

The Court finds it has jurisdiction over the parties hereto and the subject matter herein. The Court further finds this Agreed Permanent Injunction Order and Final Judgment (“Agreed Order”) to be proper, necessary, and in the best interest of justice.

I.
Stipulations

The State of Texas, James Parties and Beste stipulate to the following:

1.1 The Court has jurisdiction over the James Parties and Beste and the subject matter of this action.

1.2 The State of Texas is duly authorized to bring these causes of action pursuant to state law.

1.3 The parties hereto waive the entry of Findings of Fact and Conclusions of Law under Rule 296 of the Texas Rules of Civil Procedure with respect to the entry of this Agreed Order.

1.4 This Agreed Order complies with all of the statutory, jurisdictional and procedural requisites for entry and enforcement.

1.5 In connection with the entry and any enforcement of this Agreed Order, the James Parties and Beste hereby waive Texas Rules of Civil Procedure 63, and 683 through 689.

1.6 The James Parties and Beste hereby agree to the following: the continuation of the Appointment of Espinosa as the Receiver of RV; the continuation of Mortensen as the Special Receiver of RV; and the continuation of Taylor as the Receiver of HCF. Further, the James Parties and Beste permanently waive any motion or any other action to set the foregoing appointments aside.

1.7 All parties hereto agree to the terms of this Agreed Order, request the Court to approve it, and waive the right to appeal its validity.

1.8 The State of Texas does not waive its right to demand additional enforcement of the laws and regulations of the State of Texas or the United States, except with regard to any claims, demands, actions, debts, accounts, rights, liabilities, damages, losses, judgments, liens, costs, expenses, attorneys’ fees and causes of action of any nature, both past, present, and future, known and unknown, accrued and unaccrued, foreseen and unforeseen, asserted and not asserted, discovered or not discovered whether at law, in equity or otherwise, either direct or consequential, which the State of Texas has or has ever had or may now have against the James Parties and Beste that were brought and/or that could have been brought in the Lawsuit, and that arise out of all operations and activities of RV or HCF. Further, the State of Texas’s release is expressly conditioned upon performance by the James Parties and Beste of the obligations set out in the Settlement Agreement.

1.9 This Agreed Order is part of a settlement and compromise of a disputed claim or claims and shall not be deemed or construed at any time or for any purpose to be an admission

by the James Parties or Beste of any violation of any right, contract, statute, or common law or of any liability or wrongdoing. The James Parties and Beste vigorously dispute all claims that have been asserted against them and maintain that those claims have no basis in fact or law.

1.10 The James Parties' and Beste's agreement to any provision of this Agreed Order is expressly made contingent upon the release of claims by Plaintiffs more fully described in the Settlement Agreement and Release of Claims.

The court finds that further notice of hearing for the entry of this Agreed Order need not be given; that the Court has been fully advised of the premises; and that there is no just reason for delay.

II. **Permanent Injunction Order**

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Clerk of this Court shall issue a Permanent Injunction against the persons and entities named below, but that this Agreed Order shall have the following force and effect on the persons identified below, even without such issuance.

TO: Defendants **JAMES SETTLEMENT SERVICES, LLC, RONALD JAMES, DONALD JAMES and MICHAEL BESTE**, their employees, agents, representatives, and others acting in concert with them who receive actual notice of the Court's order by personal service facsimile transmission, or otherwise, are hereby **COMMANDED** and **ORDERED** as follows:

Each of you is hereby **RESTRAINED** and **ENJOINED** from taking any and all of the following actions:

2.1 **Selling securities.** Promoting, issuing, selling, offering for sale, negotiating for sale, advertising, soliciting, dealing in or distributing any securities in or from Texas, in any way and by any manner or means, either directly or indirectly through investment advisors, investment advisor representatives, agents, "licensees", servants, officers, directors, shareholders, employees, representatives, or any other entity acting for them or on their behalf without complying with the securities registration requirements found in the Texas Securities Act;

2.2 **Acting as an agent, dealer or salesman.** Promoting, issuing, selling, offering for sale, negotiating for sale, advertising, soliciting, holding seminars, dealing in or distributing any securities in or from Texas, in any way, and by any manner or means, either directly or indirectly through agents, "licensees," servants, officers, directors, shareholders, employees, representatives, or any other entity acting for them or in their behalf, without complying with all dealer and salesman registration requirements of the Texas Securities Act;

2.3 **Engaging in fraud.** Engaging in fraud or fraudulent practices in connection with the offer for sale or the sale of securities in or from Texas including without limitation, investments in viatical settlement contracts or life settlement contracts or other similar

investments predicated upon the proceeds of life insurance policies, in the State of Texas; said fraud including, but not limited to: (i) the making of any misrepresentation, in any manner, of a relevant fact; (ii) the making of any promise or representation or prediction as to the future not made honestly and in good faith; (iii) the intentional failure to disclose a material fact; (iv) the gaining, directly or indirectly, through the sale of any security, of an underwriting or promotion fee or profit, selling or managing commission or profit, so gross or exorbitant as to be unconscionable; (v) the making of an offer containing a statement that is materially misleading or is otherwise likely to deceive the public; and (vi) materially aiding, with intent to deceive or defraud or with reckless disregard for the truth or the law, any person who in any way is participating in fraudulent practices.

