

GLOBAL SETTLEMENT AGREEMENT

This settlement agreement (the “Agreement”) dated as of October 25, 2018, is made and entered into by and among the following parties (collectively the “Parties” and each individually a “Party”):

- (a) the United States of America (“United States”);
- (b) SS Body Armor I, Inc. (“SSBA I”) f/k/a Point Blank Solutions, Inc. f/k/a DHB Industries, Inc., the post-confirmation debtor in the Chapter 11 proceeding in the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) captioned as *In re SS Body Armor I, Inc., et al.*, Case No. 10-bk-11255 (CSS) (“Bankruptcy Proceeding”);
- (c) the Recovery Trust (“Recovery Trust”) formed pursuant to the Chapter 11 plan confirmed in the Bankruptcy Proceeding on November 10, 2015 (the “Plan”);
- (d) the lead plaintiffs (“Lead Plaintiffs”) in the consolidated securities class action captioned as *In re DHB Industries, Inc. Class Action Litigation*, Case No. 05-cv-04296 (EDNY) (“Class Action”), on behalf of themselves and all members of the class previously certified in the Class Action (collectively with the Lead Plaintiffs, the “Class Plaintiffs”);
- (e) the Estate of David H. Brooks (the “Brooks Estate”), through Jeffrey R. Brooks as its personal representative (“Personal Representative”), and any entities (i) in which the Brooks Estate has a direct or indirect interest, (ii) of which the Brooks Estate or its Personal Representative (in his capacity as such) is a shareholder, trustee, officer or manager, and/or (iii) on whose behalf David H. Brooks filed claims in the Bankruptcy Proceeding and/or in the civil forfeiture proceeding captioned as *U.S. v. All Assets Listed on Schedule I Attached Hereto and All Proceeds Traceable Thereto*, Case No. 10-cv-04750 (EDNY) (the “Civil Forfeiture Action”)(collectively with the Brooks Estate, the “David Brooks Claimants”). The David Brooks Claimants include, but are not limited to, David Brooks International, Inc.;
- (f) Terry S. Brooks, Elizabeth Brooks, Victoria Brooks and Andrew Brooks (collectively, the “Brooks Family”), and any entities (i) in which any member of the Brooks Family has a direct or indirect interest, (ii) of which any member of the Brooks Family is a shareholder, trustee, officer or manager, (iii) on whose behalf any member of the Brooks Family

filed verified claims to any assets restrained in the Civil Forfeiture Action, and/or (iv) on whose behalf any member of the Brooks Family filed claims in the Bankruptcy Proceeding (collectively with the Brooks Family, the “Brooks Family Claimants”). The Brooks Family Claimants include, but are not limited to, the following entities: Tactical Armor Products Inc. (“TAP”); Brooks Industries of Long Island, Inc.; Brooks Industries of Long Island – Profit Sharing Plan and Trust; Gear to Gear Trust; Victoria Brooks Industries, Inc.; Magic Moments Trust; VRB Inc.; Andrew Brooks Industries, Inc.; Saving Lives Trust; ASB Inc.; Elizabeth Brooks Industries, Inc.; Show Time Trust; EJB Inc.; Vianel Industries, Inc.; VAE Enterprises LLC (now VAE LLC); Perfect World Partners, LLC; Wildfire Holdings, LLC; and True Grit Holdings, LLC; and

(g) Jeffrey R. Brooks, the Jeffrey R. Brooks Individual Retirement Account (“Jeffrey Brooks IRA”), and any entities (i) in which Jeffrey R. Brooks and/or the Jeffrey Brooks IRA have a direct or indirect interest, (ii) of which Jeffrey R. Brooks and/or the Jeffrey Brooks IRA is a shareholder, trustee, officer or manager, (iii) on whose behalf Jeffrey R. Brooks and/or the Jeffrey Brooks IRA filed verified claims to any assets restrained in the Civil Forfeiture Action, and/or (iv) on whose behalf Jeffrey R. Brooks and/or the Jeffrey Brooks IRA filed claims in the Bankruptcy Proceeding (collectively, the “Jeffrey Brooks Claimants”). The Jeffrey Brooks Claimants include, but are not limited to, the following entities: Pathfinder Trust; Like a Prayer Trust; Private Time Trust; Perfect World Partners, LLC; Wildfire Holdings, LLC; and True Grit Holdings LLC.

