

PURCHASE AND SALE AGREEMENT

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BETWEEN

SHERMAN ACQUISITION LLC.

AS SELLER

-- AND --

GEMINI CAPITAL GROUP, LLC.

AS PURCHASER

Dated and Effective as of

March 3<sup>rd</sup>, 2009

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of March 3rd, 2009 by and between Gemini Capital Group, LLC., a Delaware LLC whose chief executive office is located at [REDACTED] ("Purchaser"), and Sherman Acquisition LLC, a Delaware limited liability company whose chief executive office is located c/o Sherman Capital Markets LLC at [REDACTED] ("Seller").

### WITNESSETH

WHEREAS, Seller acquired various portfolios of charged-off accounts that are delinquent but the outstanding balances of which remain the obligation of the defaulting Customers; and

WHEREAS, Seller desires to sell, assign and transfer all of its right, title and interest in certain Charged-off Accounts (defined below) to Purchaser, subject to the terms and conditions set forth in this Agreement; and

WHEREAS, Purchaser has reviewed and evaluated those Accounts to Purchaser's full satisfaction and desires to purchase such Charged-off Accounts, all subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements of the parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

#### 1. Definitions

As used in this Agreement, the following capitalized terms shall have the respective meanings set forth below:

"Account" means a charged-off receivable from a credit card account or consumer installment loan established for a Customer on which there is an Unpaid Balance due and owing and the last known address for a Customer was in the state of Maine or Missouri.

"Account Document" means, with respect to an Account, any application, agreement, billing statement, notice, correspondence, or other information that may reasonably be available from Seller or any Originating Creditor that relates to such Account. An Account Document may include original documents or copies thereof, whether by photocopy, microfiche, microfilm, or other reproduction process.

"Bill of Sale" means the document to be signed and delivered to Purchaser in accordance with Section 2(d) of this Agreement that shall evidence the transfer of the Accounts from Seller to Purchaser, which Bill of Sale shall be in substantially the form set forth in Exhibit 1 attached to this Agreement.

"Charged-off Account" means an Account that the Originating Creditor has charged off its books as uncollectible and which Account Seller is selling to Purchaser. The Charged-off Accounts are identified with particularity on a digital tape, compact disk, or other electronic media acceptable to Purchaser and Seller, which identifying list shall be deemed to be an attachment to and incorporated in this Agreement as Appendix A.

"Closing Date" means March 5<sup>th</sup>, 2009, and the 5<sup>th</sup> of each month thereafter during the term of this Agreement, unless the parties mutually agree to another date.

"Customer" means, with respect to an Account, the person or entity who or which is obligated to repay such Account, or if there are multiple persons or entities obligated to repay such Account, all such persons or entities collectively.

"Cut-Off Date" means March 4<sup>th</sup>, 2009, and the 4<sup>th</sup> of each month thereafter during the term of this Agreement, unless the parties mutually agree to another date. This shall be the date when Seller creates the Data File for Purchaser relating to a given Closing Date, which is expected to be approximately the business day prior to such Closing Date.

"Data File" means that account level data file delivered by Seller to Purchaser that contains data as of the applicable Cut-Off Date.

"Ineligible Account" means an Account, as of the applicable Cut-off Date: (a) which is the subject of a pending or, to the knowledge of Seller, threatened action, suit, proceeding or arbitration in which the Seller or a predecessor is a plaintiff or defendant, (b) on which a final judgment has been entered by a court of competent jurisdiction to the effect that no Customer is under any legal or equitable enforceable obligation to pay on the Account and that the creditor or other owner on the Account will take no legal action against any Customer, (c) as of the Cut-off Date, in which any Customer has a pending bankruptcy proceeding as a result of the Customer filing for bankruptcy, (d) which is subject to a pending legal action to collect on the Account, (e) in which each Customer is deceased, (f) which was originated fraudulently or is a fraudulent Account, (g) which has been wholly and completely satisfied, compromised, cancelled, settled, subordinated or rescinded or any instrument or agreement has been delivered to such effect, or where all Customers obligated on the Account have been released from all liability on the Account, (h) a form 1099-C has been issued to the Customer.

"Originating Creditors" means collectively those entities listed on Exhibit 2 attached to this Agreement.

"Originating Purchase Agreements" means collectively the purchase and sale agreements between Seller and Originating Creditors pursuant to which Seller purchased the Accounts from Originating Creditors, redacted copies of which Purchaser has received and a list of which is attached to this Agreement as Exhibit 3.

"Purchase Price Percentage" means [REDACTED]

"Unpaid Balance" means the total outstanding balance due and owing on any Account as of the applicable Cut-Off Date, but not including any interest accrued after Seller's acquisition of the Accounts.

2. Sale of Accounts

(a) Subject to the terms and conditions of this Agreement, on the Closing Date, Seller will sell, assign and transfer to Purchaser, and Purchaser will buy from Seller, all of Seller's rights, title and interest in and to Charged-off Accounts with an aggregate Unpaid Balance of approximately \$3,000,000.00 each month during the term of this Agreement. The Accounts to be sold in March, 2009 are further described in Appendix A.

(b) The Charged-off Accounts shall be sold and conveyed to Purchaser on a servicing-released basis. From and after the applicable Closing Date, all rights, obligations, liabilities and responsibilities with respect to the future servicing of the Charged-off Accounts shall pass to Purchaser, and Seller and its agents and affiliates shall be discharged from all servicing obligations from that point. Seller shall have no obligation to perform any servicing activities with respect to the Charged-off Accounts from and after the applicable Closing Date.

