

# Exhibit 1

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made and entered effective as of December 8, 2015, by and between KENNETH D. BELL, in his capacity as Temporary Receiver for Rex Venture Group, LLC ("RVG") d/b/a ZeekRewards.com (the "Receiver"), and Gerald P. Nehra, Esq., individually and doing business as the Law Offices of Nehra and Waak; Gerald P. Nehra, Attorney at Law, PLLC; Richard W. Waak individually and doing business as the Law Offices of Nehra and Waak; and Richard W. Waak Attorney at Law, PLLC (collectively "Defendants" or "Nehra and Waak")(collectively the "Parties"), who hereby freely and voluntarily enter into this Agreement:

### RECITALS

**WHEREAS**, on August 17, 2012 the Securities and Exchange Commission filed an emergency action to halt the alleged fraudulent and unlawful ZeekRewards Ponzi and pyramid scheme perpetrated by RVG; and

**WHEREAS**, the Receiver, pursuant to his court-imposed duties to assert claims and recover assets on behalf of the RVG Receivership Estate, filed a civil action in the United States District Court for the Western District of North Carolina against Nehra and Waak, Civil Action No. 3:15-cv-00437 (the "Lawsuit"); and

**WHEREAS**, Nehra and Waak desire to settle and resolve the Receiver's claims against the Defendants and the Receiver is willing to settle and resolve his claims against them based on the acknowledgements and terms set forth below; and

**WHEREAS**, the parties acknowledge that this Agreement may be subject to court approval pursuant to the Agreed Order entered in the case styled *Securities and Exchange Commission v. Rex Venture Group, LLC d/b/a ZeekRewards.com et al.*, No. 3:12cv519 (W.D.N.C.)(the "SEC Action").

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing and the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Receiver and Nehra and Waak hereby agree as follows:

**1. Acknowledgement of the RVG Scheme and Confession of Judgment.** Nehra and Waak acknowledge that they served as legal counsel to RVG from June 2011 until August 2012, when RVG was placed into receivership. While they contend that they acted in good faith as legal counsel, Nehra and Waak acknowledge and agree that, based on their current knowledge, during the period they served as counsel RVG in fact operated an unlawful Ponzi and pyramid scheme involving an unregistered investment contract that caused hundreds of millions of dollars in losses to innocent victims of the scheme. Accordingly, in consideration of this settlement, Nehra and Waak agree to execute a Confession of Judgment in the amount of \$100 million, which is

attached as Exhibit I to this Agreement. The Parties agree that by entering into this Settlement Agreement the Defendants do not admit to any liability to the Receiver and the Receiver does not admit that the Defendants should be exonerated from liability for the wrongdoing alleged by the Receiver in the complaint.

**2. Representations and Acknowledgment of Recitals and Amount of Confession of Judgment.** Nehra and Waak hereby represent, acknowledge and agree that the Recitals set forth above are intended to be part of the terms of this Agreement and that they will not assert in the future any grounds disputing the amount, validity, existence, and/or enforceability of the acknowledgements or Confession of Judgment attached to this Agreement, except in connection with a dispute over the enforceability of the Confession of Judgment based on the existence of an event of Default under this Agreement.

**3. Nehra and Waak's Financial Statement and Representations.** In connection with the negotiation of this Agreement, Nehra and Waak have given to the Receiver a sworn financial statement describing their financial condition and further agree to give sworn testimony under oath regarding that financial statement and receivership assets received by Nehra and Waak during and after the ZeekRewards scheme. Nehra and Waak represent that the financial statement and any testimony to be given to the Receiver is/will be true and accurate in all material respects and acknowledge that the Receiver is relying upon the truthfulness and accuracy of the statement and Nehra and Waak's testimony described above in agreeing to this settlement.

**4. Satisfaction of Confession of Judgment.** Nehra and Waak agree to pay to or transfer to the Receiver \$100,000 (one hundred thousand dollars) (the "Settlement Payment") on or before December 30, 2015 or at a later time set by the Receiver, in his sole discretion. This Settlement Payment is based on Nehra and Waak's financial assets and reflects, to the extent that it can be accomplished, the full payment of all the Nehra and Waak's funds and assets available to satisfy the agreed judgment. The Settlement Payment shall be made in the form of a certified check or money order payable to "Kenneth Bell, RVG Receiver" or in such other form as directed by the Receiver.

