

## EXHIBIT I

### FORM OF RECIPROCAL RELEASE

#### 1. PARTIES

The parties to this Reciprocal Release are Release Group A and Release Group B as defined in Sections 1.1 and 1.2 below, and are collectively referred to as the "Parties."

##### 1.1 Release Group A

1.1.1 "Release Group A" shall mean and include all of the persons listed on Exhibit I-A.

##### 1.2 Release Group B

1.2.1 "Release Group B" shall mean and include all of the persons listed on Exhibit I-B.

#### 2. RECITALS

##### 2.1 CCL Agreement

Release Group A has participated with several other individuals and entities in negotiating a settlement agreement relating to litigation resulting from the financial collapse of Capital Consultants, LLC ("CCL"). That settlement agreement shall be referred to hereafter as the "CCL Agreement," and a copy of the CCL Agreement is attached hereto as Exhibit I-C. Release Group B has also entered into a settlement with Claimants regarding the financial collapse of CCL, and a copy of that settlement agreement (hereinafter the "Release Group B Settlement") is attached hereto as Exhibit I-D.

##### 2.2 CCL Loans

CCL loaned substantial sums of money it obtained from Claimants (as defined in the CCL Agreement) to Capital Wilshire Holdings, Inc. (*i.e.*, Old WCC), among others. Claimants have contended that damages as a result of those loans are the responsibility of one or more of the Parties and others, as more specifically alleged in Claimants' Actions (as defined in the CCL Agreement). Release Group A has, in turn, contended that any liability on their part to Claimants for the Claimants' Actions is the responsibility of Release Group B. Release Group B has asserted similar contentions regarding Release Group A. The Parties hereto individually and separately deny those contentions and allegations.

**The Parties to this Reciprocal Release now desire to resolve any disputes among them arising out of or related to the Claimants' Actions, and further agree as follows:**

**3. RELEASES AND COVENANT NOT TO SUE**

**3.1 Release and Covenant Not to Sue by Release Group A**

Release Group A, and each of them, hereby release and forever discharge Release Group B, and each of them, from any and all claims, losses, damages, disgorgement of fees, fines and penalties, whether accrued or not, whether already acquired or acquired in the future, whether known or unknown, arising out of or in any way related to: (1) CCL; or (2) any matters raised, or which could have been raised, in Claimants' Actions ("Release Group A Released Claims"). This release is intended to be as broad and comprehensive as possible, and is intended to include the release of unknown and unsuspected claims, including any claim of fraud or misrepresentation in the inducement of this Reciprocal Release. It also includes a release of all claims by Release Group A against any of Release Group B for indemnity, contribution, or any other claims concerning any of the Released Claims under the CCL Agreement. This release is not intended to include the release of any rights or duties arising out of this Reciprocal Release, including but not limited to the express Warranties and Covenants set forth herein. Release Group A, and each of them, further covenant and agree not to file any claim, action or proceeding against any of Release Group B based on the Release Group A Released Claims. Nothing in this Section 3.1 releases any person other than Release Group B.

In furtherance of this release, each of Release Group A shall file a dismissal of all actions against any of Release Group B, if any, that are based on or related to the Release Group A Released Claims. Such dismissal shall be with prejudice and contain a waiver of costs.

Notwithstanding the foregoing, Release Group A does not release, and is not obligated to release, Deloitte & Touche, LLP (or any of its present or former partners) or Arthur Andersen LLP (or any of its present or former partners) for any malpractice or other claims based on such accountants' tax advice or preparation of tax returns for any of the persons identified in Sections 1.2.1 or 1.2.3 through 1.2.10 of the CCL Agreement or any other claim arising out of any government investigation or proceeding (including any criminal, tax or United States Department of Labor ("DOL") proceeding). Further, neither WFSG, WCC, Fog Cutter (as those terms are defined in the CCL Agreement), nor the directors and officers of WCC, WFSG, or Fog Cutter, release, nor are they obligated to release, Deloitte & Touche, LLP (or any of its partners) or Arthur Andersen LLP (or any of its partners) for any malpractice or other claims based on such accountants' professional services (which professional services are unrelated to the claims raised in Claimants' Actions), including the provision of tax advice, preparation of tax returns, provision of financial structuring services, provision of

consulting services (including legal services), or auditing of the financial statements of any of the persons listed in Sections 1.2.1, 1.2.3, 1.2.4, 1.2.5, 1.2.6 or 1.2.7 of the CCL Agreement, or any other claim arising out of any governmental investigation or proceeding (including any criminal, tax or DOL proceeding).

Further, WFSG does not release any person from any agreements that arise out of, relate to or are based upon any loan obligations or subordination agreements serviced, owed to or owned by WFSG.

### **3.2 Release and Covenant Not to Sue by Release Group B**

Release Group B, and each of them, hereby release and forever discharge the Release Group A, and each of them, from any and all claims, losses, damages, disgorgement of fees, fines and penalties, whether accrued or not, whether already acquired or acquired in the future, whether known or unknown, arising out of or in any way related to: (1) CCL; or (2) any matters raised, or which could have been raised, in Claimants' Actions ("Release Group B Released Claims"). This release is intended to be as broad and comprehensive as possible, and is intended to include the release of unknown and unsuspected claims, including any claim of fraud or misrepresentation in the inducement of this Reciprocal Release. It also includes a release of all claims by Release Group B against any of Release Group A for indemnity, contribution, or any other claims concerning any of the Released Claims under the CCL Agreement. This release is not intended to include the release of any rights or duties arising out of this Reciprocal Release, including but not limited to the express Warranties and Covenants set forth herein. Release Group A, and each of them, further covenant and agree not to file any claim, action or proceeding against any of Release Group A based on the Release Group B Released Claims. Nothing in this Section 3.2 releases any person other than Release Group A.

