

**SETTLEMENT AGREEMENT  
AND SPECIAL RELEASE OF ALL CLAIMS**

This Settlement Agreement and Special Release of Some Claims (the "Agreement") is entered into by and between Robert G. Wing, federal court-appointed Receiver (the "Receiver") for the consolidated receivership estates of VesCor Capital Corp., VesCor Capital, Inc., VesCorp Capital, LLC, VesCorp. Capital IV -A, LLC and VesCorp Capital IV -M, LLC (collectively the "VesCor Entities") and Gamett & King, a Nevada Professional Corporation, Bruce Gamett, an individual, Shawn D. King, an individual, and Jared E. Shafer, an individual ("Defendants").

The Receiver and Defendants hereby agree as follows:

**RECITALS**

WHEREAS, Receiver asserts that certain funds received by Defendants from the VesCor Entities or its affiliated entities as payments for referral of investors were tainted by having been obtained through illegal business activities in which Southwick and the VesCor Entities were involved; and that such payments received constituted illegal transfers of monies improperly obtained by Southwick and/or the VesCor Entities through violations of state and/or federal securities laws, and through Southwick's operation of a classic "Ponzi scheme" in the course of the business activities of the VesCor Entities during the period in which the payments to Defendants were made. The Receiver asserts that the payments are therefore recoverable by the Receiver from Defendants, in that the payments allegedly constituted transfers of funds illegally obtained by Southwick or the VesCor Entities, and were transfers made by Southwick and/or the VesCor Entities with the actual intent to hinder, delay and defraud Southwick's or the VesCor Entities' creditors, to the detriment of those creditors and in violation of applicable state and federal securities and other laws; and,

WHEREAS, Defendants affirmatively assert that: (a) any such payments received by Defendants from Southwick or the VesCor Entities were proper transfers and received by Defendants in good faith; (b) Defendants did not knowingly receive any funds constituting allegedly improper or illegal conveyances or transfers under applicable state or federal securities or other applicable law, or which were derived through purported improper or illegal business activities by the donors; (c) Defendants had no knowledge of Southwick's or the VesCor Entities' alleged securities fraud or any purported efforts to hinder, delay or defraud creditors of Southwick or the VesCor Entities, or of any of such party's purported involvement in any improper or illegal business activities; (d) the Receiver's claims are without legal or factual merit; and (e) Defendants are entering into this Agreement solely because they recognize the cost of litigating this matter would be greater than the payment of the settlement price; and,

WHEREAS, in February, 2008, the United States Attorney for Utah, acting on behalf of the U.S. Securities and Exchange Commission, filed a civil action entitled *Securities and Exchange Commission vs. VesCor Capital, Val Southwick, et. al.*, filed as Case No. 1:08cv00012 (the "Federal Civil Action") in the U.S. District Court for the District of Utah (the "Federal Court"), asserting multiple counts of securities fraud by Southwick and entities under his control, and seeking an order, *inter alia*, requiring the VesCor Entities and Southwick to disgorge all ill-gotten gains received during

the period of violative conduct by the VesCor Entities and Southwick;

WHEREAS, the Receiver was subsequently appointed in the context of the Federal Civil Action; and,

WHEREAS, in February, 2008, the Utah State Attorney General's Office, acting on behalf of the Utah State Securities Division, filed a nine-count criminal action entitled *State of Utah vs. Val Edmund Southwick*, filed as Case No. 081900871 in Third Judicial District Court for Salt Lake County, State of Utah (the "State Criminal Action"). Following the filing of the State Criminal Action, Southwick negotiated with the Attorney General's office, and in March, 2008, plead guilty to all nine counts of criminal securities fraud asserted against him in the State Criminal Action; and,

**WHEREAS, VesCor Entities records reflect that Defendants received payments from the VesCor Entities for the referral of investors ("The Payments") totaling \$61,412.11;**

WHEREAS, the Receiver and Defendants desire to fully and completely settle and resolve any and all claims or demands as to the Receiver's claims for reimbursement of The Payments, which have been or may be asserted by the Receiver against Defendants;

NOW, THEREFORE, in consideration of the foregoing, it is hereby agreed as follows:

1. **Specific and Partial Release.** In consideration of and based upon the Receiver's timely receipt of the Settlement Payment made by Defendants as described herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Receiver hereby irrevocably and completely releases and forever discharges Defendants from any and all claims, demands, interests, actions, causes of action, losses or other rights arising out of The Payments. The Receiver specifically reserves the right to file and maintain all claims and causes of action against Defendants other than those which are specifically resolved by this Agreement. Defendants agree and understand that the release contained in this Agreement is a partial release, relating only to the claims specifically identified in this Agreement. This Agreement shall be a fully binding settlement among all parties to this Agreement.
2. **Settlement Payment; Timing of Payment.** Defendants agree to voluntarily pay the sum of \$40,000.00 (the "Settlement Payment") to the Receiver, in full settlement and satisfaction of any and all potential claims described or referenced in this Agreement. Upon execution of this Agreement by all parties, payment of the Settlement Payment is to be made to the Receiver c/o the law offices of Prince, Yeates & Geldzahler, City Centre I, Suite 900, 175 East 400 South, Salt Lake City, Utah 84111, within ten (10) days of the final approval of this Agreement by the Federal Court.
3. **Adequate Consideration; No Admission of Liability.** The Receiver agrees and acknowledges that he accepts the Settlement Payment set forth in this Agreement as the full, adequate, complete, final and binding compromise and settlement of all matters raised in the Receiver's requests or demands for disgorgement of the payments made to Defendants and involving the issues described in this Agreement. The parties to this Agreement agree that payment of the Settlement Payment by Defendants

to the Receiver is not and shall not be considered an admission of any kind by Defendants of any liability or wrongdoing, past or present, such liability or wrongdoing being hereby specifically denied; nor shall any such liability or wrongdoing be implied by the payment of the Settlement Payment.

