

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into this 21st day of February, 2002, by and between the States of New York, Maryland and California ("the States"), by their Attorneys General, and Edward Younger ("Mr. Younger") (collectively "the Parties").

### 1. Introduction

- 1.1** The Attorney General of New York has carried out an investigation into claims that various persons or entities, acting in concert with Mr. Younger and others, engaged in bid-rigging at public stamp auctions over a period lasting through 1997 (the "Alleged Illegal Conduct"). Based on information discovered during that investigation, the States have brought an action in the Southern District of New York, *New York, et al. v. Feldman, et al.*, No. 01-cv-6691 ("*New York v. Feldman*"). The States believe they have a sufficient basis for alleging that Mr. Younger participated in the Alleged Illegal Conduct. Mr. Younger does not, by entering into this agreement, admit these allegations.
- 1.2** The Parties, in the interest of achieving a resolution to this matter, and of resolving all claims without resort to litigation, have entered into this Settlement Agreement, which they intend as a final and complete resolution of all claims by the States against Mr. Younger arising out of the Alleged Illegal Conduct.
- 1.3** Therefore, in consideration of the terms of this Settlement Agreement and other good and valuable consideration, receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

### 2. Definitions

As used in this Settlement Agreement:

- 2.1** "Crossing Off" means any act whereby actual or potential bidders at Public Stamp Auctions (acting themselves or through an agent or other authorized representative) in any way agree either not to bid against each other during a Public Stamp Auction, or to keep bids below a certain amount.
- 2.2** "Defendant" means any Defendant in *New York v. Feldman*, counsel for any such Defendant, any individual acting on one or more Defendants' behalf, and any employee of any Defendant.
- 2.3** "Effective Date" means the date by which all of the Parties have executed this Settlement Agreement.
- 2.4** "Parties" mean the signatories of this Settlement Agreement.
- 2.5** "Person" means any individual, association, cooperative, partnership, corporation, or other business or legal entity.

2.6 "Public Stamp Auction" means any auction at which stamp(s) are offered for sale through the competitive bidding process, when the date, time and place of the auction is made known to the public.

### 3. Resolution of Claims

3.1 The parties agree to compromise, settle and resolve fully and finally on the terms set forth in this Agreement, any and all claims, actions and causes of action by the States against Mr. Younger arising from the Alleged Illegal Conduct. The parties agree that this Settlement Agreement shall not be deemed or construed as evidence or an admission of any issue of fact or law, nor a determination that a violation of the law occurred, or of the truth of any of the claims or matters alleged by the State.

3.2 Except as expressly provided, this Agreement shall not be construed to limit or restrict any right that otherwise might be available to the States in relation to the Alleged Illegal Conduct. Nothing in this Agreement is intended to release the liability of, or in any way create a benefit in favor of any person who is not a Party to this Agreement.

3.3 This Settlement Agreement may be executed by counsel for the parties, and will become effective on the Effective Date. Each counsel who executes this document shall, by his or her signature, expressly represent that he or she is fully authorized by the Parties he or she represents to execute this Settlement Agreement. This Settlement Agreement may be executed on separate signature pages, in counterparts or by facsimile, with the same effect as if all parties had signed the same physical page of this agreement.

### 4. Monetary Payment *aj BB* *APRIL 8*

4.1 By ~~March 1~~, 2002, Mr. Younger shall pay by certified or bank check to the New York Attorney General's Office the sum of \$32,000. This money shall be placed by the States into an escrow account, and shall be disbursed in accordance with any order by the Court directing disbursement of money recovered in *New York v. Feldman*.

4.2 Except as otherwise set forth in this Agreement, the Parties are to bear their own costs relating to this Agreement or the Alleged Illegal Conduct.

### 5. Subsequent Proceedings

5.1 Mr. Younger shall fully, fairly and truthfully disclose all information and produce all records and other evidence in his possession, custody or control relevant to all inquiries made by the Attorney General concerning the Alleged Illegal Conduct.

5.2 In *New York v. Feldman*, or any related case brought by the States, service by any State of any subpoena or discovery request on Mr. Younger may be made by mailing to his home address, or to the address of his undersigned counsel. Mr. Younger's consent to such service by mailing is in addition to, and not in lieu of, service by any other means authorized by law. Mr. Younger will not challenge any subpoena or discovery request by the States seeking relevant documents, or deposition, trial or other testimony, except on grounds of attorney-client privilege or work product.

- 5.3 Mr. Younger shall agree to be interviewed by assistant attorneys general or investigators employed by the States regarding the facts of this case whenever requested. Any such interview may be recorded or transcribed at the sole discretion of the States. At the interview, Mr. Younger will answer all questions fully, fairly and truthfully, and may refuse to answer only on the grounds of attorney-client privilege or work product. Mr. Younger may be represented by counsel at any such interview.
- 5.4 Mr. Younger will fully, fairly and truthfully testify at any trial or other proceeding concerning the Alleged Illegal Conduct. Except as provided in paragraphs 5.2 and 5.3, Mr. Younger shall not object to testifying on the ground of any constitutional, statutory or common law privilege, except that he may invoke his privilege against self-incrimination about matters unrelated to the Alleged Illegal Conduct, where otherwise allowed by law.
- 5.5 Mr. Younger shall provide the States with written notice of any written or oral communication that he or his counsel or other representative have, on or after the Effective Date of this Agreement, with any Defendant regarding *New York v. Feldman* or the Alleged Illegal Conduct, within three days of any such communication. Mr. Younger shall provide the States with written notice of any request or subpoena by the Defendants that he testify on any Defendant's behalf, any agreement regarding his testimony, or any request for documents including but not limited to a subpoena or discovery request, within three days of such request or agreement. Mr. Younger will provide the States with any correspondence or other documents sent to or received from any Defendant.
- 5.6 Any failure by Mr. Younger to comply with the provisions of section 5 shall constitute a material breach of this Agreement, and shall permit the States to declare this Agreement null and void for all purposes and to the same extent as if it were never executed. Nothing in this Agreement shall prevent the States from bringing an action against Mr. Younger arising out of the Alleged Illegal Conduct, if information not presently in the States' possession, or Mr. Younger's own testimony, indicates that any matter addressed in sworn testimony provided by Mr. Younger during the investigation into the Alleged Illegal Conduct was false.

