

used deceptive language designed to mislead NYC Consumers into believing that Defendant could obtain tax debt relief on their behalf through the OIC Program, and in doing so repeatedly violated the New York City Consumer Protection Law, Title 20, Chapter 5, Subchapter 1 of the Administrative Code of the City of New York ("Consumer Protection Law"), and one of its implementing Rules, Title 6, Chapter 5, Part 2, § 5-09 of the Rules of the City of New York ("6 RCNY § 5-09").

Defendant denies all of Plaintiffs' charges and allegations, denies that it engaged in any unlawful conduct whatsoever, denies that it intended to deceive or mislead any consumers, and denies that any consumers were in fact deceived or misled. Defendant is entering into this Agreement and Order solely for the purpose of terminating this litigation.

III. Injunction

Defendant, its agents, employees, successors and assigns shall be enjoined from:

3. Violating the Consumer Protection Law and its implementing Rules, including 6 RCNY § 5-09;

4. Directing advertisements to NYC Consumers that contain oral or written statements that have the capacity, tendency or effect of deceiving or misleading consumers through:

a. the use of exaggeration, innuendo, or ambiguity as to a material fact;
or

b. the failure to state a material fact, material exclusions, limitations, modifications, or conditions in violation of the Consumer Protection Law and 6 RCNY § 5-09;

5. Directing advertisements to NYC Consumers that contain statements that:

a. mislead or have the capacity to mislead consumers to believe that Defendant can provide tax relief to all consumers without limitation;

b. fail to include all material exclusions, limitations, modifications, or conditions that would otherwise notify consumers that not all

consumers will qualify for Defendant's services or the OIC Program;

or

- c. misrepresent any material fact regarding the OIC Program, including, but without limitation, the description, effective date, scope of tax debt relief available, or ability of Defendant to obtain tax debt relief for consumers under the OIC Program.

IV. Dissemination of Order

6. Within fifteen (15) days of entry of this Agreement and Order ("Entry Date"), Defendant will provide a copy of this Agreement and Order to all employees responsible for advertising specifically directed to NYC Consumers.

V. Monetary Relief

7. Within twenty-one (21) days of the Entry Date, Defendant shall pay in full settlement of all claims alleged in this lawsuit the total sum of one hundred thousand dollars (\$100,000.00) by check to DCA, payable to "New York City Department of Consumer Affairs" and delivered to DCA c/o Emilio Torres-Lumsden, New York City Department of Consumer Affairs, 42 Broadway, 8th Floor, New York, New York 10004.

VI. Future Consumer Complaints

8. Defendant shall respond to complaints forwarded by DCA within ten (10) days of receipt. If Defendant disputes a consumer's complaint filed with DCA or the requested relief, Defendant shall draft a written response to the consumer that states the basis for Defendant's dispute of the complaint and includes copies of all documents concerning Defendant's dispute of the complaint. If Defendant does not dispute the consumer's complaint or requested relief, Defendant's written response shall so inform the consumer and Defendant shall promptly remit to them the appropriate restitution, refund and/or documents evidencing that any necessary adjustments have been made.

9. Within ten (10) days of the Entry Date, Defendant shall provide to DCA the name, address, phone number, email address and title of the individual responsible for

addressing consumer complaints forwarded to Defendant for resolution by DCA.

VII. Monitoring

10. For a period of five (5) years from the Entry Date, DCA shall monitor compliance with the terms of the Agreement and Order as set forth below.

11. Defendant shall appoint a senior executive who shall prepare an affidavit, quarterly during the first year and annually for the following four (4) years, that lists the dates, times and locations of all advertising in any media that is directed specifically to NYC Consumers (as opposed to a national audience, such as through USA Today, ESPN, satellite radio, or Sports Illustrated, for example), including the air time and station name for advertisements broadcast over the television and radio, and append all printed advertisements. Defendant is not required to list in the affidavit or append advertisements published on Defendant's website that are available to any person who visits Defendant's website, including website banners and "pop-up" advertisements, unless such advertisements appear on Defendant's website for a period of less than two months. Banners, "pop-up" advertisements, and other advertising that appear on websites other than Defendant's website must be described and appended, unless such advertisements appear on those websites for a period of less than two months.

