

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

ALYSSON MILLS, IN HER CAPACITY
AS RECEIVER FOR ARTHUR LAMAR
ADAMS AND MADISON TIMBER
PROPERTIES, LLC,

Plaintiff,

v.

MICHAEL D. BILLINGS and
MDB GROUP, LLC;
TERRY WAYNE KELLY, JR. and
KELLY MANAGEMENT, LLC;
and WILLIAM B. MCHENRY, JR. and
FIRST SOUTH INVESTMENTS, LLC,

Defendants.

Case No. 3:18-cv-679

Arising out of Case No. 3:18-cv-252,
*Securities and Exchange Commission v.
Arthur Lamar Adams and Madison
Timber Properties, LLC*

Hon. Carlton W. Reeves, District Judge
Hon. F. Keith Ball, Magistrate Judge

ORDER APPROVING SETTLEMENT

Before the Court is the Motion for Entry of Consent Judgment and Approval of Proposed Settlement filed by Plaintiff Alysson Mills, in her capacity as the court-appointed receiver (the “Receiver”) for Arthur Lamar Adams (“Adams”) and Madison Timber Properties, LLC (“Madison Timber”). The motion was filed in the case styled *Alysson Mills vs. Michael D. Billings, et al.*, No. 3:18-cv-679 (S.D. Miss) (“Recruiter lawsuit”), itself arising out of *Securities and Exchange Commission v. Arthur Lamar Adams and Madison Timber Properties, LLC*, No. 3:18-cv-252 (S.D. Miss) (“S.E.C. lawsuit”).

The motion asks the Court to approve the Receiver’s proposed settlement with Michael D. Billings and MDB Group, LLC (“Billings”), a defendant in the Recruiter lawsuit.

After having considered the filings and arguments of counsel therein, the Court GRANTS the motion.

BACKGROUND

The Receiver’s complaint

On October 17, 2018, the Receiver filed an amended complaint against Michael D. Billings and MDB Group, LLC; Terry Wayne Kelly, Jr. and Kelly Management, LLC; and William B. McHenry, Jr. and First South Investments, LLC. The complaint alleges the defendants received more than \$16,000,000 in Madison Timber “commissions.” The complaint seeks to return that money to the Receivership Estate, to maximize funds available for distribution to victims.

The Receiver wishes to resolve the Receivership Estate’s claims against each of the defendants efficiently, to minimize time and expense to the Receivership Estate. The Receiver offered to suspend further litigation against a defendant if the defendant agreed to 1) make a full

and complete financial disclosure, 2) commit to attempt to negotiate a settlement in good faith, and 3) preserve assets pending negotiations.

Michael D. Billings and MDB Group, LLC (“Billings”) did not initially agree to the Receiver’s proposal, but on November 13, 2018, this Court entered an Agreed Order preserving Billings’s assets [Doc. 36]. On November 15, 2018, Billings made what the Receiver deemed a full and complete financial disclosure. Thereafter, the parties negotiated in good faith toward a settlement.

The Receiver and Billings have now agreed to a proposed settlement of the Receiver’s claims for commissions payments, summarized herein, that the Receiver recommends that the Court approve.

Billings’s finances

The Receiver’s complaint alleges Billings received net “commissions,” before taxes, of \$3,513,780 between 2013 and April 2018. When she filed her complaint, the Receiver did not know whether Billings would be capable of returning any of that money to the Receivership Estate. The Receiver insisted on a full and complete financial disclosure by Billings so that she could assess whether settlement with Billings would be viable and prudent.

The Receiver obtained from Billings sworn financial disclosures and supporting documentation, including records from Billings’s bank and retirement accounts. The Receiver’s counsel also separately examined Billings under oath regarding his finances.

The Receiver’s proposed settlement with Billings

The Receiver and Billings have undertaken extensive and thoughtful negotiations and the Receiver is satisfied that settlement with Billings is in the Receivership Estate’s best interest.

As a precondition to settlement, Billings consents to the entry of a Consent Judgment **[Exhibit A]** against him in the full amount of \$3,513,780, reflecting the net “commissions,” before taxes, that he received between 2013 and April 2018. The Receiver agrees, however, that she will release Billings from liability for the judgment, which reflects solely her claim against Billings for commission payments, if he complies with the proposed Settlement Agreement **[Exhibit B]**.

The proposed Settlement Agreement provides that Billings shall transfer the following assets currently in his possession to the Receivership Estate:

- \$325,000 in cash currently sitting bank accounts and
- Billings’s interest in Oxford Springs, LLC.

