

SETTLEMENT AGREEMENT

Made as of the 14th day of May, 2012

Between

R. CHARLES ALLEN

(the "Class Representative" or "Plaintiff")

- and -

LANE GORMAN TRUBITT L.L.P.

("LGT")

RECITALS

A. **WHEREAS** R. Charles Allen (the "Plaintiff") commenced an action on behalf of class members for, *inter alia*, damages for misrepresentation and breach of s. 131 of the *Securities Act*, R.S.O. 1990, c. N1, as amended in Court File No. 02-CV-241587CP (the "Action");

B. **AND WHEREAS** Lane Gorman Trubitt L.L.P. ("LGT" or the "Settling Defendant"), Aspen Group Resources Corporation, Jack E. Wheeler, James E. Hogue, Wayne T. Egan, Anne Holland, Randall B. Kahn, Lenard Briscoe, Peter Lucas, and WeirFoulds LLP (the "Non-Settling Defendants) deny any such breach and resulting damages;

C. **AND WHEREAS** the Action was certified as a class proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, Chapter 6;

D. **AND WHEREAS** counsel for LGT and counsel for the Plaintiff have engaged in extensive arm's length settlement discussions and negotiations, resulting in this Settlement Agreement;

E. **AND WHEREAS** documentary production has been made by all parties, subject to potential further requests by the plaintiff and the examinations for discovery which are to be scheduled;

F. **AND WHEREAS** LGT has disclosed the following insurance policy which is in full force and effect in accordance with its terms: Continental Casualty Company, Policy Number ABF-18809789;

G. **AND WHEREAS** the Non-Settling Defendants have disclosed the following insurance policies which are in full force and effect in accordance with their terms:

- a. Liberty Surplus Insurance Corporation, Policy Number 192778-013 (Aspen Group Resources Corporation);
- b. Arch Speciality Insurance Company, Memorandum of Insurance Number 2228AS (Excess Directors, Officers and Reimbursement Insurance for Aspen Group Resources Corporation);
- c. LawPro Primary Policy (WeirFoulds LLP);

- d. Canadian Lawyers Liability Assurance Society, Policy Number 14012 (WeirFoulds LLP);
- e. Canadian Lawyers Liability Assurance Society, Policy Number 14112 (WeirFoulds LLP); and,
- f. Lloyd's Outside Directorship Liability Insurance through Dion, Durrell + Associates Inc., Policy Number ODLA102002-10006 (WeirFoulds LLP);

H. **AND WHEREAS** the action continues as against the Non-Settling Defendants and the Plaintiff on behalf of the class members reserves all rights against the Non-Settling Defendants and their policies of insurance, other than as may be provided for in the bar order described at Section 2 herein;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the parties to this Settlement Agreement that the action be settled and dismissed on the merits with prejudice as to LGT without costs as to the Plaintiff, the class he represents, subject to the approval of the Courts, on the following terms and conditions.

SECTION 1 – SETTLEMENT BENEFITS

- 1. Payment of Settlement Amount
 - a. Within five (5) business days of receipt of the final settlement approval order after all appeals, LGT shall pay the all-inclusive sum of three hundred and twenty-five thousand dollars (\$325,000.00) CDN in full and final settlement of the claims against LGT in the Action.
- 2. Cooperation – Scope of Cooperation
 - a. Subject to the rules of evidence, the other provisions of this Settlement Agreement, LGT agrees to engage in reasonable efforts to make available for testimony at trial in the Action such current officers or employees of LGT as Class Counsel and LGT, acting reasonably, agree would be reasonably

necessary to support the submission into evidence of any information or documents produced by LGT.

- b. The reasonable costs incurred by, and the reasonable expenses of, the current directors, officers or employees in relation to such cooperation shall be the responsibility of LGT and/or the current officers or employees, other than those reasonable and ordinary expenses associated with facilitation of trial testimony by LGT persons in their capacity as fact witnesses which expenses are to be paid by the Plaintiff.
- c. If any current officer or employee refuses to cooperate under this section, LGT shall use their reasonable efforts to make such person available to provide testimony or otherwise cooperate with the Plaintiff.

SECTION 2 – BAR ORDER

- 3. The Plaintiff and LGT agree that the order approving this Settlement Agreement must include a bar order. The bar order shall be in a form agreed to by the Plaintiff and LGT and shall include:
 - a. all claims for contribution, indemnity or other claims over, whether asserted, unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to or arising from the allegations, which were or could have been brought in the Action, by any Non-Settling Defendant or any other person or party, against LGT, or by LGT against any Non-Settling Defendant, are barred, prohibited and enjoined;
 - b. if, in the absence of (a) hereof, the Non-Settling Defendants would have the right to make claims for contribution and indemnity or other claims over, whether in equity or in law, by statute or otherwise, from or against LGT:
 - i. the Plaintiff and the class members shall not claim or be entitled to recover from the Non-Settling Defendants that portion of any damages, costs or interest awarded in respect of any claim(s) on which judgment is entered that corresponds to the proportionate liability of LGT proven at trial or otherwise;

