

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into this _____ day of _____ 2003, by and between the States of New York, Maryland and California ("the Plaintiff States"), by their Attorneys General, and Dana Okey ("Mr. Okey") (collectively "the Parties").

1. Introduction

- 1.1 The Attorney General of New York has carried out an investigation ("the New York Investigation") into claims that various persons or entities, acting in concert with Mr. Okey 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 Plaintiff 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"), naming Mr. Okey and others as Defendants.
- 1.2 On the basis of the New York Investigation and information obtained during *New York v. Feldman*, the Plaintiff States have concluded that the settlement set forth herein will confer substantial benefit on those individuals represented by the Plaintiff States, shorten proceedings in this case, and avoid the risks inherent in litigation.
- 1.3 The Parties have entered into this Settlement Agreement, which they intend as a final and complete resolution of all claims by the Plaintiff States against Mr. Okey arising out of the Alleged Illegal Conduct, including all claims made by Plaintiff States on behalf of those they represent as *parens patriae* or otherwise, to the extent permitted under, and in accordance with the procedures set forth in, 15 U.S.C. § 15c.
- 1.5 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 as of 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 brought by the Plaintiff States against Mr. Okey in *New York v. Feldman*. 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 Plaintiff States.
- 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 Plaintiff 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, except as set forth in section 3.4.
- 3.3 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.
- 3.4 The Plaintiff States agree to dismiss all claims against Mr. Okey in *New York v. Feldman*, with prejudice, upon: (a) payment by Mr. Okey of the sums set forth below; and (b) entry of a final judgment entered in accordance with 15 U.S.C. § 15c and the terms of this Agreement.

4. Monetary Payment

- 4.1 Mr. Okey shall pay by certified or bank check to the New York Attorney General's Office the sum of \$40,000 in accordance with the following schedule. The first installment of \$10,000 shall be due on the Effective Date. Defendant Okey will then pay \$3500 on or before the 15th day of each successive month until he has paid the

full sum. (The final payment shall be in the amount of \$2000, as necessary to complete the full payment.) This money shall be placed by the States into an escrow account, and shall be disbursed in accordance with order of the Court in *New York v. Feldman*.

4.2 If Mr. Okey shall fail to make any installment payment on the date provided for in paragraph 4.1, and if such failure shall not be cured within five calendar days after the Plaintiffs shall give Mr. Okey written notice of such failure, then the Plaintiffs shall be entitled, at their sole discretion: (a) to declare the entire unpaid balance due and owing ("an Acceleration") and to obtain a judgment from the Court in *New York v. Feldman* for 150% of that amount; or (b) to declare this Agreement null and void and seek a judgment by default in *New York v. Feldman* against Mr. Okey. Any election to declare an Acceleration shall be made in writing to Mr. Okey. Upon the declaration of an Acceleration, interest shall accrue at the rate of 9% per annum, beginning as of the Effective Date, on the entire amount calculated in accordance with subpart (a) of this paragraph.

4.3 In any action or proceeding brought against Mr. Okey to enforce this Agreement or to obtain a judgment under paragraph 4.2, Plaintiff States shall be entitled as part of an award in their favor, to recover reasonable attorneys' fees and costs incurred by Plaintiff States to obtain such award.

5. Subsequent Proceedings

5.1 Mr. Okey 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 Plaintiff States concerning the Alleged Illegal Conduct.

5.2 In *New York v. Feldman*, or any related case brought by the Plaintiff States, service by any State of any subpoena or discovery request on Mr. Okey may be made by mailing to Mr. Okey's home address. Mr. Okey'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. Okey shall not challenge any subpoena or discovery request by the Plaintiff States seeking relevant documents, or deposition, trial or other testimony, on any constitutional or other grounds, except on grounds of attorney-client privilege or work product immunity.

5.3 Mr. Okey shall agree to be interviewed by assistant attorneys general or investigators employed by the Plaintiff States regarding the facts of this case whenever requested, either in person or by telephone at the expense and election of the Attorneys' General. Any such interview may be recorded or transcribed at the sole discretion of the Plaintiff States. At the interview, Mr. Okey shall answer all questions fully, fairly and truthfully, and may refuse to answer only on the grounds of attorney-client privilege or work product immunity. Mr. Okey may be represented by counsel at any

such interview.