2.4 Offering, soliciting, negotiating, procuring, selling or effectuating life settlements in Texas without being registered with the Texas Department of Insurance.

2.5 Offering participation agreements and/or loan agreements, which promise the payment of money or thing of value conditioned on the cessation of human life, in or from Texas without proper registration or licensing.

2.6 Directly or indirectly doing an act that constitutes the "business of insurance" in or from Texas, as that term is defined by section 101.051 of the Texas Insurance Code, except as expressly authorized by statute.

2.7 Using a life expectancy certificate in connection with the sale or re-sale of any life settlement in Texas, from any company that is not registered with the Texas Department of Insurance.

2.8 Engaging in false, misleading or deceptive acts or practices in connection with the sale of securities, the "business of insurance" (as that term is defined in the Texas Insurance Code), or the sale or resale of life settlements or viaticals in or from Texas as provided below:

- (a) Causing confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services,
- (b) Causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another,
- (c) Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection which he or she does not have,
- (d) Representing that goods or services are of a particular standard, quality of grade if they are of another,
- (e) Representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law, and

- (f) Failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed.

2.9 Committing fraudulent and dishonest acts and/or engaging in unfair or deceptive acts or practices in the "business of insurance" (as that term is defined in section 101.051(b) of the Texas Insurance Code) in or from Texas by failing to disclose material facts to insureds and insurers.

2.10 Committing fraudulent and dishonest acts and/or engaging in unfair or deceptive acts or practices in connection with the sale or re-sale of a life settlement in or from Texas by failing to disclose material facts to the purchaser.

2.11 For purposes of this Agreed Order, the following words, terms and phrases shall be given the meaning as follows:

- (a) "Security" or "securities" shall include any limited partner interest in a limited partnership, share, stock, treasury stock, stock certificate under a voting trust agreement, collateral trust certificate, equipment trust certificate, preorganization certificate or receipt, subscription or reorganization certificate, note, bond, debenture, mortgage certificate or other evidence of indebtedness, any form of commercial paper, certificate in or under a profit sharing or participation agreement, certificate or any instrument representing any interest in or under an oil, gas or mining lease, fee or title, or any certificate or instrument representing or secured by an interest in any or all of the capital, property, assets, profits or earnings of any company, investment contract, or any other instrument commonly known as a security, whether similar to those herein referred to or not.
- (b) "Dealer" shall include every person or company other than an agent, who engages in this State either for all or part of his or its time, directly or through an agent, in selling, offering for sale or delivery or soliciting subscriptions to or orders for, or undertaking to dispose of, or to invite offers for any security or securities and every person who deals in any other manner in any security or securities within this State. Any issuer other than a registered dealer of a security or securities, who, directly or through any person or company, other than a registered dealer, offers for sale, sells or makes sales of its own security or securities shall be deemed a dealer; provided, however, this section or provision shall not apply to such issuer when such security or securities are offered for sale or sold either to a registered dealer or only by or through a registered dealer acting as fiscal agent for the issuer.

- (c) "Agent" shall include every person or company employed or appointed or authorized by a dealer to sell, offer for sale or delivery, or solicit subscriptions to or orders for, or deal in any other manner, in securities within this State, whether by direct act or through subagents; provided, that the officers of a corporation or partners of a partnership shall not be deemed agents solely because of their status as officers or partners, where such corporation or partnership is registered as a securities dealer under the Texas Securities Act.
- (d) "Investment adviser" shall include a person who, for compensation, engages in the business of advising another, either directly or through publications or writings, with respect to the value of securities or to the advisability of investing in, purchasing, or selling securities or a person who, for compensation and as part of a regular business, issues or adopts analyses or a report concerning securities.
- (e) "Investment adviser representative" or "representative of an investment adviser" shall include each person or company who, for compensation, is employed, appointed, or authorized by an investment adviser to solicit clients for the investment adviser or who, on behalf of an investment adviser, provides investment advice, directly or through subagents, to the investment adviser's clients. The term does not include a partner of a partnership or an officer of a corporation or other entity that is registered as an investment adviser under the Texas Securities Act solely because of the person's status as an officer or partner of that entity.
- (f) "Sale", "offer for sale", or "sell" shall include every disposition, or attempt to dispose of a security for value in or from Texas. The term "sale" means and includes contracts and agreements whereby securities are sold, traded or exchanged for money, property or other things of value, or any transfer or agreement to transfer, in trust or otherwise. Any security given, or delivered with, or as a bonus on account of any purchase of securities or other thing of value, shall be conclusively presumed to constitute a part of the subject of such purchase and to have been sold for value. The term "sell" means any act by which a sale is made, and the term "sale" or "offer for sale" shall include a subscription, an option for sale, a solicitation of sale, a solicitation of an offer to buy, an attempt to sell, or an offer to sell, directly or by an agent, by a circular, letter, or advertisement or otherwise, including the deposit in a United States Post Office or mail box or in any manner in the United States mails within this State of a letter, circular or other advertising matter. Nothing herein shall limit or diminish the full meaning of the terms "sale," "sell" or "offer for sale" as used by or accepted in courts of law or equity. The sale of a security under conditions which entitle the purchaser or subsequent holder to exchange the same for, or to purchase some other security, shall not be deemed to be a sale or offer for sale of such other security; but no exchange for or sale of such other security shall ever be made unless and until the sale thereof shall

