

Exhibit “1”

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement (“Agreement”) is entered into and is binding upon Michael J. Quilling, as Receiver for ABC Viaticals, Inc., et al., (the “Receiver”) on the one hand and Donald S. Kaplan, Services International Corporation, and Kaplan Investment Properties (collectively, “Kaplan”) on the other hand.

RECITALS

WHEREAS, the United States District Court for the Northern District of Texas appointed the Receiver by orders dated November 17, 2006 and December 4, 2006 (the “Receivership Order”) in *Securities and Exchange Commission v. ABC Viaticals, Inc., et al.*, Cause No. 3:06-CV-2136 (N.D. Tex.) (the “Receivership Proceedings”);

WHEREAS, the Receivership Order authorizes the Receiver to pursue claims for ABC Viaticals, Inc. and other related entities (collectively, “ABC”);

WHEREAS, Kaplan was a sales agent who recruited investors for ABC;

WHEREAS, ABC paid Kaplan at least \$1,200,890.92 in commissions;

WHEREAS, the Receiver alleges that Kaplan must disgorge all of those commissions under the Receivership Order;

WHEREAS, Kaplan denies some of the Receiver’s substantive allegations and disputes the Receiver’s claim for disgorgement;

WHEREAS, in an effort to resolve any and all disputes between them and to avoid further uncertainties, costs, and expenses of litigation and appeal, the Receiver has reached the following agreement with Kaplan.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver and Kaplan agree as follows:

1. **Court Approval.** This Agreement is expressly conditioned upon approval by the Court presiding over the Receivership Proceedings. It shall be deemed effective only after the Court enters a final order of approval from which no appeal lies.

2. **Settlement Payment.** Kaplan agrees to pay ONE HUNDRED AND SIXTY THOUSAND DOLLARS (\$160,000.00) in immediate good funds to the Receiver by February 27, 2009.

3. **Promissory Note.** Kaplan shall execute the promissory note attached as Exhibit A. In that note, Kaplan agrees to pay the Receiver a principal amount of TWENTY THOUSAND DOLLARS (\$20,000.00) plus FOUR PERCENT (4%) simple interest on or before January 31, 2010.

4. **Dismissal of Show Cause Motion.** The Receiver shall file a notice in the Receivership Proceedings withdrawing his Motion for Show Cause Hearing Regarding Commissions Paid to Donald S. Kaplan [Dkt. No. 44].

5. **Mutual Release of Claims.** Upon approval by the Court presiding over the Receivership Proceedings, the following releases shall become effective:

(a) **Receiver's Release:** Michael J. Quilling, as Receiver for ABC Viaticals, Inc., et al., hereby releases and discharges any and all claims, demands, debts, causes of action, contracts and liabilities of any kind or character, known or unknown, that he ever had or now has against Donald S. Kaplan, Services International Corporation, and Kaplan Investment Properties

except for the obligations in this Agreement.

(b) Kaplan's Release: Donald S. Kaplan, Services International Corporation, and Kaplan Investment Properties hereby release and discharge any and all claims, demands, debts, causes of action, contracts and liabilities of any kind or character, known or unknown, that they ever had or now have against Michael J. Quilling as Receiver for ABC Viaticals, Inc., et al., except for the obligations in this Agreement. Donald S. Kaplan, Services International Corporation, and Kaplan Investment Properties further agree to take no action, direct or indirect, to oppose or otherwise challenge any motion, application, or lawsuit filed by the Receiver in the Receivership Proceedings or related litigation.

6. Failure to Perform Shall Be Civil Contempt. Should Kaplan fail to perform obligations stated in this Agreement, it shall constitute civil contempt in violation of the Receivership Order and the Receiver may seek sanctions.

7. Kaplan's Representations. Kaplan represents and warrants that he provided true and accurate financial statements and supporting records to the Receiver while negotiating this Agreement. It is acknowledged that the Receiver relied upon those records in negotiating and signing this Agreement.

