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IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:) Chapter 7
) Bankruptcy No. 06-14202
COURT REPORTING INSTITUTE, INC.,)
)
Debtor(s).) DECLARATION
) OF JAMES RIGBY
_____)

The undersigned makes the following statement under penalty of perjury:

- 1. I am over 18 years of age, am competent to testify to the statements herein and make the statements herein based on facts personally known to me.
- 2. I am the attorney for Michael B. McCarty, the bankruptcy trustee in the above-captioned matter.
- 3. Attached hereto is the Settlement Agreement between the Bankruptcy Estate of Court Reporting Institute, Inc., the Bankruptcy Estate of Alen Janisch, and Kai Moldskred and Joyce Moldskred, and the marital community comprised thereof.

DATED this 12th day of February, 2009.

/S/ James Rigby

James Rigby, Trustee

IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:)	Chapter 7
)	Bankruptcy No. 06-14202
COURT REPORTING INSTITUTE, INC.,)	
)	
Debtor(s).)	
_____)	
In re:)	Chapter 7
)	Bankruptcy No. 07-15620
ALEN JANISCH,)	
)	SETTLEMENT
Debtor(s).)	AGREEMENT
_____)	

This Agreement is entered into on the date last written below between Michael B. McCarty, Bankruptcy Trustee for Court Reporting Institute, Inc., (“CRI Trustee”), Edmund J. Wood, Bankruptcy Trustee for Alen Janisch (“Janisch Trustee”) and Kai Moldskred and Joyce Moldskred, and the marital community comprised thereof (“Moldskred”).

WHEREAS, Court Reporting Institute, Inc. (“CRI”) filed bankruptcy in the United States Bankruptcy Court for the Western District of Washington at Seattle under Bankruptcy No. 06-14202 on December 28, 2006;

WHEREAS, Michael B. McCarty was appointed as the CRI Trustee;

WHEREAS, the CRI Trustee initiated an adversary proceeding in the United States Bankruptcy Court for the Western District of Washington at Seattle under Adversary No. 07-01167 against Moldskred and Alen Janisch (“Janisch”);

WHEREAS, Janisch filed bankruptcy in the United States Bankruptcy Court for the Western District of Washington at Seattle under Bankruptcy No. 07-15620 on November 23, 2007;

1 WHEREAS, Edmund J. Wood was appointed as the Janisch Trustee;

2 WHEREAS, the claims between the two bankruptcy estate have been settled pursuant to
3 orders entered in their respective bankruptcy proceedings, whereby the two bankruptcy estates have
4 agreed to jointly settle claims against third parties and share in the recovery;

5 WHEREAS, the Janisch Trustee has sold the Janisch residence, which was subject to a deed
6 of trust in favor of Moldskred and the Janisch Trustee is presently holding \$45,673.09 as the net
7 proceeds from that sale subject to the Moldskred deed of trust;

8 WHEREAS, Moldskred is in the possession of one fourteen karat yellow gold diamond ring
9 and one eighteen karat yellow gold diamond ring (“Jewelry”) transferred by Janisch to Moldskred
10 in order to secure a loan;

11 WHEREAS, the bankruptcy estates have made various claims against Moldskred in the
12 pending litigation;

13 WHEREAS, the CRI Trustee obtained a judgment against Moldskred in the amount of
14 \$123,000 and Moldskred has filed an appeal of that judgment;

15 WHEREAS, Moldskred denies the allegations; and

16 WHEREAS, the parties desire to avoid the costs and uncertainty of further litigation.

17 NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the
18 parties agree as follows:

19 1. This Agreement is contingent upon the Bankruptcy Court entering a “Final Order”
20 in each of the above-captioned bankruptcy proceedings. A Final Order is an order entered by the
21 Bankruptcy Court, after notice to parties in interest, approving this Agreement where no objection
22 to the entry of the order is filed. If an objection to the entry of an order approving this Agreement
23 is filed, a Final Order is an order entered by the Bankruptcy Court approving this Agreement and
24 the expiration of the ten day appeal period after the entry of that order, during which period neither
25 a notice of appeal of the order nor a motion to reconsider the order is filed. If a Final Order
approving this Agreement does not exist on or before 60 days from the date last written below, then
this Agreement is null and void. If the Bankruptcy Court denies the motion to approve this

1 Agreement then it is null and void. The Trustees will move to obtain an order approving this
2 Agreement as soon as is reasonably possible, and will use his or her best efforts to seek approval of
3 this Agreement.

4 2. Upon the conditions in paragraph 1 above being fulfilled, except as to the covenants
5 contained herein, the following paragraphs become operative between each of the bankruptcy estates
6 on one hand and Moldskred on the other:

7 (a) The parties hereto, and their respective successors and assigns do hereby
8 release and forever discharge each other and their present and former
9 respective trustees, officers, directors, shareholders, parents, affiliates and
10 successor corporations, assigns, employees, former employees, insurers,
11 agents, professionals and attorneys from all claims, demands, damages, costs,
12 attorney's fees, expenses, liens, actions or causes of actions, growing out of
13 or in anyway related to any of the claims made in the above-captioned
14 bankruptcies and claims which could have been made, including, but not
15 limited to, all future damages, lawsuits, expenses resulting or to result from
16 such matters.

17 (b) It is understood and agreed that this is a full and final release pertaining to
18 the above persons and entities and is in full compromise and settlement of all
19 claims in the above-captioned bankruptcies of every nature and kind
20 whatsoever, and releases all such claims, whether known or unknown,
21 suspected or unsuspected.

22 3. On or before eleven (11) days after the conditions in paragraph 1 above being
23 fulfilled, Moldskred will pay the CRI Trustee \$140,000 by delivering a cashier's check made
24 payable to "Michael B. McCarty, Bankruptcy Trustee for Court Reporting Institute, Inc." to the
25 offices of The Rigby Law Firm.

4. Upon receipt of the check referenced in paragraph 3 above, The Rigby Law Firm will
make a motion to dismiss Adversary No. 07-01167 with prejudice and without costs. After a motion
to approve this Agreement is filed with the court, the parties will request the trial date be struck.

5. On or before eleven (11) days after the conditions in paragraph 1 above being
fulfilled, Moldskred shall deliver the jewelry to the attorney for the Janisch Trustee, free of any
claim by Moldskred.

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DATED this 11th day of February, 2009.

/S/ Kai Moldskred

Kai Moldskred, individually and on behalf
of the marital community

DATED this 11th day of February, 2009.

/S/ Joyce Moldskred

Joyce Moldskred, individually and on behalf
of the marital community