(c) In consideration for the sale by Seller to Purchaser of the Charged-off Accounts as set forth in Section 2(a), Purchaser agrees to pay Seller that amount (the "Purchase Price"), which shall equal the product of the aggregate Unpaid Balance as of the applicable Cut-Off Date of applicable Charged-off Accounts multiplied by the Purchase Price Percentage. Such Purchase Price shall be due on the applicable Closing Date, by wire transfer of immediately available funds in accordance with Seller's wire instructions, which are attached to this Agreement as Exhibit 4.

(d) Upon receipt of the Purchase Price, Seller shall deliver to Purchaser the Charged-off Accounts and Bill of Sale in the form attached to this Agreement as Exhibit 1. Purchaser also shall have the right to file Uniform Commercial Code financing statements in a form reasonably acceptable to Seller necessary to evidence the sale of the Charged-off Accounts.

(e) The obligations of Seller and Purchaser on the applicable Closing Date shall be subject to the satisfaction of the following conditions (unless waived in writing by the applicable party): (i) the representations and warranties set forth in this Agreement by Seller and Purchaser shall have been true and correct in all material respects when made and shall be true and correct in all material respects on the applicable Closing Date; (ii) Seller and Purchaser each shall have fully performed and complied with all covenants, conditions and other obligations under this Agreement to be performed or complied with by each of them at or prior to the applicable Closing Date.

(f) The Accounts sold to the Buyer shall be selected using the following criteria.

i. The Seller shall include materially all of the Accounts included in the due diligence file, unless those Accounts have become ineligible for purchase under the terms of this Agreement.

ii. To the extent additional Accounts are needed to meet the total required volume, those Accounts shall be selected using the following criteria.

A. The Accounts shall be Maine or Missouri Accounts  
B. The charge off dates shall be between 36 and 66 months, with a distribution similar to the distribution contained in the due diligence file.

C. The balance for each Account shall be no less than \$500.00 and no more than \$15,000.00.

D. The Accounts shall be credit card debts

E. No Accounts shall have been originated by CompuCredit (including but limited to cards branded as Aspire or Emerge).

### 3. Tax Payments

Purchaser will be responsible for any state, federal or local tax (including interest and penalties) and tax reporting that relates to its acquisition, ownership, servicing (except as set forth in the Servicing Agreement) and collection of the Charged-off Accounts on and after the applicable Closing Date. Seller will be responsible for any state, federal or local tax (including interest and penalties) and tax reporting that relates to its acquisition, ownership, servicing and collection of the Charged-off Accounts before the applicable Closing Date.

### 4. Seller's Representations and Covenants

As of the date of this Agreement:

(a) Seller represents and warrants that Seller is duly organized, existing, and in good standing as a limited liability company organized under the laws of the State of Delaware. Seller's execution, delivery, and performance of this Agreement are within Seller's corporate or legal powers; have been duly authorized by all necessary corporate or other similar action; and will not violate or breach: (i) any law or regulation applicable to Seller; or (ii) the terms of Seller's organizational documents, certificate of formation, operating agreement. The undersigned representative of Seller is authorized to act on behalf of and bind Seller to the terms of this Agreement.

(b) There is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of Seller, threatened, before or by any court, regulatory body, administrative agency or tribunal or governmental instrumentality asserting the invalidity of

this Agreement or seeking to prevent the consummation of the transactions contemplated by this Agreement.

(c) As of the applicable Closing Date, the Charged-Off Accounts will be owned by Seller free and clear of any lien, security interest, pledge, charge, encumbrance, or similar right or claim of any person.

(d) Seller shall obtain any required consents from and provide any required notices to the Originating Creditors for the sale of the Charged-off Accounts to Purchaser on or prior to the applicable Closing. To the extent that an Originating Purchase Agreement does not require consent to transfer, then Seller shall not be required to obtain such consent.

(e) Seller represents that the Charged-Off Accounts were collected materially in compliance with all applicable federal, state and local laws and all rules and regulations applicable to the conduct of such activities and to the ownership, transfer or sale of the Accounts including, without limitation, the requirements of the Fair Debt Collection Practices Act (15 U.S.C. § 1692 *et seq.*), the Consumer Credit Protection Act, the Fair Credit Reporting Act, Debt Adjusters Act, the U.S. Bankruptcy Code, and all usury, bulk sales and commercial paper laws and regulations such as the Uniform Fraudulent Transfer Act.

#### 5. Purchaser's Representations and Covenants

As of the date of this Agreement:

(a) Purchaser represents and warrants that Purchaser is duly organized, existing, and in good standing as an LLC under the laws of the State of Delaware. Purchaser's execution, delivery, and performance of this Agreement are within Purchaser's corporate or legal powers; have been duly authorized by all necessary corporate or other similar action; and will not violate or breach: (i) any law or regulation applicable to Purchaser or its assets; (ii) the terms of Purchaser's organizational documents, articles of incorporation, charter or bylaws; or (iii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which Purchaser is a party or by which it or any of its properties is bound. Purchaser is duly and legally authorized and has all requisite power and authority to execute and deliver all instruments and other documents contemplated to be executed and delivered by Purchaser to Seller in connection with this Agreement. This Agreement and all obligations of Purchaser hereunder are the legal, valid and binding obligations of Purchaser, enforceable in accordance with the terms of this Agreement. The undersigned representative is authorized to act on behalf of and bind Purchaser to the terms of this Agreement.