RECITALS

WHEREAS, on and after September 9, 2005, multiple class actions were filed in the United States District Court for the Eastern District of New York (“EDNY District Court”) against SSBA I, David H. Brooks (“David Brooks”), Terry S. Brooks, Sandra Hatfield, Dawn M. Schlegel, Cary Chasin, Jerome Krantz, Gary Nadelman, Barry Berkman, David Brooks International Inc., Andrew Brooks Industries Inc. and Elizabeth Brooks Industries, Inc.; and

WHEREAS, the class actions were consolidated into the Class Action; and

WHEREAS, on and after September 14, 2005, multiple derivative actions were filed in the EDNY District Court on behalf of SSBA I against David Brooks, Jeffrey R. Brooks, Terry S. Brooks, Sandra Hatfield, Dawn M. Schlegel, Cary Chasin, Jerome Krantz, Gary Nadelman, Barry Berkman, Larry R. Ellis, David Brooks International Inc., Andrew Brooks Industries Inc., Elizabeth Brooks Industries, Inc. and TAP; and

WHEREAS, the derivative actions were consolidated and captioned as *In re DHB Industries, Inc. Derivative Litigation*, Case No. 05-cv-04345 (EDNY) (“Derivative Action”); and

WHEREAS, on or about November 30, 2006, the parties to the Class Action and Derivative Action entered into a Stipulation and Agreement of Settlement (“2006 Stipulation”), later approved by the EDNY District Court in separate orders and judgments in both actions, pursuant to which certain funds were deposited in escrow (the “Escrowed Funds”); and

WHEREAS, on or about October 24, 2007, David Brooks was arrested on various charges of fraud, obstruction of justice, and tax offenses in a criminal proceeding in the Eastern District of New York captioned as *United States v. Schlegel, et al.*, Case No. 06-cr-00550 (EDNY) (the “Criminal Action”); and

WHEREAS, on October 25, 2007, the United States Securities and Exchange Commission (the “SEC”) commenced a civil enforcement action against David Brooks in the United States District Court for the Southern District of Florida (“Florida District Court”), which action was captioned as *Securities and Exchange Commission v. Brooks*, 07-cv-61526 (SD Fla.) (the “SEC Action”); and

WHEREAS, following the arrest of David Brooks in the Criminal Action, and later in connection with the Civil Forfeiture Action filed by the United States, the United States restrained 113 cash and non-cash assets (the “Restrained Assets”) that were identified as the proceeds of, and/or property involved in, David Brooks’s alleged criminal conduct; and

WHEREAS, in or around January 2008, David Brooks was released on bail based on a \$400 million bond (the “Bond”) which was partially secured by cash collateral (the “Cash Collateral”); and

WHEREAS, the Bond also contained financial disclosure requirements, among other conditions of bail (“Bail Conditions”); and

WHEREAS, in or around January 2010, the EDNY District Court revoked David Brooks’s bail based upon a finding that he had violated the Bail Conditions; and

WHEREAS, as of March 2010, and after most of the Cash Collateral had been released by the EDNY District Court for the payment of David Brooks’s legal fees, \$19.5 million of the Cash Collateral remained (“Remaining Cash Collateral”); and

WHEREAS, the Bankruptcy Proceeding was commenced on April 14, 2010 in the Bankruptcy Court; and

WHEREAS, on or about September 14, 2010, a jury in the Eastern District of New York convicted David Brooks of multiple offenses (the “Non-Tax Convictions”), including multiple counts of securities fraud, mail fraud and wire fraud (the “Fraud Convictions”), which convictions have since been abated; and

WHEREAS, on or about October 15, 2010, the United States filed the Civil Forfeiture Action against the Restrained Assets; and

WHEREAS, in the Civil Forfeiture Action, SSBA I (as Point Blank Solutions), the David Brooks Claimants, the Brooks Family Claimants, and the Jeffrey Brooks Claimants filed claims to certain of the Restrained Assets based upon their alleged direct and indirect interests in such Restrained Assets; and