VIII. Release

12. In consideration of the payments, undertakings and acknowledgements provided for in the Agreement and Order, Plaintiffs hereby agree to release Defendant from all civil claims which arise from violations or alleged violations of the Consumer Protection Law and 6 RCNY § 5-09 with respect to any and all matters specifically addressed in the Verified Amended Complaint which occurred or may have accrued up until the Entry Date.

IX. Miscellaneous Provisions

13. The parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the terms and intent of the Agreement and Order.

14. The parties may execute the Agreement and Order in counterparts, and the execution of counterparts shall have the same effect as if the parties had signed the same instrument. Facsimile signatures shall be considered as valid signatures, but the original signature pages shall be subsequently appended to the Agreement and Order and filed with the Court.

15. The Agreement and Order contains the entire, complete, and fully integrated statement of each and every term and provision agreed to by the parties, shall supersede all other prior agreements between the parties regarding the matters set forth herein and is not subject to any condition not provided for in the Agreement and Order. The Agreement and Order shall not be modified in any material respect except in writing signed and executed by all the parties to the Agreement and Order and adopted by the Court. In entering the Agreement and Order, no party has made or relied upon any warranty or representation not specifically set forth in this document.

16. The acceptance of the Agreement and Order by Plaintiffs shall not be deemed approval by Plaintiffs of any of Defendant's business practices, and the Defendant shall make no representation to the contrary.

17. Counsel for the parties have reviewed and revised the Agreement and Order, and any rule of construction, by which any ambiguities are to be resolved against the drafting party, shall not be applied in the interpretation of the Agreement and Order.

18. The Supreme Court of the State of New York, County of New York, shall have exclusive jurisdiction over all provisions of the Agreement and Order and over any and all disputes of any kind relating in any way to, or arising in any way out of, the Agreement and Order.

19. The parties to this Agreement and Order shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Agreement and Order prior to bringing such matters to the Court for resolution. This Agreement and Order may be modified by written agreement of the parties. Any such

material modification shall be submitted to the Court for approval, and shall be deemed effective immediately upon execution by the parties until such time, if any, that the Court indicates a lack of such approval.

20. If a court of competent jurisdiction declares any provision of the Agreement and Order invalid or determines that any of the provisions encompassed by the Agreement and Order are unconstitutional, then any such provisions so effected will become void, but the remainder of the Agreement and Order shall remain in place.

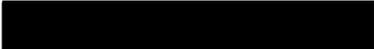
21. Nothing herein shall be construed to limit the authority of DCA to exercise its enforcement powers under Chapter 1, Title 20 or Chapter 2, Title 20 of the Administrative Code of the City of New York including, but not limited to, taking any actions against Defendant for acts or omissions taken after June 6, 2006.

22. The Court's entry of this Agreement and Order shall not act as a bar to any private right of action against Defendant.

23. The Parties agree that the Agreement and Order shall be submitted to the Court to be "so ordered" by a Justice of the Supreme Court of the State of New York.

Dated: New York, New York
May 20, 2008

IN WITNESS WHEREOF, we have hereunto set our hands:


Corporation Counsel of the
City of New York

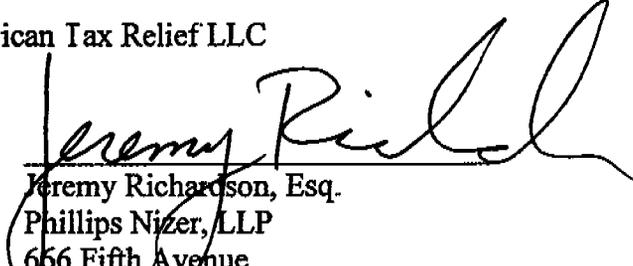
Jonathan Mintz
Commissioner of the
New York City
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So Ordered:

Hon. Paul G. Feinman, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

JONATHAN MINTZ, Commissioner of the Department of Consumer
Affairs of the City of New York, and the CITY OF NEW YORK,

NON DCM CASE

Index No. 402140/2006

Plaintiffs,

- against -

AMERICAN TAX RELIEF LLC,

Defendant.

**SETTLEMENT AGREEMENT AND
RESULTING ORDER THEREON**

PHILLIPS NIZER LLP
Attorneys for Defendant

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