

**SETTLEMENT AGREEMENT BETWEEN NORTH DAKOTA SECURITIES  
COMMISSIONER AND QUESTAR CAPITAL CORPORATION**

The North Dakota Securities Commissioner, (the "Commissioner"), pursuant to the authority granted by Chapter 10-04 of the North Dakota Century Code, the Securities Act, initiated an investigation into the activities of Kevin D. Wanner, CRD #1402627, ("Wanner), a former registered securities agent of Questar Capital Corporation, CRD #43100 and its predecessor, ("Questar"), a Minnesota corporation headquartered in Minneapolis, Minnesota, which has been registered as a broker-dealer in North Dakota since August 4, 2000. The Effective Date of this Settlement Agreement ("Agreement") is the date the last party executes this Agreement.

**RECITALS**

Wanner had been registered as a securities agent in North Dakota with eleven different broker-dealer firms, and maintained a place of business in Bismarck, North Dakota, from 1990 through December of 2015 with nine of those firms. From at least 2000 through 2015, while affiliated with five separate securities firms, Wanner, in furtherance of a fraudulent Ponzi scheme, offered and sold unregistered "time certificate of deposits", and unregistered interests in an investment pool to numerous persons, some of whom were clients and some of whom were not clients of Wanner's broker-dealer firms.

Wanner began operating a secret Ponzi Scheme no later than the year 2000 while registered first with three separate securities firms. Wanner thereafter joined Questar as an independent registered representative on May 3, 2004 and remained continuously affiliated with Questar from that date until August 6, 2010, when Wanner left Questar to join another securities firm. Wanner continued his Ponzi Scheme while

affiliated with the other broker dealer from August 2010 until December 2012. Wanner rejoined Questar on December 18, 2012 until December 10, 2015, the date of his termination. At no time was Wanner employed by Questar. He was instead an independent contractor.

In the course of the investigation of Wanner, the Commissioner has identified 46 victims of Wanner's fraudulent Ponzi scheme with net principal losses from 2000-2015 of over Three Million (\$3,000,000) Dollars. Questar has cooperated with the Commission by, among other things, producing records concerning its representatives' conduct.

Questar has agreed through this Settlement Agreement to reimburse all of Wanner's victims, whether they were Questar clients or not, for the losses they report to have suffered based upon Wanner's secret Ponzi Scheme while Wanner was affiliated with Questar, by paying restitution in the total amount of \$2,467,000.00. A list of these investors is attached as Exhibit A.

This Settlement Agreement is entered into with the understanding and agreement that (1) this Agreement resolves all issues with respect to the subject matter herein; and (2) the Department will take no regulatory action against Questar related to the Ponzi Scheme, including any action related N.D.C.C. § 10-04-11(1)(m).

Accordingly, the Commissioner and Questar desire to conclude the aforementioned investigations and resolve any and all issues that have arisen out of such inquiries on the terms set forth in this agreement.

Questar enters into this agreement expressly denying that it has engaged in any violations of the Securities Act or rules or that it has any legal liability to any of Wanner's aggrieved investors with complaints pending with the Securities Department.

The Commissioner has determined that it is in the public interest to enter into this agreement.

**NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

1. The above Recitals are incorporated into this Agreement and made a part hereof.
2. Questar shall make payment to the North Dakota Investor Restitution Fund, a special fund administered by the Securities Commissioner, in the amount of Two Million Four Hundred Sixty-Seven Thousand (\$2,467,000.00) Dollars for distribution to Wanner's aggrieved investors. Any investor agreeing to participate in the distribution of funds shall execute a General Release of claims against Questar in the form attached to this agreement as Exhibit B. The Commissioner shall notify all investors identified on Exhibit A within 14 days after the Effective Date of this Agreement ("Notification Date"). Each investor shall be given thirty days from the Notification Date to decide whether to execute the General Release, and if so, to sign and deliver that General Release to the Commissioner ("Acceptance Date"). A copy of all signed General Releases will be delivered by the Commissioner to Questar in care of Questar Capital Corporation, Attn: General Counsel, 5701 Golden Hills Drive, Minneapolis, Minnesota 55416-1297 ("Counsel") within 14 days after the Acceptance Date ("Questar Notification Date"). The Commissioner shall credit and return to Questar all amounts deposited by Questar in the North Dakota Investor Restitution Fund, attributed solely to those investors, for whom Questar has not received a fully executed General Release by the Questar

Notification Date. The Commissioner shall credit and return such funds, if any, within 14 days after the Questar Notification Date by wire transfer instructions Questar subsequently provides to the Commissioner by email through Mike Daley, counsel for the North Dakota Securities Department. The amount of said credit, should any investor not execute the General Release, is set forth, by investor, in a separate communication from the Commissioner to Ed Magarian, counsel for Questar ("Counsel") dated July 24, 2017 as further clarified by email dated July 25, 2017.

3. Questar further agrees to make a donation to the North Dakota Investor Education and Technology Fund, a special fund administered by the Securities Commissioner, in the amount of One Hundred Fifty Thousand (\$150,000) Dollars as provided in N.D.C.C. § 10-04-03(4).

4. The payments hereunder shall be completed within 30 days of the Effective Date pursuant to wire instructions to be provided to Questar, through its Counsel, by email from the Commissioner, no later than the Effective Date.

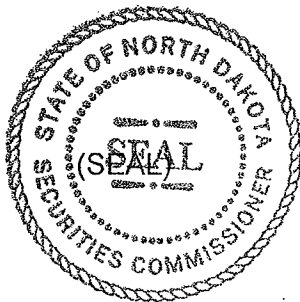
Witness my hand this 31 day of July, 2017.

