

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
Box 14670  
Salt Lake City, UT 84114-6760  
Telephone: (801) 530-6600  
FAX: (801) 530-6980

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**BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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IN THE MATTER OF:

**LIFE PARTNERS, INC.;**  
**LIFE PARTNERS HOLDINGS, INC.;**  
**MARK BRUCE SUTHERLAND;**

Respondents.

**MOTION TO DISMISS**

**Docket No. SD 06-0083**  
**Docket No. SD 06-0084**  
**Docket No. SD 06-0085**

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The Utah Division of Securities (“Division”), by and through its Acting Director, hereby moves for dismissal of the Amended Order to Show Cause. The parties have settled and resolved the issues raised in this matter. Accordingly, the Division moves for an Order of Dismissal dismissing this matter with prejudice. A proposed Order is attached.

Dated: May 5<sup>th</sup>, 2008

Respectfully submitted,



Thad LeVar  
Acting Director  
Utah Securities Division

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IN THE MATTER OF:

**LIFE PARTNERS, INC.;**  
**LIFE PARTNERS HOLDINGS, INC.;**  
**MARK BRUCE SUTHERLAND;**

Respondents.

**ORDER OF DISMISSAL**

**Docket No. SD 06-0083**  
**Docket No. SD 06-0084**  
Docket No. SD 06-0085

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The Acting Director of the Division of Securities has moved for dismissal of this matter based upon a settlement and resolution of the issues. Having reviewed the motion and finding that good cause exists, the motion is hereby GRANTED. The above-captioned matter is dismissed with prejudice. Each party will bear its own costs.

Dated: May 5<sup>th</sup>, 2008

  
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Steve Eklund  
Presiding Officer

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into between Life Partners, Inc. (“LPI”), Life Partners Holdings, Inc. (“LPHI”), and the Acting Director of the Utah Division of Securities (“Director” or “Division”), as a full and final resolution of Civil Action No. 2:07-cv-508, pending in the United States District Court for the District of Utah, and the Amended Order to Show Cause dated October 23, 2007, pending before the Division. WHEREFORE, LPI, LPHI, and the Division, by and through its Director, hereby agree as follows:

### **RECITATIONS**

1. On October 20, 2006, the Division issued an Order to Show Cause to Respondents LPI and LPHI (“Respondents”).
2. On November 17, 2006, LPI and LPHI brought a civil action in federal court.
3. On October 23, 2007, the Division issued an Amended Order to Show Cause to Respondents.
4. On November 1, 2007, LPI and LPHI moved for leave to amend their pending federal court action.
5. In lieu of proceeding with their respective formal actions, LPI and LPHI, without admitting any of the Division’s allegations, and the Division, without admitting any of the Plaintiffs’ allegations, have agreed to settle their respective matters by way of this Settlement Agreement. This Settlement Agreement is intended to fully and finally resolve all claims and allegations raised by LPI and LPHI in this action and/or by the Division in the Amended Order to Show Cause, based upon the mutual representations and undertakings agreed to below.

## **UNDERTAKINGS**

6. LPI may provide its services as a purchaser's agent of viatical settlements to residents of Utah if it provides such services in compliance with the provisions of the Act.
7. The Division will, upon request by LPI, provide guidance regarding proper procedures and practices for complying with the provisions of the Act, consistent with Division rules and policies governing requests for advice.
8. LPI, LPHI and the Director will file a joint motion for dismissal of the federal court action pending against the Division's Director with prejudice within ten (10) days of execution of this Settlement Agreement. The form of the parties' joint motion and order of dismissal are attached hereto as Exhibit A.
9. The Division will dismiss the Order to Show Cause dated October 20, 2006, and the Amended Order to Show Cause dated October 23, 2007, as to Respondents with prejudice within ten (10) days of execution of this Settlement Agreement. The form of the Division's motion and order of dismissal are attached hereto as Exhibit B.
10. Within thirty (30) days of execution of this Settlement Agreement, LPI will forward a letter to each client-purchaser who resides in Utah and for whom LPI has facilitated a viatical settlement since January 1, 2005, requesting the individual's consent to provide his or her name, address, and telephone number to the Division. Upon receipt of a consent form from an individual, LPI will forward the name, address and telephone number of the individual to the Division. The form of the letter and consent to be used by LPI are attached hereto as Exhibit C.

