

**SETTLEMENT AGREEMENT**

**Among  
Puttman & Teague, LLP, Elaine Teague, John Puttman  
And  
Stephen T. Bobo, Equity Receiver for Equity Financial Group, LLC**

This settlement agreement ("AGREEMENT") is entered into as of \_\_\_\_\_, 2006 among Puttman & Teague, LLP, Elaine Teague, John Puttman and Stephen T. Bobo, not individually, but as Equity Receiver for Equity Financial Group, LLC ("Equity"), managing member of Shasta Capital Associates, LLC ("Shasta") (collectively, "the Receiver").

**RECITALS**

A. **WHEREAS**, on April 1, 2004, the Commodity Futures Trading Commission (the "CFTC") filed a complaint in the United States District Court For the District of New Jersey, Camden Vicinage (the "Court"), entitled Commodity Futures Trading Commission v. Equity Financial Group, LLC. et al., Civil Action No. 04 CV 1512 ("the CFTC Litigation"), naming Equity as a defendant;

B. **WHEREAS**, Equity is a New Jersey limited liability company that, from approximately July 2001 through the present, is the manager of Shasta, a Delaware limited liability company that pooled the funds invested by its members for trading in commodity futures contracts through Tech Traders, Inc.;

C. **WHEREAS**, on the day that the CFTC filed the CFTC Litigation, the Court entered a Statutory Restraining Order and Order Appointing Stephen T. Bobo as Equity Receiver for the purpose of "marshalling, preserving, accounting for and liquidating assets" of the defendants and ordered him to "[i]nitiate ... or become party to any actions or proceedings ... necessary to preserve or increase the assets of the Defendants."

D. **WHEREAS**, from approximately July 2001 through April 1, 2004, Equity, and/or Shasta, retained Elaine Teague, John Puttman and P&T (together "TEAGUE") to provide certain accounting services, and TEAGUE provided such accounting services during that period in connection with Shasta's investment with Tech Traders, Inc. for purposes of commodity futures trading;

E. **WHEREAS**, the Receiver has determined that he may have claims against TEAGUE arising out of the conduct described in paragraph D above and TEAGUE denies that any such claims exist;

F. **WHEREAS**, the Receiver and TEAGUE (the "Settling Parties") enter into this Agreement in order to resolve all disputes, claims and causes of action that the Receiver has or may have against TEAGUE;

G. **WHEREAS**, the Settling Parties agree that nothing contained in this Agreement is to be construed as an admission of liability or fault on the part of any of the Settling Parties; and

H. **WHEREAS**, the Settling Parties acknowledge that nothing in this Agreement shall be effective until the Court in the CFTC Litigation approves its terms.

**NOW, THEREFORE**, in consideration of the promises, mutual promises, covenants, and considerations expressed in this Agreement, in exchange for good and valuable consideration more specifically set forth in this agreement the receipt and sufficiency of which is hereby acknowledged, and incorporating recitals A-H, the Settling Parties agree as follows:

**AGREEMENT**

1. **NO ADMISSIONS OF LIABILITY.** Each party agrees that this Agreement has been executed only for purposes of settlement and shall not be deemed or construed as an admission or concession of liability or wrongdoing on the part of any party.
2. **PAYMENT OF AMOUNT DUE.** Within 14 business days after being served with an order of the Court in the CFTC Litigation approving the terms of this agreement, TEAGUE will cause their insurer to pay the receivership estate \$700,000. Within 10 days of the execution of this Agreement by the settling parties, Teague's insurer shall provide a written confirmation of their obligation to pay the settlement amount pursuant to the terms of this Agreement.
3. **CONDITION PRECEDENT.** The effectiveness of this Agreement is expressly conditioned upon the Court in the CFTC Litigation entering an order approving this Agreement and barring Vincent Firth, Robert Shimer, Vernon Abernathy, Coyt Murray, Tech Traders and any investor who placed funds with Shasta for trading in commodity futures contracts through Tech Traders, Inc., together with their heirs, trustees, executors, administrators, legal representatives, agents, successor and assigns having notice or actual knowledge of this Agreement or the order of the Court approving it from commencing or continuing a claim of any kind and in any forum against TEAGUE that arises from or relates to Teague's accounting work on behalf of Equity and Shasta as described in Recital D above.