At his election, the Receiver may file the Confession of Judgment in this matter; however, subject to the terms and conditions described below, the Receiver agrees that, if filed, the Confession of Judgment shall be considered satisfied and the Receiver will not seek Judgment based on the Confession of Judgment if Nehra and Waak timely make the Settlement Payment and otherwise comply with the terms and conditions of this Agreement, including, but not limited to, providing truthful financial information and representations as set forth above. In the event of Default as defined below, the Receiver may, at his election, thereafter pursue execution on the full amount of the confessed Judgment or pursue all claims against Nehra and Waak. Further, in the event of a Default, Nehra and Waak agree that the Receiver may, without waiver of the right to file and execute on the Confession of Judgment, pursue claims against Nehra and Waak (but may not obtain a duplicate recovery). Nehra and Waak agree that in the event that this Agreement is presented to the Court for approval it may, at the election of the Receiver, be

filed under seal with a request that the Court keep the agreement sealed until the conclusion of the Receivership.

**5. Preservation of Rights and Remedies.** Except as expressly provided herein, neither the execution, delivery, and effectiveness of this Agreement, nor any forbearance of collection by the Receiver, shall in any manner operate as a waiver of any right or remedy of the Receiver under the Agreed Order Appointing Temporary Receiver and Freezing Assets of Defendant Rex Venture Group, LLC in the SEC Action or subsequently granted by the Court. Nehra and Waak acknowledge and agree that the Receiver is allowed to accept payments outside the period required for payments or otherwise without prejudice to any rights or remedies. In the event that partial settlement payments are made then those payments may be retained by the Receiver in the event of a Default, but shall offset any later judgment on any claims asserted against Nehra and Waak by the Receiver. The Receiver hereby expressly reserves all rights, powers and remedies specifically given to it thereunder, now or hereafter existing at law or in equity or by statute.

**6. Default.** The occurrence of any of the following shall constitute a "Default":

(a) Nehra and Waak's uncured failure to timely make the Settlement Payment, including but not limited to the return of a check or money order from the issuing financial institution for insufficient funds;

(b) The occurrence of any of the following events prior to full satisfaction of the Settlement Payment: (i) a bankruptcy petition is filed by or against Nehra and Waak; (ii) Nehra and Waak become insolvent or makes an assignment for the benefit of any creditor or creditors, and/or (iii) a receiver or trustee is appointed for or over any of the assets of Nehra and Waak; and/or

(c) The breach of any representation, warranty, covenant, condition or other term of this Agreement, including but not limited to Nehra and Waak's representations regarding the truthfulness and accuracy of their financial statement and testimony regarding financial matters.

**7. Notice of Default.** The Receiver shall give Nehra and Waak written notice of an event of Default within a reasonable time after learning of the Default, but the Receiver may take any action authorized or permitted under this Agreement upon an event of Default prior to notice being given (except for any action for which a period of cure is provided).

**8. Other Representations and Warranties.** The Parties represent and warrant to each other that: (a) they have the legal capacity and authority to enter into this Agreement; (b) each has freely, voluntarily, and without duress or coercion of any kind whatsoever, entered into this Agreement under the advice of counsel or with the opportunity to seek the advice of counsel; and (c) this Agreement constitutes the voluntary, legal, valid, and binding obligation of said party. Nehra and Waak hereby represent and warrant that: (a) prior to the execution of this Agreement, they were fully apprised of sufficient relative data, in order to intelligently exercise judgment in deciding whether or not to execute this instrument and in evaluating the contents of the same; (b) the decision to execute this Agreement was not predicated on or influenced by any declarations or representations made by Receiver other than as set forth in this Agreement; and (c) this

Agreement in all respects has been voluntarily and knowingly executed by Defendants with the express intention of creating the legal consequences thereof.

**9. Release of Claims upon Satisfaction of Agreement and Dismissal Without Prejudice.**

Upon full and complete satisfaction of this Settlement Agreement, including making all required payments and assignments and taking all actions according to the terms of this Settlement Agreement or satisfaction of the Confession of Judgment and the entry of an Order Approving the Settlement Agreement by the Court, the Receiver, any subsequent receivers or trustees, and all other persons that could make claims by or through them shall fully and forever compromise, settle, release, acquit, and discharge Nehra and Waak from any and all past, present or future claims, causes of action, suits, demands, losses, liabilities, costs or obligations of any nature whatsoever, whether based on tort, contract, or other theories of recovery, between Receiver and Nehra and Waak, whether now known, unknown, asserted, unasserted, foreseen, unforeseen, contingent, actual, liquidated or unliquidated. Further, Receiver agrees that in connection with his motion seeking approval of the Settlement Agreement, he will seek dismissal of the Lawsuit without prejudice. However, this release shall be null and void and unenforceable against the Receiver in the event that any of Nehra and Waak's representations, warranties or covenants in this Agreement are determined to be untrue or breached by Nehra and Waak and Receiver shall be entitled to pursue all remedies against Nehra and Waak in the absence of this release as authorized in this Agreement.

