

IN THE SUPERIOR COURT OF WASHINGTON
FOR THE COUNTY OF KING

MARK PHILLIPS,
Plaintiff,

V.

CHAD HAROLD RUDKIN AND
ELIZABETH RUDKIN, STEPHEN JAMES
SCHWEICKERT, and JANE DOES 1 through
4.

Defendants

MARK E. PHILLIPS

Plaintiff

V

HUNTS POINT VENTURES, INC. AND
HUNTS POINT VENTURES GROUP, LLC

Defendants

In the Receivership of:

HUNTS POINT VENTURES, INC., a
Washington Corporation,

JOYCE P. SCHWEICKERT

Plaintiff

1

HUNTS POINT VENTURES, INC., a
Washington Corporation

Defendant

NO. 13-2-07233-5 SEA

DECLARATION OF MARK CALVERT IN
SUPPORT OF RECEIVER'S MOTION TO (1)
APPROVE SETTLEMENT; (2) APPROVE
FINAL REPORT AND ACCOUNTING; (3)
AUTHORIZE FINAL DISBURSEMENTS; (4)
AUTHORIZE DESTRUCTION OF RECORDS;
(5) EXONERATE THE BOND, DISCHARGE
AND RELEASE RECEIVER; (6) TERMINATE
RECEIVERSHIP; AND (7) DISMISS
REMAINING LITIGATION AGAINST HPV

NO. 13-2-20353-7 SEA (consolidated with
13-2-07233-5 SEA)

NO. 13-2-40014-6 SEA (consolidated with
13-2-07233-5 SEA)

NO. 13-2-42759-1 SEA (consolidated with
13-2-07233-5 SEA)

1 I, Mark Calvert, declare as follows:

2 1) I am the Managing Partner of Cascade Capital Group, LLC, the court appointed
3 general receiver (“Receiver”) for Hunts Point Ventures, Inc. (“HPV”), pursuant to the Order
4 Appointing a General Receiver, entered by this court on November 25, 2013. I am over the age of
5 eighteen (18), I am competent to testify herein, and I make this declaration from personal
6 knowledge.

7 2) The actions set forth in the above captions were filed in King County Superior Court
8 and relate to a dispute over the ownership of HPV, which, in turn, owned as its primary asset certain
9 intellectual property described below.

10 3) Plaintiff Mark Phillips originally commenced two actions wherein he claimed an
11 ownership interest in HPV: one against the directors and shareholders of HPV, *Phillips v. Rudkin et*
12 *al.*, No. 13-2-07233-5, and the other against HPV and another related corporate entity, *Phillips v.*
13 *Hunts Point Ventures, Inc. et al.*, No. 13-2-20353-7. Those actions were consolidated pursuant to an
14 order by this Court on July 26, 2013.

15 4) On November 20, 2013, Chad and Elizabeth Rudkin on behalf of HPV executed an
16 assignment for the benefit of creditors pursuant to RCW 7.08 to Cascade Capital Group, LLC, and
17 consented to appointment of a general receiver.

18 5) On November 25, 2013, the Ex Parte Commissioner entered an order appointing
19 Cascade Capital Group, LLC to manage HPV, and this Court subsequently approved an order
20 consolidating the *Phillips* cases with the receivership action on December 19, 2013. Also
21 consolidated with the above cases was the case of Joyce P. Schweickert v. HPV, No. 13-2-42759-1.

22 6) Pursuant to the Appointment Order, the Receiver executed and filed with the Court a
23 bond in the amount of Ten Thousand Dollars (\$10,000.00) to secure the faithful discharge of the

1 Receiver's duties. The bond was issued by the International Fidelity Insurance Company on
2 November 27, 2013, Bond #SEIFSU0567688.

3 7) The primary assets of HPV were ten (10) patents and patent applications
4 ("Intellectual Property"). Pursuant to the Appointment Order, the Receiver was tasked with
5 liquidating HPV's assets for the benefit of whomever the Receivership Court may determine to be
6 entitled to the assets or their proceeds.

7 8) On March 12, 2015, the U.S. District Court for the Western District of Washington,
8 Cause No. 13-CV-675, entered a judgment against Hunts Point Ventures, Inc., in favor of Jennifer
9 Schweickert, in the principal amount of \$200,000, plus simple interest at the annualized rate of 8%
10 calculated to a total of \$60,000 as of March 12, 2015 (the "Judgment").

11 9) Pursuant to a Purchase and Sale Agreement of Intellectual Property dated as of May
12 15, 2015, the Receiver sold the Intellectual Property and related rights "as is where is" to Jennifer
13 Schweickert, which included payment of the sum of \$50,000 cash, plus dismissal of the Judgment,
14 among other provisions ("Sale"). This Sale was approved by the Receivership Court on or about
15 June 24, 2015, ("Sale Order"). Pursuant to the Sale order the Receiver disbursed the sale proceeds
16 as follows:

- 17 • \$28,279.89 to Sandy Hoover as payment in full of her (1) \$20,000 secured claim
18 pursuant to an order of the court dated January 9, 2015, plus interest of \$3,835.00, and
19 \$4,444.89 award for attorney fees to Ms. Hover pursuant to an order of the court dated
20 February 10, 2015; and
- 21 • \$21,720.11 to the Receiver to be held for partial payment of administrative expenses.