WHEREAS, on August 10, 2011, David Brooks pleaded guilty to one count of conspiring to defraud the United States and two counts of tax evasion (“Tax Convictions”); and

WHEREAS, at David Brooks’s sentencing in August 2013, the EDNY District Court ordered David Brooks to pay \$2,883,056 in restitution plus interest pursuant to 18 U.S.C. § 3612(f) (the “Tax Restitution Order”) to the Internal Revenue Service (the “IRS”) in connection with the Tax Convictions; and

WHEREAS, at David Brooks's sentencing, the EDNY District Court, among other things, also imposed as part of David Brooks's sentence the following financial obligations: forfeiture of \$65,167,612 (the "Forfeiture") based upon the Fraud Convictions, which amount was to be satisfied from the Restrained Assets; an \$8.7 million fine (the "Fine"); and a special assessment of \$1,700 (the "Special Assessment"); and

WHEREAS, on or about August 26, 2013, David Brooks filed a notice of appeal ("Criminal Appeal"); and

WHEREAS, in a March 27, 2015 memorandum and order entered in the Criminal Action (the "Fraud Restitution Order"), the EDNY District Court further sentenced David Brooks to pay restitution, based upon the Fraud Convictions, in the total approximate amount of \$91,496,847, of which approximately \$53,912,546 was owed to SSBA I and approximately \$37,584,301 was owed to the investor victims identified in the Fraud Restitution Order; and

WHEREAS, on April 24, 2015, the Brooks Family, as sureties on the Bond, filed a motion in the Criminal Action to set aside the forfeiture of approximately \$17.7 million of the Remaining Cash Collateral ("Bail Remission Motion"); and

WHEREAS, on or about May 4, 2015, the Lead Plaintiffs in the Class Action, on behalf of the Class Plaintiffs, and SSBA I, among other parties, entered into an Amended Settlement Agreement, as modified by an Addendum to Amended Settlement Agreement executed on June 10, 2015 (as modified, the "Amended Settlement Agreement"), amending a settlement agreement entered into by the same parties on or about February 6, 2015 to resolve certain disputes that had arisen in connection with the Bankruptcy Proceeding and an appeal from the judgment approving the 2006 Stipulation in the Derivative Action; and

WHEREAS, the Amended Settlement Agreement governs the sharing and allocation of certain "Recoveries/Proceeds" (as defined in the Amended Settlement Agreement) among the parties to the Amended Settlement Agreement, including, among other things, any Forfeited Assets (as defined in Section 2(a) of this Agreement); and

WHEREAS, on June 2, 2015, the EDNY District Court denied the Bail Remission Motion; and

WHEREAS, on September 1, 2015, the Plan was filed with the Bankruptcy Court; and

WHEREAS, on November 10, 2015, the Bankruptcy Court entered an order confirming the Plan in the Bankruptcy Proceeding; and

WHEREAS, the effective date of the Plan (as defined in the Plan) occurred on November 23, 2015; and

WHEREAS, David Brooks died on or about October 27, 2016, while the Criminal Appeal was pending; and

WHEREAS, on or about January 26, 2017, the Florida District Court granted the SEC's motion to re-open the SEC Action, and Jeffrey R. Brooks was substituted as the defendant in the SEC Action in his capacity as the Personal Representative of the Brooks Estate; and

WHEREAS, on September 8, 2017, following the forfeiture of 68 of the Restrained Assets in the Civil Forfeiture Action, the United States filed an Amended Complaint in the Civil Forfeiture Action seeking the forfeiture of the remaining 45 Restrained Assets (the "Remaining Restrained Assets"); and

WHEREAS, the Remaining Restrained Assets are listed on Schedule I ("Schedule I") to the Amended Complaint filed in the Civil Forfeiture Action, a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, as set forth in the verified claims filed in the Civil Forfeiture Action, SSBA 1 (as Point Blank Solutions), the Brooks Family Claimants, the David Brooks Claimants and the Jeffrey Brooks Claimants have asserted direct and indirect claims to the Remaining Restrained Assets; and

