

## STIPULATION

THIS STIPULATION is entered into effective this 16 day of December, 2005, by and between WAYNE STRUMPFER, acting California Corporations Commissioner (the "Commissioner"), and FIRST COMMAND FINANCIAL PLANNING, INC., a Texas corporation licensed as a broker-dealer pursuant to the California Corporate Securities Law of 1968 ("First Command"). First Command and the Commissioner are collectively referred to in this Stipulation as the "Parties" and individually as a "Party". First Command and the Commissioner by and on behalf of the California Department of Corporations agree as follows:

1. This Stipulation is the result of compromise and is entered into without any findings by the Commissioner with respect to First Command's marketing and sales of certain unit investment trust products prior to January 1, 2005 and is entered into solely for the purposes of resolving this matter. Nothing in this Stipulation shall be construed as or constitute an admission or denial of any liability, wrongdoing or misconduct.

2. First Command agrees to make voluntary payments in an aggregate amount of \$470,958.79 of which \$120,958.79 will be paid as refunds to the agreed upon individuals as soon as practicable after the date of this Stipulation, but in any event within ninety (90) days of the date of this Stipulation. Upon execution of this Stipulation First Command shall pay in settlement by wire transfer or bank cashier's check the sum of \$350,000.00 to the Commissioner, which payment shall not be characterized as an administrative or civil penalty or fine.

3. Within two weeks of completion of the refund payments, First Command shall submit to the Commissioner a detailed report on all refunds made. First Command shall also submit to the Commissioner ninety (90) days after completion of the refund payments a report listing all refunds that have been returned to First Command by the United States Postal Service as undeliverable. First Command shall comply with all applicable unclaimed property laws with respect to refund payments returned to First Command by the United States Postal Service. First Command shall concurrently send the Commissioner a copy of any escheatment report(s) submitted by First Command to the Office of the California State Controller.

4. All costs associated with making the refund payments, including escheatment, shall be borne by First Command.

5. This Stipulation constitutes a full, final and complete resolution of the concerns of the Commissioner with respect to First Command and its officers, directors, agents and employees as of the date of this Stipulation and the Commissioner agrees not to initiate or maintain any administrative, civil or other action against First Command or any of its directors, officers, agents or employees based upon on any such concerns arising from the marketing and sales by First Command of certain unit investment trust products prior to January 1, 2005; provided, however, that the Parties acknowledge and agree that nothing contained in this Stipulation shall operate to limit the Commissioner from responding to requests for information, to the extent authorized by law, from any other agency (county, state or federal) in connection with any investigation or proceeding brought by any such agency against First Command. Notwithstanding the foregoing, in the event that First Command shall fail to pay the refunds in accordance with this Stipulation, then this Stipulation shall not be effective as a full, final and

complete resolution of First Command's failure to pay and nothing in this Stipulation shall be construed to prohibit the Commissioner from initiating or maintaining any administrative, civil or other action against First Command based upon such failure.

6. This Stipulation represents the entire agreement between the Parties with respect to the subject matter hereof. It may be executed in multiple counterparts. Each of the Parties represents and warrants that such Party is fully entitled and duly authorized to execute, deliver and perform this Stipulation. This Stipulation shall be binding upon each of the Parties and their respective successors, representatives and assigns. Each signatory represents and warrants that he or she possesses all necessary capacity and authority to execute and deliver this Stipulation. The Parties each represent and acknowledge that he or it is executing this Stipulation completely voluntarily and without any duress or undue influence of any kind from any source. Each Party agrees that he or it shall not publicly characterize this settlement in a manner inconsistent with the terms of this Stipulation.

7. This Stipulation shall not become effective until signed and delivered by each of the Parties.

8. Each of the Parties represents, warrants, and agrees that in executing this Stipulation he or it has relied solely on the statements set forth herein and the advice of his or its own counsel. Each of the Parties further represents, warrants, and agrees that in executing this Stipulation he or it has placed no reliance on any statement, representation, or promise of any other Party, or any other person or entity not expressly set forth herein, or upon the failure of any Party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any Party was in any way fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parole evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

9. In that the Parties have had the opportunity to draft, review and edit the language of this Stipulation, no presumption for or against any Party arising out of drafting all or any part of this Stipulation will be applied in any action relating to, connected, to, or involving this Settlement Stipulation. Accordingly, the Parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist.

This Stipulation shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

Wayne Strumpfer,  
Acting California Corporations  
Commissioner

First Command Financial Planning, Inc.,  
A Texas corporation

By: \_\_\_\_\_  
Alan S. Weinger  
Acting Deputy Commissioner

By: \_\_\_\_\_  
Its: \_\_\_\_\_