22 10) To the best of my knowledge, there are no remaining assets in the estate to be
23 liquidated. The Receiver requests that termination of the receivership include abandonment of
24 any/all assets not administered in the case

1 11) On May 12, 2015, the Receiver filed an Amended Complaint against John David Du
2 Wors, John Whitaker, Newman & Newman, Attorneys at Law, LLP, d/b/a/ Newman Du Wors LLP
3 (collectively, “Defendants”) in the Superior Court of Washington in King County, No. 15-2-06869-
4 5-SEA (“Action”). The Complaint alleged a number of causes of action arising out of prior
5 representation of HPV by the Defendants, including professional negligence, breach of fiduciary
6 duty, unjust enrichment, conversion and breach of contract. The Complaint alleged that Defendants’
7 failure to protect the patents led to the Receiver’s inability to sell these patents (once believed to be
8 worth over \$5 mil.) for more than a de minimus amount. That Complaint was also consolidated
9 with the Receivership case.

10
11 12) Defendants denied liability and asserted various defenses, including statute of
12 limitation, lack of causation, etc.

13
14 13) Defendant Newman removed the Action to the U.S. District Court for the Western
15 District of Washington, Case NO. 15-CV-979-JP (the “Federal Court Action”). The Federal Court
16 Action is currently stayed, pending resolution of a patent validity appeal pending before the U.S.
17 Patent and Trademark Office.

18 14) On December 10, 2015, I participated in a mediation conducted between the Plaintiff
19 (Receiver) and Defendants which resulted in a global settlement, as shown in the CR2A Agreement
20 attached hereto as Exhibit A (“Settlement”). Attached hereto as Exhibit B is a true and correct copy
21 of the settlement and release agreement referred to in the Settlement. In consideration for the mutual
22 release of all claims between the parties, the Defendants agreed to pay \$205,000 to the estate
23 (“Settlement Sum”). The Settlement Sum will be paid to the Estate within ten (10) days of approval
24 of the Settlement by the Receivership Court, or 30 days from execution of a release, whichever is
25 longer. The parties agreed to bring a motion to approve the Settlement on shortened time and dismiss
26 both the Federal Court Action and the Action in State Court within five (5) days of payment of the
27

1 Settlement Sum. I, on behalf of the Receiver, also signed a declaration confirming the scope of the
2 sale of the Estate's intellectual property to Jennifer Schweickert.

3 15) In my professional opinion, it is in the best interests of the Estate for the Court to
4 approve the Settlement.

5 **Fees and Costs of Receiver and Its Counsel**

6 16) Pursuant to three prior Notices of Compensation, the approved and unpaid fees and
7 costs of the Receiver and its counsel are as follows:

8 **Receiver**

	Period:	Fees:	Costs:	Total:
First Notice of Compensation	Nov. 2013 thru Jan. 2014	\$71,899.00	\$345.17	\$72,244.17
Second Notice of Compensation	February 2014 thru Oct. 2014	\$181,725.00	\$1,835.86	\$183,560.86
Third Notice of Compensation	November 2014 thru Feb. 2015	\$34,033.50	\$294.86	\$34,328.36
TOTAL				\$290,133.39

15 **Karr Tuttle Campbell**

	Period:	Fees:	Costs:	Total:
First Notice of Compensation	Nov. 2013 thru Jan. 2014	\$35,608.00	\$1,100.19	\$36,708.19
Second Notice of Compensation	February 2014 thru October 2014	\$59,302.50	\$1,092.46	\$60,394.96
Third Notice of Compensation	November 2014 through Feb. 2015	\$20,411.00	\$400.50	\$20,811.50
TOTAL				\$117,914.65

22 Thus the total amount approved and outstanding in fees and costs for the Receiver and its counsel
23 as of March 2015 was \$408,048.04.

24 17) Since February 2015 to date, the Receiver has expended an additional \$50,146.57 in
25 fees and costs for a total of \$308,040.94; and Karr Tuttle Campbell has expended an additional
26 \$47,477.42 in fees and costs for a total of \$175,392.07. However, because these amounts exceed
27

1 the amount of funds available for distribution, the Receiver does not feel it is necessary to seek
2 additional approval of these fees and costs. Based on total fees and costs incurred to date, the
3 Receiver and Karr Tuttle agree on a pro rata distribution of remaining funds of approximately 60%
4 to the Receiver and 40% to Karr Tuttle Campbell.
5

6 18) The Receiver is holding \$24,753.17 in the receivership estate, plus the anticipated
7 funds of \$205,000 from the Settlement (together, the "Estate Funds"), for a total of \$229,378.17.
8 The Receiver's final report and accounting is attached to the my Declaration as Exhibit C,
9 including proposed distribution of the Estate Funds as follows:

Receiver	\$136,558.51
Karr Tuttle Campbell	\$92,819.66
	\$229,378.17

10 13 19) With all assets of HPV liquidated and the receivership terminated, the court should
11 also dismiss the consolidated cases brought by Mark Phillips and Joyce Schweickert against HPV
12 (No. 13-2-20353-7 SEA and No. 13-2-42759-1 SEA). Nothing remains to be done, and the
13 litigation is moot.

14 18 20) The Receivership Order provides that the Receivership shall remain in effect until
15 terminated by order of the court. The Receiver seeks court approval to destroy the books and
16 records of the Receivership immediately following the discharge of the Receiver. It is burdensome
17 to the Receiver to retain these files.

