

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (“Agreement”) is entered into as of April 16, 2009 by and between the California Corporations Commissioner (“Commissioner”) on the one hand, and CoActiv Capital Partners, Inc., fka CoActiv Capital Partners LLC (“CoActiv”), on the other hand, (hereinafter collectively “the Parties”).

RECITALS

This Agreement is made with reference to the following facts:

A. CoActiv is a corporation in good standing, duly formed and existing pursuant to the laws of the State of Delaware, and authorized to conduct business in California. CoActiv has its principal place of business located at 655 Business Center Drive, Suite 250, Horsham, PA 19044.

B. On February 27, 2009, the Commissioner issued a Desist and Refrain Order (the “Order”) to CoActiv for engaging in unlicensed activity in violation of the California Finance Lenders Law at Financial Code sections 22000 et seq. (“CFLL”) in connection with CoActiv’s lending transactions in California. CoActiv has accepted service of the Order. CoActiv wishes to stipulate to the Order subject to the terms and limitations set forth below, and enter into this Settlement Agreement.

C. It is the intention and desire of the Parties to resolve this matter without the necessity of a hearing and/or other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. The purpose of this Agreement is to settle and resolve the matters between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.

2. Waiver of Hearing Rights. CoActiv acknowledges the right of CoActiv to a hearing under the CFLL in connection with the Order and hereby waives that right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CFLL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consents to the Order becoming final in this matter.

3. Admissions. Any admissions of CoActiv are solely for the limited purposes of this proceeding. Any admissions of CoActiv herein shall not be binding or admissible against CoActiv in any action(s) brought against CoActiv by third parties.

4. Contentions. CoActiv contends that CoActiv and its officers, directors, shareholders and employees did not willfully or knowingly engage in business as a finance lender without a license in violation of the CFLL. CoActiv neither admits nor denies any wrongdoing in this matter.

5. Settlement: CoActiv further agrees that it shall pay a settlement of \$40,000 to the California Department of Corporations. The parties agree that this settlement may be paid over a six month period, in 6 equal monthly payments of \$6,666.67, with the first payment due upon the execution of this Agreement.

6. Failure to Make Timely Payments. CoActiv acknowledges that failure to timely pay any payment under this Agreement shall be a breach of this Agreement. Failure by CoActiv to cure after ten days written notice to CoActiv from the Commissioner shall be cause for the Commissioner to summarily revoke any license(s) currently held by CoActiv, and/or deny any pending application(s) of CoActiv, its successors and assigns, by whatever names they might be known. CoActiv hereby waives any notice and hearing rights to contest such revocation(s) and/or denial(s) which may be afforded under the CFLL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection therewith as same may pertain to this matter.

7. Effective Date. This Agreement shall not become effective until signed, and delivered by all parties.

8. Settlement Agreement Coverage. The parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of this matter and CoActiv is hereby released, as to the Department, from further liability in connection with the subject matter of this Agreement. Specifically, to the extent any complaint against CoActiv is brought to the Department for prior unlicensed lending activity, this settlement will be a bar to further proceedings by the Department. The parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency against CoActiv based upon any of the activities alleged in this matter or otherwise. The Commissioner acknowledges that CoActiv is now in full compliance with CFLL licensing requirements.

9. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement.

10. No Other Representation. Each of the parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and the advice of its own counsel. Each of the parties further represents, warrants, and agrees that in executing this Agreement it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have

included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

11. Modifications and Qualified Integration. No amendment, change or modification of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the parties affected by it.

12. Full Integration. This Agreement, including the attached Order, is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

13. No Presumption From Drafting. In that the parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

14. Counterparts. This Agreement may be executed in any number of counter-parts by the Parties, and when each Party has signed and delivered at least one such counterpart to the other Party, each counterpart shall be deemed an original and taken together shall constitute one and the same Agreement.

15. Headings and Governing Law. The headings to the paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

16. Authority For Settlement. Each Party warrants and represents that such Party is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each Party warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

17. Public Record. CoActiv hereby acknowledges that this Agreement will be a matter of public record, and will be admissible and subject to disclosure in any court of competent jurisdiction should enforcement require appropriate judicial action or review.

18. Voluntary Agreement. The Parties each represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

19. Notices. Notice shall be provided to each party at the following addresses:

If to CoActiv to: Ms. Rene´ Paradis
Executive Vice President & Chief Financial Officer
CoActiv Capital Partners, Inc.
Suite 250
655 Business Center Drive
Horsham, PA 19044
267-960-4000/-4001 (Fax)

If to the Commissioner to: John R. Drews
Corporations Counsel
Department of Corporations
71 Stevenson Street
Suite 2100
San Francisco, CA 94105
415-972-8570

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 4/20/09

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Acting Deputy Commissioner

Dated: 4/17/09

COACTIV CAPITAL PARTNERS, INC.

By: _____
LLOYD S. MARKIND
Vice President & Corporate Counsel

APPROVED AS TO FORM:

SHARTSIS FRIESE LLP

By _____
JOEL ZELDIN, Attorney for
COACTIV CAPITAL PARTNERS, INC.

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
JOHN R. DREWS, Corporations Counsel