4. **RELEASE.** Upon this Agreement becoming effective, the Settling Parties hereby release each other from any and all claims, charges, demands, debts, sums of money, covenants, agreements, promises, liabilities, accounts, reckoning, obligations, actions and causes of action of every kind and nature whatsoever whether known or unknown that occurred before the execution of this Agreement, other than obligations set forth in this Agreement.
5. **COVENANT NOT TO EXECUTE.** The Receiver agrees that he will not execute on any money judgment he obtains against any party, other than a person subject to the bar order described in Paragraph 3 above, to the extent of the amount of any money judgment entered in that same litigation in favor of such party and against TEAGUE.
6. **COVENANT NOT TO SUE.** The Receiver covenants and agrees not to file any actions or proceedings against Teague based on any claims to which this Agreement applies. This covenant not to sue is intended to operate as a bar against any claims that third parties or subsequently named defendants might bring against TEAGUE for contribution. The Equity Receiver agrees to execute any documents or pleadings necessary to effectuate the functional equivalent of a covenant not to sue (as it exists under Oregon law) in connection with claims made under the laws of any other state.
7. **LIMITATION OF FUTURE CLAIMS.** The Receiver agrees to limit recoveries on any subsequent claims made against any potential defendant as follows: to the extent that the Receiver makes a claim against a defendant, other than a person

subject to the bar order described in Paragraph 3 above, who may have any rights against TEAGUE (including but not limited to rights of contribution or indemnity), the Receiver agrees to limit recoveries on a claim against such a defendant to that defendant's proportionate share of liability and the fault of others for whom that defendant may be liable, but specifically excluding any share of liability that would be attributable to TEAGUE.

8. **OTHER SETTLEMENTS.** The Equity Receiver agrees that any other settlement obtained with any person or entity, other than a regulatory or criminal enforcement agency or a person subject to the bar order described in Paragraph 3 above, of claims relating in any way to the allegations asserted against TEAGUE, shall include a broad and comprehensive release by such settling party in favor of TEAGUE of any and all past, present and future claims, losses, damages, attorney fees and costs, disgorgement of fees, fines and penalties and claims for contribution or indemnification, whether accrued or not, whether already acquired or acquired in the future, whether known or unknown, and related to Equity, Shasta or any of the allegations against TEAGUE. To the extent that such an agreement is obtained, TEAGUE agrees to grant a reciprocal release to those settling parties to the full extent of the release granted to TEAGUE.

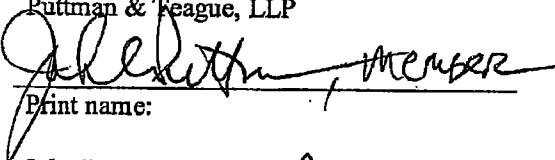
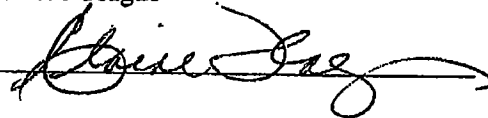
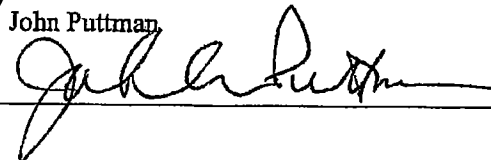
9. **CONFIDENTIALITY.** The settling parties and their representatives, agents and attorneys agree to keep the existence and terms of this agreement confidential, and not to otherwise publish or disclose same to any third party except as required by court order or other legal process, as well as any related notice of the settlement

terms given to Shasta investors and other parties in interest. Upon a party's receipt of notice that it may be compelled to publish or disclose the existence or terms of this agreement, such party shall give immediate notice to counsel for the other party of any such request, notice, subpoena, motion or other such notice and cooperate with efforts by that party to maintain confidentiality. However, the settling party shall be permitted to disclose the terms of this agreement to its accountants, auditors and lawyers, provided they agree to maintain confidentiality.

10. **RETENTION OF JURISDICTION.** In order to ensure a consistent venue for interpreting and ensuring compliance with the various provisions of this agreement, the parties agree that the Receiver shall request the Court to retain continuing and exclusive jurisdiction over this Agreement and the order approving it.
11. **MODIFICATIONS.** No modification of this Agreement shall be effective unless it is in writing duly signed by all the Settling Parties. The Settling Parties agree that any dispute arising under this Agreement shall be resolved by the Court and consent to the jurisdiction and venue of the Court for any action arising out of this Agreement.
12. **ENTIRE AGREEMENT.** The parties understand and acknowledge that this Agreement is made without reliance upon any statement or representation other than those expressly described in this Agreement.
13. **FEES.** The Settling Parties shall each bear their own costs and attorneys' fees.

14. **COUNTERPARTS.** This Agreement may be executed in counterparts with the same force and effect as if all signatures appeared on the same document.

The parties hereby enter this agreement as indicated by their signatures below.

	Puttman & Teague, LLP	Elaine Teague
By:	 member	
	Print name:	
	John Puttman	Equity Receiver
		
		Stephen T. Bobo, not individually but as Equity Receiver for Equity Financial Group, LLC