

SETTLEMENT AGREEMENT

Plaintiff, the State of Florida Department of Legal Affairs of the Office of the Attorney General (the "Department" or "Attorney General"), on the one hand, and Defendants Tax Defense Network, Inc. ("TDN Inc."), an inactive Florida corporation, and Tax Defense Network, LLC. ("TDN LLC"), a Delaware limited liability company (collectively, "TDN" or "Defendants") and its managers and officers (which managers and officers are referred to as the "Settlement Parties"), on the other hand, enter into this Settlement Agreement for the purpose of resolving all issues pertaining to the present cause.

RECITALS

WHEREAS, Attorney General initiated an investigation into the business acts of TDN and subsequently filed a complaint against TDN alleging that TDN violated Florida Statute Chapter 501, Part II. A copy of the Complaint is attached as Exhibit A.

WHEREAS, TDN Inc. is an inactive Florida corporation.

WHEREAS, TDN LLC is a Delaware limited liability company and successor in interest to TDN Inc. TDN LLC is authorized to do business in the state of Florida.

WHEREAS, TDN and the Settlement Parties wish to resolve the Department's investigation and the lawsuit;

WHEREAS, TDN has cooperated with the Department in the course of its investigation;

WHEREAS, TDN enters into this Settlement Agreement solely to avoid the time and expense associated with a trial of this matter.

WHEREAS, the parties agree that, by entering into this Settlement Agreement, no party shall be deemed to have admitted any guilt, wrongdoing, or violation of any law.

AGREEMENT

THEREFORE, it is hereby agreed as follows:

1. TDN will have no ownership interest in any website, blog or publication that rates or purports to rate any business, product, or service provided by TDN and/or TDN LLC or any of their affiliates.

2. TDN, when resolving disputes with customers, will not require any customer or former customer to withdraw any complaint or communication or restrict such customer from communication or cooperation with the Attorney General, the Better Business Bureau ("BBB"), or any other established and recognized consumer protection agency.

3. TDN will revise their policies and procedures pertaining to refunds in accordance with the revised policy attached as Exhibit B hereto, and shall not materially change such policy for a period of two years without first notifying the Department.

4. TDN agrees to retain documents and other information, in their respective possession, reasonably sufficient to establish compliance with the provision of this Settlement Agreement for two (2) years from the Effective Date of this Settlement Agreement, and shall make such books and records available to the Department within twenty (20) days of any reasonable written request.

5. TDN will pay the Attorney General the sum of \$100,000.00 pursuant to Florida Statutes Section 501.2101(1) for attorneys' fees and costs of investigation. Such payment shall be made payable to the Legal Affairs Revolving Trust Fund and sent to Gerald Johnson, Office of the Attorney General, Room 119C Collins Building, 107 W. Gaines Street, Tallahassee, Florida 32301, pursuant to Florida Statutes Section 501.2101.

6. The parties agree that any violations of this Settlement Agreement will subject the Defendants and their officers and managers who sign this Settlement Agreement to civil penalties and all sanctions provided by law, including contempt.

7. Upon execution of this Settlement Agreement and promptly following receipt of the payments required hereunder, and provided TDN and the Settlement Parties are otherwise in compliance with the terms of this Settlement Agreement, the Department will submit the Joint Stipulation and Proposed Order for Dismissal upon Settlement attached hereto as Exhibit C.

8. The Court shall retain jurisdiction solely for the purpose of enforcing this Settlement Agreement. Upon entry of the dismissal order, the Department agrees to close its investigation into the activities of TDN, and TDN and the Settlement Parties shall be released from liability related to the allegations which were raised or which could have been raised by the Department in its Complaint, attached as Exhibit A, and for any activities that occurred prior to the Effective Date of this Settlement Agreement.

9. The Effective Date of this Settlement Agreement shall be the date of its execution and delivery by all parties. Acceptance by the Office of the Attorney General shall be established by the signature of the Deputy Attorney General. The receipt by the Office of the Attorney General of any monies pursuant to the Settlement Agreement does not constitute acceptance by the Office of the Attorney General, and any monies received shall be returned to TDN if this Settlement Agreement is not accepted and executed by the Deputy Attorney General.