WHEREAS, on September 20, 2017, the United States Court of Appeals for the Second Circuit (the "Second Circuit") issued a decision ("Second Circuit Decision"): (i) holding that David Brooks's death while the Criminal Appeal was pending resulted in the abatement of the Non-Tax Convictions, the Forfeiture, the Fraud Restitution Order, the Fine, and the Special Assessment; (ii) holding that the Tax Convictions, the Tax Restitution Order, and forfeiture of the Remaining Cash Collateral did not abate; (iii) remanding the case to the EDNY District

Court for dismissal of the indictment relating to the Non-Tax Convictions; and (iv) affirming the EDNY District Court's denial of the Bail Remission Motion; and

WHEREAS, on December 4, 2017, the Brooks Family filed a Petition for Rehearing on the affirmance of the EDNY District Court's denial of the Bail Remission Motion; and

WHEREAS, on December 4, 2017, the Brooks Estate filed a Petition for Rehearing and Rehearing *en banc* on the Second Circuit's ruling regarding the Tax Convictions and the Tax Restitution Order; and

WHEREAS, during a mediation on December 6, 2017 and December 7, 2017 ("Mediation"), the Parties reached a global agreement, reflected in a formal term sheet which was executed by the Parties at the Mediation ("Term Sheet") subject to more definitive documentation and further governmental approvals; and

WHEREAS, on January 12, 2018, the Second Circuit denied the Brooks Family's and the Brooks Estate's Petitions for Rehearing; and

WHEREAS, SSBA I sought remission of the Restrained Assets to compensate SSBA I for losses suffered by SSBA I, pursuant to 28 C.F.R. Part 9, in petitions and supplemental petitions submitted to the United States Department of Justice's Money Laundering and Asset Recovery Section ("MLARS") on or about May 27, 2015, September 8, 2017, February 27, 2018 and June 18, 2018; and

WHEREAS, the Lead Plaintiffs, on behalf of the Class Plaintiffs, sought remission of the Restrained Assets to compensate the Class Plaintiffs for losses suffered by the Class Plaintiffs, pursuant to 28 C.F.R. Part 9, in petitions and supplemental petitions submitted to MLARS on or about January 5, 2018 and March 1, 2018; and

WHEREAS, on or about July 11, 2018, MLARS (i) notified SSBA I by letter that its petition for remission had been preliminarily granted up to the amount of \$78,815,232.06 for losses suffered by SSBA I, with the grant of remission contingent upon the entry of a final order of forfeiture for the Restrained Assets and subject to conditions set forth in the approval letter, attached hereto as **Exhibit B**, and (ii) notified the Lead Plaintiffs by letter that their petition for remission on behalf of the Class Plaintiffs had been preliminarily granted up to

the amount of \$81,540,718.81 for losses suffered by the Class Plaintiffs, with the grant of remission contingent upon the entry of a final order of forfeiture for the Restrained Assets and subject to conditions set forth in the approval letter, attached hereto as **Exhibit C** (Exhibits B and C, together, the “MLARS Approvals”); and

WHEREAS, this Agreement serves as definitive documentation of the global agreement contemplated in the Term Sheet, the purpose of which is to resolve the Civil Forfeiture Action, the Derivative Action, the Class Action, the SEC Action and all other related claims and disputes pending among and between the Parties in connection with the facts at issue in the Civil Forfeiture Action, the Derivative Action, the Class Action, the SEC Action and the Bankruptcy Proceeding.

AGREEMENT

NOW, THEREFORE, after good faith, arm’s length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

1. **Effective Date.** The effective date of this Agreement (the “**Effective Date**”) shall occur upon satisfaction of all of the following conditions:

- (a) Execution of this Agreement by all of the Parties;
- (b) Issuance of the MLARS Approvals to SSBA I and the Lead Plaintiffs, on behalf of the Class Plaintiffs, which occurred on or about July 11, 2018 as described above;
- (c) Notification by the SEC to the Parties that the SEC Commissioners have approved the *Consent to Final Judgment of Defendant Jeffrey Brooks, as Personal Representative of the Estate of David H. Brooks* (“SEC Consent”) and the *Final Judgment Against Defendant Jeffrey Brooks, as Personal Representative of the Estate of David H. Brooks* (“SEC Final Judgment”), copies of which are attached hereto as **Exhibit D**;
- (d) Entry of an order by the EDNY District Court making the Remaining Cash Collateral available for distribution pursuant to Sections 2(c) and 2(d)(iii)-(v) of this Agreement (the “Cash Collateral Order”), which Cash Collateral Order was entered on or

about February 6, 2018 and amended on September 18, 2018 (the “Amended Cash Collateral Order”), which Amended Cash Collateral Order is attached hereto as **Exhibit E**;