## 6. Future Conduct

For five years following the Effective Date of this Agreement, Mr. Younger shall refrain from the following conduct:

- 6.1 Directly, indirectly – or through any corporation, joint venture, partnership, or other entity or device – entering into, attempting to enter into, organizing or attempting to organize, implementing, or soliciting or attempting to solicit any agreement, understanding, contract or combination, either express or implied, with any other person or competitor:
- A. To Cross Off bids to purchase any stamp(s) in a Public Stamp Auction held in the United States; or
  - B. To act in concert with any other Person to set, establish, inflate, suppress or maintain the price or other terms and conditions of any bids for the acquisition of any stamp(s) in a Public Stamp Auction held in the United States.

**6.2** Directly, indirectly – or through any corporation, joint venture, partnership, or other entity or device – communicating or inquiring about any intentions, decisions, or plans to bid or to refrain from bidding on any specific lot or group of lots, including any intentions, decisions, or plans regarding any actual or proposed bid amounts to purchase any stamp(s) in a Public Stamp Auction held in the United States, where such communication or inquiry is to:

- A.** Any other person who is known or reasonably should be known by Mr. Younger to be an actual or a potential bidder to purchase stamp(s) at the same auction; or
- B.** Any other person who has announced an intention to bid to purchase stamps(s) at the same auction.

**6.3** Directly, indirectly – or through any joint venture, partnership or other entity or device – requesting, suggesting, urging or advocating that any other person not bid on, or suggesting that it would not be appropriate for any other person to bid on, any particular lot or group of lots offered for sale at a Public Stamp Auction held in the United States.

**6.4** For three years following the Effective Date of this Agreement, Mr. Younger shall provide the New York Attorney General's Office, on a semi-annual basis, with: 1) a list of all auctions at which he has bid during the previous six months, the identity of any agent that represented him, and the particular auctions at which that agent acted on his behalf; and 2) a sworn certification that his participation at those auctions was in conformity with the terms of this agreement.

**6.5** For the purpose of determining or securing compliance with this Agreement, and subject to any legally recognized privilege, from time to time duly authorized representatives of the States, or anyone designated by them as such, may, upon written request and on reasonable notice, be permitted to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the Control of Mr. Younger relating to Public Stamp Auctions. During any such inspection, Mr. Younger may have counsel present.

**6.6** Mr. Younger will not object, on the basis of the statute of limitations, laches or any other defense relating to the timeliness of suit, to any action by the States to enforce the provisions of Section 6, or seek remedy for their violation, provided that in no event shall any such action be commenced more than four years after the date on which the applicable statute of limitations shall have run in the absence of the preceding sentence.

**6.7** Nothing in this Agreement shall be construed to indicate that any of the prohibited conduct set forth in this section will be permissible under any state or federal laws upon the expiration of this Agreement.

## **7. Choice of Law**

**7.1** This Agreement shall be governed by and construed in accordance with the laws of the State

of New York applicable to an agreement negotiated, executed, entered into and performed solely within the State of New York.

**8. Enforcement**


- 8.1** Any action by the States to enforce this Agreement may be brought in the Supreme Court of the State of New York, County of New York, or the United States District Court for the Southern District of New York.
- 8.2** The parties agree that the terms of this contract are: (a) enforceable by the States under the equitable jurisdiction of a court which may, by way of example only, direct specific performance; and (b) any breach of this Agreement by Mr. Younger would cause irreparable harm to the citizens and to the general economies of the States.
- 8.3** All of the obligations of this Settlement Agreement that are binding on Mr. Younger shall be binding upon his successors, assigns and legal representatives.

**9. Integration**


- 9.1** This Settlement Agreement contains the entire agreement and complete understanding of the parties. There are no additional promises or terms of the Settlement Agreement other than those contained above. This Agreement shall not be modified except in writing, signed by all the parties hereto or by their authorized representatives.

AGREED AND CONSENTED TO:

EDWARD YOUNGER

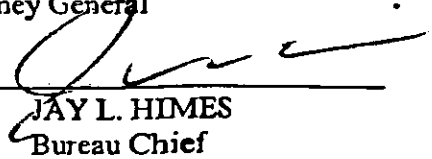
By:   
Barry Bohrer, Esq.  
Morvillo, Abramowitz, Grand,  
Iason & Silberberg, P.C  
565 Fifth Avenue  
New York, NY 10017

COUNSEL FOR EDWARD YOUNGER

  
Edward Younger

STATE OF NEW YORK  
ELIOT SPITZER  
Attorney General


By: \_\_\_\_\_



JAY L. HIMES  
Bureau Chief  
Antitrust Bureau

BILL LOCKYER  
STATE OF CALIFORNIA  
Attorney General

By:

  
LINDSAY BOWER  
Deputy Attorney General



STATE OF MARYLAND  
J. JOSEPH CURRAN  
Attorney General

By: *John R. Tennis*  
JOHN TENNIS  
Assistant Attorney General

Dated: *mech* February *5*, 2002