10. To facilitate execution, this Settlement Agreement may be executed in as many counterparts as may be convenient or required (whether transmitted by facsimile or by electronic mail), each of which shall be an integral part of one and the same instrument and each of which shall be deemed an original. The executed signature page(s) from each original may be joined

together and attached to one such original and it shall constitute one and the same instrument. This Settlement Agreement may be executed by electronic signature (e.g. via e-mail) or facsimile which shall, for all purposes, serve as an original executed counterpart of this Agreement upon delivery of an executed copy hereof electronically (e.g. via e-mail) or by facsimile.

11. Any notice that may be required under this Settlement Agreement shall be made by electronic mail, certified mail, or by overnight carrier with delivery confirmation, as follows:

If to TDN:

Warren J. Stamm
General Counsel and Chief Compliance Officer
Tax Defense Network
13901 Sutton Park Drive South, #220
Jacksonville, FL 32224
warren.stamm@taxdefensenetwork.com
Tel: (855) 779-2904
Fax: (888) 819-6950

With a Copy to:

Susan E. Raffanello
Coffey Burlington, P.L.
2601 S. Bayshore Dr., PH1
Miami, FL 33133
sraffanello@coffeyburlington.com
Tel: 305-858-2900
Fax: 305-858-5261

If to the Office of the Attorney General:

Steven Gard
Senior Assistant Attorney General
1300 Riverplace Blvd. Ste. 405
Jacksonville, Florida 32207
steven.gard@myfloridalegal.com
Tel: 904-348-2724 ext. 140

12. It is further agreed that the parties jointly participated in the negotiation of the terms of this Settlement Agreement. No provision of this Settlement Agreement shall be

construed for, or against, any party, on the grounds that one party had more control over establishing the terms of this Settlement Agreement, than another.

13. Nothing in this Settlement Agreement shall be construed as a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against TDN, the Settlement Parties, or any other person or entity unless expressly stated herein.

14. Notwithstanding any other provision of this Settlement Agreement, nothing herein shall be construed to impair, compromise or affect any right of any government agency other than the Office of the Attorney General for the State of Florida.

15. TDN enters into this Settlement Agreement without admitting or denying the allegations of the Complaint filed by the Department in this matter. This Settlement Agreement does not constitute a finding of law or fact by any court or agency that TDN or the Settlement Parties (including their affiliates, owners(s), managers, members, officers, directors, employees and representatives) have engaged in any act or practice declared unlawful by any laws, rules or regulation of the State of Florida. The parties are each prepared to enter into this Settlement Agreement solely for the purpose of resolution and cooperation.

16. The parties agree that this Court shall retain jurisdiction over the parties and over the subject matter for the purpose of implementing and enforcing this Settlement Agreement. Acceptance of this Settlement Agreement and retention of jurisdiction by the Court shall not constitute a finding that any Defendant has violated any statute, regulation, or other law.

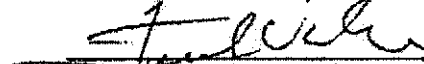
17. This Settlement Agreement represents the complete agreement between the Department, on the one hand, and TDN and the Settlement Parties, on the other hand. Any amendment to this Settlement Agreement must be in writing and must be signed by all of the parties.


18. TDN shall not represent directly or indirectly that the Attorney General has approved any of its business practices

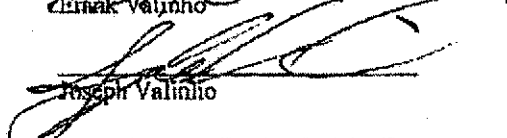
19. TDN shall not effect any change in its way of doing business or corporate form or organizational identity so as to avoid compliance with the terms and conditions set forth in this Settlement Agreement.

In witness hereof, the parties have caused this Settlement Agreement to be executed in the county and state listed below, as of the date affixed thereon.

