

EXHIBIT A

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement (“Agreement”) is entered into and is binding upon the following parties (collectively, the “Settling Parties”):

1. Michael J. Quilling, as Receiver for ABC Viaticals, Inc. and other related entities;
2. Erwin & Johnson, LLP and Christopher R. Erwin;
3. Mills, Potoczak & Company; and
4. DMH Stallard and Christopher John William Stenning.

RECITALS

WHEREAS, the Securities and Exchange Commission filed a civil enforcement action against ABC Viaticals, Inc. and other related entities (collectively, “ABC”) in Civil Action No. 3:06-CV-2136, styled as *Securities and Exchange Commission v. ABC Viaticals, Inc., et al.*, in the U.S. District Court for the Northern District of Texas (the “Receivership Proceeding”).

WHEREAS, the U.S. District Court overseeing the Receivership Proceeding appointed Michael J. Quilling (“Receiver”) as the receiver for ABC and authorized him to pursue claims on behalf of the ABC receivership estate.

WHEREAS, the Receiver sued Christopher R. Erwin and Erwin & Johnson, LLP (collectively, “E&J”) in Civil Action No. 3:07-CV-1153-P, styled as *Michael J. Quilling, Receiver for ABC Viaticals, Inc. and Related Entities v. Erwin & Johnson, LLP and Christopher R. Erwin* in the U.S. District Court for the Northern District of Texas (the “Erwin Lawsuit”).

WHEREAS, E&J strenuously denies and objects to the Receiver’s allegations in the Erwin lawsuit.

WHEREAS, E&J filed third-party complaints in the Erwin Lawsuit against DMH Stallard and Christopher John William Stenning (collectively, “DMHS”) and Mills, Potoczak & Company

(“MPC”).

WHEREAS, to resolve the disagreements and uncertainties of litigation, the parties have agreed to the following settlement.

AGREEMENTS

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

1. **Court Approval.** This Agreement is expressly conditioned upon and shall only be effective on the date the U.S. District Court enters a final order in the Receivership Proceeding approving it (the “Effective Date”). The Settling Parties agree that this dispute was settled in good faith and that any claims for indemnity or contribution against the Settling Parties are barred pursuant to Texas Civil Practice and Remedies Code Sections 32 and 33. The Settling Parties further agree to seek a finding of good faith settlement and for any other such orders necessary to establish the Settling Parties’ defense against any such claims for contribution which might be brought by anyone whose claims are related to any claims in the Erwin Lawsuit.

2. **Receiver’s Amended Complaint.** The Receiver shall use his best efforts to file or obtain leave to file in the Erwin Lawsuit his Second Amended Complaint, which is attached as Exhibit 1.

3. **E&J Settlement Payment.** Within seven days after the Effective Date, E&J’s insurer shall deliver Two Million Dollars (\$2,000,000.00) to the Receiver by check made payable to Michael J. Quilling, Receiver.

4. **DMHS Settlement Payment.** Within seven days after the Effective Date, Travelers Insurance Company Limited, as insurer for DMHS shall deliver Two Hundred Fifty Thousand Dollars (\$250,000.00) (or the equivalent in Pound Sterling [ISO code: GBP]) to the Receiver by

check made payable to Michael J. Quilling, Receiver.

5. **Dismissal of Erwin Lawsuit.** Upon clearance and collection of E&J's and DMHS's settlement payments to the Receiver, the Receiver shall promptly file a motion for entry of the Agreed Order dismissing all claims asserted by the Receiver and asserted by E&J in the Erwin Lawsuit with prejudice and with each party to bear its own costs. A copy of the Agreed Order is attached as Exhibit 2.

6. **Fees and Expenses.** The Settling Parties shall bear their own costs, attorneys' fees, and all other expenses incurred as a result of the Erwin Lawsuit. No party will seek or be entitled to any discretionary costs or other awards from the Court.

