

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Agreement and Mutual Release is entered into as of the 15th day of July, 2008 by and between S. Gregory Hays, as Receiver for Albert E. Parish ("Parish"), Parish Economics, LLC and Summerville Hard Assets, LLC, (the "Receiver"), and Legare & Bailey, LLC, Daniel O. Legare, J. Mark Bailey, Gloria S. Legare, Melissa C. Legare, and Christina F. Bailey.

WHEREAS, the Receiver was appointed by the United States District Court for the District of South Carolina in a civil enforcement action on April 5, 2007, styled *Securities and Exchange Commission v. Albert E. Parish, et. al.*, Civil Action File No. 2:07-919-DCN (the "Enforcement Action"); and,

WHEREAS, Defendant Parish, through Defendants Parish Economics, LLC and Summerville Hard Assets, LLC, solicited, received and managed money belonging to investors in various "investment pools," which the Securities and Exchange Commission and the Receiver allege were securities and formed the basis of a fraudulent investment scheme; and,

WHEREAS, the Receiver is, among other things, authorized and directed to "pursue . . . all suits, actions, claims and demands which may . . . be brought by" the Receiver Entities (i.e., Parish, Parish Economics, LLC and Summerville Hard Assets, LLC); and,

WHEREAS, pursuant to and in accordance with the authorizations and orders of the Court in the Enforcement Action, the Receiver and his counsel have investigated, asserted and, where necessary and appropriate, prosecuted claims against third-parties in an effort to effect recoveries on behalf of the Receiver for the benefit of creditors of the Receiver Entities, including the investors in the above-referenced "investment pools"; and,

WHEREAS, Parish Economics, LLC employed Legare & Bailey, LLC, Daniel O. Legare,

and/or J. Mark Bailey, to prepare tax returns and to prepare K-1 forms (pursuant to information provided by Parish) for Parish to approve and send to investors in the subject investment pools; and,

WHEREAS, the Receiver believes that he has viable causes of action such as professional negligence and similar claims against Legare & Bailey, LLC, Daniel O. Legare, and/or J. Mark Bailey; and,

WHEREAS, the Receiver contends that he has viable causes of action against each party to this Agreement for unjust enrichment, constructive trust and similar claims; and,

WHEREAS, the Receiver has made demand for payment to Legare & Bailey, LLC, Daniel O. Legare, J. Mark Bailey, and the other parties to this Agreement; and,

WHEREAS, Legare & Bailey, LLC, Daniel O. Legare, J. Mark Bailey, and the other parties to this Agreement believe that they have meritorious defenses to each and every claim of the Receiver and deny any liability whatsoever; and,

WHEREAS, the Receiver and his counsel are unaware of any facts that indicate that Legare & Bailey, LLC, Daniel O. Legare, J. Mark Bailey (or any other affiliated individuals) or parties to this Agreement were knowing participants in any efforts to assist Parish in the perpetration of his fraudulent investment scheme; and,

WHEREAS, the Receiver and Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey desire to resolve any and all claims that could arise from their involvement or alleged involvement with or association with the Defendants in the Enforcement Action and/or with Parish's investment scheme and/or any other related activities without incurring further expense and other risks of litigation; and,

WHEREAS, based upon the known relevant facts and circumstances, the Receiver and his counsel believe that the terms of the settlement and compromise set forth herein are in the best interest of the Receiver Estate and, ultimately, all of the investors who invested in the Parish investment pools;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, along with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Court Approval. Except for the escrow provision set forth in Paragraph 4, below, this Agreement shall only be effective and binding on all parties hereto upon the entry of an Order of the Court in the Enforcement Action:

- a. approving the terms of this Agreement; and,
- b. permanently enjoining prosecution of any pending lawsuits and the filing of any third party claims or causes of action, including, but not limited to, claims by investors in and creditors of the Defendants in the Enforcement Action, against Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey, Christina F. Bailey, their heirs, successors, agents or assigns arising out of or in any way connected with:
 - (a) the investment-related activities of Parish, Parish Economics, LLC and/or Summerville Hard Assets, LLC or any affiliated "investment pool";
 - (b) professional services rendered by Legare & Bailey, LLC, Daniel O. Legare and/or J. Mark Bailey; and/or (c) any investment made by any

person or entity in the investment pools that are the subject of the Enforcement Action.