18 22 I certify under penalty of perjury under the laws of the State of Washington that the
19 foregoing is true and correct.
20

21 25 DATED in Seattle, Washington, this 22nd day of December 2015.
26

27 Mark Calvert

CR2A AGREEMENT

This CR2A Agreement (“Agreement”) is entered into by and between John David Du Wors, John Whitaker, Newman & Newman, Attorneys at Law, LLP (collectively the “Defendants”) and Cascade Capital Group, LLC in its capacity as the duly appointed general receiver (the “Receiver”) of the receivership estate of Hunts Point Ventures, Inc. (the “Estate”) pending in King County Superior Court, Consolidated Case No. 13-2-07233-5 SEA (the “Receivership Action”), in settlement of all claims, known or unknown, that were alleged or which could have been alleged by the Receiver or the Defendants in the case known as Hunts Point Ventures, Inc. v. John David Du Wors, et al., King County Superior Court Case No. 15-2-06869-5 SEA (the “State Court Action”), which matter was removed and remains pending in the U.S. District Court for the Western District of Washington, Case No. 15-CV-979-MJP (the “Federal Court Action”) (collectively the State Court Action and the Federal Court Action are referred to as the “Litigation”). A separate settlement and release agreement will be drafted.

1. The terms set out in this Agreement are a global settlement between the Defendants and the Receiver of the Litigation (the “Global Settlement”). The Receiver, the Estate, and the Defendants mutually release all claims, known or unknown, that were or could have been raised in the Litigation and agree to stipulate to the entry of a dismissal for both the Federal Court Action and the State Court Action with prejudice and without costs to either party, pending approval of the Global Settlement by the court in the Receivership Action.

2. In consideration for the mutual release of all claims contemplated in this Agreement, the Defendants agree to cause to be paid to the Estate, Two Hundred and Five Thousand Dollars (\$205,000) (the “Settlement Sum”). Payment of the Settlement Sum shall be made by the Defendants to the Estate within ten (10) days following approval of the Global Settlement by the court in the Receivership Action or 30 days from execution of the release and receipt by defendants’ counsel of release, whichever is longer. Defendants agree the Receiver may bring the motion to approve the Global Settlement on shortened time. Stipulations to the entry of a dismissal shall be filed in both the Federal Court Action and the State Court Action by the Receiver and the Defendants within five (5) business days of payment of the Settlement Sum.

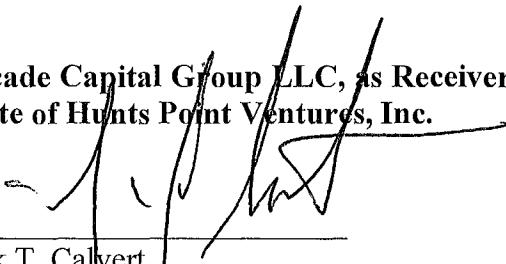
3. The Receiver agrees to sign a declaration in the form attached as Exhibit A confirming the scope of the sale of the Estate’s intellectual property to Jennifer Schweickert.

4. The mediator Armand J. Kornfeld retains jurisdiction to decide any disputes that arise as to the interpretation of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

**Cascade Capital Group LLC, as Receiver for the
Estate of Hunts Point Ventures, Inc.**

Dated: 12/10/2015

By: 
Mark T. Calvert
Its: Managing Director

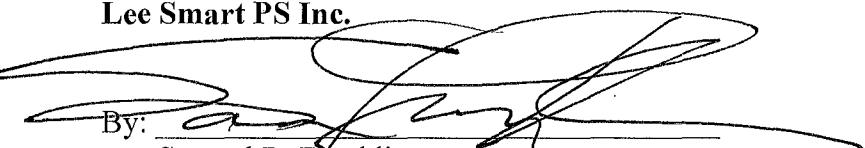
Karr Tuttle Campbell

Dated: 12/10/2015

By: 
Diana K. Carey
Attorneys for the Receiver

Lee Smart PS Inc.

Dated: 12/10/15

By: 
Samuel B. Franklin
Attorneys for John David Du Wors and Newman &
Newman Attorneys at Law, LLP

Newman & Newman Attorneys at Law, LLP

Dated: 12/10/15


Derek A. Newman on behalf of Newman &
Newman Attorneys at Law, LLP and John David
Du Wors (on telephonic approval)

Dated: 12/10/2015


John Whitaker
Pro Se

Exhibit A

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2
3
4
5
6

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

7 JENNIFER SCHWEICKERT, an individual,
8 Plaintiff,
9 vs.
10 JOHN DAVID DU WORS, an individual; and
11 NEWMAN DU WORS, LLP,
12 Defendants.

No.

DECLARATION OF MARK CALVERT

13 MARK CALVERT states and declares as follows:
14 1. I am over the age of 18, competent to testify to the matters set forth herein, and
15 testify based on my personal knowledge.
16 2. I am, through my company, the receiver for Hunts Point Ventures, Inc. (HPV).
17 3. Previously, John Du Wors, and the law firm of Newman Du Wors, served as
18 patent litigation counsel to HPV.
19 4. Following the termination of representation of HPV by John Du Wors and
20 Newman Du Wors, Newman Du Wors through its counsel furnished me with HPV's client
21 copy of files associated with that patent litigation and other matters upon which Newman Du
22 Wors represented HPV (the "Files").
23 5. Recently, on behalf of HPV, I sold a large portion of HPV's intellectual
24 property, including its issued patents, to Jennifer Schweickert.
25

DECLARATION OF MARK CALVERT - 1
5839525.doc

LEE SMART

P.S., Inc. • Pacific Northwest Law Offices

1800 One Convention Place • 701 Pike Street • Seattle • WA • 98101-3929
Tel. 206.624.7990 • Toll Free 877.624.7990 • Fax 206.624.5944

1
2 6. I did not, however, sell or assign Ms. Schweickert the Files, or any aspect of
HPV's standing as a former client of Newman Du Wors.
3

