

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "Agreement") is entered into and effective as of this 31<sup>st</sup> day of August, 2007, by and between BLUE DYMOND CAPITAL GROUP, LLC ("Purchaser") and CHRIS ALLMENDINGER, ADLEY WAHAB and BRENT ONCALE ("Sellers")

Whereas, Purchaser desires to purchase from Sellers the Companies, and Sellers desire to sell their interest in the Companies to Purchaser, upon the terms and conditions contained herein.

Now therefore, in consideration of, and in reliance upon, the representations, warranties, covenants and conditions therein contained, the parties hereto agree as follows:

### ARTICLE 1

#### Certain Definitions and Rules of Construction

1.1 Certain Definitions. As used in this Agreement, the following terms have the respective meanings set forth below:

"Accounts Receivable" shall mean the accounts and/or notes receivable, together with any unpaid interest or fees accrued thereon or other amounts due with respect thereto, and any security or collateral therefore including recoverage advances and deposits.

"Accounts Payable" shall mean accounts and/or notes payable, together with any unpaid interest or fees accrued thereon or other accounts due with respect thereof, and any security or collateral therefore, including payable advances and deposits.

"Affiliate" for the purposes of this agreements shall mean any entity affiliated with a party or the Companies.

"Ancillary Agreements" shall mean the Purchaser Ancillary agreements and the Seller Ancillary Agreements.

“Applicable Law” means, with respect to any Person, any domestic or foreign, federal state or local statutes, law, ordinance, rule administrative interpretation, regulation, order, writ, injunction directive, judgment decree or other requirement of any Governmental Authority which is applicable to such Person or its properties, Assets, or activities.

“Assets” shall mean the properties and assets, (whether real, personal, mixed, tangible or intangible).

“Books and Records” shall mean originals or copies of all books records filed and papers of the Companies, whether in hard copy or computer format, including bank account records, books of account, invoices, engraving information, sale and promotional literature, manuals, sale and purchase correspondence and lists of supplies, customers and documentation used for account, marketing (other than Tax Returns, reports, forms documents or memoranda).

“Business” shall mean the Businesses of the respective Companies.

“Purchaser” shall have the meaning set forth in the Preamble.

“Claims” shall mean rights, claims credits, causes of action or rights of set-off against third parties, whether liquidated or unliquidated, fixed or contingent, including rights under or pursuant to or warranties, representations and guarantees made by supplies, manufacturers, contractors or other third parties in connection with products or services purchased by or furnished to the Business, which are owned by the Companies and which are used held or used in connection with the Business, other than with respect to Taxes and any Insurance Policies of Seller.

“Closing” shall have the meaning set forth in subparagraph 3.1 hereof

“Closing Date” shall have the meaning set forth in subparagraph 3.1 hereof

“Companies” shall mean:

A&O Resource Management, Ltd.

A&O Capital Management, LLC

Houston Tanglewood Partners, LLC – Texas

Houston Tanglewood Partners, LLC - Delaware

A&O Bonded Life Assets, LLC

A&O Bonded Life Assets Management, LLC

A&O Life Fund, LLC

A&O Life Fund Management, LLC

A&O Life Funds, LP

Life Fund 5.1, LLC

Life Fund 5.1 Management, LLC

And their respective affiliates save and except Settlement Casualty Corp.

“Company Plan” means any retirement plan, profit sharing plan, pension plan, health or medical benefits plan, disability plan, dental plan, or other employee benefit plan and each bonus, incentive, deferred compensation, severance, termination, retention, change of control, stock option, stock appreciation, stock purchase or other employee or retiree benefit or compensation plan program arrangement, agreement, policy of understanding whether written or unwritten, that provides or may provide benefits or compensation in respect of any employee or former employee of any of the Companies.

“Contracts” shall mean contracts, agreements, options, leases, licensees, sales or purchase orders, commitments, or other obligations and undertakings of any kind, whether written or oral, entered in the by the Companies.

“Debts” shall mean any and all loans, debts under credit facilities to any of the Companies and any other debt and/or liability not included in either the Contingent Liabilities or Accounts Payable, except for the liabilities reflected in any Exhibit attached hereto.

“Employee” shall mean employees of the Companies or any of their Affiliates who are are employed on the Closing Date.

“Governmental Authority” means any foreign, domestic, federal, state or local governmental authority, quasi-governmental authority, instrumentality, court, government or self regulatory organization, commission, tribunal or organization, or any regulatory administrative or other agency, or political or other subdivision, department or branch of any of the foregoing.

“Income Taxes” shall mean all national, local and foreign income or franchise taxes, including interest, penalties and additions to tax relating thereto.