11. Within thirty (30) days of execution of this Settlement Agreement, LPI will forward a letter to MBC offering to rescind MBC's purchase of two viatical interests in February 2006.
12. Each party releases the other and all their past, present or future parents, subsidiaries, affiliates, directors, officers, shareholders, partners, employees, attorneys, administrators, agents, successors and assigns from any and all claims, debts, causes of action, complaints, suits, controversies, obligations, damages, expenses, accounts, judgments, and liabilities of every kind, including attorneys fees and costs, whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected, which are in any way related to the allegations and claims raised in Civil Action No. 2:07-cv-508 and/or the Amended Order to Show Cause dated October 23, 2007.
13. Each party will bear its own attorneys' fees and costs. Between July 1, 2008 and July 31, 2008, LPI will contribute a payment of \$10,000 to the Utah Division of Securities Training & Investor Education Fund to be used by the Division in its discretion.

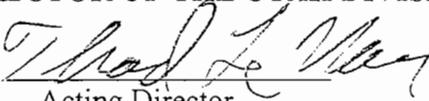
#### **MISCELLANEOUS**

14. This Settlement Agreement constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Settlement Agreement in any way.
15. Each signatory below represents that he or she has read this Settlement Agreement, that he or she has entered into this Settlement Agreement voluntarily, and has legal authority to make the representations and commit to the undertakings stated herein.

16. The parties agree that this Settlement Agreement does not constitute an admission by any party to the allegations and/or claims brought by the other side in the federal lawsuit or the administrative action.
17. The parties agree that this Settlement Agreement is not intended to and does not establish any third-party beneficiary rights.
18. The parties agree that this Settlement Agreement shall be a matter of public record. The parties agree to restrict any public comments about the Settlement Agreement to the language of the Settlement Agreement.

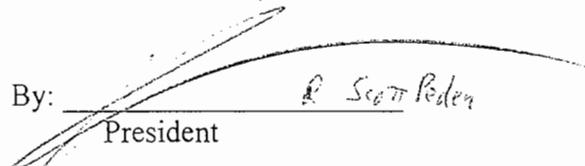
**AGREED TO:**

**DIRECTOR OF THE UTAH DIVISION OF SECURITIES**

By:   
Acting Director

Date: 4/9/08

**LIFE PARTNERS, INC.**

By:   
President

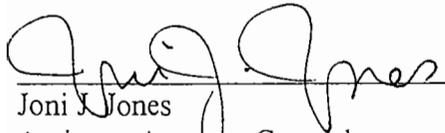
Date: April 7, 2008

**LIFE PARTNERS HOLDINGS, INC.**

By:   
Chairman

Date: April 7<sup>th</sup>, 2008

Approved:



Joni J. Jones  
Assistant Attorney General  
Counsel to the Acting Director,  
Utah Division of Securities

Date: 4-9-08

Approved:



Mark W. Pugsley  
Ray Quinney & Nebeker P.C.  
Counsel for Life Partners, Inc.  
& Life Partners Holdings, Inc.

Date: 4/8/08

**Certificate of Mailing**

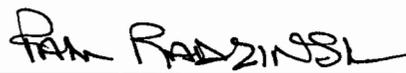
I certify that on the 6<sup>TH</sup> day of ~~April~~<sup>MAY</sup>, 2008, I mailed, by certified mail, a true and correct copy of the Motion to Dismiss and the Order of Dismissal to:

Mark W. Pugsley  
Ryan B. Bell  
RAY, QUINNEY & NEBEKER  
PO Box 45385  
Salt Lake City, UT 84101

Certified Mail # 7004 1160 0003 0195 6689

Lee E. Goodman  
Robert P. Howard, JR.  
LECLAIR RYAN, A Professional Corporation  
1101 Connecticut Ave. N.W., Suite 600  
Washington, DC 20036

Certified Mail # 7004 1160 0003 0195 6696

  
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Executive Secretary