**10. Nehra and Waak's Release.** Immediately upon the execution of this Agreement, except as to the rights, liabilities and obligations arising out of this Agreement, Nehra and Waak hereby fully and forever compromise, settle, release, acquit, and discharge the receivership estate, Receiver, McGuireWoods, LLP, and their predecessors, successors, subsidiaries, assigns, affiliates, insurers and any and all present and former employees, attorneys, agents, officers, directors or persons, corporations, representatives and other entities connected therewith (the "Receiver Releasees"), from any and all past, present or future claims, causes of action, suits, demands, losses, liabilities, costs or obligations of any nature whatsoever, whether based on tort, contract, or other theories of recovery, between Nehra and Waak and the Receiver Releasees, whether now known, unknown, asserted, unasserted, foreseen, unforeseen, contingent, actual, liquidated or unliquidated. The provisions of this section shall survive even in the event of a Default.

**11. Choice of Law.** This Agreement shall be governed by the laws of the State of North Carolina.

**12. Cure of Untimely Payment.** In the event that Nehra and Waak fail to make a timely Settlement Payment or a payment is returned from a financial institution for insufficient funds, then Nehra and Waak shall have the right to cure that failure within 15 days by delivering a certified check payable to the Receiver in the proper payment amount plus a 1% late fee.

**13. Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior negotiations, agreements, and understandings, oral or written, with respect to the subject matter hereof. Each

party declares and represents that no promise, inducement or agreement not herein expressed has been made to the other party and that this Agreement contains the entire terms of the settlement between the Parties, each party has had the opportunity to consult with an attorney of their choice and, further, each party has read the terms of this Agreement, understands them, and accepts them of such party's own free will.

**14. Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any of the Parties. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of this Agreement as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**15. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, legal representatives, successors and assigns and all of those holding title under either of them and the pronouns used herein shall include, where appropriate, either gender and both singular and plural.

**16. No Third Party Beneficiary.** The Parties do not intend to confer any benefit by or under this Agreement upon any person or entity other than the Parties hereto and their respective successors and permitted assigns.

**17. Attorneys' Fees and Costs.** The Parties agree to bear their own attorneys' fees and costs in this action herein. In the event that legal or other action is required to enforce a Party's rights under this Agreement, the non-prevailing party agrees to reimburse the prevailing party upon demand for its reasonable attorneys' fees and other related costs and expenses incurred in connection with the enforcement thereof.

**18. Modification.** This Agreement may not be amended, altered, modified or otherwise changed except in a writing signed by all Parties.

**19. No Waiver.** Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

**20. Execution in Counterparts.** This Agreement may be executed in several counterparts by the Parties and through the exchange of facsimile or PDF signature papers and, as executed, the several copies shall constitute one single signed Agreement.

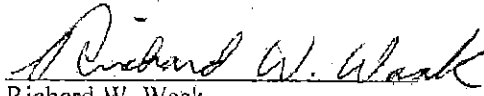
**21. Captions and Rules of Construction.** The caption in this Agreement is inserted only as a matter of convenience and for reference and does not define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Any reference in this Agreement to a paragraph is to a paragraph of this Agreement. "Includes" and "including" are not limiting.

**22. Tolling of Statutes of Limitation.** Nehra and Waak acknowledge and agree that any and all applicable statutes of limitation shall be tolled prior to full satisfaction of the Confession of Judgment and the making of any other payments required by the Agreement and during any period of forbearance related to those payments or a period of two (2) years from the date hereof ("Tolling Period"), whichever period is longer. Nehra and Waak agree that they will not raise the running of any applicable statutes of limitation as a defense in any legal action if an action is commenced during the Tolling Period.

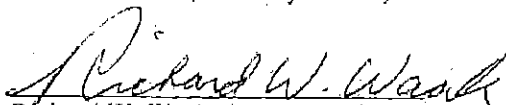
IN WITNESS WHEREOF, the parties have executed this Agreement effective this 8th day of December, 2015.

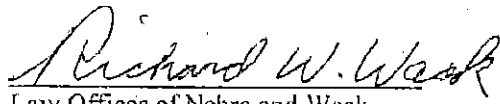
  
Kenneth D. Bell, RVG Receiver

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Gerald P. Nehra

  
Richard W. Waak

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Gerald P. Nehra, Attorney at Law, PLLC

  
Richard W. Waak, Attorney at Law, PLLC

  
Law Offices of Nehra and Waak

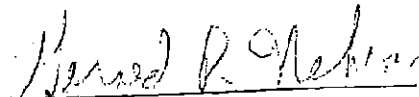


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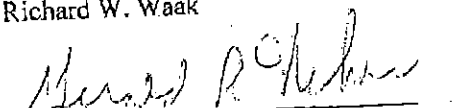
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Kenneth D. Bell, RVG Receiver

  
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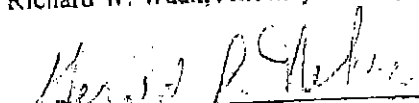
  
Law Offices of Nehra and Waak



Exhibit 1  
Confession of Judgment

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

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KENNETH D. BELL, in his capacity as  
court-appointed Receiver for Rex  
Venture Group, LLC d/b/a  
ZeekRewards.com,

Plaintiff,

vs.

