

COPY

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
FRANKFORT, KENTUCKY
DIVISION 1
CIVIL ACTION NO. 06-CI-1031

OFFICE OF FINANCIAL INSTITUTIONS

PLAINTIFF

vs.

SETTLEMENT AGREEMENT

EASTERN ENERGY CORPORATION
MARK KROMAN
WILLIAM L. CHAMPION
DONALD BRADLEY SHULTZ

RESPONDENTS

* * * * *

Whereas a hearing was scheduled on Plaintiff's motion for a temporary injunction to be held before the Hon. Sam McNamara, Judge Franklin Circuit Court, at 2:00 pm, Thursday, September 7, 2006; and,

Whereas the parties have reached a settlement of the issues raised by Plaintiff's Complaint; IT IS HEREBY AGREED AS FOLLOWS:

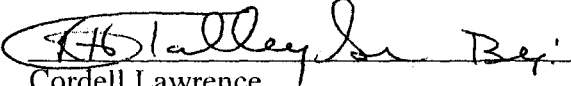
1. Eastern Energy Corporation will no longer sell, offer, or issue any type of security, including but not limited to, interests in oil and gas well exploration programs.
2. The Respondent, Mark Kroman, will not engage in the securities business in or from the Commonwealth of Kentucky for a period of twelve (12) months from and after the entry of the Order approving this Settlement Agreement. The Respondent, Mark Kroman, will pay an administrative fee of twenty-five thousand dollars (\$25,000) to the Commonwealth of Kentucky within one

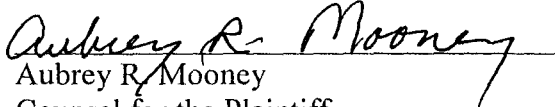
year from the date of the Order approving this Settlement Agreement. In the event that said administrative fee is not paid within the time period allowed, Mr. Kroman's one year suspension will extend for the period of time until said administrative fee is paid in full.

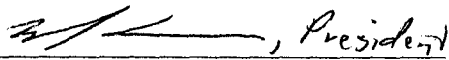
3. The Complaint herein shall be dismissed, without prejudice, against the Respondents William L. Champion and Donald Bradley Shultz.
4. Neither Eastern Energy, Mark Kroman, William L. Champion, nor Donald Bradley Shultz is required to admit to a violation of law.

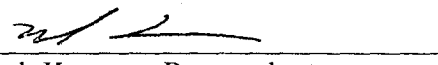
This Settlement Agreement shall be submitted to the Franklin Circuit Court for approval. If approved, the Order of the Court shall incorporate the terms of this Settlement Agreement and failure to abide by said terms may result in implementation of the contempt powers of the Court subject to proper notice and proof of contempt.


Wherefore, the parties (but not William L. Champion or Donald Bradley Shultz) and their respective legal counsel have executed their dated signatures hereto and by their signatures declare this to be their settlement of the Plaintiff's Complaint filed herein on July 25, 2006 and the Plaintiff's Motion for Temporary Injunction scheduled to be heard September 7, 2006.


Cordell Lawrence
Ex. Dir., Office of Financial Institutions
Date: Oct. 5, 2006


Aubrey R. Mooney
Counsel for the Plaintiff
Date: 10-5-2006


Eastern Energy Corporation, Resp.
by Mark Kroman, President
Date: 9/25/06


Mark Kroman, Respondent
Date: 9/25/06


Kenneth A. Meredith, II
Respondents' Attorney 9-26-06