8. Entire Agreement. This Agreement comprises the entire agreement between Kaplan and the Receiver and there are no unwritten representations, agreements, understandings, or promises not expressly set forth herein.

9. Advice of Counsel. In negotiating this Agreement, Kaplan had the opportunity to consult with counsel of his choosing, has been fully advised by counsel as to the effect of each and every provision of this Agreement and its consequences, and has a full understanding of possible

possible courses of action other than signing this Agreement. After such advice, Kaplan freely and voluntarily enters into this Agreement.

10. **Full Authority to Contract.** Kaplan expressly represents that, to the extent successors, trusts, heirs, or other beneficiaries have any interest in the matters that are the subject of this Agreement, he is fully authorized to contract on their behalf and has complete authority to execute this Agreement with respect to those assets. This Agreement shall be binding upon Kaplan, his successors, trusts, heirs, other beneficiaries and all those who could make a claim by or through them. Kaplan further represents and warrants that this Agreement does not conflict with or violate, and its performance in accordance with its terms does not and will not conflict with or violate, any contract, agreement, legal instrument, judgment, order, or decree by which he is bound; and the only approval or consent of a third party or of any governmental or judicial authority or tribunal that is or will be needed to implement and perform this Agreement in strict accordance with its terms is that of the court overseeing the Receivership Proceedings.

11. **Jurisdiction.** This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. Any proceeding to enforce this Agreement or seek remedies for breach must be brought within the Receivership Proceedings.

[Signature Page to Follow]

Donald S. Kaplan

Date

Donald S. Kaplan for
Services International Corporation

Date

Donald S. Kaplan for
Kaplan Investment Properties

Date

Michael J. Quilling, Receiver for
ABC Viaticals, Inc., et al.

Date

EXHIBIT A

PROMISSORY NOTE

Payors: **Donald S. Kaplan**
Services International Corporation, a California Corporation
Kaplan Investment Properties, a California Limited Partnership

Payors' Mailing Address: **c/o Rick Baum**
11500 West Olympic Boulevard, Suite 400
Los Angeles, California 90064

Payee: **Michael J. Quilling, Receiver for ABC Viaticals, Inc., et al.**

Principal Amount: **Twenty Thousand Dollars (\$20,000.00)**

Instructions for Payment:

Payments made by mail are considered tendered when they arrive in the Payee's offices at 2001 Bryan Street, Suite 1800, Dallas, Texas 75201.

Payments made by wire transfer are considered tendered when they arrive in the Payee's account at Sovereign Bank in Dallas, Texas (acct. no. 45005972; ABA routing no. 1119249944).

Terms of Payment:

The undersigned jointly and severally promise to pay to the order of Michael J. Quilling the sum of TWENTY THOUSAND DOLLARS (\$20,000.00) plus FOUR PERCENT (4%) simple interest on or before January 31, 2010.

The Payors expressly waive protest, demand, presentment and notice of dishonor, and agree that this note may be extended, in whole or in part, without limit as to the number of such extensions or the period or periods thereof and without notice to the Payors and without affecting liability thereon.

If this note is placed in the hands of an attorney for collection, by suit or otherwise, or to enforce its collection, the undersigned Payors will pay all costs of collection and litigation, together with a reasonable attorney's fee.

Default:

The Payors shall be deemed in default if they fail to tender full payment on or before January 31, 2010. Upon default, the full unpaid balance becomes due immediately with interest accruing thereon at the highest lawful rate. At that time, Payee may file suit to recover any amounts owing under this note and the Payors expressly agree to pay all reasonable attorneys fees and costs incurred as a result.

Assignment:

The Payors may not assign their rights or obligations under this Promissory Note without the Payee's prior written consent.

EFFECTIVE THIS 31st DAY OF JANUARY, 2009.

By: Donald S. Kaplan

Michael J. Quilling, Receiver for
ABC Viaticals, Inc., et al.

By: Donald S. Kaplan
for Services International Corporation

By: Donald S. Kaplan
for Kaplan Investment Properties