7. **No Admission of Liability.** This Agreement is not an admission of liability by any party and shall not be construed as such. The Receiver acknowledges that E&J strenuously denies the Receiver's allegations and E&J acknowledges that MPC strenuously denies E&J's allegations. To resolve the uncertainty of litigation, and after investigation and a thorough analysis of the discovery exchanged to date, the Receiver elects to amend his complaint in the form attached as Exhibit 1 and the Settling Parties elect to settle all issues by, between, and among them.

8. **Mutual Release of Claims.** The Settling Parties agree to release, discharge, and forever hold the other Settling Parties harmless from any and all claims, demands or suits, known or unknown, fixed or contingent, liquidated or unliquidated, whether or not asserted in the above case, as of this date save and except existing or potential United Kingdom claims and non-ABC Viaticals, Inc. / Albatross Invest S.p.A. related claims including without limitation the United Kingdom action against DMHS brought by Christopher Erwin on behalf of ORCA Finance Trust. This mutual release runs to the benefit of all present and/or former attorneys, agents, employees, officers, directors, shareholders, and partners of the Settling Parties.

9. **Entire Agreement.** This Agreement compromises the entire agreement among the Settling Parties that addresses the Erwin Lawsuit and there are no unwritten representations, agreements, understandings, or promises not expressly set forth herein. This Agreement may be amended only by an instrument in writing, executed jointly by the Parties.

10. **Representations and Warranties.** The Settling Parties represent and warrant that upon the Effective Date:

a. they have the legal capacity, power, and authority to settle the Erwin Lawsuit and agree to the terms of the Mutual Releases of Claims in paragraph 8. Each Settling Party further warrants that their signatory is duly authorized and has the power to enter into, be bound by and sign this Agreement on the Settling Parties' behalf.

b. each Settling Party warrants that they have the legal capacity, power, and authority to enter into and perform all terms and conditions of this Agreement which constitute the voluntary, legal, valid, and binding obligation of said party; and

c. each Settling Party warrants that there has been no assignment, conveyance, encumbrance, or transfer by operation of law or otherwise of any claim, cause of action, right, or part thereof which any Settling Party has released pursuant to the Mutual Releases of Claims of Paragraph 8.

11. **Binding.** This Agreement shall be binding upon and inure to the benefit of the Settling Parties and their respective attorneys, agents, employees, representatives, heirs, successors, and assigns.

12. **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 Proceeding, if it is still pending, or in the U.S.

District Court for the Northern District of Texas. In the event that jurisdiction is not available in the U.S. District Court, then any action or proceeding arising out of or relating to this Agreement may be brought in any court located in Dallas, Texas. In the event that any Settling Party commences or prosecutes any claim, lawsuit, cause of action or proceeding which is barred by this Agreement in a venue which is outside of Dallas, Texas, the Settling Party seeking to enforce the terms of this Agreement shall be entitled to bring a proceeding to enforce this Agreement in any venue where jurisdiction is proper including, but not limited to, Dallas, Texas.

13. Construction. The Settling Parties have drafted this Agreement mutually, at arm's length, and with assistance of counsel. There shall be no construction, presumption, or burden of proof against any party based upon authorship of any part of this Agreement.

14. No Waiver. The waiver by any of the Settling Parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any Settling Party, nor shall any such waiver operate or be construed as a rescission of this Agreement.

15. Covenant Not to Sue. The Receiver and the ABC receivership estate for themselves and on behalf of their past or present partners, shareholders, members, predecessors, successors, assigns, officers, principals, and directors, hereby covenant and agree that they will not sue or pursue any claim against DMHS, including their respective agents, representatives, servants, employees, consultants, accountants, affiliates, heirs, successors, assigns, officers, directors, shareholders, insurers, underwriters, present and former partners, and attorneys with respect to any cause they may have had or may now have regarding any matter directly or indirectly related to the Receivership Proceeding or the Erwin Lawsuit.

