

SEALED

Settlement Term Sheet

The SEC, Gina Solow and J. Solow Condo One, Inc. agree to the following general settlement terms, subject to documenting the specific terms and conditions in a comprehensive settlement agreement and further subject to the Commission's approval of such agreement, which undersigned trial counsel has agreed to recommend to the Commission:

1. Gina Solow shall pay the SEC a total of \$1 million within 2 years of SEC approval of the terms of a settlement agreement between the parties.

2. Payment of the settlement amount shall be secured by the Galt Condo and the Thaynes Canyon home through liens in form and concept mutually satisfactory to the parties.

3. Gina Solow will give up all legal right, title and interest in funds held in the Court registry in the amount of \$319,711.00, plus any interest accrued thereon, and such amount shall be applied toward the satisfaction of the \$1,000,000 settlement sum.

4. The balance of the settlement amount shall be payable over two years after the approval of the settlement agreement by the SEC. To satisfy the balance, Gina Solow shall use her best efforts to sell the Galt Condo at fair market value. Gina Solow shall also be entitled to pay the balance of the settlement amount through any other source, including but not limited to, the sale of the Thaynes Canyon property, mortgages and loans from family members etc.

5. Upon payment in full of the settlement amount, the SEC shall fully and finally release Gina Solow, JSolow Condo One, Inc. and Gina Solow's previously disclosed trusts, and shall release of record all liens or other claims asserted against the Galt Condo, the Thaynes Canyon home in Utah, and any other properties of Gina Solow or JSolow Condo One, Inc.

6. Settlement shall be contingent on Gina Solow's full knowledge of the terms of the settlement between the SEC and Federation Advances and her non-objection thereto. Within one week following the disclosure of the settlement terms, counsel for Gina Solow shall notify the SEC of her objection, if any, of the settlement terms, and upon such notification this term sheet shall become null and void.

7. The SEC agrees, upon the execution of this settlement agreement by all parties, to release any and all funds garnished by the SEC in this action, including any garnishments to the extent that such funds do not exceed a cumulative total of \$25,000.00, and to have same paid to Conrad & Scherer, LLP as part payment of Gina Solow's outstanding attorneys fees.

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8. The SEC agrees, upon the execution of this settlement agreement by all parties, to relinquish any claim against the Solows' childrens' funds being held in an account or accounts by or related to Penson.

9. The settlement shall also be conditioned upon Federation Advances' release of its mortgage on the Galt Condo and its release of any claims against the Galt Condo and the proceeds thereof, and shall also be conditioned upon Federation Advances' release of any claims against the monies in the Court registry.

10. The settlement shall be conditioned on Gina Solow providing a sworn certification of the assets she currently owns. Such sworn certification shall be in form mutually satisfactory to the SEC and Gina Solow's counsel.

11. The parties agree that the SEC shall be entitled to 50% recovery of net proceeds in Gina Solow and Jamie Solow's lawsuit against the insurance company related to damages to the Hillsboro property from a hurricane, and that Gina Solow shall be entitled to the other 50% of the net proceeds of any recovery in that lawsuit. Net proceeds means all proceeds received on account of such claims after the payment of all fees, costs, and expenses, including without limitation, attorneys fees and related litigation expenses.

12. The parties will agree to use best efforts to have the Court stay the action upon the execution of this settlement while the matter remains under the approval of the Commission.

13. If after two years the full settlement sum has not been paid in full, the parties agree that a receiver will be appointed for the sole purpose of selling the Galt Condominium and the Thaynes Canyon Property to the extent necessary to satisfy the outstanding balance of the settlement amount. To the extent there is a deficiency after such sales, Mrs. Solow will remain liable for payment of such deficiency, and shall be entitled to any surplus over and above payment of the remaining balance of the settlement amount.

SECURITIES & EXCHANGE COMMISSION

By: _____

Name: _____

Title: _____

John Silbermann

Asst. Chief Lit. Counsel

Gina Solow

GINA SOLOW, individually and on behalf
of JSolow Condo One, Inc.

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