SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

This Settlement Agreement and Mutual Release of Claims ("Agreement") is entered into by and between The STATE OF CALIFORNIA by and through Preston DuFauchard, California Corporations Commissioner ("Plaintiff"), on the one hand, and BENICORD, LLC, UNIVERSAL CONSUMER MARKETING, INC., JODY J. MOHAMMED, and ROBIN LEE MOHAMMED ("Defendants") (sometimes collectively referred to as the "Parties").

I. RECITALS

- A. On September 11, 2009, the State of California filed a Complaint in Contra Costa County Superior Court, entitled *State of California v. Benicord, LLC et al.*, Case No. C09-02517 ("Action"). In the Action, Plaintiff seeks civil penalties and an injunction against Defendant for violation of California Financial Code §22000 *et seq.*, all as more specifically alleged in the Complaint.
 - B. Defendants deny any liability to Plaintiff in the Action.
- C. The Parties desire to settle and resolve all claims between themselves arising from Action and other events and transactions that are the subject of the Action, and to avoid further litigation expense.

II. AGREEMENT

In mutual consideration of the promises and covenants herein contained, the Parties agree as follows:

- 1. The Recitals contained above are incorporated herein as though set forth in full.
- 2. Defendants shall pay to Plaintiff the sum of \$25,000.00 to be paid to Plaintiff on or before October 25, 2009.
- 3. Defendants agree to enter into a Stipulation For Entry of Judgment providing for a Final Judgment of Permanent Injunction and Other Ancillary Relief as to Defendants, and each of them in the form Attached hereto as Exhibit 1.
- 4. With the exception of any of their respective rights and obligations created pursuant to this Agreement, upon execution of this Agreement each party to this Agreement hereby mutually releases and discharges the other, its predecessors, successors

and assigns and their respective officers, directors, employees, other representatives and shareholders, from any and all claims, demands, causes of action, obligations, and liabilities of every kind and nature whatsoever which each had, or claims to have had, or now has, against the other, which relates to or arises out of any agreements, transactions, events or circumstances occurring prior to the date of execution of this Agreement, limited to the facts, circumstances, and claims which are the subject of the Action. It is further understood and agreed that each party hereby waives any and all rights under Section 1542 of the Civil Code of the State of California which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

- 5. This Agreement does not constitute and shall not be construed as an admission of liability by either party but is entered into in compromise of disputed claims.
- 6. This Agreement contains the entire agreement and understanding concerning the subject matter hereof between the parties and supersedes and replaces all prior negotiations, proposed agreements and agreements, written or oral. Each of the parties hereto acknowledges and represents that they have not made, nor have their respective agents or attorneys made, any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce any other party to execute this Agreement, and acknowledges and warrants that he, she, or it is not executing this Agreement in reliance on any promise, representation, or warranty not contained herein.
- 7. This Agreement is to be governed by, and construed in accordance with, the laws of the State of California. Any action arising out of or relating to this Agreement shall be brought in a court of competent jurisdiction located in the County of Contra Costa, State of California.
- 8. The Final Judgment pursuant to this Stipulation shall not preclude any other federal, state, or county agency from initiating any other prosecution based upon the allegations contained in the Complaint in the above-entitled case or based on any other acts by the Defendants that may violate California or federal law.
- 9. This Agreement together with the releases herein contained, shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal representatives, successors in interest, and assignees of the respective parties.

- 10. This Agreement may not be amended or modified other than by an instrument in writing, signed by the party against whom enforcement of the amendment or modification is sought.
- 11. The parties agree that time is of the essence with respect to the performance of each and every obligation and condition of this Agreement.
- 12. A breach of this Agreement may be waived only by a written waiver signed by the party granting the waiver. The waiver of any breach shall neither operate nor be construed as a waiver of any other breach of this Agreement or as a continuing waiver.
- 13. Each party hereto shall bear its own costs and attorneys' fees incurred in connection with the negotiation of this Agreement and the matters released by this Agreement, except as may be expressly provided for herein.
- 14. The parties agree to execute promptly all additional documents necessary to complete and document this Agreement.
- 15. Each of the parties to this Agreement represents, warrants and agrees as follows:
- a. This Agreement in all respects has been voluntarily and knowingly executed by such party.
- b. Such party has had an opportunity to seek and has sought legal advice from legal counsel of such party's choice with respect to the advisability of executing this Agreement.
- c. Such party has made such investigation of the facts pertaining to this Agreement as such party deems necessary.
- d. The terms of this Agreement are the result of negotiations among the parties and are entered into in good faith by the parties in accordance with California law.
- e. This Agreement has been carefully read by such party and the contents hereof are known and understood by such party.
- f. Such party has not heretofore assigned or transferred any matter released by this Agreement or any part or portion thereof. Such party agrees to indemnify and hold harmless the opposing party(ies) from any claims resulting from any such assignment or transfer by such party, or asserted by any assignee or transferee from such party.
- 16. If any one or more of the covenants, provisions, or terms of this Agreement shall be held invalid for any reason, then such covenants, provisions, or terms shall be deemed severable from the remaining covenants, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, provisions,

and terms of this Agreement. Each party to this Agreement represents and warrants to the other parties that such party does not believe that any covenant, provision, or term of this Agreement is invalid for any reason.

- 17. This document was mutually negotiated and drafted by the parties. No provision of this Agreement shall be interpreted for, or against, a party because such party drafted or requested such provision.
- 18. This Agreement may be signed in counterparts, each of which shall be deemed an original for all purposes. Facsimile signatures to this Agreement shall for all purposes be deemed originals and shall bind the parties delivering such signatures via fax.
- 19. Each of the parties hereto expressly agrees and acknowledges that this Agreement represents the settlement and compromise of disputed claims, and that by entering into this Agreement, no party hereto admits or acknowledges the existence of any liability, obligation, or wrongdoing on its part.
- 20. This Agreement sets forth the entire and complete agreement by the parties hereto as to the settlement of the present dispute. No oral representation and no prior oral or written matters extrinsic to this Agreement shall have any force or effect as to the provisions of this Agreement. All prior and contemporaneous discussions, negotiations, and agreements between such parties with respect to the Agreement are superseded or are deemed merged into this Agreement.

October
Dated: September 7, 2009

The STATE OF CALIFORNIA by and through PRESTON DuFAUCHARD, California Corporations Commissioner

By:_______ Alan S.Weinger Deputy Commissioner

Dated: September 29, 2009

BENICORD, LLC

By:______ Jody Mohammed, Managing Member

Dated: September <u>29</u> , 2009	UNIVERSAL CONSUMER MARKETING, INC.
	By: Jody J. Mohammed, President
Dated: September <u>29</u> , 2009	Jody J. Mohammed, an individual
Dated: September <u>29</u> , 2009	Robin Lee Mohammed, an individual