16. Confidentiality. The terms of this Agreement are confidential to the Settling Parties,

their professional advisors, and their insurers and may not be disclosed to any third party unless the Settling Parties consent or the disclosure is ordered by a court, or as required by law. The Settling Parties acknowledge that the Receiver is required by law:

- a. to obtain the U.S. District Court's approval of this Agreement in the Receivership Proceeding; and
- b. to file in the Receivership Proceeding reports and accounts of receivership assets.

The Receiver may disclose this Agreement, its exhibits, and the amount recovered as part of his pleadings, reports, and accountings filed in the Receivership Proceeding.

17. Counterparts. This Agreement may be executed in counterparts and physical or electronic copies that, taken together, may be construed as a single document. Each counterpart shall be fully effective as an original after all parties have executed the Agreement and the U.S. District Court has entered a final order approving it in the Receivership Proceeding.

[Signature Page to Follow]

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

Date

Rick Johnson
for Erwin & Johnson, LLP

Date

Christopher R. Erwin
for Erwin & Johnson, LLP

Date

Christopher R. Erwin,
Individually

Date

William Potoczak
for Mills, Potoczak & Company

Date

Rhodri James
for DMH Stallard

Date

Christopher John William Stenning,
Individually

Date

EXHIBIT 1

2. Defendant Erwin & Johnson, LLP (“Erwin & Johnson”) is a limited liability partnership organized under the laws of the State of California and may be served with process at 2603 Main Street, Suite 1180, Irvine, California 92614.

3. Defendant Christopher R. Erwin (“Erwin”) is an individual and resident of the State of California and may be served with process at 2603 Main Street, Suite 1180, Irvine, California 92614.

Jurisdiction and Venue

4. This Court has jurisdiction over the subject matter of this action because the stated transactions involve Receivership Assets as described in the Court’s Order Appointing Receiver. That Order states that all disputes relating to Receivership Assets must be filed in this Court. Furthermore, this Court has subject matter jurisdiction, in personam jurisdiction, and in rem jurisdiction under 28 U.S.C. § 754, § 1692, and Fed. R. Civ. P. 4(k)(1)(D).

5. Venue for this action is proper in the Northern District of Texas because: (1) this action is ancillary to the United States Securities and Exchange Commission proceedings pending in this District; (2) the Receiver was appointed in this District; and (3) this action involves Receivership Assets within the meaning of the Order Appointing the Receiver, which requires that all such disputes be filed in this District.

Background Facts

6. On November 17, 2006, the United States Securities and Exchange Commission (“SEC”) initiated *SEC v. ABC Viaticals, Inc., C. Keith LaMonda, and Jesse W. LaMonda, Jr. Defendants, and LaMonda Management Family Limited Partnership, Structured Life Settlements, Inc., Blue Water Trust, and Destiny Trust, Relief Defendants*, Cause No. 3:06-CV-2136-P, (“SEC Proceedings”) and sought to have a Receiver appointed for the entities named in

that case. On November 17, 2006, the United States District Court for the Northern District of Texas entered an Agreed Order Appointing Receiver. On December 1, 2006, the Court issued an Order Modifying and Clarifying Agreed Order Appointing Receiver.

7. Those Orders appointed Quilling as Receiver for ABC Viaticals, Inc., numerous related entities, and a series of numbered trusts held for the benefit of ABC investors (collectively "ABC"). Before these proceedings, ABC was involved in what is generally known as the viatical business. In this instance, it is more accurately referred to as the life settlement business. In essence, ABC purchased insurance policies on the lives of third-party insureds. Fractionalized interests in those policies were then sold to investors. In theory, investor funds were used to cover the policy's purchase price, premium payments, ABC's sales commissions, operating expenses, trustee fees, and other costs. Investors were promised and expected to realize a return ranging from 30% to 150% from benefits paid when the insured died.