(b) Purchaser has obtained all consents, approvals, authorizations, or orders of any court or governmental agency or body, if any, required for the execution, delivery, and performance by Purchaser of this Agreement. Purchaser has in hand cash or has cash readily available to it without condition that is sufficient to consummate the transactions contemplated by this Agreement. Purchaser's review of Account and Customer information will not present a conflict of interest on the part of Purchaser or Purchaser's officers or employees, and neither

Purchaser nor any of Purchaser's affiliated companies is presently a party to any litigation, or involved in any litigation, with Seller or any Originating Creditor and/or any of either's affiliates.

(c) Purchaser agrees, represents and warrants that it assumes all of Seller's obligations and duties under, and will be bound by and subject to all terms and conditions of, the Originating Purchase Agreements (redacted copies of which Purchaser acknowledges that it has received). These obligations, duties, terms and conditions include, but are not limited to, all obligations, duties, terms and conditions relating to the use of any of the names of Originating Creditors, confidentiality requirements, restrictions on the use and sale, transfer or assignment of the Charged-off Accounts, indemnification of Originating Creditors, repurchase rights of Originating Creditors and any liquidated damages provisions.

(d) Purchaser shall cooperate with and provide any requested information to Seller that is specifically required for Seller to obtain consents from the Originating Creditors for the sale of the Charged-off Accounts from Seller to Purchaser.

6. Compliance with the Law

In the performance of its collection efforts, and in the course of owning and collecting on the Charged-off Accounts, Purchaser, as owner and holder of the Charged-off Accounts, agrees at all times to conform and comply, and shall require anyone acting for or on its behalf to conform and comply, with all requirements, all applicable federal, state and local laws, and all rules and regulations applicable to the conduct of such activities and to the ownership, transfer or sale of the Accounts including, without limitation, the requirements of the Fair Debt Collection Practices Act (15 U.S.C. § 1692 *et seq.*), the Consumer Credit Protection Act, the Fair Credit Reporting Act, Debt Adjusters Act, the U.S. Bankruptcy Code, and all usury, bulk sales and commercial paper laws and regulations such as the Uniform Fraudulent Transfer Act. For any account for which the applicable statute of limitations has run, Purchaser or its agents will not falsely represent that a lawsuit will be filed if the Customer does not pay. Purchaser represents and warrants that it and anyone collecting on its behalf, as well as its successors in interest, shall be licensed to collect any amounts due on the Accounts in the jurisdiction in which the Customer lives or, if appropriate, maintains a domicile, if so required by such jurisdiction's laws or regulations. If Purchaser lists with or reports to a major credit reporting agency such as Experian, Equifax and TransUnion, Purchaser will report in its name alone.

7. Sophisticated Investor

Purchaser represents and warrants that it is a sophisticated investor and has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transaction contemplated by this Agreement. Purchaser's bid for and decision to purchase the Charged-off Accounts pursuant to this Agreement is and was based on: Purchaser's own independent expert evaluation of information deemed relevant to Purchaser and of the information made available by Seller or Seller's personnel, agents or representatives and Purchaser's own independent expert evaluation of the Charged-off Accounts and related information, which Purchaser acknowledges and agrees were made available to it and which it

was given the opportunity to inspect to Purchaser's complete satisfaction. Purchaser has relied solely on its own investigation and has not relied upon any oral or written information provided by Seller, or its personnel, agents, representatives or independent contractors except as specifically stated herein, and acknowledges that Purchaser has not relied upon any statements other than those specifically contained in this Agreement. Seller does not represent, warrant or insure the accuracy or completeness of any information or its sources of information contained in the information sent to Purchaser, except as specifically stated herein.

8. Disclaimers Regarding Terms of Sale

The sale and transfer of the Charged-off Accounts to Purchaser from Seller is being made on an "AS IS, WHERE IS" basis, with all faults, without any representation or warranty whatsoever as to enforceability, collectibility, accuracy or sufficiency of data, merchantability, or fitness for any particular purpose, except as set forth herein, and is made expressly without recourse and without warranty of any kind or character including, but not limited to, warranties pertaining to collectibility or accuracy or sufficiency of information furnished to Purchaser, except as set forth herein. Seller has not made any, and makes no, representation either with respect to this transaction or the Charged-off Accounts, other than those expressly set forth in this Agreement. Except as set forth in this Agreement, Seller specifically disclaims any warranty, guaranty or representation, oral or written, past or present, express or implied, concerning the Charged-off Accounts and the Account Documents. Purchaser has made such independent investigation as it deems to be warranted into the nature, validity, enforceability, collectibility and value of all such Charged-off Accounts and all other facts it deems material to their purchase. Purchaser is entering into this transaction solely on the basis of that investigation and Purchaser's own judgment. Purchaser is not acting in reliance on any representation or omission, either written or verbal, or information furnished by Seller other than as set forth in this Agreement.

9. Reimbursement of Accounts After Closing Date

(a) Seller does not intend to sell to Purchaser, and Purchaser does not intend to buy from Seller, any Account falling within the definition of an "Ineligible Account" as of the applicable Cut-off Date. Seller will use reasonable efforts to determine that Accounts do not include Ineligible Accounts. Within one hundred twenty (120) days after the applicable Closing Date, if either Seller or Purchaser gives reasonable written proof that Seller sold to Purchaser one or more Ineligible Accounts, Seller will repurchase all such Ineligible Accounts.