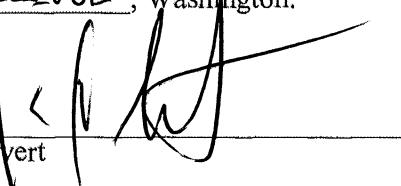
4
5 7. I understand Ms. Schweickert may contend that she now has rights to the Files
by virtue of her purchase of HPV's intellectual property. The purchase and sale agreement (a
copy of which is attached as Exhibit A) and the King County Superior Court Order confirming
the sale of assets to Ms. Schweickert (the "Order") provide that she only purchased intellectual
property assets of HPV and related rights, not the Files.
6
7

8 8. While I have consented to Newman Du Wors' disclosure of the Files to Ms.
9 Schweickert, I have not demanded that Newman Du Wors produce those files a second time,
10 because they already produced a client copy to me earlier this year.
11

12 9. If Ms. Schweickert desires a copy of the Files, I am happy to provide what I was
given to her as a courtesy, but she has not requested that to date.
13

14 I declare under penalty of perjury under the laws of the State of Washington, that the
15 foregoing is true and correct to the best of my knowledge.
16

17 EXECUTED this 12 day of December, 2015 at BELLEVUE, Washington.
18

19 By: 
Mark Calvert

PURCHASE AND SALE AGREEMENT OF INTELLECTUAL PROPERTY

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of 5-11, 2015 (the "Effective Date") by and between Cascade Capital Group, LLC, in its capacity as the court-appointed general receiver for Hunts Point Ventures, Inc. (the "Receiver"), and Jennifer Schweickert, an individual resident of the State of Washington ("Buyer").

RECITALS:

A. On November 20, 2013, Chad and Elizabeth Rudkin on behalf of Hunts Point Ventures, Inc. executed an assignment for the benefit of creditors (the "Assignment") pursuant to RCW 7.08 to Cascade Capital Group, LLC, and consented to appointment of a general receiver.

B. The Assignment contained a Schedule B – List of Potential Property, which described ten (10) patents and patent applications, and which was described in Section I.G.iv of Schedule B of the Assignment, and which is replicated in Exhibit 1 attached hereto (the "Intellectual Property").

C. The Receiver was appointed as general receiver for all assets of Hunts Point Ventures, Inc. (the "Assets") by a court order (the "Appointment Order") dated November 25, 2013, in Cause No. 13-2-40014-6 SEA, which was later administratively consolidated under Cause No. 13-2-07233-5 SEA, (the "Receivership") of the Superior Court of Washington for King County (the "Receivership Court").

D. The Appointment Order authorizes the Receiver to liquidate the Assets, for the benefit of whomever the Receivership Court may determine to be entitled to the Assets or their proceeds.

E. Following appointment of the Receiver, Buyer loaned ten thousand dollars (\$10,000) to the Receiver (the "Loan") so that the Receiver could retain an intellectual property law firm, Olympic Patent Works, to evaluate the status of the Intellectual Property.

F. Olympic Patent Works informed the Receiver of various defects in the Intellectual Property, including, without limitation: 1) possible assignment of the patents to third parties; 2) one issued patent re-examination was terminated by the United States Patent and Trademark Office ("USPTO") due to a failure to include a notice of appeal; 3) five patent applications were abandoned; and 4) one patent application could not be located on the USPTO Patent Application Information Retrieval system as ever filed or registered.

G. Buyer desires to purchase the Intellectual Property, and the Receiver has informed the Buyer that the Intellectual Property will be sold "as is" and with no guarantees whatsoever as to its status before the USPTO or as to whether the Receiver ultimately has legal title to some or all of the Intellectual Property. The Receiver has provided the Buyer, who is represented by

#982831 v2 / 45608-002
#985064 v2 / 45608-002

Exhibit A

counsel, with the opportunity to seek due diligence with regard to the status of the Intellectual Property. The Receiver is not aware whether Buyer has exercised that right to perform due diligence on the Intellectual Property.

H. In addition to the Intellectual Property, Buyer has further indicated a desire to purchase any hard prototypes, code, trademarks, copyrights, name and public disclosure documents (collectively with the Intellectual Property, the "Property") that may or may not be owned by Hunts Point Ventures, Inc.

I. Other than as proposed in this Agreement, the Receiver has not sold or otherwise assigned any interest in the Property.

J. On or about March 12, 2015, the U.S. District Court for the Western District of Washington, Cause No. 13-CV-675, entered a judgment for Buyer against Hunts Point Ventures, Inc. in the principal amount of \$200,000, plus simple interest at the annualized rate of 8% calculated to a total of \$60,000 as of March 12, 2015 (the "Judgment").

K. Buyer now desires to purchase the Property, and Receiver desires to sell that Property, on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, Buyer and Receiver agree as follows:

I. PURCHASE AND SALE

1.1. Agreement to Buy and Sell. Subject to all of the terms and conditions of this Agreement, Receiver hereby agrees to sell and convey to Buyer and Buyer hereby agrees to acquire and purchase from Receiver all of Receiver's right, title and interest in the Property, except for any pending law suits filed by Hunts Point Ventures, Inc. against third parties, but including any and all legal or other claims, or rights therein, which may have accrued related to or arising out of the subject Property during the period of time in which title or ownership of the Property was owned by Hunts Point Ventures, Inc. or during the pendency of the receivership described above.

