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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

WESTERN RESERVE LIFE  
ASSURANCE CO. OF OHIO, an Ohio  
corporation,

Plaintiff,

vs.

DANIEL DUONG, XIAOLING SHI,  
AARON CHIH YUAN LEE and NA  
SHEN,

Defendants.

Case No.: **2:10-cv-07764-JHN -JCGx**

Judge: Hon. Jacqueline H. Nguyen

JUDGMENT

AND RELATED COUNTERCLAIM  
AND CROSS-CLAIMS

WHEREAS the Court has issued its ORDER enforcing a written settlement agreement, IT IS ORDERED, ADJUDGED AND DECREED that the Judgment herein shall consist of the terms of the Interim Settlement Agreement executed by Xiaoling Shi and Daniel Duong on June 30, 2011, which states as follows:

1. Daniel Duong, Defendant, Claimant, Counter-Claimant, Cross-Claimant and Cross-Defendant, and Xiaoling Shi, Defendant, Cross-Defendant and Cross-Claimant, on behalf of themselves and all related persons, agree to

1 settle the interpleader action, UCSD Case No. CV 10-007746 on the  
2 following terms and conditions:

3 (A) After payment of attorney fees and costs to Western Reserve  
4 Life Assurance Co. (“WRL”), either by way of stipulation of the  
5 parties or court order;

6 (B) The net funds will be distributed as follows:

7 (i) 52% to Xiaoling Shi and her counsel of record, King Cheng &  
8 Miller, LLP and

9 (ii) 48% to Daniel Duong and his counsel of record, James T.  
10 Hudson.

11 2. The parties will advise the Court of the settlement and upon payment of  
12 the proceeds in interpleader in keeping with the provision of Paragraph 1  
13 above, the parties, including WRL, shall file a Stipulation to Dismiss the  
14 action, including any and all counter-claims, cross-complaints, with  
15 prejudice.

16 3. Currently pending is a claim by Daniel Duong, as the primary  
17 beneficiary, against a life insurance policy issued by ING/Reliastar (“ING”  
18 herein). Xiaoling Shi is the contingent beneficiary of the ING policy. No  
19 litigation is currently pending regarding the claim against this policy;  
20 nevertheless, the parties wish to resolve any dispute or potential dispute as to  
21 the distribution of the proceeds from the ING policy. Accordingly, the  
22 parties agree as follows:

23 (A) James T. Hudson will prosecute the claim against ING for  
24 payment of the policy proceeds, with Daniel Duong as the claimant.  
25 Mr. Hudson shall be paid attorneys fees of one third of any recovery  
26 on the ING policy and costs of suit will be born by Daniel Duong.  
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1 (B) Any net recovery (after deducting attorneys fees and costs)  
2 from ING by way of settlement or judgment will be divided as  
3 follows:

4 (i) Daniel Duong shall receive 90%; and

5 (ii) Xiaoling Shi shall receive 10%.

6 (C) Xiaoling Shi shall cooperate in the prosecution of the action  
7 against ING, including, but not limited to signing medical  
8 authorizations allowing ING to investigate the medical status of the  
9 decedent.

10 (D) James Hudson shall keep counsel for Xiaoling Shi apprised of  
11 the status of the claim periodically.

12 (E) Daniel Duong and his counsel will have sole control over all  
13 case management and strategy, including settlement discussions  
14 and/or trial strategy. Should resolution of the claim against ING be  
15 effectuated by way of settlement, Xiaoling Shi's consent will not be  
16 required to consummate the settlement.

17 (F) Xiaoling Shi will release and waive her claims against ING and  
18 will assign them to Daniel Duong in return for her percentage of  
19 recovery from any settlement or judgment as set forth in Paragraph  
20 3(B)(i) and (ii) above.

21 4. Daniel Duong and Xiaoling Shi, on behalf of themselves, their spouses,  
22 heirs, agents, representative and attorneys, shall mutually release each other  
23 and their respective spouses, heirs, agents, representative and attorneys, and  
24 shall waive any and all claims, known and unknown, including a waiver of  
25 the provisions of Civil Code § 1542, which states:

26 "A general release does not extend to claims which the creditor does not  
27 know or suspect to exist in his or her favor at the time of executing the  
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1 release, which if known by him or her must have materially affected his or  
2 her settlement with the debtor.”

3 The parties each deny all liability and this settlement agreement shall not be  
4 construed as an admission of liability which is unequivocally denied.

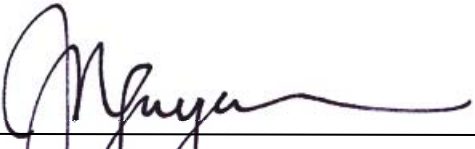
5 Notwithstanding the scope of this agreement, Xiaoling Shi reserves her right  
6 to bring a wrongful death claim against Daniel Duong in the event Daniel  
7 Duong is convicted of the murder of Donglei Shi or of any crime related to  
8 her murder and the statute of limitations is tolled until a judgment of  
9 conviction is entered.

10 5. Each party to bear their own costs and attorney fees except as set forth  
11 above.

12 6. The parties herein agree that they have reached a full and final settlement  
13 of all claims. This Interim Settlement Agreement is binding and it contains  
14 the material terms of the agreement between the parties and is enforceable  
15 under Code of Civil Procedure §664.6. Pursuant to Evidence Code  
16 §1123(a), the parties agree that this Interim Settlement Agreement is exempt  
17 from the confidentiality provisions of Evidence Code §1152, et seq. and  
18 further, that said Agreement is admissible pursuant to Federal Rules of  
19 Evidence, Rule 408 in an action to enforce the settlement.

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21 IT IS SO ORDERED AND ADJUDGED.

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24 Dated: September 12, 2011

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27 Hon. Jacqueline H. Nguyen  
28 UNITED STATES DISTRICT JUDGE