

EXECUTION COPY

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AND RELEASE AGREEMENT ("Agreement") is entered into on the 15 day of May, 2012, by and between Plaintiff the State of North Carolina, by and through the Office of the North Carolina Secretary of State and the Office of the Attorney General (collectively the "State") and Defendants Corporate Services, Inc. and Selwyn Monarch (collectively "Defendants"). The State and Defendants are sometimes referred to collectively herein as the "Parties."

1. Recitals.

(a) Defendants are considering ceasing their operations in North Carolina with respect to sending solicitations for corporate recordkeeping services to North Carolina businesses.

(b) Before agreeing to such a cessation of operations, Defendants seek to resolve all outstanding disputes with the State of North Carolina regarding a solicitation for corporate recordkeeping services that was received by North Carolina companies during the Spring of 2011 ("Spring 2011 Solicitation"), an example of which is attached as Exhibit A.

(c) Specifically, the State contends that the 2011 Solicitation violates a Judgment by Consent and Agreed Permanent Injunction (the "Consent Judgment") entered in Wake County Superior Court (09-CVS-13047) that resolved previous litigation between the parties regarding previous solicitations that Defendants had mailed into North Carolina in 2009.

(e) Defendants have offered evidence that a third party mailing service modified a solicitation prepared in May 2011 without Defendants' knowledge or consent

before sending the solicitation to businesses in North Carolina; as a result, Defendants, contend that they did not violate the Consent Judgment.

(f) The State contends that defendants are responsible in any event for any and all Spring 2011 Solicitation mailings that came into North Carolina in violation of the Consent Judgment.

(g) Defendants have not processed any checks from the Spring 2011 Solicitation.

(h) The Parties continue to disagree on whether the Defendants violated the Consent Judgment as a result of the Spring 2011 Solicitation.

NOW THEREFORE, in exchange for and in consideration of the following mutual covenants and promises, the undersigned Parties agree as follows:

1. Permanent Cessation of Solicitations.

(a) Prohibition on Solicitations. Upon the date of this Agreement, the Defendants and any of their Related or Successor Entities (as defined below) shall not send any commercial solicitations that are addressed to any person, business, or service located within the State of North Carolina if such solicitation is any way related to corporate organization, corporate governance, or any other matter relating to corporate filings or records.

(b) Related or Successor Entities. The term "Related or Successor Entities" means (i) any of Corporate Services, Inc.'s acquiring or successor corporation(s), (ii) any trustee(s), receiver(s) or assign(s) of Corporate Services, Inc., or (iii) any present or future privately held entity in which the Defendants, either individually or collectively,

own(s) a controlling interest or hold(s) a management position—, including a position of consultant, attorney or advisor.

(c) Enforcement. Defendants agree and acknowledge that the prohibition in this Paragraph 1 is an additional term that may be enforced under the continuing jurisdiction of the Wake County Superior Court in 09-CVS-13047 to enforce the terms of the Consent Judgment. Defendants further agree that any alleged violation of this prohibition in Paragraph 1 may be enforced as a violation of the Consent Judgment, and Defendants agree to submit to the jurisdiction of the Wake County Superior Court in any proceeding to enforce any such alleged violation. Defendants retain all rights to contest the merits of any motion or proceeding to enforce any alleged violation of this settlement or of the Consent Judgment, including any requests for monetary relief.

2. Settlement Payment. Defendants shall pay, collectively, to the State of North Carolina, the total sum of thirty thousand dollars (\$30,000.00) to offset the State's costs and/or attorneys' fees in investigating this action. Payment shall be made by Defendants contemporaneously with the final execution hereof via a check drawn on their North Carolina counsel's client trust account, made payable to "The Attorney General of North Carolina," and delivered to the undersigned Assistant Attorney General. Apportionment of the proceeds of that check by the Secretary of State and the Attorney General shall be the subject of a separate agreement between their two agencies.

3. Return of Checks and Solicitation Responses to Consumers. Within ten days of the execution hereof, Defendants shall convey to the Attorney General all checks and responses to the Spring 2011 Solicitations that they or their agents received from North Carolina companies so that the checks (and any accompanying responses) may be returned to those companies by the

State. The parties have agreed upon the content of any correspondence to accompany the return of the checks and responses, which is attached as Exhibit B. In addition, Defendants and each of their related entities, shall return to the Attorney General, or delete or destroy, any and all lists, documents, databases or other records containing information obtained or gleaned from responses to the Spring 2011 Solicitations submitted by companies and entities situated in North Carolina.