“Indemnitee” shall mean a Person entitled to indemnification under Article 9 hereof.

“Indemnitor” shall mean the party required to provide indemnification under Article 9 hereof or as the case may be.

“Lien” shall mean with respect to any Asset, any lien, pledge, encumbrance, lease, or other charge or security interest in or on such asset.

“Material Adverse Effect” means any material or adverse change in or any material or adverse effect upon (i) the Business or (ii) the Purchased Shares taken as a whole.

“Non-Disclosure Agreement and Non-Compete Agreement” shall mean that certain Non-Disclosure Agreement and Non Compete Agreement included in the Sellers’ Ancillary Agreements.

“Notice” shall have the meaning set forth in subparagraph 11.3 hereof.

“Person” shall mean an individual, partnership (general or limited), corporation, joint venture, business trust, limited liability company, cooperative, association, or other form of business organization (whether or not regarded as a business entity under applicable law), trust, estate or any other entity.

“Proceedings” shall have the meaning set forth in subparagraph 4.14 hereof.

“Purchase Price” shall have the meaning set forth in subparagraph 2.3 hereof

“Purchased Shares” shall have the meaning set forth in subparagraph 2.2 hereof

“Seller Ancillary Agreements” shall have the meaning set forth in subparagraph 3.3 hereof

“Tax Returns” shall have the meaning set forth in subparagraph 4.15 hereof

“Taxes” means all income, franchise, excise, real and personal property, sales, use, value added, payroll, withholding, social security and other taxes imposed by any Governmental Authority, together with all interest, penalties and additions imposed with respect to such amounts.

Anything herein contained to the contrary notwithstanding, if any of the terms defined above are also expressly defined in any of the Ancillary Agreements, then, in such event, the definition set forth in said Ancillary Agreement shall control for all purposes if said Ancillary Agreement.

## ARTICLE 2

### Purchase and Sale

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, Sellers sell herewith and Purchaser purchases herewith, and on the Closing Date, and Sellers shall transfer to Purchaser, or cause to be transferred to Purchaser and Purchaser shall accept, free and clear of all Liens, the Purchased Shares.

2.2 The Purchased Shares. As used in this Agreement, the term "Purchased Shares" means those shares, membership units, partnership units, ownership rights in and to the Companies and all rights to acquire same. Each of the Companies is owned 100% by the Sellers.

2.3 Purchase Price. The Purchaser Price for the Purchased Shares shall be Three Million and No/100 Dollars (\$3,000,000.00) which shall be paid as follows:

2.3.1 An initial payment of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) to each of the Sellers (the "Initial Payment") shall be paid at time of Closing. The balance of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) due each of the Sellers shall be paid quarterly beginning on March 31, 2008 in payments of Thirty One Thousand Two Hundred Fifty and No/100 Dollars (\$31,250.00) to each of the Sellers until December 31, 2009.

## ARTICLE 3

### Closing

3.1 Place and Date. The Transfer of the Purchased Shares pursuant hereto (the "Closing") shall take place (i) on or before August 31, 2007 (the "Closing Date") at the offices of A&O Life Funds, LP at Two Riverway, Suite 1075, Houston, Texas 77056 at 3:00 p.m.

3.2 Actions by Sellers. At Closing, the parties shall have present and deliver, or shall cause to have present and deliver such instruments of transfer and assignment as may be required in order to transfer to Purchaser all of Sellers' right and title to the Purchased Shares. Execute and deliver to Purchaser, or cause to be executed and deliver to Purchaser, each of the Seller Ancillary Agreements.

3.3 Actions by Purchaser. Deliver the Initial Payment in the amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) to each of the Sellers. Execute and deliver to Sellers, or cause to be executed and deliver to Sellers, each of the Seller Ancillary Agreements to which Purchaser is a party.

#### ARTICLE 4

##### Representations and Warranties of Seller

Seller hereby represents and warrants to Purchaser effective as of the Closing Date as follows:

4.1 Existence. The Companies are duly organized, validly existing and in good standing within their respective jurisdictions and have all of the powers required to carry on their respective businesses. Sellers shall deliver to Purchaser all of the organizational documents of the Companies as currently in effect.

4.2 Authority. The execution and delivery by Sellers of this Agreement and by Sellers of the Seller Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby, and the performance of Sellers of the respective obligations hereunder and hereunder, are within the powers of Sellers. This Agreement constitutes, and each Seller Ancillary Agreement when executed and delivered by Sellers pursuant to this Agreement will constitute, a legal, valid and binding obligation of the Sellers and their affiliates (as the case may be) in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws

no or hereinafter in effect relating to or affecting creditor's rights generally, and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

4.3 Consents. Sellers will ensure that the required consent or approval of, of filing with any Governmental authority or other Person, if required, will happen in a timely manner.