1.2. Purchase Price. The purchase price to be paid by Buyer to Receiver for the Property shall be a cash payment of Fifty Thousand Dollars (\$50,000.00) to be paid within two (2) business days after entry of a Sale Order (as defined below in ¶ 2.3), dismissal of the Judgment and forgiveness of the Loan for a total purchase price of Three Hundred Twenty Thousand Dollars (\$320,000.00) (the "Purchase Price"). As consideration, Buyer forever waives and releases her claim against Hunts Point Ventures, Inc. and the Receiver for the Judgment and the Loan.

2. ADDITIONAL AGREEMENTS OF THE PARTIES

2.1. Receiver's Representations and Warranties. Receiver hereby represents, warrants and covenants to and agrees with Buyer that Receiver has the power and authority to consummate the transactions contemplated by this Agreement, and that this Agreement and all documents to be executed by Receiver in connection herewith are, or when delivered shall be, duly authorized and valid, binding and enforceable obligations of Receiver, provided Receiver has received the approval of this Agreement and transaction contemplated herein of the King County Superior Court after notice to all parties in the Receivership.

NO OTHER REPRESENTATIONS OR WARRANTIES OF THE RECEIVER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES ARE MADE BY THE RECEIVER WITH RESPECT TO THE PROPERTY OR THE TRANSACTION. BUYER ACKNOWLEDGES THAT THE RECEIVER IS NOT GIVING, MAKING, OR PERFORMING ANY ACT THAT CONSTITUTES, EXPRESSLY OR IMPLIEDLY, A WARRANTY OF THE TITLE PERTAINING TO THE PROPERTY OR WITH REGARD TO ANY STATUS OF THE PROPERTY BEFORE THE USPTO. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE RECEIVER DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE TITLE AND OWNERSHIP, MAINTENANCE, CONDITION, OR MARKETABILITY OF THE PROPERTY. THE PROPERTY IS TO BE TRANSFERRED TO THE BUYER IN ITS PRESENT CONDITION, "AS IS" WITH ALL FAULTS. BUYER AFFIRMS THAT BUYER HAS INDEPENDENTLY, AND IN BUYER'S SOLE JUDGMENT, ELECTED TO ENTER INTO THIS AGREEMENT, AND HAS NOT RELIED UPON ANY STATEMENT OR REPRESENTATION OF THE RECEIVER IN ENTERING THIS AGREEMENT.

2.2. Buyer's Representations and Warranties. Buyer hereby represents, warrants and covenants to and agrees with Receiver as follows:

2.2.1. Buyer's Investigation and Release. (a) Buyer acknowledges that except as explicitly set forth herein, there are no representations or warranties of any kind whatsoever, express or implied, made by Receiver in connection with this Agreement and the purchase of the Property by Buyer; (b) Buyer has had (or has chosen not to have) fully investigated the Property and all matters pertaining thereto; (c) Buyer is not relying (and shall not rely) on any statement or representation of Receiver, its agents or its representatives nor on any information supplied by Receiver, its agents or its representatives; (d) Buyer, in entering into this Agreement and in completing its purchase of the Property, is relying, and shall rely, entirely on her own investigation of the Property; (e) Buyer's decision to purchase the Property on the terms and conditions hereof has been, and at all times shall be, made solely and exclusively in reliance on Buyer's own review, inspection and investigation of the Property and any documents or information relating to the Property; and (f) **BUYER SHALL PURCHASE THE PROPERTY IN ITS "AS IS" CONDITION AS OF THE EFFECTIVE DATE.**

2.2.2. Authority. Buyer has the power and authority to own the Property and to consummate the transactions contemplated by this Agreement. This Agreement and all documents to be executed by Buyer in connection herewith are, or when delivered shall be, duly authorized and valid, binding and enforceable obligations of Buyer.

2.2.3. Consents. Buyer is not required to obtain any consents or approvals to consummate the transactions contemplated in this Agreement.

2.3. Conditions Precedent to Consummation of the Sale. The Receivership Court shall have entered an order in the Receivership authorizing the sale of the Property to Buyer pursuant to this Agreement free and clear of all liens and other encumbrances and all rights of redemption, as contemplated by RCW 7.60.260(2) (the "Sale Order"), and the effect of the Sale Order shall not have been delayed, superseded, or subject to stay pending appeal. The Receiver shall promptly move for approval of this Agreement from the Receivership Court after mutual execution of this Agreement.

2.4. Buyer's Release. UPON THE RECEIVERSHIP COURT'S APPROVAL OF THE SALE ORDER, AND EFFECTIVE WITHOUT THE NECESSITY OF BUYER EXECUTING ANY FURTHER DOCUMENTS IN CONNECTION THEREWITH, BUYER SHALL FOREVER RELEASE THE RECEIVER AND HUNTS POINT VENTURES, INC., AND ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, SERVANTS, ATTORNEYS, AFFILIATES, SUBSIDIARIES, SUCCESSORS AND ASSIGNS AND ALL PERSONS, FIRMS, CORPORATIONS AND ORGANIZATIONS IN ITS BEHALF (COLLECTIVELY, "RELEASED PARTIES") FROM ANY AND ALL CLAIMS THAT SHE MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES (INCLUDING WITHOUT LIMITATION ATTORNEYS FEES), JUDGMENTS (INCLUDING WITHOUT LIMITATION THE "JUDGMENT" AS REFERENCED IN RECITAL ¶J ABOVE AND THE LOAN REFERENCED IN RECITAL ¶E ABOVE), DEMANDS, ACTIONS OR CAUSES ARISING FROM OR RELATED TO OR AFFECTING HUNTS POINT VENTURES, INC., OR THE RECEIVER, INCLUDING BUT NOT LIMITED TO, THIS AGREEMENT OR THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE TO RECEIVER.