have been first authorized in Texas under the Securities Act, if not exempt thereunder, or by any other provisions of law.

- (g) "Issuer" shall mean and include every company or person who proposes to issue, has issued, or shall hereafter issue any security.

2.12 This injunction is enforceable to the fullest extent of the Travis County district court's personal and subject-matter jurisdiction and the statutory enforcement authority of the Texas Attorney General, the Texas State Securities Board and the Texas Department of Insurance; provided, however, that this injunction is not intended to, and does not, enlarge the jurisdiction of the district court or the enforcement powers of those state agencies.

2.13 **Interfering with investigation.** Unlawfully obstructing, unlawfully hampering, unlawfully seeking to delay, or unlawfully interfering in any manner with any investigation of the sale of securities by RV, or HCF, or any of its agents, or its "licensees," conducted pursuant to the lawful authority of the Texas State Securities Board, the Office of the Texas Attorney General, the RV Receivers, or the HCF Receiver, or any other Texas law enforcement or Texas governmental authority.

2.14 **Scope of Injunctive Relief.** Provided however, nothing in this permanent injunction is intended to prohibit the James Parties or Beste from promoting, issuing, selling, offering for sale, negotiating for sale, advertising, soliciting, dealing in or distributing any securities, including, investments in viatical settlement contracts or life settlement contracts or other similar investments predicated upon the proceeds of life insurance policies so long as such action is in compliance with this Agreed Order, the Texas Securities Act and any other State or federal law.

III. Civil Fines and Civil Penalties

Conditioned upon performance by the James Parties and Beste of their obligations under the Settlement Agreement, the State of Texas waives the right to obtain a judgment against them, or any one of them, for any civil fines or civil penalties for any conduct relating to the State's Fifth Amended Petition and the causes of action therein. The State's waiver herein of civil fines and civil penalties does not apply to anyone other than the James Parties and Beste, and in no way does such waiver affect the State's right to pursue civil fines, civil penalties, damages, or other sums from any agents who offered for sale or sold the investments in viatical settlement contracts or life settlement contracts or other similar investments predicated upon the proceeds of life insurance policies, issued by, for or on behalf of RV or HCF; from any officer, manager, employee or owner of RV or HCF; from any person controlled by, controlling, subject to common control with acting in concert with RV or HCF; or from any person doing business with or having done business with RV or HCF, other than the James Parties and Beste.

IV.
General Provisions

4.1 This order may be executed in multiple parts, which together shall constitute a single original instrument. Any executed signature page to this order may be transmitted by facsimile or electronic transmission to the other parties, which shall constitute an original signature for all purposes.

4.2 Each of the undersigned representatives of the parties to this order certifies that he or she is fully authorized to enter into the terms and conditions of the order and to legally execute and bind that party to this order.

4.3 There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Agreed Order pursuant to Rule 301 of the Texas Rules of Civil Procedure.

V.
Other Orders; Beste Claims

IT IS FURTHER ORDERED that no bond is required of the State of Texas pursuant to TEX. GOV'T CODE § 6.001, and that this Agreed Permanent Injunction Order and Final Judgment as to the James Parties and Beste shall issue and be effective immediately.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Agreed Order shall be binding on the James Parties and Beste.

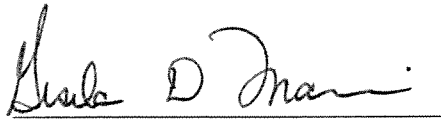
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the State have all orders necessary to enforce this Agreed Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Beste's claims against the State of Texas, its agencies and agents are hereby dismissed.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all costs are taxed against the party incurring same, for which no execution shall issue, said costs having been paid.

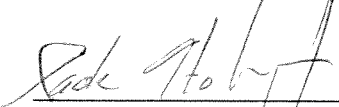
All relief sought by the State of Texas against the James Parties and Beste not expressly granted herein is denied.

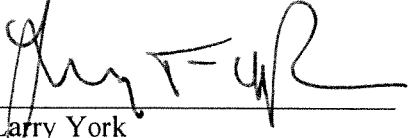
SIGNED this the 25 day of April, 2013.




The Honorable Gisela D. Triana
Judge Presiding

APPROVED & ENTRY REQUESTED BY:

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