4.4 Non-contravention. The execution and delivery by Sellers of this Agreement and the Seller's Ancillary Agreements, the performance by them of their respective obligations hereunder and hereunder, and the consummation of the transactions contemplated hereby and thereby, do and will not (with or without the giving of notice of the passage of time) (a) (i) contravene or conflict with any of the organizational documents of the Companies (ii) contravene or conflict with or constitute a violation of any provision of Applicable Law (iii) result in a breach, conflict, violation or constitute a default under or give rise to any right of termination, cancellation or acceleration of, or a loss of any benefit to which any of the Companies is entitled under any contract.

4.5 Financial Statements and Financial Data. Sellers shall deliver to Purchaser at time of Closing all of the financial statements and financial data related to any of the Companies.

4.6 Absence of Undisclosed Liabilities. Except for liabilities and obligations, individually or in the aggregate, have not or would not reasonably be expected to have a Material Adverse Effect, the Sellers represent and warrant that the Companies have no liabilities or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, which have not been disclosed to Purchaser.

4.7 Books and Records. The Books and Records of the Companies have all been made available to Purchaser and are complete and correct and have been maintained in

accordance with sound business practices. The minute books of the Companies, at time of Closing shall be complete and delivered to Purchaser.

4.8 Title to Assets. The Companies own all Assets and reflected in the Books and Records of the Companies and reflected on any current financial statements of the Companies. All Assets are free and clear of all Liens other than Promissory Notes and Capital Appreciation Bonds issued to clients and securing their interest in insurance policies.

4.9 Accounts Receivable. All Accounts Receivable of the Companies represent valid obligations arising from the ordinary course of business of each respective Company.

4.10 Accounts Payable. All Accounts Payable, other than those in the ordinary course of business of each respective Company, have been disclosed to Purchaser.

4.11 Inventory. All inventory of the Companies, whether or not reflected on any current balance sheets or financial statements of the Companies, consists of quality and quantity usable and saleable in the ordinary course of business.

4.12 No Material Adverse Change. The Sellers represent and warrant that from August 20, 2007 through the Date of Closing that there has not been any material adverse change in the business, operations, properties, prospects, Assets, or condition of the Companies, and no event has occurred or circumstance exists that may result in such material adverse change.

4.13 Employee Benefits. There are no Employee benefit plans or Company Plans for any of the Companies. Notwithstanding the foregoing, the A&O Resource Management Profit Sharing Plan will be terminated effective the Closing Date.

4.14 Legal Proceedings. There are no actions, suits hearings, arbitration, proceedings (public or private) or governmental investigations pending by or against or involving any

of the Companies or to the knowledge of Sellers, threatened against any of the Companies, or involving Sellers with respect to the Business or that may otherwise relate to or may affect the Business (collectively the "Proceedings") except as disclosed by Sellers to Purchaser prior to the Closing Date. There are no outstanding orders, judgments or decrees (other than those of general application) of any Governmental Authority which are binding upon any of the Companies or upon Sellers with respect to the Business, or that prohibits or limits the Companies of any Employee, consultant, advisor or contractor in engaging in any activity relating to the Business. Notwithstanding the foregoing, Sellers advise Purchaser that A&O Resource Management, Ltd., A&O Capital Management, LLC, Houston Tanglewood Partners, LLC (Texas) and Houston Tanglewood Partners, LLC (Delaware) are currently involved in an investigation by the Texas State Securities Board; that A&O Resource Management, Ltd. agreed to a assessment/discharge fee in the amount of \$6,000.00 with regulators from the State of Minnesota; that A&O Life Fund, LLC has responded to an inquiry from regulators from the State of Nebraska regarding whether said entity is doing business in the State of Nebraska; and A&O Life Fund, LLC is currently involved in an investigation by the Illinois Secretary of State Securities Division.

4.15 Taxes. The Companies have filed in accordance with any Applicable Laws all material returns, statements, reports, estimates, declarations and forms (collectively the "tax Returns") required to be filed by the Companies with respect to Taxes. The Companies have paid all Taxes shown to have become due pursuant to such Tax Returns and paid all Taxes for which a notice of, or assessment or demand for, payment has been received, other than Taxes which are being contested in good faith.

4.16 Insurance. All insurance policies to which a Company is a party or that provide coverage to either Sellers or the Companies, are (i) valid, outstanding and enforceable (ii) are issued by an insurer that is financially sound (iii) taken together, provide adequate insurance coverage for the Assets and the operations of the Companies for all risks normally insured by a Person carrying on the same business or businesses as the Companies (iv) will continue in full force and effect following the consummation of