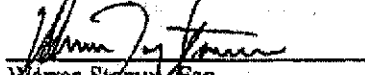
Tax Defense Network, Inc. and
Tax Defense Network, LLC

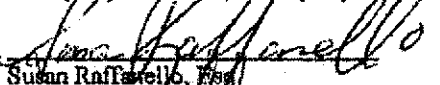

Frank Valinho, Vice-President


Frank Valinho

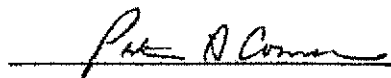

Joseph Valinho

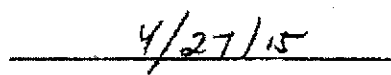
APPROVED AS TO FORM BY
DEFENDANTS' COUNSEL:


Warren Stamm, Esq.
General Counsel & Chief Compliance Officer
Tax Defense Network
13901 Sutton Park Drive South, #220
Jacksonville, FL 32224
warren.stamm@taxdefensenetwork.com
Tel: (855) 779-2904; Fax: (888) 819-6960


Susan Raffanello, Esq.
2601 S Bayshore Dr, PH1
Miami, FL 33133-3417
Phone: 305-858-2900
Fax: 305-858-5261
Email: sraffanello@coffeyburlington.com

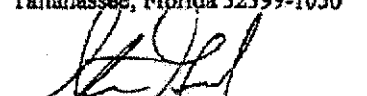
Department of Legal Affairs


Paul A. Connor


4/27/15

APPROVED AS TO FORM BY
PLAINTIFF'S COUNSEL:

OFFICE OF THE ATTORNEY GENERAL
The Capitol, PL-01
Tallahassee, Florida 32399-1050



Steven Gard

18. TDN shall not represent directly or indirectly that the Attorney General has approved any of its business practices

19. TDN shall not effect any change in its way of doing business or corporate form or organizational identity so as to avoid compliance with the terms and conditions set forth in this Settlement Agreement.

In witness hereof, the parties have caused this Settlement Agreement to be executed in the county and state listed below, as of the date affixed thereon.


**Tax Defense Network, Inc. and
Tax Defense Network, LLC**


Frank Valinho, Vice-President


Frank Valinho



Joseph Valinho

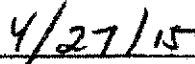
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Phone: 305-858-2900
Fax: 305-858-5261
Email: sraffanello@coffeyburlington.com

Department of Legal Affairs


Rick A. Connor


4/27/15

APPROVED AS TO FORM BY
PLAINTIFF'S COUNSEL:

OFFICE OF THE ATTORNEY GENERAL
The Capitol, PL-01
Tallahassee, Florida 32399-1050


Steven Gard

Exhibit A

IN THE CIRCUIT COURT OF THE
4TH JUDICIAL CIRCUIT IN AND FOR
DUVAL COUNTY, FLORIDA

CIRCUIT CIVIL DIVISION

OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,
CONSUMER PROTECTION DIVISION,
STATE OF FLORIDA,

CASE NO.

Plaintiff,

vs.

TAX DEFENSE NETWORK, INC.,
and TAX DEFENSE NETWORK, LLC,

Defendants.

COMPLAINT

The Plaintiff, STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS (the "Attorney General"), by and through undersigned counsel, sues the Defendants, TAX DEFENSE NETWORK, INC. and TAX DEFENSE NETWORK, LLC, and alleges:

JURISDICTION AND VENUE

1. This is an action for injunctive and declaratory relief, costs, damages, attorney's fees, penalties, and other available statutory relief, pursuant to the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Chapter 501, Part II, Florida Statutes (2014).

2. This Court has subject-matter jurisdiction pursuant to the provisions of Chapter 501, Part II, Florida Statutes.

3. The injunctive and other equitable relief requested in this Complaint are within the jurisdiction of this Court and the amount in controversy satisfies the jurisdictional threshold of this Court.

4. All of the acts, practices, occurrences, and transactions upon which this Complaint is based occurred within four (4) years of the filing of this Complaint for purposes of Florida Statutes Sections 501.207(5) and 95.11(3).

5. Venue is proper in the Circuit Court of the Fourth Judicial Circuit, in and for Duval County, Florida pursuant to Section 47.011, Florida Statutes (2014).