3. GENERAL PROVISIONS

3.1. Counterparts. This Agreement may be executed in faxed or emailed counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

3.2. Entire Agreement. This Agreement contains the entire integrated agreement between the parties respecting the subject matter of this Agreement and supersedes all prior and contemporaneous understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

3.3. Legal Advice; Neutral Interpretation; Headings. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. Headings used in this Agreement are for convenience of reference only and shall not be used in construing this Agreement.

3.4. Choice of Law. This Agreement shall be governed by the laws of the State of Washington.

3.5. Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

3.6. Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement.

3.7. Relationship of Parties. The parties agree that their relationship is that of Receiver and Buyer, and that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

3.8. Further Acts. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents, which may be reasonably necessary to carry out the provisions of this Agreement. In particular, the Receiver hereby agrees that it will, from time to time, execute and deliver such further instruments of assignment and transfer as may be reasonably requested by Buyer to implement and effectuate this Agreement and the assignment and transfer of the Property, including, but not limited to recording any and all assignment and transfer documents concerning the Intellectual Property with the USPTO.

3.9. Attorneys' Fees. In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees

and costs as may be reasonably incurred, including the costs of reasonable investigation, preparation and professional or expert consultation incurred by reason of such litigation. All other attorneys' fees and costs relating to this Agreement and the transactions contemplated hereby shall be borne by the party incurring the same.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Effective Date.

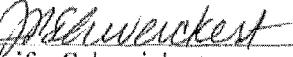
RECEIVER: Cascade Capital Group, LLC, a Washington limited liability company as Receiver of Hunts Point Ventures, Inc.

By: 

Name: Mark Calvert

Its: Managing Member

BUYER: Jennifer Schweickert, an individual residing in the State of Washington, as her sole and separate estate

By: 

Jennifer Schweickert

Exhibit 1: Intellectual Property

App. No. 11/683,765 (Pub. No. 20080222155, September 11, 2008)
App. No. 11/974,918 (Pub. No. 20080133546, June 5, 2008)
App. No. 11/725,181 (Pub. No. 20080125080, May 29, 2008)
App. No. 09/975,749 (Pub. No. 20020045961, Notice of appeal filed March 16, 2007 – appealing examiner's rejection of claims 28-37)
App. No. 09/975,736 (Pub. No. 20020046315, Notice of appeal filed June 14, 2007 – appealing examiner's rejection of claims 1-14)
App. No. 09/975,748 (Pub. No. 20020045960, Notice of appeal filed June 20, 2007 – appealing examiner's rejection of claims 1-20)
App. No. 11/679,338 (Pub. No. 20080208739, August 28, 2008)
Patent No. US 7,574,272 B2
Patent No. US 7,667,123 B2
Patent No. US 7,779,064 B2

SETTLEMENT AND RELEASE OF CLAIMS

This Settlement and Release of Claims ("Release") is executed by Hunts Point Ventures, Inc.

1. Definitions

Lawsuit. Lawsuit means Hunts Point Ventures, Inc., King County Superior Court, Consolidated Cause No. 13-2-07233-5 SEA and *Hunts Point Ventures v. Du Wors*, U.S. District Court for the Western District of Washington, Case No. 2:15-cv-00979-MJP, as removed from King County Superior Court, Case No. 15-2-06869-5 SEA.

Hunts Point Ventures. Hunts Point Ventures means Hunts Point Ventures, Inc., its Board of Directors, its Officers and their agents, assigns, beneficiaries, spouses, predecessors or successors in interest, its receivers, assigns, beneficiaries, spouses, predecessors or successors in interest, servants, employees, attorneys, trustees, representatives, insurers, receivers, or whomsoever may be liable for their actions, and each of them.

Du Wors. Du Wors means John Du Wors and his agents, assigns, beneficiaries, spouses, insurers, predecessors or successors in interest, servants, employees, attorneys, executors, trustees, representatives, or whomsoever may be liable for their actions, and each of them.

Whitaker. Whitaker means John Whitaker and his agents, assigns, beneficiaries, spouses, insurers, predecessors or successors in interest, servants, employees, attorneys, executors, trustees, representatives, or whomsoever may be liable for their actions, and each of them.

Newman. Newman means Newman & Newman Attorneys at Law, LLP, and Newman | DuWors LLP, and as to each, its Board of Directors, its Officers and their agents, assigns, beneficiaries, spouses, predecessors or successors in interest, its assigns, beneficiaries, spouses, predecessors or successors in interest, servants, employees, attorneys, trustees, representatives, insurers, or whomsoever may be liable for their actions, and each of them.

Defendants. Defendants means Du Wors, Whitaker, and Newman, as defined herein.

Parties. Parties means Hunts Point Ventures, Du Wors, and Newman, as defined herein, and Cascade Capital Group, LLC, as receiver for the Estate of Hunts Point Ventures.

Effective Date. Effective Date means December 10, 2015.

Released Claims. Released Claims means all claims which Hunts Point Ventures has or may have against Defendants, including without limitation all common law and statutory claims, claims for attorneys' fees and/or costs, claims for insurance coverage, counterclaims, debts, damages, demands, expenses, liabilities, losses, obligations, and all causes of action and the like, known or unknown, asserted or not asserted, at law or in equity, statutory or otherwise, state or federal, including but not limited to, claims that were or could have been asserted by the Parties in the Lawsuit. Released Claims does not mean claims that may arise from conduct after the Effective Date of this Release, if any.

