

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(Miami Division)
CASE NO.: 10-22078-CV-MORENO/TORRES

SECURITIES & EXCHANGE COMMISSION,

Plaintiff,

vs.

ESTATE OF KENNETH WAYNE MCLEOD,
F&S ASSET MANAGEMENT GROUP, INC. and
FEDERAL EMPLOYEE BENEFITS GROUP, INC.

Defendants.

**ORDER GRANTING RECEIVER'S MOTION FOR ORDER
APPROVING SETTLEMENT WITH SUSAN MCLEOD AND
DIRECTING DISBURSEMENT OF LIFE INSURANCE PROCEEDS**

THIS MATTER came before the Court without hearing upon the Motion for Order Approving Settlement with Susan McLeod and Directing Disbursement of Life Insurance Proceeds ("Motion") filed by Michael I. Goldberg (the "Receiver"), in his capacity as Receiver of Federal Employee Benefits Group, Inc. ("FEBG"), F&S Asset Management Group, Inc. ("FSAMG") and the probate estate of Kenneth Wayne McLeod (collectively, the "Receivership Entities"). The Court, having reviewed the Motion, being advised that the Securities and Exchange Commission and counsel for Susan McLeod have no objection to the relief requested, and being otherwise fully advised in the premises, it is

ORDERED AND ADJUDGED that:

1. The Motion is Granted.
2. The settlement agreement ("Agreement"), a copy of which is attached to the Motion, is incorporated herein, ratified, approved and adopted by this Court. The Receiver is

authorized to enter into the Agreement, execute any documents and take any actions reasonably necessary to consummate the transactions contemplated therein.

3. Upon ten days after the entry of this Order, Akerman Senterfitt and Joseph Hatchett, Esq., as escrow agent over the Insurance Proceeds (as defined in the Motion), shall disburse the Insurance Proceeds, as follows:

(a) Susan McLeod shall be paid the sum of \$437,500 from the Insurance Proceeds. Susan McLeod shall also be paid \$5,000 from the proceeds of the Aetna Life Insurance Company insurance policy, when received.

(b) In the event other policies are discovered in which Susan McLeod is the named beneficiary, Susan McLeod shall be paid 25% of the proceeds of such policies.

(c) Additionally, Susan McLeod shall also be given 25% of the interest that has accrued on the Policies.

(d) These sums paid to Susan McLeod shall be free and clear of any and all claims, liens or encumbrances of Wayne McLeod's or the Receivership Entities' creditors. As the term is used herein, creditors shall not include any governmental agency.

(e) The Receiver shall be paid the remaining amount of the Insurance Proceeds, plus the remaining interest that has accrued on the Insurance Proceeds.

4. Susan McLeod has represented and warranted to the Receiver that she has no interest in any real property or personal property (including but not limited to any life insurance policies, bank accounts or brokerage accounts) or any other asset other than the assets disclosed in the exhibits attached to the Agreement.¹ To the extent this representation is false, the Receiver shall be given immediate possession of such undisclosed assets. To the extent Susan McLeod

¹ This representation does not apply to any individual asset with a value less than \$250 or all assets in the aggregate value of less than \$10,000.

disposes of any undisclosed assets prior to the Receiver being given possession, the Receiver shall have a claim against Susan McLeod for the value of any such undisclosed assets, notwithstanding any release being given pursuant to the Agreement.

5. Susan McLeod shall be entitled to retain the furniture and other household goods set forth on Exhibit 3 of the Agreement for her own benefit.

6. The Receiver shall be entitled to possession of all assets set forth on Exhibit 4 of the Agreement, as well as any other asset not listed in the attached schedules, including any real property in Susan McLeod's and/or Wayne McLeod's name or possession.

7. Susan McLeod shall turnover to the Receiver Wayne McLeod's jewelry and other assets required under the Agreement.

8. Susan McLeod shall deliver to the Receiver possession of her jewelry (the "Jewelry") set forth on Exhibit 1 of the Agreement. The Receiver shall obtain at least two bids to purchase the Jewelry. In the event the highest bid for the Jewelry is less than or equal to \$200,000.00, Susan McLeod shall direct the Receiver to either sell the jewelry or to deliver it to Susan McLeod. In the event the highest bid is greater than \$200,000, then the Receiver shall sell the jewelry to the highest bidder(s) and remit \$200,000 of the proceeds to Susan McLeod and keep the excess proceeds for the benefit of the receivership estate.

9. Susan McLeod shall be entitled to keep the assets specifically being transferred to her under the Agreement, including any transfer of Jewelry or funds derived from the sale of the Jewelry, free and clear of the claims of any of McLeod's creditors and the Receivership Estates' creditors. As the term is used herein, creditors shall not include any government agency.

10. In the event that any terms of this Order conflict with the Agreement, the terms of the Agreement shall control.

11. The Court shall retain jurisdiction to enforce the terms of the Agreement

March 8
DONE AND ORDERED in Miami-Dade County, Florida on this ~~February~~ March 8, 2011.



FEDERICO A. MORENO
CHIEF UNITED STATES DISTRICT JUDGE

Conformed copies to:
All counsel of record