(b) Purchaser has no right to reimbursement on any Charged-off Account except as set forth in this Section 9. Purchaser is purchasing the Accounts subject to the rights of the Customers and is assuming all of Seller's obligations relating to each Account, except that Purchaser is not assuming any liability with respect to disputes arising solely from the actions or omissions of Seller prior to the applicable Closing Date. The repurchase price for each Account shall be determined in accordance with the Purchase Price Percentage multiplied by the Unpaid Balance on the Account less any cash received on the Account by the Purchaser.



10. Records

(a) Purchaser acknowledges that many of the Charged-off Accounts do not have Account Documents available and that some Charged-off Accounts have only partial Account Documents available. Purchaser further acknowledges that Seller only has such Account Documents as were provided to it by the Originating Creditors and access to additional Account Documents in the custody of Originating Creditors may be limited or prohibited pursuant to the terms of Seller's contracts with such parties. Purchaser represents that it has conducted and relied upon its own due diligence investigation as to the availability of any such Account Documents and that their lack of availability is not a breach of this Agreement.

(b) To the extent that any Originating Creditors require Purchaser's requests for Account Documents to be presented through Seller, Seller will provide to Purchaser copies of reasonably available Account Documents for a cost of \$10 per page. Purchaser shall make requests for Account Documents no more than once per month. Seller shall use reasonable efforts to deliver documentation to Purchaser for a period of one year following the applicable Closing Date. Purchaser agrees that, in no event, shall such reasonable efforts include the requirement to commence litigation or arbitration, in any jurisdiction, against any Originating Creditor, their affiliates, officers, employees or agents.

(c) If any of Seller's former or current officers, employees or agents are requested or subpoenaed to appear at a court hearing, deposition, trial, or similar judicial or quasi-judicial proceeding against Purchaser to which Seller is not a party in connection with an Account, whether by Purchaser or by a Customer, Purchaser shall compensate such entity or former officer, employee or agent, as applicable, for its officer's, employee's or agent's time in traveling to, attending and testifying at the hearing, deposition, trial or other judicial or quasi-judicial proceeding, whether or not the officer, employee or agent is called as a witness, at the hourly rate of such officer, employee or agent and will reimburse such entity for the officer's, employee's or agent's actually incurred reasonable travel-related expenses. Notwithstanding the previous sentence, Seller makes no representation as to the availability, ability or willingness to cooperate of any of its former officers, employees or agents or the former or current officers, employees or agents of Originating Creditors. If required under the applicable Originating Purchase Agreement, if any of the Originating Creditors' former or current officers, employees or agents are requested or subpoenaed to appear in a similar court hearing, deposition, trial, or similar judicial or quasi-judicial proceeding against Purchaser, whether by Purchaser or by a Customer, Purchaser shall compensate such entity or former officer, employee or agent, as applicable, for its officer's, employee's or agent's time in traveling to, attending and testifying at the hearing, deposition, trial or other judicial or quasi-judicial proceeding, whether or not the officer, employee or agent is called as a witness, and will reimburse such entity for the officer's, employee's or agent's actually incurred, reasonable travel-related expenses.

11. Operational

(a) Purchaser agrees not to refer any Customer whose Account is the subject of this Agreement to Seller or any Originating Creditor. Purchaser will handle any such inquiries itself and, if necessary, will contact Seller or Seller's agent with any inquiries.

(b) After the applicable Closing Date, and for a period of one year following the applicable Closing Date, Seller shall forward all payments received on the Charged-off Accounts after the applicable Cut-Off Date directly to Purchaser once per month via Federal Express or other similar carrier for delivery next business day. Purchaser shall pay all shipping charges associated with the delivery of all such payments. With regard to all payments that Seller receives via electronic transfer on the Charged-off Accounts, Seller shall forward an electronic file to Purchaser once per month, along with the date the payment was received and sufficient information for Purchaser to identify the Charged-off Account to which the payment should be applied, and Seller shall forward such payments to Purchaser in accordance with this Section 11(b).

## 12. Seller's Right to Recall

(a) The parties acknowledge that there may be various legitimate business or legal reasons for Seller or an Originating Creditor to repurchase a Charged-off Account. Therefore, Seller may, in its sole discretion, recall any Charged-off Account that has not been paid in full, released, or compromised by Purchaser if an Originating Creditor recalls the Account under the terms of the applicable Originating Purchase Agreement or if Seller or any affiliate is named as a defendant in a lawsuit regarding the Charged-off Account or if the Account is the subject of a pending or threatened claim or governmental or other regulatory investigation or inquiry. Upon receipt of such notice of recall, Purchaser shall promptly cease all communications with the Customer(s) and all other collection activity, including any release or compromise of the Account. Within ten (10) days of the recall notice, Purchaser shall return the recalled Charged-off Account to Seller. Seller shall pay to Purchaser the Purchase Price Percentage times the outstanding unpaid balance on the Charged-off Account, less any amount that Purchaser may have collected on the Account prior to receiving the notice of recall.

(b) Purchaser shall remit to Seller any payments received by Purchaser from Customer subsequent to Purchaser's receipt of the notice of repurchase.

## 13. Assignment/Resale

(a) Purchaser shall comply with all provisions set forth in the Originating Purchase Agreements regarding the assignment or resale of the Charged-off Accounts, and shall obtain the consent of Seller prior to any sale of the Accounts, which consent shall not be unreasonably withheld.