- 5.4** Mr. Okey shall provide the Plaintiff States with written notice of any written or oral communication that he or his counsel or other representative has, on or after the Effective Date of this Agreement, with any Defendant regarding *New York v. Feldman* or the Alleged Illegal Conduct, within seven days of any such communication. Mr. Okey shall provide the Plaintiff 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 seven days of such request or agreement. Mr. Okey will provide the Plaintiff States with any correspondence or other documents sent to or received from any Defendant.
- 5.5** Mr. Okey shall fully, fairly and truthfully testify at any trial or other proceeding concerning the Alleged Illegal Conduct, provided that Plaintiff States shall pay the expenses reasonably required for his trip to the United States.
- 5.6** Any failure by Mr. Okey to comply with the provisions of section 5 shall constitute a material breach of this Agreement, and shall permit the Plaintiff States to declare this Agreement null and void for all purposes and to the same extent as if it were never executed.

6. Future Conduct

- 6.1** From the Effective Date of this Agreement, and for five years following the entry of judgment in *New York v. Feldman*, Mr. Okey shall refrain from the following conduct:
- A.** 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 implement or solicit any agreement, understanding, contract or combination, either express or implied, with any other person or competitor:
- 1.** To Cross Off bids to purchase any stamp(s) in a Public Stamp Auction held in the United States; or
 - 2.** 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.
- B.** 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 particular lot or 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:

1. Any other Person who is known or reasonably should be known by Mr. Okey to be an actual or a potential bidder to purchase stamp(s);
or
2. Any other Person who has announced an intention to bid to purchase stamps(s).

C. 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.

- 6.2 From the Effective Date, and for five years following the entry of judgment in *New York v. Feldman*, Mr. Okey shall provide the New York Attorney General's Office, on a semi-annual basis on January 1 and July 1 of each year, with: 1) a list of all United States 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.
- 6.3 From the Effective Date and continuing for Five Years following the entry of judgment in *New York v. Feldman*, 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 Plaintiff 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. Okey relating to Public Stamp Auctions, and to interview any employees of Mr. Okey on matters relating to public stamp auctions. During any such inspection, Mr. Okey may have counsel present.
- 6.4 Nothing in this Agreement shall be construed to provide that any of the prohibited conduct set forth in this section 6 will or would be permissible under any state or federal laws upon the expiration of this Agreement.
- 6.5 Mr. Okey consents to the entry of a judgment in *New York v. Feldman* in accordance with the terms 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 All of the obligations of this Settlement Agreement that are binding on Mr. Okey 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 or by their authorized representatives.

10. Notice

10.1 Any notice or other writing required or permitted to be given under this Agreement shall be sufficient if made as follows:

If to Mr. Okey:

By express mail or fax to:

Dana Okey
991-C Lomas Santa Fe Drive
#455
Solana Beach, CA 92075

If to the Plaintiff States:

By hand or fax to:

David Weinstein
Antitrust Bureau
Office of the Attorney General
120 Broadway
26th Floor
New York, NY 10271

Should Mr. Okey change his address from that listed above, he shall provide the Plaintiff States with written notice within three days of such change.

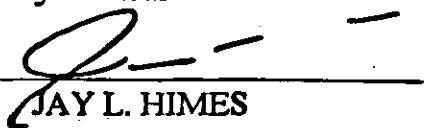
AGREED AND CONSENTED TO:

Dana Okey, pro se

By: Dana Okey
Dana Okey

STATE OF NEW YORK
ELIOT SPITZER
Attorney General

By: _____

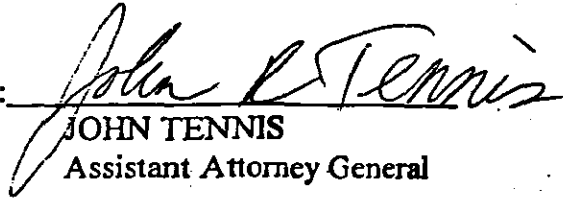

JAY L. HIMES
Bureau Chief
Antitrust Bureau

BILL LOCKYER
STATE OF CALIFORNIA
Attorney General

By: Lindsay Bower
LINDSAY BOWER
Deputy Attorney General

STATE OF MARYLAND
J. JOSEPH CURRAN
Attorney General

By:


JOHN TENNIS
Assistant Attorney General