In addition, Billings shall, among other things:

- execute a promissory note in the original principal amount of \$500,000 due and payable in four years that may be prepaid in the amount of \$187,500 if paid in 365 days, \$250,000 if paid in 547 days, or \$312,500 if paid in 730 days;
- restate his federal and state income tax returns for the years in question, as permitted by law, and transfer 90% of any refunds received to the Receivership Estate; and
- cooperate with the Receiver’s ongoing efforts to recover money for the Receivership Estate.

The Receiver believes the foregoing¹ represents a value of approximately \$800,000 to the Receivership Estate. Based on her examination of his finances, the Receiver believes this amount exceeds any amount the Receiver could obtain if she litigated her claim against Billings to final judgment.

¹ The foregoing is intended solely as a summary of the terms of the proposed Settlement Agreement. In all events, the specific terms of the proposed Settlement Agreement and Consent Judgment shall control.

The Court and the Receiver are mindful that if Billings required the Receiver to litigate her claim against him to final judgment, Billings would be unable to pay the final judgment and likely would file for bankruptcy. If Billings filed for bankruptcy, the Receivership Estate would compete with other creditors for a share of Billings's assets. The final judgment would be virtually uncollectable.

The Receiver would spend considerable time and money litigating her claim against Billings to final judgment. Billings also would spend considerable time and money defending against the Receiver's claim. The time and money spent on litigation, which currently is being funded on an hourly basis, is time and money the Receivership Estate would never recover.

For all these reasons, the Receiver recommends settlement with Billings on the proposed terms now, and the Court accepts her recommendation.

Unlike the Receiver's settlement with Defendants Terry Wayne Kelly and Kelly Management, LLC,² the Receiver does not believe a hearing is required prior to the Court's approval of the proposed settlement with Billings, and the Court agrees. Unlike the settlement with Defendants Terry Wayne Kelly and Kelly Management, LLC, the proposed settlement with Billings does not include what is known as a "bar order" which would bar others from asserting claims against Billings arising out of, in connection with, or relating to Madison Timber. Because the proposed settlement with Billings does not include a "bar order," it does not affect the rights of other interested parties. Therefore, notice and hearing is not necessary.

² See Doc. 56.

ORDER

After having considered the filings and arguments of counsel therein, the Court finds that the terms of the Settlement Agreement are adequate, fair, reasonable, and equitable. The Settlement Agreement should be and is hereby **APPROVED**.

Accordingly, the Court hereby **ORDERS** as follows:

1. The terms used in this Order Approving Settlement that are defined in the Settlement Agreement between the Receiver and Billings, unless expressly otherwise defined herein, shall have the same meaning as in the Settlement Agreement.

2. This Court has jurisdiction over the subject matter of this action, and the Receiver is a proper party to seek entry of this Order Approving Settlement.

3. The Settlement Agreement was reached after a full investigation of the facts by the Receiver. The Settlement Agreement was negotiated, proposed, and entered into between the Receiver and Billings in good faith and at arm's length. The parties were well-represented and competent to evaluate the strengths and weaknesses of all claims and defenses.

4. The Settlement Agreement will generate a significantly greater recovery to the Receivership Estate than would be the case were the Receiver to obtain and attempt to collect on a final judgment against Billings in the amount prayed for in the captioned action, which would almost certainly force Billings into bankruptcy.

5. The parties and their counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

6. The Court finds that the Settlement Agreement is, in all respects, fair, reasonable, and adequate, and in the best interests of all parties claiming an interest in or asserting any claim against Billings or the Receivership Estate.

7. The Settlement Agreement, the terms of which are fully set forth in the document itself, is hereby fully and finally approved. The parties are directed to implement and consummate the Settlement Agreement in accordance with its terms and with this Order Approving Settlement.

8. Nothing in this Order Approving Settlement or the Settlement Agreement and no aspect of the Settlement Agreement or negotiation thereof is or shall be construed to be an admission or concession of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of any party in any other proceeding.

9. Billings shall deliver or cause to be delivered the Settlement Assets in accordance with the terms of the Settlement Agreement. The Court specifically directs Billings to abide by the cooperation covenants set forth in Paragraph 3(b) of the Settlement Agreement.

10. Upon Billings's satisfaction of Billings's obligations under the Settlement Agreement, the Receiver shall file a motion to dismiss her claims for commissions payments against Billings.