2. Effective Date. The Effective Date shall be the date that the Order described in Paragraph 1, above, becomes final and not subject to appeal, notwithstanding the fact that the permanent injunction set forth in Paragraph 1 shall be in effect between the date the Order is signed and the Effective Date.

3. Payment. Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey, and Christina F. Bailey by and through their counsel, shall pay Nine Hundred Fifty Two Thousand Dollars (\$952,000) to the Receiver (“the Settlement Payment”) within five (5) business days of the Effective Date. Payment shall be made via wire transfer in accordance with written directions provided by the Receiver or his counsel.

4. Escrow. Within twenty-one (21) business days of the date of the execution of this Agreement by all parties and the filing of a Motion to Approve Settlement, but in no event not less than three (3) business days prior to the hearing on the Receiver’s motion to have this settlement approved, Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey shall cause the monies necessary to fund the Settlement Payment to be deposited and held in the escrow account of their counsel, Richardson, Plowden, & Robinson, P.A. (“RPR”). Of this amount, Twenty-Seven Thousand Dollars (\$27,000) shall be paid by or on behalf of Gloria S. Legare, Melissa C. Legare, and Christina F. Bailey collectively, and Nine Hundred Twenty-Five Thousand Dollars (\$925,000) shall be paid by the professional liability insurance carrier for Legare & Bailey, LLC, J. Mark Bailey and Daniel O. Legare. Upon receipt of these monies and documents, RPR shall each give written

notice to Receiver's counsel that the monies have been received and are being held in escrow to be disbursed and transferred in accordance with the terms of this Agreement.

5. Release of Legare & Bailey, LLC et al. The Receiver, on behalf of himself, his successors and assigns, as well as on behalf of Parish and the Receiver Entities, hereby forever releases, discharges and acquits Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey, Christina F. Bailey, and their heirs, successors, agents, and assigns from any and all claims, demands or causes of action that the Receiver may now have or which may hereafter accrue on account of, in connection with, or which in any way may grow out of: (a) the investment-related activities of Parish, Parish Economics, LLC and/or Summerville Hard Assets, LLC or any affiliated "investment pool"; (b) professional services rendered by Legare & Bailey, LLC, J. Mark Bailey, and/or Daniel O. Legare; and/or (c) any investment made by any person or entity in the Parish investment pools that are the subject of the Enforcement Action. The Receiver hereby expressly reserves all claims against any person or entity not expressly released herein.

6. Release of Receiver and Receiver Entities. Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey hereby release, discharge and acquit the Receiver, his employees, agents, attorneys and assigns, as well as the Receiver Estate, Parish and the Receiver Entities, their members, employees, agents, and assigns, from any and all claims, demands or causes of action that they may have against Parish or any of the Receiver Entities.

7. Approval Process. Upon the execution of this Agreement, the Receiver shall file a motion in the Enforcement Action seeking approval of the terms of this settlement and

compromise. Notice of the filing of the motion and any hearing date set by the Court shall be posted on the Receiver's website and served upon each person known to the Receiver who invested with Parish or one of the Receiver Entities. If the Court approves this settlement and compromise in accordance with Paragraph 1, above, the terms of this Agreement shall become binding on the parties hereto, and RPR shall transfer the monies to the Receiver in accordance with the terms of this Agreement. If the Court does not approve this settlement and compromise, this Agreement shall terminate immediately upon the entry of an Order denying the Receiver's motion seeking approval, and RPR shall be authorized to return the monies held by them in escrow.

8. Indemnity and Defense

(a) In the event that this Agreement is approved as provided for above, the Receiver agrees that, subject to the limitations set forth in subparagraph (d), below, he shall indemnify, defend and hold harmless Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey, Christina F. Bailey, their heirs, successors, agents, and assigns from and against any and all liability and loss, including attorneys fees and expenses of litigation, incurred in connection with any claim or action asserted, maintained, or otherwise prosecuted after the Effective Date by any investor or other creditor of the Defendants in the Enforcement Action that in any way relates to or arises from the investment scheme that is the subject of the Enforcement Action, specifically including, but not limited to, the professional services rendered by Legare & Bailey, LLC, J. Mark Bailey, and/or Daniel O. Legare.