Including. Including means including but not limited to.

2. Recitals

WHEREAS Hunts Point Ventures filed the Lawsuit seeking damages and other relief from Defendants and Whitaker filed counterclaims in the Lawsuit seeking declaratory; and

WHEREAS the Parties reached an agreement to settle the matter on December 10, 2015; and

WHEREAS Hunts Point Ventures has agreed to fully and finally release all Released Claims and resolve the Lawsuit, in exchange for the consideration specified below;

NOW, THEREFORE, Hunts Point Ventures agrees as follows:

3. Release

Based on the consideration set forth in Section 4, below, Hunts Point Ventures agrees to forever release and discharge Defendants from all Released Claims. Hunts Point Ventures hereby waives any and all rights it has or may have had to bring any action or lawsuit against Defendants based upon any Released Claims as defined above, or to recover from Defendants any monetary damages or obtain any other form of remedy or relief based upon the Released Claims as defined above. Hunts Point Ventures agrees to forever refrain and forebear from commencing, instituting, or prosecuting any lawsuit, action, administrative action before the Department of Financial Institutions or like organizations and agencies, or other proceeding against Defendants based on, arising out of, or in connection with any Released Claim. Hunts Point Ventures agrees to take no action which is intended, or would reasonably be expected, to harm Defendants or their reputations or which would reasonably be expected to lead to unwanted or unfavorable publicity to Defendants.

Hunts Point Ventures understands that the facts in respect of which this Release is made may hereafter turn out to be other than or different from the facts now known or believed by the Parties to be true. Hunts Point Ventures hereby accepts and assumes all risk of facts turning out to be different, such as the Released Claims being greater, different, or more extensive than now known, anticipated, or expected. In spite of this risk, Hunts Point Ventures agrees that this Release shall be and remain in all respects effective and not subject to termination or rescission by virtue of any such mistake, change, or difference in facts. Hunts Point Ventures further agrees to waive and relinquish all rights it may have under any statute or legal decision providing that a general release does not extend to claims not known or suspected to exist at the time of executing the Release, which if known might have materially affected the Release.

Hunts Point Ventures acknowledges that nothing contained herein releases or discharges it from the rights, duties, and obligations assumed under this Release.

4. Consideration for Agreement

This Release is executed by Hunts Point Ventures in consideration for the promises and agreements set forth in the CR 2A agreement Defendants executed on December 10, 2015, incorporated herein by this reference, and particularly the promise to pay or cause to be paid Hunts Point Ventures \$205,000 (*Two Hundred and Five Thousand Dollars*) within 10 days following approval of the settlement in the receivership action, Case No. 13-2-07233-5 SEA or 30 days from execution of this Release and receipt by Du Wors's counsel of record, whichever is longer.

5. Consideration Not an Admission

The Parties acknowledge that this Release reflects the resolution of disputed claims, and that nothing about this Release is to be construed as an admission of liability, wrongdoing, illegality, or other default or breach of contract on the part of any entity.

6. Dismissal

The Parties agree to direct their attorneys to execute a stipulation and order of dismissal of the Lawsuit, with prejudice and without further costs to any party, following the execution of this Release.

7. Own Counsel; No Construction Against Drafter

The Parties acknowledge that they have had adequate opportunity to consult with independent legal counsel of their own choosing and freely to negotiate this Release, that they have had ample time and opportunity to review and consider this Release's terms, and that they understand the terms and effects of this Release. It is therefore agreed that in any interpretation of the language hereof, no interpretation shall be made against or for any entity simply on the basis of who drafted or created such language. Further, the Parties represent and warrant that in making this Release, they have relied only on their own investigation and the investigation of their own counsel and agents, and have not been influenced to any extent whatsoever by any representations or statements regarding injuries, damages, liabilities, or any other matters made by any other party, except as may be expressly contained in this Release. The Parties acknowledge that no other entity or agent or attorney has made any promise, express or implied, not contained in this Release to induce them to execute this Release, and further acknowledge that they are not executing this instrument in reliance on any promise, representation, or warranty not contained in this agreement.

8. Entire Release

This Release contains all terms and conditions concerning the subject matter hereof, and, except as expressly provided otherwise herein, supersedes and replaces all prior communications, negotiations, proposed releases and agreements, written or oral, and representations relating to the subject matter of this Release.

9. Authority

The person executing this Release represents and warrants that he or she has the absolute authority and power to do so, that he or she has not heretofore assigned or transferred, or purported to assign or transfer, any Released Claim to any other person, and that he or she is fully entitled to compromise, settle, and release the same.

10. Successors

The terms of this Release shall be binding upon and inure to the benefit of the Parties, and the past and present agents, servants, officers, directors, employees, trustees, representatives, successors, heirs, administrators, insurers, and assigns of each with respect to all claims and causes of action described herein.

11. Severability

If any provision of this Release is deemed unlawful or unenforceable, such provisions shall be fully severable, and the remainder of this Release shall be in full force and effect with the

automatic addition of a provision as similar in its terms to such illegal or unenforceable provision as may be possible to make such provision legal and enforceable.

12. No Modification

This Release may not be altered, modified, or amended without the express written consent of the Parties.

13. Counterparts

This Release may be executed by duplicate originals or facsimile or electronic copies.

14. Costs and Expenses

Except as otherwise expressly provided herein, the Parties agree that they shall each bear their own costs, expenses, and attorneys' fees relating to the Released Claims, the Lawsuit, and this Release.