11. Without in any way affecting the finality of this Order Approving Settlement, the Court retains continuing and exclusive jurisdiction over the parties for the purposes of, among other things, the administration, interpretation, consummation, and enforcement of the Settlement Agreement and Consent Judgement, including, without limitation, the releases described therein.

DATED: 8/16/2019

s/ Honorable Carlton W. Reeves
UNITED STATES DISTRICT JUDGE

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SOUTHERN DISTRICT OF MISSISSIPPI
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ALYSSON MILLS, IN HER CAPACITY
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Arthur Lamar Adams and Madison
Timber Properties, LLC

Hon. Carlton W. Reeves, District Judge
Hon. F. Keith Ball, Magistrate Judge

CONSENT JUDGMENT

Before the Court is the Motion for Entry of Consent Judgment and Approval of Proposed Settlement filed by Plaintiff Alysson Mills, in her capacity as the court-appointed receiver (the “Receiver”) for Arthur Lamar Adams (“Adams”) and Madison Timber Properties, LLC (“Madison Timber”). The motion was filed in the case styled *Alysson Mills vs. Michael D. Billings, et al.*, No. 3:18-cv-679 (S.D. Miss) (“Recruiter lawsuit”), itself arising out of *Securities and Exchange Commission v. Arthur Lamar Adams and Madison Timber Properties, LLC*, No. 3:18-cv-252 (S.D. Miss) (“S.E.C. lawsuit”).

The motion asks the Court to approve the Receiver’s proposed settlement with Michael D. Billings and MDB Group, LLC (“Billings”), a defendant in the Recruiter lawsuit. Having

considered the filings and arguments of counsel, the Court grants the motion. The Court finds that the terms of the Settlement Agreement are adequate, fair, reasonable, and equitable, and that it should be approved.

As requested by the motion, and consistent with the approved Settlement Agreement, the Court ORDERS:

Consent judgment is entered in favor of the Receiver and against Billings in the full amount of \$3,513,780, reflecting the net “commissions,” before taxes, that Billings received between 2013 and April 2018.

DATED: 8/16/2019

s/ Honorable Carlton W. Reeves
UNITED STATES DISTRICT JUDGE

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is entered into on this 8th day of July, 2019, by and between Alysson L. Mills (“Ms. Mills”) in her capacity as the Receiver for the estate of Arthur Lamar Adams (“Adams”) and Madison Timber Properties, LLC (“Madison Timber”) (the “Receiver”) and Michael D. Billings (“Billings”) and MDB Group, LLC (“MDB Group”) (jointly, the “Billings Parties”). The Receiver and the Billings Parties are sometimes collectively referred to as the “Parties.”

RECITALS

A. WHEREAS, on April 20, 2018, the United States Securities and Exchange Commission (the “SEC”) filed a Complaint against Adams and Madison Timber alleging violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder (the “SEC Litigation”) Case No. 3:18-cv-00252-CWR-FKB in the United States District Court for the Southern District of Mississippi, Northern Division (the “District Court”).

B. WHEREAS, on May 1, 2018, the United States Attorney for the Southern District of Mississippi charged Adams with two counts of wire fraud in violation of 18 U.S.C. § 1343 and one count of bank fraud in violation of 18 U.S.C. § 1344, in Case No. 3:18-cr-00088-CWR-LRA in the United States District Court for the Southern District of Mississippi, Northern Division.

C. WHEREAS, on June 22, 2018, United States District Judge Carlton W. Reeves appointed Ms. Mills to serve as Receiver of Adams’s and Madison Timber’s estate (the “Receivership Estate”). Among Ms. Mills’s powers and duties as Receiver is the power to sue for

and collect, recover, receive or take into possession from third parties any assets traceable to assets of the Receivership Estate.

D. WHEREAS, on October 17, 2018, the Receiver filed an amended complaint against certain persons who recruited investors for Madison Timber, including the Billings Parties, alleging fraudulent transfers under the Mississippi Uniform Fraudulent Transfer Act and unjust enrichment in the matter styled *Alysson L. Mills, in her capacity as Receiver for Arthur Lamar Adams and Madison Timber Properties, LLC v. Michael D. Billings, et al.*, Case No. 3:18-cv-00679-CWR-FKB, in the United States District Court for the Southern District of Mississippi, Northern Division (the “Recruiter Litigation”).