(b) In the event that Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey, Christina F. Bailey or their heirs, successors, agents, or assigns makes

a demand upon the Receiver, under this indemnity provision with respect to any claim or action, the Receiver shall have the right, at his option and in his sole discretion, to undertake and direct the defense of such claim and to demand and take the assignment of any claim or action which any of them may have against any such claimant.

(c) In the event, for any reason, Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey or Christina F. Bailey does not, after notice, promptly cooperate in connection with the defense of any claim and/or assignment of any claim or action it may have against any such claimant, then the Receiver is hereby authorized, constituted and appointed as attorney-in-fact for Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey or Christina F. Bailey to undertake and direct the defense of any action and assign any claim, which any of them may have against the claimant, to the Receiver.

(d) The Receiver's obligations under this indemnity are limited to the assets of the Receiver Entities available at the time that any such indemnity claim is made and, in any event, shall not exceed Nine Hundred Fifty-Two Thousand Dollars (\$952,000). Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey understand and agree that this indemnity is given by the Receiver in that capacity and not in his personal or individual capacity, and that this indemnity will terminate altogether upon final payments being made to investors and other creditors and the termination of this Receivership by the entry of a final order discharging the Receiver and terminating the Receivership.

9. Cooperation. Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey agree that, upon execution of this Agreement

and continuing thereafter, they shall, without charge to the Receiver or the Receiver Estate, cooperate with the Receiver and his counsel and other professionals working with them to provide information and assistance in the Receiver's investigation, as well as the prosecution or defense of any claims by or against the Receiver Entities.

10. No Admissions. The Receiver, Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey acknowledge and agree that this Agreement is entered into for the purpose of compromising disputed claims and that the giving and receiving of the consideration and covenants provided for herein shall not be construed as an admission of any liability or wrongdoing of any kind. To the contrary, Legare & Bailey, LLC, Daniel O. Legare, Gloria S. Legare, Melissa C. Legare, J. Mark Bailey and Christina F. Bailey expressly deny and contest any alleged liability for any wrongful acts. Conversely, the Receiver believes that the investor losses resulting from the investment-related activities of Parish, Parish Economics, LLC and/or Summerville Hard Assets, LLC and affiliated "investment pools" far exceeds the amounts being received pursuant to the terms of this Agreement. By entering into this Agreement, the Receiver does not intend to release, waive, limit or otherwise modify his rights and claims against others not named herein who were in any way involved with Parish or the Receiver Entities.

11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

12. This Agreement in all respects shall be interpreted, enforced and governed by and under the laws of the State of South Carolina. The United States District Court for the District of

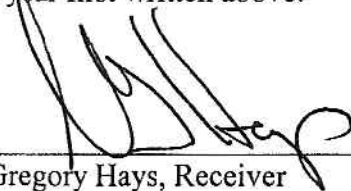
South Carolina, Charleston Division shall have exclusive jurisdiction over all issues related to this Agreement.

13. This Agreement contains the entire agreement between the parties hereto and may not be amended or modified except by a written agreement signed by each of them. No representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

14. The parties to this Agreement stipulate that each term and condition of this Agreement is material to each of the parties and that, in the event the Court does not approve this Agreement in *toto* without modification, no party shall be bound hereby.

15. Each of the undersigned parties warrants and represents that in executing this Agreement, they have relied upon legal advice from their attorneys of choice, that the terms of this Agreement, and its consequences, have been completely read and explained by their attorneys, and that they fully understand the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.


S. Gregory Hays, Receiver


Witness

Legare & Bailey, LLC

By: _____
Daniel O. Legare

Title: Managing Member
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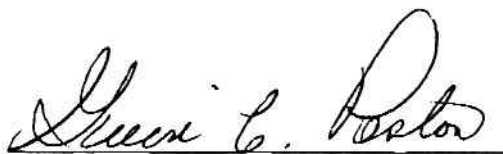
S. Gregory Hays, Receiver

Witness

Legare & Bailey, LLC

By: 
Daniel O. Legare

Title: Managing Member



Witness


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Daniel O. Legare
Daniel O. Legare

Shirley C. Poston
Witness

J. Mark Bailey
J. Mark Bailey

Shirley C. Poston
Witness

Gloria S. Legare
Gloria S. Legare

Shirley C. Poston
Witness

Melissa C. Legare
Melissa C. Legare

Shirley C. Poston
Witness

Christina F. Bailey
Christina F. Bailey

Shirley C. Poston
Witness

100%
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