(b) Purchaser must use reasonable efforts to ensure that any subsequent buyer is a reputable entity. Further, Purchaser shall require every subsequent purchaser or assignee of all or part of the Accounts to agree to the same representations, warranties, indemnities, covenants, and terms of, and be subject to the same indemnities, requirements and limitations set forth in,

this Agreement as though the subsequent purchaser and its subsequent transferees and/or assigns were the Purchaser under this Agreement. Seller and Originating Creditors (to the extent provided in the Originating Purchase Agreements) shall have a direct right of action against Purchaser and all subsequent purchasers of all or any part of the Accounts with respect to all such representations, warranties, indemnities, covenants, and terms. Purchaser shall defend, indemnify, and hold harmless Seller and Originating Creditors, as applicable, from any and all causes of actions, claims, expenses, or judgments incurred by such party(ies) for which Purchaser's third party purchaser or its subsequent transferees and/or assigns is responsible.

(c) Purchaser may not sell any of the Charged-off Accounts prior to the one year anniversary of this Agreement, without Seller's prior written consent, and may not sell any combination of Accounts to more than three counterparties at any time in the future.

(d) The parties acknowledge that Purchaser's breach of this Article will result in actual and substantial damages to Seller and Originating Creditors, the amount of which will be difficult to ascertain with precision. Therefore, if Purchaser breaches this Section 13, Seller and the applicable Originating Creditor(s) shall be entitled to obtain injunctive relief against Purchaser without having to prove actual damages, and may recover the actually incurred fees and expenses that they may incur in recovering damages and in preventing Purchaser's further breach of this Section 13. This section does not limit Purchaser's and Originating Creditors' right to recover all other damages and actually incurred fees and expenses, including attorneys' fees.

#### 14. Use of Names of Seller and Originating Creditors

(a) Purchaser shall, and shall require anyone acting on its behalf to, comply with all restrictions and requirements regarding the use of the names and marks of any Originating Creditors or their affiliates, subsidiaries or parent companies in accordance with the terms of the Originating Purchase Agreements. Purchaser shall not, and shall not permit or suffer anyone acting on its behalf to, advertise, promote, or publicize matters relating to this Agreement or mention or imply any relationship or connection with Seller or any of its affiliates, subsidiaries, or its parent company or former parent company in such advertising, promotion or publicity without prior written consent, which may be withheld at such party's sole discretion, as applicable. Purchaser may use such party's name solely for purposes of identifying an Account in communication with Customers in connection with the collection of the Account, in connection with filing suit upon the Account, in connection with the sale or transfer of Accounts, and in connection with any allowed reporting to credit bureaus to identify from whom Purchaser purchased the Accounts. Purchaser shall not misrepresent, mislead or otherwise fail adequately to disclose its ownership of the Accounts. In any communications including, but not limited to, those with Customers, Purchaser shall not represent that an affiliate or agency relationship exists between Purchaser and Seller other than a servicing relationship. It is expressly agreed that Purchaser is not purchasing or acquiring any right, title, license, or interest in the names or marks of Seller. Purchaser acknowledges that Seller exclusively owns such names, marks and goodwill related to and symbolized by it.

(b) Purchaser acknowledges that its breach of this Article will result in actual and substantial damages to Seller, the amount of which will be difficult to ascertain with precision. Therefore, if Purchaser breaches this Section 14, Seller shall be entitled to obtain injunctive relief against Purchaser without having to prove actual damages and may recover the actually incurred fees and expenses that Seller may incur in recovering damages and in preventing Purchaser's further breach of this provision. Further, Purchaser shall immediately cease and desist from continuing any act that is alleged by Seller to be a violation of this article, and Purchaser shall take whatever action is necessary to correct any violation of this article.

#### 15. Purchaser's Indemnification

(a) Purchaser shall indemnify, defend and hold harmless any Originating Creditors and their affiliates, subsidiaries or parent companies in accordance with the terms and requirements of the Originating Purchase Agreements for any claims arising out of the actions of Purchaser after the applicable Closing Date. Purchaser agrees to indemnify, defend and hold harmless Seller, as well as its parents, subsidiaries, affiliates, officers, members, partners, predecessors in interest, successors in interest, assignees, directors, employees, stockholders, and agents ("Indemnitees") from and against any and all claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs (including reasonable fees and disbursements of counsel) incurred or suffered by an Indemnitee by reason of any legal action, proceeding, arbitration, or other claim, whether commenced or threatened, whether or not well grounded, and by whomsoever concerned, based solely on the following: (i) any breach of this Agreement (including, without limitation, any breach of any representation or warranty or covenant made by Purchaser) by Purchaser or its officers, directors, agents, employees, or representatives; (ii) any other act or omission by Purchaser or its officers, directors, agents, employees, or representatives with respect to any Charged-off Account, or with respect to any party obligated on a Charged-off Account; or (iii) any claim or threatened claim by any Customer regarding any assignment, enforcement, servicing or administration of the Accounts by Purchaser or Purchaser's agents, affiliates, employees, contractors, officers, directors, successors, assignees, or representatives on or after the applicable Closing Date.