6. Defendant TAX DEFENSE NETWORK, INC. (TDN") is an inactive Florida corporation with its principal place of business in Jacksonville, Duval County, Florida.

7. Defendant TAX DEFENSE NETWORK, LLC ("TDNLLC") is a newly-formed Delaware corporation with its principal place of business in Jacksonville, Duval County, Florida, formed as part of a corporate reorganization of TDN.

8. The alleged statutory violations occurred in Duval County, Florida, as well as other counties and circuits in Florida.

THE PLAINTIFF

9. The Attorney General is an "enforcing authority" of Chapter 501, Part II, Florida Statutes, and is authorized to bring this action and seek injunctive and other statutory relief pursuant to Florida Statutes Sections 501.207 and 501.2075.

10. Pursuant to Florida Statutes Section 501.207(2), the Department conducted an investigation of the alleged matters, and Attorney General Pam Bondi determined that this enforcement action against the Defendant serves the public interest.

COUNT I
**VIOLATIONS OF THE FLORIDA DECEPTIVE
AND UNFAIR TRADE PRACTICES ACT,
CHAPTER 501, PART II, FLORIDA STATUTES**

11. The Attorney General incorporates and adopts by reference paragraphs 1 through 10 as if set forth fully herein.

12. Florida Statutes Section 501.204(1) makes illegal "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce".

13. At all relevant times, Defendants engaged in deceptive, unfair, and unconscionable acts or practices in the conduct of trade or commerce in violation of Florida Statutes Section 501.204(1) by:

- a) Marketing their tax defense services through "consumertaxreviews.org"—a website that appeared to be objective and independent but which in fact was owned and operated by the Defendants;
- b) Including a release clause within TDN's standard release form that provides that the Client shall not disparage or comment adversely about TDN or its services; TDN conditioned a full or partial refund on the Client's signature and assent to this release;
- c) By establishing and implementing a refund policy that was vague, subjective, and arbitrarily applied.

14. Pursuant to Florida Statutes Section 501.207(1)(b), the Attorney General is authorized to bring an action for an order enjoining the Defendants from violations of Chapter 501, Part II Florida Statutes.

15. Pursuant to Florida Statutes Section 501.207(3), this Court is authorized in an action brought by the Attorney General under Florida Statute Section 501.207(1) to enter an Order enjoining the Defendants from violating Chapter 501, Part II Florida Statutes, and ordering that Defendants reimburse any consumers that may have actually been damaged by Defendants' violations of Chapter 501, Part II Florida Statutes.

16. Pursuant to Florida Statutes Section 501.2075, this Court is also authorized to impose a civil penalty upon the Defendants of not more than \$10,000 for any willful violation of Florida Statutes Section 501.204.

17. Pursuant to Florida Statutes Sections 501.2075 and 501.2105, this Court is authorized to award the Attorney General reasonable attorneys fees and costs incurred in its investigation and maintaining this action against the Defendants.

PRAYER FOR RELIEF

WHEREFORE, the Attorney General respectfully requests that this Court grant the following relief:

- A. Entry of an Order declaring that Defendants violated Florida Statutes Section 501.204(1).
- B. Entry of an Order temporarily and permanently enjoining the Defendants from violating Chapter 501, Part II, Florida Statutes.
- C. Entry of an Order granting restitution to all consumers found to have been damaged by the Defendants' violation of Florida Statutes Section 501.204(1).
- D. Entry of an Order assessing against the Defendants civil penalties in the amount of \$10,000 for each act or practice found to be in violation of Chapter 501, Part II, Florida Statutes, pursuant to Section 501.2075, Florida Statutes.

- E. Entry of an Order awarding the Attorney General its reasonable investigative fees, attorney's fees, and costs of bringing and maintaining this action.
- F. Entry of an Order granting such other relief as this Court deems just and proper.