E. WHEREAS, on December 19, 2018, the Receiver filed a complaint against certain persons who are alleged to have aided and abetted the Madison Timber scheme, including Butler Snow LLP, Butler Snow Advisory Services, LLC, and Matt Thornton, in the matter styled *Alysson L. Mills, in her capacity as Receiver for Arthur Lamar Adams and Madison Timber Properties, LLC v. Butler Snow LLP, et al.*, Case No. 3:18-cv-00679-CWR-FKB, in the United States District Court for the Southern District of Mississippi, Northern Division (the “Butler Snow Litigation”).

F. WHEREAS, in the Recruiter Litigation, the Receiver sought return from the Billings Parties “commissions,” fees, and other such payments they received from Madison Timber in an amount estimated by the Receiver to be not less than \$3,513,780.

G. WHEREAS, on November 16, 2018, the Billings Parties provided the Receiver with a financial disclosures attesting to all of Billings' assets and liabilities as of that date, which he subsequently executed on November 26, 2018.

H. WHEREAS, in order to avoid the expense, burden, and delay of further litigation and without admitting or acknowledging any liability, and subject to the entry of an order of the Court approving this Agreement, and authorizing and directing the Parties' performance of their obligations hereunder, as more fully described below, the Parties now wish to effect a full and complete resolution and settlement of all claims and defenses asserted in the Recruiter Litigation and freely and voluntarily enter into this Agreement for that purpose.

I. WHEREAS, this Agreement is intended to resolve and release the claims by the Receiver against the Billings Parties only and expressly does not settle or compromise the claims made by the Receiver against non-parties, including, without limitation, William B. McHenry, Jr., and First South Investments, LLC, who are additional defendants in the Recruiter Litigation, or the claims made by the Receiver in the Butler Snow Litigation, including any claims the Receiver may have against Billings for anything other than the return of "commissions," fees, and other such payments that are the subject of the Recruiter Litigation.

J. WHEREAS, this Agreement contemplates the settlement of the Receiver's claims against the Billings Parties in exchange for a consent judgment entered against Billings and MDB Group, jointly and severally, in the amount of \$3,513,780 and an agreement by the Receiver that, if Billings and MDB Group comply with the terms of this Agreement, the Receiver will seek to collect that judgment only from: a cash payment in the amount of \$325,000.00; assignments of interests by Billings and/or MDB Group to the Receiver of membership interests in a certain

limited liability company named Oxford Springs, LLC; a promissory note to be executed by Billings; and any income tax refunds received by Billings and/or MDB Group for the tax years 2010-2018, and upon receipt of such payment and other consideration, the Receiver will deem the judgment satisfied and will take the steps necessary to have the judgment shown as satisfied in any public record on which it is spread.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

Definitions

1. The “Approval Order” shall mean an order of the Court entered in the record of the Recruiter Litigation approving the settlement by and between the Receiver and the Billings Parties.
2. The “Effective Date” shall mean the date on which the Court enters the Approval Order and Consent Judgment. In the event the Approval Order and Consent Judgment are not entered on the same day, the date of entry of the Approval Order shall be the Effective Date.
3. The “Financial Disclosures” shall mean the financial disclosures provided to the Receiver on November 16, 2018 and signed by Michael D. Billings on November 26, 2018, a deposition of Michael D. Billings conducted on December 20, 2018, as well as any written supplements provided to the Receiver through the date this Agreement is executed.

4. The “Oxford Springs Distributions” shall mean the aggregate of all cash or cash equivalents received by the Receiver through Billings’s assignment of his interest in Oxford Springs, LLP.

5. The “Promissory Note” shall mean a promissory note in the original principal amount and in form and substance satisfactory to the Receiver but which shall contain the following provisions:

- a. The Promissory Note shall be in the original principal amount of Five Hundred Thousand and no/100 (\$500,000.00) Dollars and bearing interest at the rate of five (5%) percent per annum with all principal and interest due and payable on that date which occurs one thousand four hundred fifty-seven (1,457) days after the Effective Date.
- b. The Promissory Note may be repaid in full by the delivery to the Receiver of a “Note Prepayment.”
- c. As used herein, the term “Note Prepayment” shall mean (i) during that period commencing on the Effective Date and ending on that date which occurs Three Hundred Sixty Five (365) Days after the Effective Date, the sum of One Hundred Eighty Seven Thousand Five Hundred and no/100 (\$187,500.00) Dollars; (ii) during that period commencing on the date which occurs Three Hundred Sixty Five (365) Days after the Effective Date and ending on that date which occurs Five Hundred Forty Seven (547) Days after the Effective Date, the sum of Two Hundred Fifty Thousand and no/100 (\$250,000.00) Dollars; and (iii) during that period which occurs Five Hundred Forty Seven (547) Days after the Effective Date and

ending Seven Hundred Thirty (730) Days after the Effective Date, the sum of Three Hundred Twelve Thousand Five Hundred and no/100 (\$312,500.00) Dollars.