- ii. for greater certainty, the Plaintiff and the class members shall limit their claims against the Non-Settling Defendants to, and shall be entitled to recover from the Non-Settling Defendants, only those claims for damages, costs and interests attributable to the Non-Settling Defendants' liability to the Plaintiff and the class members, if any;
 - iii. this Court shall have full authority to determine the proportionate liability at the trial or other disposition of this Action, whether or not LGT appears at the trial or other disposition, and the proportionate liability shall be determined as if LGT is a party to this Action for that purpose and any such finding by this Court in respect of the proportionate liability shall only apply in this Action and shall not be binding upon LGT in any other proceedings.
- c. if, in the absence of (a) hereof, the Non-Settling Defendants would not have the right to make claims for contribution and indemnity or other claims over, whether in equity or in law, by statute or otherwise, from or against LGT, then nothing in the order is intended to or shall limit, restrict or affect any arguments which the Non-Settling Defendants may make regarding the reduction of any judgment against them in the Action.
- d. a Non-Settling Defendant may, on a motion to the Courts and on at least ten days' notice to counsel for LGT, seek Orders for the following:
- i. oral discovery of a representative of LGT, the transcript of which may be read in at trial;
 - ii. leave to serve a request to admit on LGT in respect of factual matters; and/or
 - iii. the production of a representative of LGT to testify at trial, with such witness to be subject to cross-examination by counsel for the Non-Settling Defendant.

LGT retains all rights to oppose such motion or seek the costs of compliance, including any such motion brought at trial seeking an order requiring LGT to produce a representative to testify at trial.

SECTION 3 – MOTIONS TO BE BROUGHT

4. Best Efforts

- a. The Plaintiff and LGT shall take all reasonable steps to effectuate this settlement and to secure the prompt, complete and final dismissal with prejudice of the Action as against LGT, including cooperating in the Plaintiff's efforts to obtain any approval or orders required from the Court regarding the approval or implementation of the Settlement Agreement, including orders approving the form and distribution of the Notices contemplated by this Settlement Agreement.

5. Motion to Approve Notice

- a. At a time mutually agreed to by the parties after the Settlement Agreement is executed, the Plaintiff shall bring a motion before the Court for an order approving the Notice of Settlement Approval Hearing.

6. Motion for Approval of the Settlement

- a. As soon as practicable after the approval of the Notice of Settlement Approval Hearing and after the Notice of Settlement Approval Hearing has been published, the Plaintiff shall bring a motion before the Court for an order approving this Settlement Agreement.

SECTION 4 – RELEASE

7. Upon the receipt of the Order approving this Settlement Agreement, and in consideration of payment of the settlement amount, and for other valuable consideration set forth in the Settlement Agreement, the Releasers forever and absolutely release the Releasees from the Released Claims.

8. **Releasees** mean, jointly and severally, individually and collectively, LGT and all of their respective present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their respective past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers,

heirs, executors, administrators and assigns of each of the foregoing, excluding always the Non-Settling Defendants.

9. **Releasors** mean, jointly and severally, individually and collectively, the Plaintiff and the class members on behalf of themselves and any person claiming by or through them as a parent, subsidiary, affiliate, predecessor, successor, shareholder, partner, director, owner of any kind, agent, employee, contractor, attorney, heir, executor, administrator, insurer, devisee, assignee or representative of any kind.
10. **Released Claims** mean any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever incurred, damages of any kind including compensatory, punitive or other damages, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers' fees, known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity that Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have, relating in any way to any conduct occurring anywhere, from the beginning of time to the date hereof, or relating to any conduct alleged (or which could have been alleged) in the Action including, without limitation, any such claims which have been asserted, would have been asserted, or could have been asserted, directly or indirectly, whether in Canada or elsewhere, as a result of or in connection with alleged misrepresentations in breach of s. 131 of the *Securities Act*, R.S.O. 1990, c. N1, as amended.

SECTION 5 – COUNTERPARTS

11. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a fax signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

R. Charles Allen
By His Counsel

Harrison Pensa^{LLP}

By:

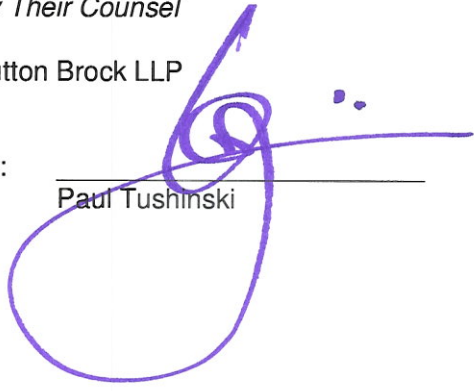


Jonathan Foreman

Lane Gorman Trubitt L.L.P.
By Their Counsel

Dutton Brock LLP

By:



Paul Tushinski