Respectfully submitted,

PAM BONDI
ATTORNEY GENERAL

/s/ Steven Gard

Steven Gard
Senior Assistant Attorney General
Economic Crimes Division
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LEGAL AFFAIRS
1300 Riverplace Boulevard, Suite 405
Jacksonville, Florida 32207
Tel. 904-348-2720
Fax. 904-858-6918
Service e-mail: oag.cc.jax@myfloridalegal.com
Corres. e-mail: steven.gard@myfloridalegal.com

Exhibit B

11. Cancellation and Refund of Fees

a) Client may cancel this Agreement at any time without penalty by submitting a notice of cancellation, in writing, via registered mail or via e-mail.

b) Client may request a refund at any time by contacting Gold Star Client Care (1-877-856-5118 or ClientCare@TaxDefenseNetwork.com). If Client cancels this Agreement and requests a refund:

- Within 3 days from the date of execution of this Agreement, Client shall be entitled to a full refund.
- Within 7 days from the date of execution of this Agreement, Client shall be entitled to a refund of 50% of monies paid.
- After TDN has filed a Power of Attorney or has obtained Client's Masterfile from the IRS, Client shall be entitled to a refund of 25% of monies paid.
- After Client's proposed resolution or completed tax returns have been submitted to the IRS, State, or Client for review, 0% of fees paid will be refunded.

c) TDN may cancel this Agreement if (1) Client misrepresents or fails to disclose any material fact; (2) if Client acts contrary to TDN's advice; or (3) if anything else occurs that in TDN's judgment impairs an effective relationship.

d) Client shall execute a release of all claims in a form mutually acceptable to the parties before receipt of any refund, whether Client is entitled to such refund pursuant to subsection (b) or not. Notwithstanding the foregoing, Client shall not be required to execute a release to receive a full refund if Client cancels within three days from the date of this Agreement.

**TAX DEFENSE NETWORK, INC.
REFUND AND
FULL RELEASE OF LIABILITY**

I/We, (Client(s)) as former Client(s) of TAX DEFENSE NETWORK, INC. ("TDN") do hereby agree to expressly and unconditionally release and forever discharge TDN, its affiliates, successors and assigns and their officers, directors, agents and employees from any and all claims, demands, damages, setoffs, issues, or causes of action that I/we may now have or may have in the future in tort, contract, or for any other cause of action or by statute, arising out of or in any way related to TDN providing tax relief services or any other service whatsoever to me/us. I/We assume all responsibility and liability in handling, settling or negotiating all debts, obligations or other claims or matters which I/we listed or included as part of the TDN program or as set forth in the Client Services Agreement executed by me/us. I/We acknowledge that TDN will no longer directly or indirectly represent me/us in any way, at any time or in any manner. As further consideration, TDN and I/we acknowledge that this settlement and all related documentation, communications or transmissions pertaining to the relationship between TDN and me/us shall henceforth remain strictly confidential. I/We also will not/have not initiated any type of payment chargeback, payment reversal, or revocation of authorization regarding any payments made to TDN for providing tax relief services or any other service whatsoever to me/us. I/We further agree that I/we have not and will not disclose, to any person the terms, conditions or course of action taken by TDN on my/our behalf. I/We further agree I/we will not make any disparaging remarks or otherwise comment adversely upon any service by TDN, the business of TDN or any person associated with TDN. I/We will not take any action that primarily is designed or intended to have the effect of discouraging any individual, client, or potential customer of TDN from maintaining or entering into a business relationship with TDN. The term "person" as used in this Agreement will be interpreted broadly to include without limitation, any internet website, corporation, organization, company or partnership. Notwithstanding the foregoing, nothing contained herein shall preclude Client(s) from responding to or cooperating with any consumer agency or governmental, investigative, or regulatory body. As consideration for the foregoing release of liability by Client(s), TDN agrees to pay the sum of ZERO (50) DOLLARS and ZERO CENTS to Client(s) within ten (10) business days of the receipt by TDN of this fully executed Refund and Release.

THIS REFUND AND FULL RELEASE OF LIABILITY IS VOID, IF NOT SIGNED AND RETURNED TO TDN BY, TBD.

Client (print name)	Client Signature	Date
Co-Client (print name)	Co-Client Signature	Date
Tax Defense Network, Inc.	Authorized Signature	Date

Please sign and fax back to: Tax Defense Network, Inc.
Legal Department
Attn: W. Stamm, Esq.
904-421-4446