(b) Purchaser shall defend or settle, at its own expense, all claims, action, suits, demands, liens and counterclaims (the "Claims") against an Indemnitee for which Purchaser is responsible under this Article and shall reimburse such Indemnitee for reasonable attorneys' fees, interest, costs of suit and all other expenses incurred by such Indemnitee in connection therewith. In selecting counsel to defend against such claims, suits or counterclaims, Purchaser shall select such counsel subject to the Indemnitee's prior written approval, which shall not be unreasonably withheld. The Indemnitee shall notify Purchaser promptly of any Claim for which Purchaser is responsible and shall cooperate with Purchaser in every reasonable way to facilitate the defense of any such claim, action or suit.

#### 16. Seller's Indemnification

(a) Seller agrees to indemnify, defend and hold harmless Purchaser, its respective parents, subsidiaries, affiliates, officers, members, partners, predecessors in interest, successors

in interest, directors, employees, stockholders, and agents ("Indemnitees") from and against any and all claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs (including reasonable fees and disbursements of counsel) incurred or suffered by Purchaser by reason of any legal action, proceeding, arbitration, or other claim, whether commenced or threatened, whether or not well grounded and by whomsoever concerned, based solely on the following: (i) any breach of this Agreement (including, without limitation, any breach of any representation or warranty or covenant made by Seller) by Seller or its officers, directors, agents, employees, or representatives; (ii) any other act or omission by Seller or its officers, directors, agents, or employees with respect to any Charged-off Account, in connection with the collection or any enforcement action taken on any Charged-off Account, or with respect to any party obligated on a Charged-off Account; or (iii) any claim or threatened claim by any Customer regarding any assignment, enforcement, servicing or administration of the Accounts by Seller or Seller's agents, affiliates, employees, contractors, officers, directors, successors, assignees, or representatives prior to the applicable Closing Date. Seller's total exposure for any claims by Purchaser relating to this indemnification shall not exceed the aggregate purchase price paid for the portfolio of Accounts.

(b) Seller shall defend or settle, at its own expense, all claims, action, suits, demands, liens and counterclaims (the "Claims") against an Indemnatee for which Seller is responsible under this Article and shall reimburse such Indemnatee for reasonable attorneys' fees, interest, costs of suit and all other expenses incurred by such Indemnatee in connection therewith. The Indemnatee shall notify Seller promptly of any Claim for which Seller is responsible and shall cooperate with Seller in every reasonable way to facilitate the defense of any such claim, action or suit.

(c) Notwithstanding the foregoing provisions, if Purchaser attempts to collect on any Account that has been designated as uncollectible or disputed by Seller, Purchaser acknowledges that it is doing so at its own risk. The parties agree that Seller shall have no indemnification obligations to Purchaser for any claims or damages of any kind with regard to any Account that has been designated as uncollectible or disputed by Seller.

#### 17. Confidentiality

(a) Neither Seller nor Purchaser shall make any public announcement regarding this Agreement or provide information concerning this Agreement or the subject matter of this Agreement to any representative of the news media without the prior approval of the other party.

(b) Purchaser shall, and shall require anyone acting on its behalf to, comply with all restrictions and requirements regarding the use and/or disclosure of any confidential and proprietary information of Originating Creditors or their affiliates, subsidiaries or parent companies in accordance with the terms of the Originating Purchase Agreements. Purchaser expressly acknowledges and agrees that Seller's respective books, records, documents, financial, technical or business information, this Agreement, and all other information of any type furnished by whatever means to Purchaser or otherwise pursuant to this Agreement, or any information to which Purchaser may have access under this Agreement or which Purchaser may learn pursuant to collecting on the Accounts, in each case specifically regarding and limited to

Seller's, or any of its affiliates' collection, customer service, marketing and credit policies, collection agency relationships, system data, computer programs, operational and technical data, product descriptions and documentation, pricing methodologies and strategies, trade secrets, programming techniques, processes and other similar business information (collectively, the "Proprietary Information") shall be confidential at all times, including after any cancellation or termination under the terms of this Agreement. "Proprietary Information" does not include such information, data, documents and materials that: (i) are or become generally available to the public other than as a result of disclosure by Purchaser or its affiliates, agents, officers, directors, representatives or employees, (ii) was available to Purchaser on a nonconfidential basis prior to the disclosure to Purchaser by Seller or was independently developed by Purchaser after the date of this Agreement without the aid, application or use of Confidential Information, or (iii) becomes available to Purchaser from a source that Purchaser has determined, after due inquiry, is not subject to any prohibition against disclosure. Purchaser and its affiliates, officers, directors, employees, agents, and representatives shall not use such Proprietary Information for any purpose except those contemplated by this Agreement, including collection of the Accounts by the Purchaser. Purchaser will not release or otherwise divulge any Proprietary Information to any other person without the express written consent of Seller except:

- (i) to those persons, including Purchaser's employees, officers and agents, acting in concert with Purchaser to carry out the provisions of any Article of this Agreement;
- (ii) in response to a subpoena or order of a court of competent jurisdiction;
- (iii) to its agents and representatives, including attorneys, accountants and financial advisors, insurance and reinsurance firms, or credit rating agencies whose review of such Proprietary Information is necessary for obtaining financing for this transaction, for rating purposes, for auditing and reporting purposes or for insurance purposes; or
- (iv) to prospective purchasers of the Charged-off Accounts after such prospective purchasers have executed a confidentiality agreement with provisions substantially similar to the provisions set forth in this Section 17.