8. C. Keith LaMonda and Jesse W. LaMonda, Jr. previously operated a viatical company in Florida called Accelerated Benefits Corporation ("Accelerated Benefits") until state regulators forced it to cease operations there. The LaMondas then moved to Houston, Texas, and established ABC as a new and separate company. The LaMondas were convicted in a criminal proceeding in the United States District Court for the Middle District of Florida for mail fraud arising from the operation of Accelerated Benefits.

9. ABC retained the services of an independent trustee/escrow agent to handle all investor funds. The last in a series of trustees was Defendant Erwin & Johnson, who conducted its services through Defendant Erwin. Erwin has been a licensed attorney licensed in California since 2002 and currently has offices in Irvine, California.

10. When ABC acquired a third-party's life insurance policy, it transferred the ownership and beneficiary interest into a specific trust created to hold and administer that policy. ABC then sold fractionalized interests in each policy to its investors. In particular, ABC created the following trusts and designated Erwin & Johnson as the trustee for each:

1. 70084V Life Settlement Trust	26. 70046V Life Settlement Trust
2. 70094V Life Settlement Trust	27. 70048V Life Settlement Trust
3. 70083V Life Settlement Trust	28. 70050V Life Settlement Trust
4. 70064V Life Settlement Trust	29. 70069V Life Settlement Trust
5. 70093V Life Settlement Trust	30. 70021V Life Settlement Trust
6. 70091V Life Settlement Trust	31. 70063V Life Settlement Trust
7. 70116V Life Settlement Trust	32. 70065V Life Settlement Trust
8. 70118V Life Settlement Trust	33. 70087V Life Settlement Trust
9. 70079V Life Settlement Trust	34. 70092V Life Settlement Trust
10. 70106V Life Settlement Trust	35. 70075V Life Settlement Trust
11. 70107V Life Settlement Trust	36. 70077V Life Settlement Trust
12. 70105V Life Settlement Trust	37. 70078V Life Settlement Trust
13. 70080V Life Settlement Trust	38. 70090V Life Settlement Trust
14. 70060V Life Settlement Trust	39. 70082V Life Settlement Trust
15. 70100V Life Settlement Trust	40. 70070V Life Settlement Trust
16. 70097V Life Settlement Trust	41. 70049V Life Settlement Trust
17. 70085V Life Settlement Trust	42. 70051V Life Settlement Trust
18. 70086V Life Settlement Trust	43. 70098V Life Settlement Trust
19. 70119V Life Settlement Trust	44. 70095V Life Settlement Trust
20. 70037V Life Settlement Trust	45. 70096V Life Settlement Trust
21. 70039V Life Settlement Trust	46. 70117V Life Settlement Trust
22. 70040V Life Settlement Trust	47. 70081V Life Settlement Trust
23. 70041V Life Settlement Trust	48. 70057V Life Settlement Trust
24. 70043V Life Settlement Trust	49. 70120V Life Settlement Trust
25. 70045V Life Settlement Trust	

Collectively these trusts are hereinafter referred to as the "Trusts."

11. Investors were instructed to send their funds directly to Erwin & Johnson, where those funds would be held in the law firm's trust account and disbursed strictly in accordance with the investor's written purchase agreement with ABC.

12. Each individual who invested with ABC was provided a package of closing documents that contained a section regarding the trustee/escrow agent services. Each investor also received a copy of ABC's trust agreement with Erwin & Johnson that related to the specific policy in which they were buying an interest.

13. The Trust Agreement for each policy described the trustee's purpose and obligations as follows:

Grantor has created this Trust for the purpose of establishing a fund and mechanism for the management of a Life Settlement Policy insuring the life/lives of individuals identified or to be identified in such policy (the "Policy"), provide a fund and mechanism for the payment of premiums on the Policy, to receive the proceeds of the Policy at the time of maturity, to distribute such proceeds as set forth herein and the provision of other services related thereto as specified herein.