4. Voluntary Settlement of Disputed Claims. The parties expressly agree and acknowledge that the Defendants' agreement to cease operations in North Carolina and make a payment constitutes a purely voluntary settlement of a disputed claim, that those undertakings were offered by Defendants and accepted by the State in order to resolve that dispute in a manner which did not require the parties to expend the enormous amounts of time and money required to litigate such a dispute to conclusion, and that it does not constitute, and shall not be construed as, any legal, judicial or administrative penalty, judgment, order, or decree imposed by any court or government agency. The execution of this Agreement shall not constitute, and shall not be construed as, any admission of liability by Defendants, who expressly deny any liability to the State and further expressly deny that any Defendant has engaged in any wrongful acts or conduct.

5. Release. The State (including all of its departments, agencies, and other instrumentalities) expressly acknowledges and agrees that each of the Defendants and their past and present parents, subsidiaries, affiliates, agents, officers, directors, shareholders, employees, representatives, trustees, receivers, and assigns, are released from any and all claims, expenses (including attorneys' fees, except as noted in Paragraph 2), debts, demands, costs, contracts, liabilities, damages (including trebled or punitive damages), actions, and causes of action arising

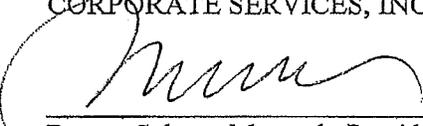
out of the Spring 2011 Solicitation that the State might bring (i) for violations of previous court orders in Wake County Civil Superior Court Action 09-CV-13047, (ii) for unfair and deceptive trade practices under N.C. Gen. Stat. § 75-1.1, and/or (iii) for any other matter arising out of the Spring 2011 Solicitation that is under the purview of the North Carolina Secretary of State or the Consumer Protection Division of the North Carolina Department of Justice. Nothing herein shall constitute a release of any other claim or claims the State might have for violations of the aforesaid Consent Judgment that arise subsequent to the execution of this Agreement and Release, or violations of this Agreement.

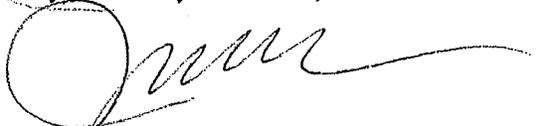
6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Counterpart copies of this Agreement may be signed by a party and exchanged by electronic mail. The Parties intend that such copies signed and exchanged as provided in the preceding sentence shall be fully binding.

7. Choice of Law, Remedies for Breach. This Agreement is governed by the laws of the State of North Carolina, exclusive of any choice of law rules that would require application of the law of any other state.

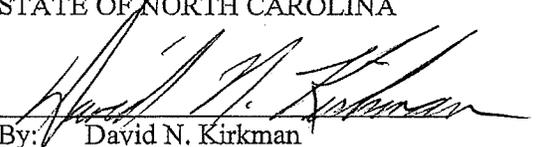
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date stated above.

CORPORATE SERVICES, INC.

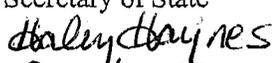

By: Selwyn Monarch, President


Selwyn Monarch, in his individual capacity

STATE OF NORTH CAROLINA


By: David N. Kirkman
Assistant Attorney General
NC Department of Justice


By: Blackwell M. Brogdon, Jr.
~~Enforcement Attorney~~
NC Department of the
Secretary of State


Daley Haynes
Deputy Secretary

**ANNUAL MINUTES STATEMENT
DIRECTORS AND SHAREHOLDERS**

(Business Corporations)

IMPORTANT: READ INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE RETURN TO CTS BY:

Date: May 25th, 2011

Corporation Number: 670012
Incorporation Date: 04/01/2003

4621 **AUTO**3-DIGIT 272
JPB HEALTHCARE P.C.
2551 S CHURCH ST
BURLINGTON NC 27215-5203

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Please Reply by June 22, 2011