(e) Entry of a *Consent Final Decree of Forfeiture and Order for Delivery* in substantially the form attached hereto as **Exhibit F** (the “Final Forfeiture Order”) by the EDNY District Court in the Civil Forfeiture Action, with the consent of all Parties who have filed claims to the Remaining Restrained Assets in the Civil Forfeiture Action; this condition shall be deemed to have been met despite any modifications the Court may make to any recitals in the Final Forfeiture Order as entered by the Court;

(f) The funding of the Payments (as defined in Section 2 below) pursuant to Sections 2(a) through 2(d) of this Agreement;

(g) Entry of an order by the Florida District Court approving the SEC Consent and SEC Final Judgment;

(h) To the extent necessary, entry of an order by the EDNY District Court in the Class Action authorizing the Lead Plaintiffs to effectuate any of the terms of this Agreement;

(i) Within ten (10) business days of execution of this Agreement, withdrawal with prejudice of: (1) any pending petitions for certiorari to the U.S. Supreme Court filed in connection with the Second Circuit Decision by any of the Parties, including any of the David Brooks Claimants and the Brooks Family Claimants; (2) all claims by the Brooks Family Claimants, the David Brooks Claimants and the Jeffrey Brooks Claimants against the United States, its agencies, its employees and/or any unnamed federal defendants in any pending litigation, whether or not referenced in this Agreement, including the voluntary dismissal with prejudice by the Brooks Family Claimants, the David Brooks Claimants and the Jeffrey Brooks Claimants of any pending litigation, whether or not referenced in this Agreement, against the United States, its agencies, its employees and/or any unnamed federal defendants, including but not limited to the dismissal with prejudice of the action captioned as *Brooks v. Sposato, et al.*, Case No. 12-cv-4740 (EDNY), which action shall be dismissed by the filing of the stipulation attached hereto as **Exhibit G**, unless such action has already been terminated; and

(3) any pending appeals in any court by the Brooks Family Claimants, the David Brooks Claimants and the Jeffrey Brooks Claimants against any other Party to this Agreement; and

(j) Within five (5) business days of execution of this Agreement, identification by the Brooks Family Claimants, the David Brooks Claimants and the Jeffrey Brooks Claimants to SSBA I and the Recovery Trust, which identification shall be made in writing and delivered to SSBA I and the Recovery Trust pursuant to Section 17 of this Agreement, of each of the following: (1) the legal name of each of the Brooks Family Releasors (as defined in Section 3(a) below) that holds (directly or indirectly) any right, claim or interest in the Recovery Trust as an equity interest holder, holds (directly or indirectly) any shares of SSBA I stock, or on whose behalf any claim based on equity interests has been filed or scheduled in the Bankruptcy Proceeding; (2) the legal name of each of the Jeffrey Brooks Releasors (as defined in Section 3(b) below) that holds (directly or indirectly) any right, claim or interest in the Recovery Trust as an equity interest holder, holds (directly or indirectly) any shares of SSBA I stock, or on whose behalf any claim based on equity interests has been filed or scheduled in the Bankruptcy Proceeding; (3) the legal name of each of the David Brooks Releasors (as defined in Section 3(c) below) that holds (directly or indirectly) any right, claim or interest in the Recovery Trust as an equity interest holder, holds (directly or indirectly) any shares of SSBA I stock, or on whose behalf any claim based on equity interests has been filed or scheduled in the Bankruptcy Proceeding; and (4) the nominee name(s) or “street” name(s) in which any of the foregoing rights, claims, interests or shares are held.