- d. The amount owed under the Promissory Note either at maturity or for any Note Prepayment shall be reduced by the amount, if any, by which the Oxford Springs Distributions exceed One Hundred Thousand and no/100 (\$100,000.00) Dollars.

6. The “Tender Date” shall mean that date which occurs thirty (30) days after the Effective Date unless such date is not a business day in which event the Tender Date shall be the next business day.

AGREEMENT

1. Consent Judgment. The Receiver, Billings, and MDB Group will jointly move the Court for the entry of a consent judgment in the Recruiter Litigation in favor of the Receiver in the amount of \$3,513,780 (the “Consent Judgment”) and substantially in the form attached hereto as Exhibit A. The Receiver shall not record the Consent Judgment in any public records (save and except the records of the Court) unless and until Billings (i) defaults in payment of the Promissory Note or (ii) there is an Event of Default hereunder which Billings fails to cure timely.

2. Settlement Assets. Billings shall deliver to the Receiver the following assets which are hereafter sometimes referred to collectively as the “Settlement Assets”:

- a. Cash Payment. On or before the Tender Date, the Billings Parties shall pay to the Receiver in immediately available funds the sum of Three Hundred Twenty-Five Thousand and no/100 (\$325,000) Dollars.

- b. Oxford Springs Assignment. On the Effective Date, the Billings Parties shall assign to the Receiver the membership interest held by Billings and/or MDB Group in Oxford Springs, LLC and waive any right of first refusal granted by the LLC Agreement for Oxford Springs, LLC.
 - c. Promissory Note. On the Effective Date, the Billings Parties shall execute and deliver to the Receiver the Promissory Note.
 - i. Default under the Promissory Note. In the event of default in payment of the Promissory Note, the Receiver shall be entitled to exercise all remedies to compel payment of whatever amounts and obligations are outstanding under the Promissory Note, but default in payment of the Promissory Note shall not entitle the Receiver to collect the balance of the Consent Judgment.
 - d. Income Tax Refunds. Subject to the provisions of Paragraph 3.c.1., below, the Billings Parties shall restate their income tax returns for all available years, including, at a minimum, the years 2015-2017. Should either Billings Party receive an income tax refund from restating their tax returns, or from filing their tax return for the year 2018, that refund shall be used to repay all costs or fees incurred by any party to obtain the refund, and 90% of any remaining refund shall be paid to the Receiver within five days of receipt.
3. Covenants of the Parties.
- a. Filing and prosecution of motion. Immediately following execution of this Agreement, the Parties shall file such pleadings and, thereafter, shall take such

action as may be necessary or appropriate to obtain the entry of the Approval Order and Consent Judgment.

- b. Cooperation. In addition to paying to the Receiver the Settlement Assets, Billings shall use his best efforts to cooperate with the Receiver in the following ways:
 - i. Restatement of Tax Return. Billings shall use his best efforts to restate his income tax returns for all available years, including, at a minimum, the years 2015-2017. Should Billings obtain an opinion of a tax accountant, acceptable to both Parties, that restatement of his tax returns is not allowed under applicable law, he may cease further efforts to restate his income tax returns.
 - ii. Provision of Tax Return. The Billings Parties shall provide to the Receiver copies of their respective 2018 federal and state tax returns and all attachments to those returns immediately following filing.
 - iii. Other Assistance. The Billings Parties shall cooperate and provide any assistance as may be requested by the Receiver, including, without limitation, producing non-privileged documents and emails and appearing for interviews, depositions, or trial testimony as may be requested by the Receiver upon reasonable notice.
4. Release of the Billings Parties. Effective upon the Receiver's receipt of all of the Settlement Assets (including delivery to the Receiver of the executed Promissory Note but not payment of the Promissory Note), the Receiver individually and on behalf of the Receivership

Estate shall release, acquit and forever discharge Michael D. Billings and MDB Group, LLC, their heirs successors and assigns, (hereinafter “Billings Released Parties”) from any and all claims, demands, causes of action and obligations seeking recovery and/or disgorgement of any “commissions,” fees, or other payments of any type or description received by the Billings Released Parties from Adams, Madison Timber, or from any individual or entity affiliated in any way with Madison Timber. The Receiver specifically reserves (a) any and all claims, demands, and causes of action she has asserted or could assert against any other defendant in the Recruiter Litigation and all other persons and entities other than the Billings Parties, (b) any and all claims, demands and causes of action she has asserted or may assert in the Butler Snow Litigation, including against the Billings Parties, and (c) any and all claims, demands, and causes of action she has or may have with respect to the Promissory Note.