(c) Purchaser will not respond to any inquiry from public, governmental, or administrative authorities concerning this Agreement or the Accounts that are the subject of this Agreement without prior consultation and coordination with Seller, unless such prior consultation and coordination is prohibited by law. If Purchaser is ordered to disclose any such Proprietary Information by a court of competent jurisdiction, Purchaser shall immediately notify Seller in writing of such requirement and provide Seller, and the owner of such information if different from Seller, with a copy of the court order and shall cooperate with Seller if it determines to contest such disclosure so that Seller may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this section. Purchaser will use its best efforts, at Seller's expense, to obtain or assist Seller in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver, Purchaser may disclose, without liability, that portion (and only that portion) of the Proprietary Information that

Purchaser has been advised by counsel that it is legally compelled to disclose. Purchaser agrees, however, to use its best efforts to obtain assurance that confidential treatment will be accorded such Proprietary Information by the person or persons to whom it was disclosed. This paragraph shall not apply to Purchaser's use and disclosure of the Accounts, Bills of Sale and other Account Documentation relative to any lawsuit that Purchaser may file in order to collect any or all of the Accounts.

18. Notices/Payments

Any and all notices/payments or other communications required or permitted under this Agreement shall be in writing and shall be delivered by Federal Express or similar carrier, for delivery next business morning, addressed as follows, unless a party notifies the other party of a change of address using the procedures set forth in this section:

Seller:

Jon Mazzoli  
[REDACTED]  
Sherman Originator LLC  
[REDACTED]

Purchaser:

Roger K. Neustadt  
Gemini Capital Group, LLC  
[REDACTED]

19. Relationship

Nothing in this Agreement is intended, or shall be construed, to constitute or establish an agency, joint venture, partnership or fiduciary relations between the parties, and no party shall have the right or authority to act for or on behalf of the other or Originating Creditors with respect to any matter.

20. Third Party Beneficiaries

To the extent required under the Originating Purchase Agreements, the Originating Creditors shall be third party beneficiaries of this Agreement for all purposes.

21. Arbitration

In the event that a dispute or controversy regarding, arising out of, or in any way related to, this Agreement or the transactions that are the subject of this Agreement is not resolved by good faith discussion between Purchaser and Seller, the dispute or controversy between Purchaser and Seller shall be resolved by binding arbitration conducted in accordance with the then current rules of the American Arbitration Association, which arbitration shall be conducted in Delaware. The foregoing, however, shall not preclude either party from seeking and obtaining equitable or other judicial relief to enforce the provisions hereof or to preserve the status quo pending resolution of a dispute hereunder.

22. Governing Law; Waiver of Trial by Jury

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware without regard to its conflicts of laws principles or rules.

NOTWITHSTANDING ANYTHING STATED HEREIN, IF EITHER PARTY OR AN ORIGINATING CREDITOR BRINGS ANY ACTION AGAINST THE OTHER PARTY OR AGAINST ANY ORIGINATING CREDITOR, WHETHER AT LAW OR EQUITY, REGARDING THE OTHER PARTY'S PERFORMANCE UNDER THIS AGREEMENT OR BRINGS ANY ACTION CONNECTED IN ANY WAY WITH THIS AGREEMENT, THE PARTIES AGREE TO WAIVE TRIAL BY JURY. NOTWITHSTANDING THE FOREGOING, IF ANY ORIGINATING PURCHASE AGREEMENT ALLOWS AN ORIGINATING CREDITOR TO HAVE A TRIAL BY JURY, THE TERMS OF SUCH ORIGINATING PURCHASE AGREEMENT GOVERN OVER THE TERMS OF THIS AGREEMENT.

23. Notification of Claims

Purchaser will notify Seller and/or an Originating Creditor, as applicable, immediately of any claim or threatened claim against such parties, or any claim or threatened claim that may affect such parties, which is discovered by Purchaser. Seller will so notify Purchaser of any such claims against Purchaser as well.

24. Severability

If any one or more of the provisions of this Agreement is for any reason held to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability of such provision(s) shall not affect any other provision of this Agreement, and this Agreement shall be construed without the invalid, illegal, or unenforceable provision(s).

25. Waiver



No failure of any party to take any action or assert any right under this Agreement shall be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

26. Headings

Headings are for reference only and will not affect the interpretation or meaning of any provision of this Agreement.

27. Entire Agreement

This Agreement and the attached exhibits embody the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and supercede all prior agreements and understandings of the parties. All prior representations and statements made by any party or its representatives, whether orally or in writing, are deemed to have been merged into this Agreement.

28. Amendment

Neither this Agreement nor any of its provisions may be changed, waived, discharged, or terminated orally. Any change, waiver, discharge, or termination may be effected only by a writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought.

29. Assignment

Subject to the restrictions of Article 13 of this Agreement, this Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including those found in the attached exhibits, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors and assigns.

30. Closing

Closing on the purchase and sale of the Charged-off Accounts under the terms of this Agreement shall occur on the applicable Closing Date. The closing shall take place in the offices of Seller. The parties agree that the closing may take place via facsimile signatures, followed by hard copy original signatures and documents.

31. Counterparts

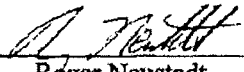
This Agreement may be executed in one or more counterparts, all of which taken together will be deemed one original.