* * *

6.01 Payment of Insurance Premiums. Trustee shall establish a "Policy Premium Payment Account" into which the Grantor will deposit a sum certain for the payment of premiums on the Policy equal to the term of the bond or certificate of reinsurance if applicable or the life expectancy of the insured plus 2 years if the Policy purchased has no additional bonding or reinsurance, and from the funds of this account, Trustee shall timely pay all premiums due and owing under the Policy at the direction of the Grantor or his designee.

14. However, from the inception of ABC's arrangement with Erwin & Johnson, neither party knew the amount of premium escrow reserves that Erwin & Johnson needed to maintain in each Trust's account to satisfy these premium obligations and ensure timely payment of all premiums. As a result, the premium accounts were underfunded.

15. Intentionally omitted.

16. Intentionally omitted.

17. Intentionally omitted.

18. As investor funds were received, Erwin & Johnson deposited them into an account styled the Erwin & Johnson ABC Escrow Account. From that account, Erwin & Johnson had a written obligation to (1) pay all sales and administrative costs with respect to the policy purchased and (2) fund the necessary amount into a separate premium escrow account for each policy.

19. When the Receiver was appointed, Erwin & Johnson maintained no individual escrow accounts for the 49 trusts marketed to ABC's investors. Instead, all premium obligations were apparently intended to be paid from a single account—the Erwin & Johnson ABC Premium Escrow Account. When the Receiver was appointed, that account had a balance of only \$277,833.57. The primary escrow account into which investor funds were initially deposited had a balance of \$3,961,231.07. Although the total amount that should have been in the premium escrow account(s) fluctuated as premiums were paid and as new policies were added, at the time the Receiver was appointed there should have been in excess of \$20 million in segregated funds to pay premiums.

20. Intentionally omitted.

COUNT ONE
Breach of Contract
(as to Defendant Erwin & Johnson only)

21. The Receiver incorporates paragraphs 1 through 20 as if fully set forth herein.

22. The Trust Agreement for each trust for which Erwin & Johnson acted as trustee constitutes a contract.

23. Erwin & Johnson breached those contracts by failing to perform their written obligations under the Trust Agreements.

24. As a result of Erwin & Johnson's conduct, each Trust suffered damages and the Receiver hereby sues for those amounts, plus interest at the highest rate allowed by law.

25. As a result of Erwin & Johnson's conduct, it was necessary for the Receiver to retain legal counsel to pursue this cause of action. The Receiver is, therefore, entitled to recover his reasonable and necessary attorneys' fees.

COUNT TWO
Breach of Fiduciary Duty

26. The Receiver incorporates paragraphs 1 through 25 as if fully set forth herein.

27. By functioning as the trustee of each of the Trusts, Erwin & Johnson owed the Trusts and each of the beneficiaries under the Trusts a fiduciary duty.

28. Erwin & Johnson breached its fiduciary duties by virtue of the conduct described above.

29. As a result of its breaches of fiduciary duty, Erwin & Johnson proximately caused damage to each of the Trusts, for which damages the Receiver hereby sues.

30. Intentionally omitted.

31. Intentionally omitted.

32. Intentionally omitted.

33. Intentionally omitted.

34. Intentionally omitted.

COUNT FOUR
Aiding and Abetting Corporate Waste

35. The Receiver incorporates paragraphs 1 through 34 as if fully set forth herein.

36. As explained above, ABC allowed investor funds to be misused and wasted the corporation's assets and those of the Trusts.

37. Erwin & Johnson should have known that the conduct of ABC constituted corporate waste as to both ABC and each of the Trusts.

38. Erwin & Johnson gave substantial assistance to ABC in accomplishing the corporate waste and, as a result, aided and abetted ABC in wasting those assets.

39. As a result of aiding and abetting ABC in corporate waste, Erwin & Johnson proximately caused damages to ABC, each of the Trusts, and the investors under each Trust, and the Receiver hereby sues for those damages.