In furtherance of this release, each of Release Group B shall file a dismissal of all actions against any of Release Group A, if any, that are based on or related to the Release Group B Released Claims. Such dismissal shall be with prejudice and contain a waiver of costs.

### **3.3 Release of Unknown Claims**

The Parties intend and agree that the foregoing releases shall be effective as a bar to any and all currently unsuspected, unknown or partially known claims within the scope of their express terms and provisions. Accordingly, the Parties hereby expressly waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code and all similar provisions of the laws of any other State, Territory or other jurisdiction. Section 1542 reads in pertinent part:

"A general release does not extend to claims that the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Parties hereby acknowledge that the foregoing waiver of the provisions of Section 1542 of the California Civil Code and all similar provisions of the laws of any other State, Territory or other jurisdiction was separately bargained for and that they would not enter into this agreement unless it included a broad release of all unknown claims, including specifically any claim of fraud or misrepresentation in the inducement of this agreement. The Parties expressly agree that all release provisions in this Reciprocal Release shall be given full force and effect in accordance with each and all of their express terms and provisions, including those terms and provisions relating to unknown, unsuspected or future claims, demands and causes of action. The Parties each assume for themselves the risk of the subsequent discovery or understanding of any matter, fact or law, that if now known or understood, would in any respect have affected his, her or its entering into this Reciprocal Release.

#### **4. PARTIES' WARRANTIES**

##### **4.1 No Assignment or Transfer of Claims**

Release Group A and Release Group B each warrant and represent that it has not assigned or otherwise transferred any interest in its claims against the other.

##### **4.2 Authority to Extinguish Claims**

The persons signing this Reciprocal Release on behalf of any other person warrant and represent that they have the authority to bind the party for whom they are signing and extinguish the claims of such party, and that the execution, delivery and performance of this Reciprocal Release does not contravene or violate the terms of any agreement or contract to which such other party is bound.

#### **5. CONTINUING JURISDICTION**

The United States District Court for the District of Oregon shall retain exclusive jurisdiction to resolve any dispute which may arise regarding the validity, enforceability, performance, interpretation, administration or enforcement of this Reciprocal Release.

#### **6. GOVERNING LAW**

This Reciprocal Release is governed by Oregon law, without regard to Oregon's conflict of law principles, except to the extent ERISA (including federal common law where appropriate to interpret ERISA) is applicable. Nothing herein may be construed as choice of law with respect to the Bar Order, which is governed by federal law, including federal

common law applicable to equity receiverships. To the extent that such federal law requires resort to state law, Oregon law applies.

## **7. MISCELLANEOUS**

### **7.1 Person Defined**

As used in this Reciprocal Release, the terms "person" and "persons" shall include both natural persons and entities.

### **7.2 Headings**

Section headings are for convenience only and shall not be construed to change or affect the text of this Reciprocal Release.

### **7.3 Survival Of Representations and Warranties**

All representations and warranties set forth in this Reciprocal Release shall be deemed continuing and shall survive the Effective Date of this Reciprocal Release.

### **7.4 No Admissions**

Neither Release Group A nor Release Group B has made, nor shall they be deemed to have made, any admission of any kind by their negotiation of or entry into this Reciprocal Release. Neither this Reciprocal Release nor any provision contained herein shall be construed by any person as an admission by any of the Parties of any liability for, related to or arising out of any of the claims released in this Reciprocal Release or claims of any other nature. The Parties are entering into this Reciprocal Release for the purpose of resolving disputed issues between them and to avoid the costs and risks of litigation.

### **7.5 Termination**

This Reciprocal Release is contingent upon the CCL Agreement and the Release Group B Settlement. In the event the CCL Agreement or the Release Group B Settlement at any time is declared null and void, this Reciprocal Release shall itself become null and void, and the rights and obligations between the Parties shall be such as if this Reciprocal Release never existed.

### **7.6 Counterpart Originals**

This Reciprocal Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. Facsimile signatures shall be considered the same as originals.

**7.7 Effective Date**

The "Effective Date" of this Reciprocal Release shall be \_\_\_\_\_. This Reciprocal Release shall not be effective until the Effective Date.

**8. DECLARATIONS**

BY SIGNING THIS RECIPROCAL RELEASE, EACH PARTY ACKNOWLEDGES AND DECLARES: (A) THAT THE PARTY HAS FULLY AND CAREFULLY READ THE RECIPROCAL RELEASE; (B) THAT THE PARTY CLEARLY UNDERSTANDS THAT THE RECIPROCAL RELEASE IS A COMPLETE AND FINAL RELEASE; (C) THAT THE PARTY CLEARLY UNDERSTANDS THE MEANING, PURPOSE, AND INTENT OF EACH PROVISION OF THE RECIPROCAL RELEASE, AND THAT EACH PROVISION IS CLEAR AND DEFINITE; (D) THAT RELEASE GROUP A ON THE ONE HAND, AND RELEASE ON THE OTHER, HAVE NOT RELIED UPON ANY REPRESENTATION OF THE OTHER IN AGREEING TO THE TERMS OF THIS RECIPROCAL RELEASE; AND (E) THAT THE PARTY HAS BEEN REPRESENTED BY COMPETENT LEGAL COUNSEL WITH RESPECT TO NEGOTIATING, EXPLAINING, AND ENTERING INTO THIS RECIPROCAL RELEASE.

**LIST OF EXHIBITS**

- I-A – Release Group A
- I-B – Release Group B
- I-C – CCL Agreement
- I-D – Release Group B Settlement