GERALD P. NEHRA, individually and  
doing business as Law Offices of Nehra  
and Waak; GERALD P. NEHRA,  
ATTORNEY AT LAW, PLLC;  
RICHARD W. WAAK, individually and  
doing business as Law Offices of Nehra  
and Waak; RICHARD W. WAAK,  
ATTORNEY AT LAW, PLLC; and  
LAW OFFICES OF NEHRA AND  
WAAK,

Defendants.

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Civil Action No. 3:15-cv-437

CONFESSION OF JUDGMENT

By executing this Confession of Judgment, Gerald P. Nehra, Esq., individually and doing business as the Law Offices of Nehra and Waak; Gerald P. Nehra, Attorney at Law, PLLC; Richard W. Waak individually and doing business as the Law Offices of Nehra and Waak; and Richard W. Waak Attorney at Law, PLLC Nehra and Waak, Inc. (collectively "Nehra and

Waak") hereby confess and consent to entry of judgment against them in favor of Kenneth D. Bell in his capacity as the Temporary Receiver for Rex Venture Group, LLC d/b/a ZeekRewards.com ("Receiver"), pursuant to the following terms:

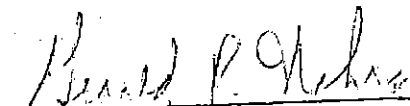
1. By virtue of a Settlement Agreement dated December 8, 2015, the parties agreed that Nehra and Waak would pay to the Receiver the sum of \$100,000,000 (the "Settlement Amount").

2. In the event that Nehra and Waak breach the Settlement Agreement ("Default"), the entire unpaid settlement amount of \$100,000,000 ("Amount Due") would be due and payable and the Receiver may file this Confession of Judgment with this Court and thereby obtain a judgment against Nehra and Waak in the amount of \$100,000,000 plus interest at the maximum allowable legal rate from the time of Default, reasonable attorneys' fees, and all court costs and filing fees.

3. In the event of Default, the Amount Due shall be offset by the sum of any prior payments made toward the Settlement Amount.

4. By executing this Confession of Judgment, Nehra and Waak agree and consent to entry of the judgment described in this Confession of Judgment and hereby waive any and all objections they might otherwise have to entry of the judgment described in this Confession of Judgment.

Date: 12-9, 2015

  
Gerald P. Nehra

Richard W. Waak

Gerald P. Nehra  
Gerald P. Nehra, Attorney at Law, PLLC

Richard W. Waak, Attorney at Law, PLLC

Gerald P. Nehra  
Law Offices of Nehra and Waak

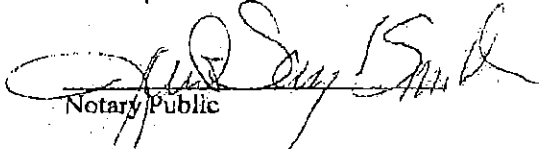
VERIFICATION

STATE OF Michigan )  
COUNTY OF Muskegon )

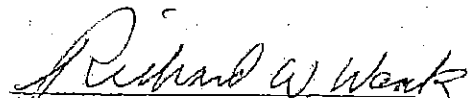
GERALD P. NEHRA being first duly sworn, deposes and states  
that the contents of the foregoing Confession of Judgment are true and correct.

By: Gerald P. Nehra (name and title)  
ATTORNEY

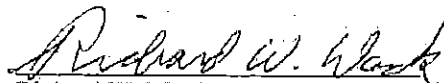
Subscribed and sworn to before  
me this 9<sup>th</sup> day of Dec, 2015.

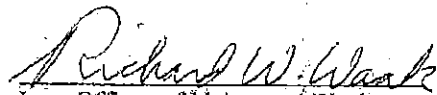
  
Notary Public

JANET SAYLES SMITH, Notary Public  
State of Michigan, County of Muskegon  
My Commission Expires January 8, 2018

  
Richard W. Waak

Gerald P. Nehra, Attorney at Law, PLLC

  
Richard W. Waak, Attorney at Law, PLLC

  
Law Offices of Nehra and Waak

VERIFICATION

STATE OF Florida)  
COUNTY OF Hillsborough

RICHARD W WAATK being first duly sworn, deposes and states

that the contents of the foregoing Confession of Judgment are true and correct.



Nirav Patel  
NOTARY PUBLIC  
STATE OF FLORIDA  
Comm# FF237786  
Expires 8/27/2019

By: \_\_\_\_\_ (name and title)

Subscribed and sworn to before  
me this 8<sup>th</sup> day of Dec, 2015.

[Signature]  
Notary Public