QUESTAR CAPITAL CORPORATION

By: *Steven D. Nord*

Its: *CEO + President*

Witness my hand and seal this 31<sup>st</sup> day of July, 2017.



*Karen J. Tyler*  
Karen J. Tyler, Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

**EXHIBIT A**

Wanner victims while affiliated with Questar

Booke, Mike & Connie

Doyle, Andy & Lucille

Guenther, Colin & Lisa

Hamilton, Wayne & Bertha

Heyne, Robert

Jahner, Melvin

Kleeman, Lucinda

Leier, Kaden

Lundquist, Oscar & Cindy

Meuchel, Dan & Joan

Naumann, Alice

O'Shea, Hazel

Pavel, Robert & Leone

Philbrick, Leon & Darlene

Rohrich, Irene

Schaaf, Terry & Lori

Scheetz, Theresa

Schmidt, Gary & Wanda

Senger, Paul & Helen

Wanner, Allen & Leone

Wanner, Donald & Jean

Wanner, Ray & Sharon

## EXHIBIT B

### AGREEMENT AND RELEASE

Now, therefore, in consideration of the payment of \$ \_\_\_\_\_ paid by Questar Capital Corporation, 5701 Golden Hills Drive, Minneapolis, Minnesota 55416, through the North Dakota Investor Restitution Fund, and other good and valuable consideration (the receipt of which is hereby acknowledged by \_\_\_\_\_ (“Investor”)). Questar and Investor are collectively referred to herein as the “Parties.”

### RECITALS

- A. Investor invested funds in what Investor believed to be securities or other investment tools (“Investments”) with Kevin Wanner. The Investments offered by Wanner were not real investments, and Wanner converted Investor funds to his own personal benefit or the benefit of other individuals.
- B. One or more of the Investments made by Investor were during the time that Wanner was affiliated with Questar Capital Corporation. However, other than Wanner, the Investments were not offered by, authorized by, or known to Questar Capital Corporation its representatives, officers, directors, partners, employees, agents, predecessors, parents, successors, subsidiaries, affiliated or related companies, assigns, shareholders, and attorneys (collectively “Questar”).
- C. A dispute has arisen between Investor and Questar stemming from Wanner’s conduct.
- D. Questar denies any wrongdoing or liability;
- E. Nevertheless, among other things, to buy peace and promote goodwill, and pursuant to the terms of this Agreement and Release (“Agreement”), Questar is willing to provide the following-agreed-to relief.

WHEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

### TERMS AND CONDITIONS

- 1. The Recitals are incorporated into this Agreement as if fully set forth herein.
- 2. In exchange for the consideration described in this Agreement, Investor for himself or herself, and Investor’s representatives, beneficiaries, heirs, estate, trustees, wards, predecessors, successors and assigns and all others claiming by or through Investor, hereby release and forever discharge Questar Capital Corporation and its past, present and future parent companies, representatives, officers, directors, partners, employees, agents, predecessors, parents, successors, subsidiaries, affiliated or related companies, assigns, shareholders, and attorneys (collectively “Questar”), of and from any and all claims, causes of action, suits, liabilities, debts, sums of money, accounts, commitments, contracts,

controversies, agreements, promises, judgments, claims and demands whatsoever, in law or inequity, known and unknown, asserted or unasserted, whether arising out of contract, tort, common law, statutory law or otherwise (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule, or regulation relating to alleged fraud, breach of any duty or contract, the implied covenant of good faith and fair dealing, negligence, violations of the federal or state securities laws, or otherwise), whether individual, class, direct, derivative, representative, legal, equitable or any other type or in any other capacity, that Investor ever had, now has, or may have arising out of, related to, or in connection with, any fact or circumstance in whole or in part related to Kevin Wanner, his businesses, his Ponzi scheme, his affiliation with or alleged affiliation with Questar, or any investments you made or transactions you discussed or executed with Kevin Wanner (and the businesses through which he operated while he was affiliated with Questar) (“Released Matters”).

3. Investor covenants and agrees that he or she will not commence any civil lawsuit, arbitration, claim, complaint, or action of any kind with any local, state or federal agency, self-regulatory organization, court or any other entity against Questar relating in any way to the matters released in paragraph 2 of this Agreement (“Action”). If any such Action has been commenced, Investor agrees and warrants that they shall be immediately dismissed with prejudice.
4. Investor represents and warrants that Investor has authority to execute and deliver this Agreement. Investor represents and warrants that Investor has not assigned any rights or claims related to the Released Matters to any other person.
5. Investor acknowledges that Investor has had sufficient opportunity to consult with legal counsel and that Investor is executing this Agreement based solely upon Investor’s own analysis and information or Investor’s counsel’s analysis and information and not based on, or in reliance on, statements or representations by Questar.
6. Investor understands and agrees that no withholding of income taxes has been or will be made from any payment or other consideration made by Questar under this Agreement, and that neither Questar nor anyone acting or purporting to act on its behalf has made any representation or provided any advice regarding taxes or tax liability, if any, resulting from said payment or other consideration. Investor understands and agrees that to the extent any tax liability may now or hereafter become due, such liability will be his or her sole responsibility, and he or she shall be liable for any taxes, penalties or interest that may be due and payable. Questar shall issue tax reporting, if any, consistent with its normal business processes.
7. This Agreement shall be binding on the Investor and Investor’s heirs, estate, administrators, executors, representatives, trustees, beneficiaries, wards, successors and assigns, and all others claiming by or through Investor.

In Witness Whereof, the undersigned has executed this Agreement on behalf of the Investor on this \_\_\_\_ day of \_\_\_\_\_, 2017 (“Effective Date”).

**INVESTOR**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name