

**CONFIDENTIAL
FOR SETTLEMENT PURPOSES ONLY**

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into this 24th day of October, 2001, by and between the States of New York, Maryland and California ("the States"), by their Attorneys General, and Martin Wilkinson and the Colorado Stamp Company (together, "Mr. Wilkinson") (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. Wilkinson and others, engaged in bid-rigging at public stamp auctions (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. Wilkinson participated in the Alleged Illegal Conduct. Mr. Wilkinson denies liability for the Alleged Illegal Conduct and does not, by entering into this agreement, admit the States' 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. Wilkinson 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 "Joint Purchasing Venture" means a purchasing arrangement among bidders in which the

participants share the costs of a particular lot or lots. To qualify as a Joint Purchasing Venture, the participants must: a) all contribute to the purchase price of the lot or lots; b) disclose to the auctioneer their purchasing arrangement; and c) have as their purpose the pooling of funds to purchase lots which would otherwise be beyond their means. No Joint Purchasing Venture participant may refrain from bidding in exchange for anything of value. A Joint Purchasing Venture may not involve more than three bidders.

2.5 "Parties" mean the signatories of this Settlement Agreement.

2.6 "Person" means any individual, association, cooperative, partnership, corporation, or other business or legal entity.

2.7 "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. Wilkinson 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 Party 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

4.1 Upon execution of this Agreement, Mr. Wilkinson shall pay by certified or bank check to the New York Attorney General's Office the sum of \$12,500. 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 Upon request, Mr. Wilkinson 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. Wilkinson may be made by mailing to his home address, or to the address of his undersigned counsel. Mr. Wilkinson'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. Wilkinson 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, work product or undue burden.
- 5.3 Mr. Wilkinson shall agree to be interviewed by assistant attorney generals or investigators employed by the States, by telephone or, at the States' discretion, in person in a location of Mr. Wilkinson's choosing, 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. Wilkinson will answer all relevant questions fully, fairly and truthfully, and may refuse to answer only on the grounds of attorney-client privilege or work product. Mr. Wilkinson may be represented by counsel at any such interview.
- 5.4 In response to any written request by the States, Mr. Wilkinson 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. Wilkinson shall not object to giving relevant testimony on the ground of any constitutional, statutory or common law privilege, except that he may invoke his privilege against self-incrimination as permitted by law.
- 5.5 Mr. Wilkinson 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. Wilkinson 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. Wilkinson will provide the States with any correspondence or other documents sent to or received from any Defendant.
- 5.6 Any material failure by Mr. Wilkinson 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.

6. Future Conduct

For five years following the Effective Date of this Agreement, Mr. Wilkinson 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 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:
 - A. Any other person who is known or reasonably should be known by Mr. Wilkinson to be an actual or a potential bidder to purchase stamp(s); or
 - B. Any other person who has announced an intention to bid to purchase stamps(s).
- 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 five years following the Effective Date of this Agreement, Mr. Wilkinson shall provide the New York Attorney General's Office, on a quarterly basis, with information on any Joint Purchasing Ventures in which he participated. This information shall include the names of the participants in the Joint Purchasing Venture, the auction(s) at which it operated, and the lots purchased. This requirement may be satisfied by the production of documents setting forth the required information.
- 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. Wilkinson relating to Public Stamp Auctions. During any such inspection, Mr. Wilkinson may have counsel present.
- 6.6 Mr. Wilkinson will not object, on statute of limitations or any other grounds, to any application by the States to join him as a defendant in *New York v. Feldman* or in any related case brought by the States for the sole purpose of entering a judgment against him prohibiting the conduct set forth in section 6. Mr. Wilkinson agrees to be bound by any such judgment entered by the Court.

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.

6.8 Nothing in this Agreement shall be construed to prohibit Mr. Wilkinson from bidding through an auction agent, or from purchasing stamps at auction in collaboration with another bidder pursuant to a legitimate Joint Purchasing Venture.

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, by specific performance; and (b) any breach of this Agreement by Mr. Wilkinson 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. Wilkinson 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.

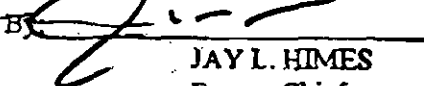
AGREED AND CONSENTED TO:

MARTIN WILKINSON AND
THE COLORADO STAMP COMPANY

By: 
Alexander Garlin, Esq.
Garlin, Driscoll & Murray
245 Century Circle, Suite 101
Louisville, Colorado 80027
COUNSEL FOR MARTIN WILKINSON
AND THE COLORADO STAMP
COMPANY


Martin Wilkinson

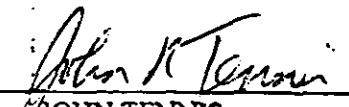
STATE OF NEW YORK
ELIOT SPITZER
Attorney General

By: 
JAY L. HIMES
Bureau Chief
Antitrust Bureau

STATE OF CALIFORNIA
BILL LOCKYER
Attorney General

By: _____
LINDSAY BOWER
Deputy Attorney General

STATE OF MARYLAND
J. JOSEPH CURRAN
Attorney General

By: 
JOHN TENNIS
Assistant Attorney General

Dated: October __, 2001