4. **Future Cooperation.** All parties agree to cooperate fully, to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

5. **Reliance on Advice of Independent Counsel.** This Agreement has been negotiated by the respective parties through their own independent, competent counsel. Defendants represent that they have relied upon the advice of counsel, who are attorneys of Defendants' own choice, and that they have completely read and had explained to them the terms of this Agreement, and that they fully understand and voluntarily accept these terms. Defendants warrant and represent that no promise, inducement or agreement not herein expressed has been made to them, and that the terms of this Agreement are contractual and not mere recitals.

6. **Enforcement of This Agreement.** The parties hereby agree that, in the event of a default under the terms of this Agreement by any party to the Agreement, the defaulting party shall be liable and hereby agrees to pay all legal expenses, including all reasonable attorney's fees, incurred by the non-defaulting party in enforcing the terms of this Agreement. The Receiver's breach of this Agreement shall not, however, revive or reinstate any of the claims or cause(s) of action released hereby, any and all such claims or causes of action having been specifically released by the Receiver pursuant to this Agreement.

7. **Authorized Signatures.** The parties to this Agreement each represent and warrant that the person executing this Agreement on behalf of each respective party has the authority to act on behalf of and bind the respective party. Provided, however, in the case of the Receiver, the parties acknowledge that this Agreement is subject to notice to parties in interest in the Federal Civil Action and Federal Court approval.

8. **Entire Agreement; Severability.** This Agreement contains the entire agreement between the Receiver and Defendants with regard to the matters set forth herein. There are no other understandings or agreements, verbal or otherwise, between the parties relating to the subject matter hereof, except as are expressly set forth herein. In the event any portion of this Agreement is held invalid or unenforceable, that portion shall be deemed severed from the balance of the Agreement, and shall not affect the validity and enforceability of the remainder of the Agreement.


9. **Controlling Law; Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Utah. Any legal action brought by any party to this Agreement to enforce its rights hereunder shall be brought in the Federal Court.

10. **Execution in Counterparts.** This Agreement may be executed in separate, duplicate originals, which, when taken together, shall constitute one, original Agreement.

11. **Confidentiality.** The parties to this Agreement shall keep the terms of this Agreement confidential and further agree not to issue any press release or make any general public statements concerning the respective allegations and/or defences set forth in this Agreement or the terms of settlement contained herein. The parties understand and agree that the Receiver, his counsel, or any other individual representing the Receiver in this matter may reveal the amount of the settlement to the United States District Court for the District of Utah, or to any other court or other tribunal requiring such disclosure, and such disclosure shall not be grounds for default under this Agreement. The parties further understand and agree that disclosure may occur for the purpose of compliance with federal, state, or other law, and that such disclosure shall not be grounds for default under this Agreement.

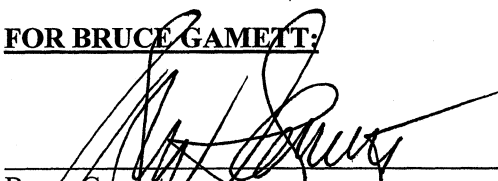
IN WITNESS WHEREOF, the parties have executed this Agreement effective the dates set forth below.

**FOR GAMETT & KING:**

  
\_\_\_\_\_  
Its: President

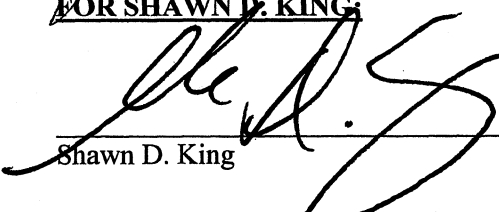
Dated: 7/23/09

**FOR BRUCE GAMETT:**

  
\_\_\_\_\_  
Bruce Gamett

Dated: 7/23/09

**FOR SHAWN D. KING:**

  
\_\_\_\_\_  
Shawn D. King

Dated: 7/23/09

**FOR JARED E. SHAFER:**

\_\_\_\_\_  
Jared E. Shafer

Dated: \_\_\_\_\_

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\_\_\_\_\_ Dated: \_\_\_\_\_  
Its: \_\_\_\_\_

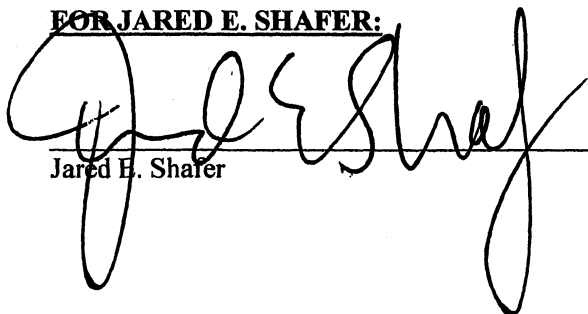
**FOR BRUCE GAMETT:**

\_\_\_\_\_ Dated: \_\_\_\_\_  
Bruce Gamett

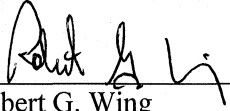
**FOR SHAWN D. KING:**

\_\_\_\_\_ Dated: \_\_\_\_\_  
Shawn D. King

**FOR JARED E. SHAFER:**

 \_\_\_\_\_ Dated: 7-23-09  
Jared E. Shafer

**FOR THE RECEIVER:**



Robert G. Wing  
Receiver for the VesCor Entities

Dated: AUGUST 26, 2009