15. Further Assurances

The Parties agree to execute any further documents, and take any further actions, as may be reasonable and appropriate in order to carry out the purpose and intent of this Release.

16. Headings and Titles

Section headings and titles are organizational aids only and do not change the terms of this Release.

17. Dispute Resolution

In the event any dispute arises among the Parties or any of them with respect to this Release, any legal proceedings shall be brought in King County Superior Court in Seattle, Washington, and the law of the State of Washington shall apply. Each party in such action shall bear their own costs, litigation expenses, and attorneys' fees.

**CASCADE CAPITAL GROUP, LLC, as Receiver
for the Estate of Hunts Point Ventures, Inc.**

By: MARK CALVERT Its RECEIVER

DATE: 12/28/2015

In the Receivership of

Case No. 13-2-40014-6SEA

HUNTSPOINT VENTURE, INC

RECEIVER'S FINAL FINANCIAL REPORT

Cascade Capital Group, LLC, was the duly appointed general receiver (the "Receiver") of the assets of Hunts Point Ventures, Inc. ("HPV") pursuant to the Order Appointing General Receiver ("Appointment Order") entered by this Court on November 25, 2013.

Receiver maintained a schedule of income and expenses, a copy of which is attached hereto.

The case included a number of litigation matters between the parties, primarily related to the value and disposition of the patents owned by HPV. Following appointment of the Receiver, Jennifer Schweickert loaned ten thousand dollars (\$10,000) to the Receiver so that the Receiver could retain an intellectual property law firm, Olympic Patent Works, to evaluate the status of the Intellectual Property.

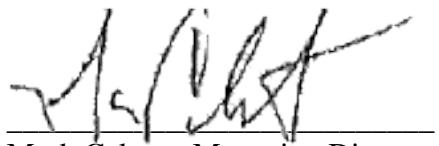
Olympic Patent Works informed the Receiver of various defects in the Intellectual Property, including, without limitation: 1) possible assignment of the patents to third parties; 2) one issued patent re-examination was terminated by the United States Patent and Trademark Office ("USPTO") due to a failure to include a notice of appeal; 3) five patent applications were abandoned; and 4) one patent application could not be located on the USPTO Patent Application Information Retrieval system as ever filed or registered. The Receiver was ultimately able to sell the intellectual property to Ms. Schweickert (who also agreed to forgive the loan) for the sum of \$50,000. This sum was far less than the projected value of the intellectual property, pre-receivership. The Receiver filed a complaint against HPV's prior counsel, alleging, among other things, malpractice and failure to

protect the IP. Counsel denied the allegations, and the parties ultimately settled the litigation after a 9.5 hour mediation. As the settlement amount is not sufficient to pay all administrative costs incurred, this is an administratively insolvent estate and there will be no distribution to unsecured creditors. Nonetheless, the Receiver recommends that the settlement be approved, as it is the best deal that could be achieved after an all-day mediation.

All of the assets of the estate have been liquidated and litigation settled. The beginning balance of the estate was \$286.46, a total of \$271,371.60 of funds was collected (or will be with receipt of the settlement proceeds) and expenditures of \$42,279.89 were incurred. The balance of \$229,378.17 will be allocated \$92,819.66 and \$136,558.51 to Karr Tuttle Campbell (Receiver's general counsel) and the Receiver, respectively. The Receiver requests court approval of this final report and accounting and authorization to make the above disbursements.

DATED this 22nd day of December 2015

Cascade Capital Group, LLC



Mark Calvert, Managing Director

Hunts Point Ventures, Inc.
Superior Court of Washington for King County
Case No. 13-2-40014-GSEA
Allocation of Funds to Close the Case
As of December 15, 2015

Beg Balance 1/1/14			\$286.46
Deposits:			
1/9/2014	Jennifer Schweickert	Loan (1)	\$6,000.00
3/3/2014	Jennifer Schweickert	Loan (1)	\$5,000.00
4/9/2014	Cairncross & Hempelmann	Recovery	\$1,371.60
8/22/2014	Jennifer Schweickert	Loan (1)	\$4,000.00
8/10/2015	Jennifer Schweickert	Sale of IP	\$50,000.00
Anticipated	Litigation Settlement	Settlement	<u>\$205,000.00</u>
	Total Deposits:		<u>\$271,371.60</u>
Checks:			
1/9/2014	Olympic Patent Works	Patent Defense	(\$6,000.00)
2/20/2014	Commerce Bank - documents	Misc	(\$33.00)
2/24/2014	Sam Franklin - subpoena	Misc	(\$25.00)
4/9/2014	Sam Franklin - subpoena	Misc	(\$25.00)
6/17/2014	Mark Calvert	Patent Defense	(\$1,000.00)
8/22/2014	Olympic Patent Works	Patent Defense	(\$4,000.00)
8/10/2015	Sandy Hoover	Secured Allocation	(\$28,279.89)
12/4/2015	Bush Strout & Kornfeld	Mediation	(\$2,500.00)
12/15/2015	Bush Strout & Kornfeld	Mediation	(\$375.00)
Varioius	Bank Service Fees	Misc	(\$42.00)
	Total Expenses		<u>(\$42,279.89)</u>
Ending Cash Balance to be allocated			\$229,378.17
Due to Karr Tuttle		Atty fees	(\$92,819.66)
Due to Cascade Capital		Receiver	<u>(\$136,558.51)</u>
Total Disbursements			<u>(\$229,378.17)</u>
Ending Cash Balance			<u>\$0.00</u>

(1) the Schweikert loans were forgiven as part of the agreement for the IP sale