COUNTERPARTS

13.1 This Agreement may be executed in any number of original or facsimile counterparts, each of which shall be deemed an original for all purposes, and all of which constitute, collectively, one instrument.

14. HEADINGS

The headings herein are for convenience only and shall not be deemed a part hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Settling Parties have signed and acknowledged this Agreement below.



Thomas E. Taylor III

In his capacity as Receiver for 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

Date: 1/29/13

Chartis Claims, Inc.
a New York corporation

By: MARK C. SCHIAVI

Name: Mark C. Schiavi

Title: Authorized Representative

Date: 2/14/13

VERIFICATION

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared Thomas L. Taylor, III, in his capacity as Receiver for 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, known to me to be the person who executed the foregoing instrument who, after being duly sworn by me, did upon oath depose and state that he is fully competent and duly authorized to make this Verification and acknowledged to me that he executed it for the purposes and considerations expressed in it, in the capacities therein stated.

Given under my hand and seal of office this 29th day of January, 2013.



[Signature]
Notary Public in and for the
State of Texas

My Commission Expires: 2/25/14

VERIFICATION

THE STATE OF New Jersey §
§
COUNTY OF Union §

Before me, the undersigned authority, on this day personally appeared Mark Schiavi, of Chartis Claims, Inc., a New York corporation, known to me to be the person who executed the foregoing instrument who, after being duly sworn by me, did upon oath depose and state that he is fully competent and duly authorized to make this Verification and acknowledged to me that he executed it for the purposes and considerations expressed in it, in the capacities therein stated.

Given under my hand and seal of office this 14 day of February, 2013.

[Signature]
Notary Public in and for the
State of New Jersey

My Commission Expires: 3/26/16

LORA J. CAMPOREALE
NOTARY PUBLIC OF NEW JERSEY
ID # 2187586
My Commission Expires Mar. 26, 2016