

ASSIGNMENT AGREEMENT

WHEREAS, on May 9, 2013, the Idaho Department of Finance, Securities Bureau, (Department) obtained a Stipulated Judgment and Permanent Injunction against Kenneth Patrick Petticolas (Petticolas) in the amount of seventy thousand one hundred fifty-one dollars and seventy-five cents (\$70,151.75), First District Court case number CV 2012-7217; and

WHEREAS, on May 3, 2013, the Department and Petticolas executed a Stipulation that provided for certain payment terms in satisfaction of the Stipulated Judgment and Permanent Injunction, and

WHEREAS, on October 22, 2013, the Department and Petticolas executed a Settlement Agreement that modified some of the terms of the May 3, 2013, Stipulation, and

WHEREAS, on April 3, 2014, Eduardo S. Espinosa, as Receiver in the case of *State of Texas v. Retirement Value, LLC, et al.*, Cause No. D-1-GV-10-000454, obtained an Idaho judgment against Petticolas based on a judgment from the State of Texas arising out of some of the same circumstances that supported the Department's judgment, and

WHEREAS the Department has agreed to assign, and Espinosa has agreed to accept assignment of, the money portion of the Department's Stipulated Judgment and the Settlement Agreement, and

WHEREAS, Petticolas agrees with this assignment;

NOW, THEREFORE, the Idaho Department of Finance, Securities Bureau, (Department), Eduardo S. Espinosa as Receiver (Espinosa), and Kenneth Patrick Petticolas (Petticolas), in consideration of the mutual promises contained herein, hereby agree as follows:

a. The intent of the parties is that if Petticolas pays as agreed, the Department's money judgment will be fully satisfied by payments made to Espinosa, but that if Petticolas does

not pay as agreed, the Department will cancel the assignment and both the Department and Espinosa will seek separate recoveries against Petticolas.

b. Effective upon execution of this Agreement, the Department assigns the money portion of its judgment and the Settlement Agreement to Espinosa under the terms in those documents.

c. Petticolas agrees to make payments to Espinosa according to the terms in the Settlement Agreement.

d. The Department and Espinosa agree to limit the total paid by Petticolas pursuant to both judgments to the amount awarded in Espinosa's judgment, fifty thousand one hundred fifty-one dollars and seventy-five cents (\$50,151.75), plus any costs, interest and fees also awarded. Amounts already paid by Petticolas to the Department will not be credited against the Espinosa judgment, nor will they be returned by the Department to Petticolas.

e. The Department agrees to consider any amount paid by Petticolas to Espinosa in satisfaction of its judgment.

f. Paragraphs b., c., and e. above are effective only as long as Petticolas is paying as agreed under the terms of the Settlement Agreement.

g. While Petticolas is current in his payments, the Department will take no collection or enforcement action on its judgment. At such time as the Department becomes aware that Petticolas has paid an amount equal to what he owes the Department, the Department will file a Satisfaction of Judgment.

h. As of the date of signature of this Agreement, Petticolas has paid three thousand thirty-six dollars (\$3,036) of the judgment restitution amount, leaving a remainder owing of forty seven thousand one hundred fifteen dollars and seventy-five cents (\$47,115.75). When this amount has been paid to Espinosa, the Department will file a satisfaction of judgment. The

Department was awarded an additional twenty thousand dollars (\$20,000) in penalties, but will waive these if Petticolas pays as set forth herein and in the Settlement Agreement.

i. Petticolas acknowledges that over time employees of the Department will come and go, and employees working at the time Petticolas has paid an amount equal to what he owes the Department may not be immediately familiar with the Department's duty to file the Satisfaction of Judgment. In such event, Petticolas agrees to notify the Department that he has satisfied all required terms and that the Department must file the Satisfaction of Judgment. Petticolas agrees to allow the Department a reasonable period of time to make inquiry, verify the terms of this agreement and the payments, and prepare and file the Satisfaction of Judgment.

j. Petticolas will establish and maintain communication with John Thomas of George, Brothers, Kincaid & Horton LLP, 1100 Norwood Tower , 114 West 7th St, Austin, TX 78701 and will make payments to Mr. Thomas as he directs.

k. This Agreement will be construed according to the laws of the State of Idaho.

l. This Agreement, including the terms of the Stipulation incorporated herein as provided above, represents the Parties' entire understanding regarding the subject matter herein. None of the terms of this Agreement can be waived or modified, except by an express agreement signed by the Parties. There are no representations, promises, warranties, covenants, or undertakings between the Parties other than those expressly set forth in this Agreement and the incorporated Stipulation.

m. Should any part of this Agreement be rendered or declared invalid by a court of competent jurisdiction of the State of Idaho, the remaining terms of this Agreement and the incorporated Stipulation will remain in full force and effect.

DATED this _____ day of _____, 2014 .

Kenneth Patrick Petticolas

DATED this 14th day of May, 2014.



MARILYN T. CHASTAIN
Securities Bureau Chief
State of Idaho, Department of Finance

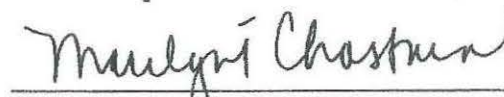
DATED this _____ day of _____, 2014.

Eduardo Espinosa, Receiver
c/o George, Brothers, Kincaid & Horton LLP

DATED this 11 day of MAY, 2014.


Kenneth Patrick Petticolas

DATED this 14th day of May, 2014.


MARILYN T. CHASTAIN
Securities Bureau Chief
State of Idaho, Department of Finance

DATED this 19th day of MAY, 2014.

Eduardo Espinosa, Receiver
c/o George, Brothers, Kincaid & Horton LLP

DATED this _____ day of _____, 2014 .

Kenneth Patrick Petticolas

DATED this 14th day of May, 2014.

Marilyn T. Chastain

MARILYN T. CHASTAIN
Securities Bureau Chief
State of Idaho, Department of Finance

DATED this 14th day of May, 2014.

Eduardo Espinosa

Eduardo Espinosa, Receiver
c/o George, Brothers, Kincaid & Horton LLP