32. Term and Termination


This Agreement shall provide for six monthly pools of Accounts, each totaling approximately \$3,000,000.00 in unpaid balance, beginning on approximately March 5th, 2009 and ending on approximately August 5th, 2009. Either party may cancel this Agreement with 10-days written notice in the event there is a material breach of this Agreement that is not cured within 10 of the breaching party receiving written notice of the breach.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

GEMINI CAPITAL GROUP, LLC

By:   
Roger Neustadt

SHERMAN ACQUISITION LLC

By:   
Jon Mazzoli

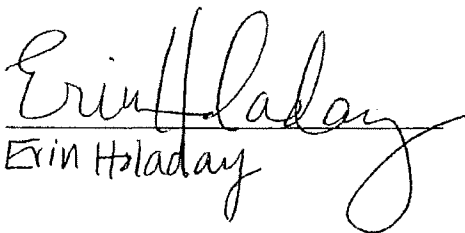
**EXHIBIT 1**  
**BILL OF SALE AND ASSIGNMENT**

**KNOW ALL MEN BY THESE PRESENTS**, that the undersigned Sherman Acquisition LLC ("Assignor"), for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does by these presents, assign, sell, transfer, convey, and set over to Gemini Capital Group, LLC ("Assignee"), its successors and assigns, all rights, title and interest in and to certain charged-off receivables (the "Charged-off Accounts"), related documents evidencing a security interest, liens or other security instruments or encumbrances executed, filed and/or created in conjunction with collateral securing the Charged-off Accounts. Such Charged-off Accounts are described in the attached Appendix A and referred to as Charged-off Accounts in the Purchase and Sale Agreement between Assignors and Assignee and dated March 3, 2009.

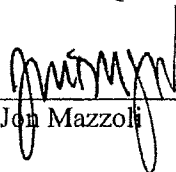
This Assignment is made without recourse or warranty except as otherwise provided in the Agreement executed by Assignor and Assignee with regard to the Charged-off Accounts and other rights, privileges and documentation referred to herein.

Dated this 5<sup>th</sup> day of March, 2009

WITNESS

  
Erin Holaday

SHERMAN ACQUISITION LLC

By:   
Jon Mazzoli

## **APPENDIX A**

Data file delivered and accepted by Purchaser.

**EXHIBIT 2**  
**LIST OF ORIGINATING CREDITORS**

(See Exhibit 3, List of Originating Purchase Agreements)

Advanta Bank Corp.  
Associates National Bank (Delaware)  
Bank of America, N.A. (USA)  
~~Bank One, Delaware N.A.~~  
Capital One Bank  
Citibank (South Dakota), N.A.  
CitiFinancial Inc.,  
Citibank (South Dakota), National Association  
Citibank USA, National Association  
Chase Manhattan Bank USA, National Association  
Compucredit Corporation  
First USA Bank, N.A.  
Fleet Bank (RI), National Association  
GE Capital Financial Inc.,  
HomeEq Servicing Corporation  
Household Bank (SB), N.A.  
Midland Credit Management, Inc.  
Montgomery Ward Credit Corporation  
Metris Companies Inc.,  
National City Bank, a national bank  
Nextel Communications of the Mid-Atlantic, Inc., Nextel of California, Inc., Nextel of New York, Inc., Nextel of Texas, Inc., Nextel South Corp., and Nextel West Corp.  
Provident National Bank  
Sears, Roebuck and Co.  
SEARS NATIONAL BANK,  
SRFG, INC.,  
SMTB, INC.,  
SVFT, INC.,  
SLRR, Inc  
Transamerica Bank N.A.,  
Transamerica Retail Financial Services Corporation  
Transamerica Commercial Finance Corporation  
Wachovia Bank, National Association  
Washington Mutual Finance, LLC  
Wells Fargo Bank, N.A.

## EXHIBIT 3

### LIST OF ORIGINATING PURCHASE AGREEMENTS

3/27/03 Advanta Bank Corp. 7/26/01

1/26/05 Bank of America, N.A. (USA)

6/7/07 Capital One Bank

1/30/03 Chase Manhattan Bank USA, National Association

6/22/01 Citibank (South Dakota), N.A.

8/13/01 Citibank (South Dakota), N.A.

4/30/02 Citibank (South Dakota), National Association

6/27/02 Citibank (South Dakota), National Association

4/29/05 Citibank USA, National Association

1/17/05 CitiFinancial Inc.,

4/17/03 Compucredit Corporation

12/5/01 GE Capital Financial Inc.,

2/21/05 Household Bank (SB), N.A.

9/27/01 Metris Companies Inc.,

4/30/02 Midland Credit Management, Inc.

12/27/01 National City Bank, a national bank

10/3/07 Nextel Communications of the Mid-Atlantic, Inc., Nextel of California, Inc., Nextel of New York, Inc.,  
Nextel of Texas, Inc., Nextel South Corp., and Nextel West Corp.

1/26/05 Provident National Bank

5/10/02 Transamerica Bank N.A.,  
Transamerica Retail Financial Services Corporation  
Transamerica Commercial Finance Corporation

10/4/01 Sears, Roebuck and Co.

6/24/03 SEARS, ROEBUCK AND CO.,  
SEARS NATIONAL BANK,  
SRFG, INC.,  
SMTB, INC.,  
SVFT, INC.,  
SLRR, Inc.

6/30/05 Wachovia Bank, National Association

2/22/07 Wells Fargo Financial Bank

**EXHIBIT 4**

Aggregate Unpaid Balance:

# Accounts:

Purchase Price:

[REDACTED]

Proceeds Due Sherman:

**Wire Instructions for Sherman Acquisition LLC**

Bank

[REDACTED]

ABA

[REDACTED]

Acct Name:

[REDACTED]

Acct #

[REDACTED]

Ref

[REDACTED]