COUNT FIVE
Professional Malpractice/Negligence

40. The Receiver incorporates paragraphs 1 through 39 as if fully set forth herein.

41. As attorneys and in their role as trustee for each of the Trusts, Erwin & Johnson owed a duty of care to each of the Trusts to use the same degree of skill, prudence, and diligence that other members of the legal profession and/or trustees commonly possess and exercise.

42. Erwin & Johnson breached those duties by negligently performing its obligations as trustee. Those acts proximately caused injury and damage to each of the Trusts, for which amount the Receiver hereby sues.

43. Intentionally omitted.

44. Intentionally omitted.

45. Intentionally omitted.

46. Intentionally omitted.

47. Intentionally omitted.

48. Intentionally omitted.

49. Intentionally omitted.

50. Intentionally omitted.

WHEREFORE, the Receiver requests judgment against the Defendants, jointly and severally (with the exception of Count I):

1. Under Count I for money judgment consistent with the foregoing as well as all relief, legal or equitable, general or special to which the Receiver is entitled plus costs, expenses, pre-and post-judgment interest and reasonable attorney fees; and

2. Under Count II for money judgment consistent with the foregoing as well as all relief, legal or equitable, general or special to which the Receiver is entitled plus costs, expenses, pre-and post-judgment interest and reasonable attorney fees; and

3. Intentionally omitted.

4. Under Count IV for money judgment consistent with the foregoing as well as all relief, legal or equitable, general or special to which the Receiver is entitled plus costs, expenses, pre-and post-judgment interest and reasonable attorney fees; and

5. Under Count V for money judgment consistent with the foregoing as well as all relief, legal or equitable, general or special to which the Receiver is entitled plus costs, expenses, pre-and post-judgment interest and reasonable attorney fees; and

6. Intentionally omitted.

7. Intentionally omitted.

8. Intentionally omitted.

9. Intentionally omitted.

10. For such other and further relief, general or special, at law and in equity, to which the Receiver may be entitled.

Dated: May ____, 2011

Respectfully submitted,

BOROD & KRAMER, PC
Brinkley Plaza
80 Monroe, Suite G-1
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(901) 524-0200 (Telephone)
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By: /s/ Bruce Kramer

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SPECIAL COUNSEL FOR PLAINTIFF

and

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ATTORNEYS FOR PLAINTIFF

EXHIBIT 2

IT IS ORDRED that the Receiver's claims against Erwin & Johnson, LLP and Christopher R. Erwin for breach of fiduciary duty, aiding and abetting corporate waste, and professional malpractice / negligence are DISMISSED with prejudice.

IT IS ORDERED that Erwin & Johnson, LLP's and Christopher R. Erwin's claims against the Receiver for indemnity and contribution, breach of contract, breach of fiduciary duty, and gross negligence are DISMISSED with prejudice.

IT IS ORDERED that Erwin & Johnson, LLP's and Christopher R. Erwin's third-party claims against Mills, Potoczak & Company for breach of fiduciary duty, fraudulent viatical settlement acts, negligence and gross negligence are DISMISSED with prejudice.

IT IS ORDERED that Erwin & Johnson, LLP's and Christopher R. Erwin's third-party claims against DMH Stallard and Christopher John William Stenning for common law indemnity, legal malpractice / gross negligence, breach of fiduciary duty, negligent infliction of emotional distress, and contribution are DISMISSED with prejudice.

IT IS ORDERED that this is a full and final dismissal of all claims asserted or that could have been asserted in this lawsuit and the parties shall bear their own costs, attorneys' fees, and all other expenses incurred as a result of this lawsuit.

SIGNED this ____ day of _____, 2011.

JORGE A. SOLIS
UNITED STATES DISTRICT JUDGE

Approved as to form and content:

/s/ Brent J. Rodine
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WINSLETT & MOSER, P.C.
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/s/ Christopher B. Trowbridge
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