5. Release by Defendants. The Billings Parties, individually and collectively, do hereby release, acquit and forever discharge the Receiver, the Receivership Estate, their attorneys, accountants, representatives, members, employees, affiliates, and all other persons for whom they might be liable (collectively the “Receiver Released Persons”) of any and all claims, demands, causes of action, and obligations of any type or description, whether known or unknown, existing or contingent, whether arising in tort or contract which one or more of the Billings Parties has or may have against any one or more of the Receiver Released Persons.

6. Event of Default by the Billings Parties. Any of the following shall constitute an event of default by the Billings Parties:

- a. The Billings Parties fail to transfer timely any of the Settlement Assets to the Receiver.

- b. The Billings Parties fail to perform any of the Covenants or other obligations imposed upon them by this Agreement.
- c. The Billings Parties have made a material misrepresentation or omission in connection with the Financial Disclosures.

7. Remedies Upon Occurrence of an Event of Default. Upon the occurrence of an Event of Default, the Receiver shall give not less than seven (7) days written notice to the Billings Parties by electronic mail and addressed to the Billings Parties through their counsel of record in the Recruiter Litigation. The Billings Parties shall have seven (7) days from the date of issuance of such notice to cure the Event of Default. Should they fail to cure timely, the Receiver may declare the Consent Judgment immediately due and payable (less the amount of payments, if any, received by the Receiver) and may, thereafter, employ all remedies and procedures to collect upon the Consent Judgment; provided, however, that if the default by the Billings Parties is limited solely to default in payment of the Promissory Note, the Receiver shall only be entitled to recover the balance due on the Promissory Note including such attorney's fees and expenses as may be stated in the Promissory Note.

8. Approval of the District Court. The Parties recognize that the Receiver's performance of the Receiver's obligations hereunder is contingent upon the Court entering an order approving the settlement (the "Approval Order"). This Agreement shall automatically terminate, without further acts by either of the Parties, upon the Court entering an order denying entry of the Approval Order.

9. Entire Agreement; Amendments; Waivers. This Agreement, including all agreements referenced herein, constitutes the entire agreement of the Parties solely with regard to

the subject matter hereof. This Agreement may only be modified or amended by an instrument in writing signed by all Parties. No waiver of any condition hereunder shall be effective unless effected by an instrument in writing signed by all Parties. No Party to this Agreement has relied upon any representations of any other Party not expressly contained in this Agreement.

10. Governing Law. This Agreement, as well as all matters in dispute between the Parties, whether arising from or relating to this Agreement or arising from or relating to alleged extra-contractual facts prior to, during, or subsequent to this Agreement, including fraud, misrepresentation, negligence, or any other alleged tort or violation of this Agreement, regardless of the legal theory upon which such matter is asserted, is to be governed by, construed under, and enforced in accordance with the laws of the United States and the State of Mississippi without regard to any conflicts of laws principles that would require the application of any other laws. The Court shall retain jurisdiction to enforce the terms of this Agreement and to adjudicate any disputes arising in relation thereto.

11. Binding Effect. This Agreement shall inure to the benefit of the Parties hereto and shall be binding upon each of them, and their heirs, estates, assigns, representatives, and successors.

12. Further Assurances. Each of the parties, without further consideration, agrees to execute and deliver such other documents and take such other action as may be necessary to consummate more effectively the subject matter hereof.

13. Rules of Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the Parties and no presumption or burden

of proof is to arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

14. Counterparts; Execution of Agreement. The Parties are permitted to execute this Agreement in one or more counterparts, each of such counterparts is to be deemed to be an original copy of this Agreement, and all of which, when taken together, are to be deemed to constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile, electronic mail, or other electronic transmission constitutes effective execution and delivery of this Agreement as to the Parties. Signatures of the Parties transmitted by facsimile, electronic mail, or other electronic transmission are to be deemed to be their original signatures for all purposes.

[Signatures on Following Page]

Dated the day first above written.

Alysson Mills

Alysson L. Mills, in her capacity as Receiver
for the estate of Arthur Lamar Adams and
Madison Timber Properties, LLC.

Michael D. Billings

MICHAEL D. BILLINGS

Michael D. Billings

Michael D. Billings, as sole member and
manager of MDB Group, LLC