NORTH CAROLINA GENERAL STATUTES CHAPTER 55-7-01(a): "A corporation shall hold a meeting of shareholders annually at a time stated in or fixed in accordance with the bylaws". NORTH CAROLINA GENERAL STATUTES CHAPTER 55-16-01(a): "A corporation shall keep as permanent records minutes of all meetings of its incorporators, shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting...". You can engage an attorney to prepare them, prepare them yourself, use some other service company or use our services. **THIS IS AN OFFER OF COMMERCIAL SERVICES. IT IS NOT APPROVED OR ENDORSED BY ANY GOVERNMENT AGENCY.**

Please complete this Annual Minutes Statement and mail the completed form together with the fee of \$125.00 payable to COMPLIANCE SERVICES in the enclosed envelope. This is a solicitation for the order of services, and not a bill, invoice or statement due. You are under no obligation to make any payments, unless you accept this offer. All information will be treated as private and confidential and will not be available to others. E-mail us at corpcompliancenc@corpsvc.com with any questions.

1. Contact Person: _____ E-Mail Address: _____

CORPORATE OFFICERS: (Attach additional pages if needed)

2. Title (Required): _____ Name (Required): _____

3. Title: _____ Name: _____

4. Title: _____ Name: _____

5. Title: _____ Name: _____

CORPORATE DIRECTORS: (Attach additional pages if needed)

6. Name (Required): _____

7. Name: _____

8. Name: _____

9. Name: _____

SHAREHOLDER INFORMATION: (Attach additional pages if needed. You must account for 100% of the shares)

10. Shareholder Name (Required): _____ No. of Shares (Required): _____

11. Shareholder Name: _____ No. of Shares: _____

12. Shareholder Name: _____ No. of Shares: _____

13. Shareholder Name: _____ No. of Shares: _____

Maintaining records is important to the existence of all corporations; in particular the recording of shareholder and director meetings.

INSTRUCTIONS FOR COMPLETING THE ANNUAL MINUTES STATEMENT

Review the accuracy of the preprinted corporate name and address and make any changes necessary. **PLEASE PRINT CLEARLY.**

- Line 1 Enter the name and e-mail address of the person to contact if we have any questions.
- Line 2 (Required) Enter the title of an Officer and the name of the Officer. You must have at least one Officer.
- Lines 3-5 Enter the titles and names of any additional Officers.
- Lines 6 (Required) Enter the name of a member of the Board of Directors. You must have at least one Director.
- Lines 7-9 Enter the names of any additional members of the Board of Directors.
- Lines 10-13 (Required) Enter the name of each Shareholder and the number of shares issued to each of them. If no stock has been issued, enter "none". You must account for 100% of the outstanding stock.

Please note: All items marked (Required) must be completed or we will not be able to prepare the documents.

Submit the Annual Minutes Statement (CS FORM MIN-NC11) together with payment for preparation of documents to satisfy the annual minutes requirement for your corporation. ~~Submit a check for \$125.00 payable to Compliance Services and mail to:~~

COMPLIANCE SERVICES
2820 Selwyn Ave.
Postal Mail Box 347
Charlotte, NC 28209

Completed documents will be mailed to you within four weeks. Have each party sign the documents where indicated and file them in the minute book of the corporation.

Maintaining records is important to the existence of all corporations, in particular the recording of shareholder and director meetings. You can engage an attorney to prepare them, prepare them yourself, use some other service company or use our services.

NORTH CAROLINA GENERAL STATUTES CHAPTER 55-7-01(a): "A corporation shall hold a meeting of shareholders annually at a time stated in or fixed in accordance with the bylaws." NORTH CAROLINA GENERAL STATUTES CHAPTER 55-16-01(a): "A corporation shall keep as permanent records minutes of all meetings of its incorporators, shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting...."

AGO Seal

SOS Seal

April ____, 2012

To: Companies That Sent Checks to Corporate Services, Inc. d/b/a Compliance Services

Re: Return of Check Sent by Your Company

Dear North Carolina Corporation:

Last spring, you mailed a check plus information about your company to a business named Compliance Services. This appears to have been in response to a direct mail solicitation from Compliance Services.

Our two offices have resolved a dispute with Compliance Services regarding the contents of that solicitation. We are now returning your check as part of that resolution.

If you have any questions about this matter, please feel free to contact Jennifer Day in the Consumer Protection Division of the Attorney General's Office, telephone 919-716-6000 (Toll-free in NC 1-877-566-7226).

Thank you.

With best regards, we are

Very Truly Yours,

Roy Cooper
Attorney General

Very Truly Yours,

Elaine F. Marshall
Secretary of State

Enclosure