2. The Payments. The settlement and remission payments to be made pursuant to Sections 2(a) through 2(d) of this Agreement (collectively, the “Payments”) shall be funded with the Remaining Restrained Assets and the Remaining Cash Collateral, which the Parties agree have an approximate total value of \$168,000,000 and \$19,500,000, respectively. If the Effective Date does not occur because not all of the prerequisite conditions have been satisfied, then each Party that has received any Payment(s) must return such Payment(s) to the Party that made the Payment(s). The distribution of the Remaining Restrained Assets and Remaining Cash Collateral shall be as follows:

(a) Forfeiture of a Portion of the Remaining Restrained Assets. The Parties consent to the civil forfeiture of the Remaining Restrained Assets, except the specific assets and cash to be distributed to the Brooks Family under Section 2(d)(i) of this Agreement, pursuant to 18 U.S.C. § 981(a)(1)(C) and/or 18 U.S.C. § 981(a)(1)(A) (the “Forfeited Assets”). The Parties agree that the Forfeited Assets have an approximate total value of \$143,000,000 and will be used for purposes of remission, pursuant to 18 U.S.C. § 981(d) and 28 C.F.R. Part 9, and as specified below and subject to the conditions in the MLARS Approvals. The Forfeited Assets shall be forfeited pursuant and subject to the terms of this Agreement and the Final Forfeiture Order, which order the United States shall submit to the EDNY District Court upon execution of this Agreement by the Parties. The Parties further agree that the Forfeited Assets shall be forfeited under prevailing forfeiture law.

(b) Distribution of Forfeited Assets to the United States and Victims. The Parties agree that the Forfeited Assets shall be distributed and/or used as follows:

(i) The Forfeited Assets shall first be used to pay the costs and expenses (the “Government Expenses”) of the United States related to and/or incurred in connection with the prosecution of the Criminal Action and the Civil Forfeiture Action, and the disbursement of the Forfeited Assets under this Agreement, as authorized by law. The Parties agree that the costs and expenses payable to the United States pursuant to this Section 2(b)(i) of the Agreement (1) total approximately \$1,847,000 with respect to Government Expenses related to and/or incurred in connection with the prosecution of the Criminal Action and the Civil Forfeiture Action, and (2) will not exceed approximately \$650,000 with respect to Government Expenses related to and/or incurred in connection with the management, liquidation and disbursement of the Forfeited Assets under this Agreement. The Parties further agree that the Government Expenses may be paid fully or partially out of the Forfeited Assets and/or the assets forfeited by Dawn Schlegel and Sandra Hatfield in the Criminal Action, at the United States’s discretion.

(ii) After deduction of the Government Expenses pursuant to Section 2(b)(i) of this Agreement, the balance of the Forfeited Assets shall be distributed in accordance with the MLARS Approvals, pursuant to 18 U.S.C. § 981(d) and 28 C.F.R. Part 9, as follows: (1) a

Payment to SSBA I in accordance with the MLARS Approval issued to SSBA I on or about July 11, 2018, which approved SSBA I's petition for remission in an amount up to \$78,815,232.06 subject to the terms and conditions set forth therein, and (2) a Payment to the Class Plaintiffs in accordance with the MLARS Approval issued to the Lead Plaintiffs on or about July 11, 2018, which approved the Lead Plaintiffs' petition for remission, submitted on behalf of the Class Plaintiffs, in an amount up to \$81,540,718.81 subject to the terms and conditions set forth therein. The Payment made to SSBA I pursuant to this Section 2(b)(ii) of the Agreement shall be wired to the "Pachulski Stang Ziehl & Jones LLP Client Trust Account" and the Payment made to the Class Plaintiffs pursuant to this Section 2(b)(ii) of the Agreement shall be wired to the "DHB Industries Settlement Fund – Remission" account for the Class Plaintiffs. The Payments made pursuant to this Section 2(b)(ii) of the Agreement shall not be disbursed from the above-referenced accounts (except as to the payment to be made by SSBA I to Terry S. Brooks pursuant to Section 2(d)(vi) of the Agreement) until the Effective Date.

(iii) The claims filed by SSBA I (as Point Blank Solutions) in the Civil Forfeiture Action shall be withdrawn and dismissed with prejudice pursuant to the Final Forfeiture Order.

(c) Payment of Tax Restitution Order. The Parties agree that the Remaining Cash Collateral shall be used to pay the Tax Restitution Order in the amount of \$2,883,056, plus all accrued interest pursuant to 18 U.S.C. § 3612(f) until the date of payment. The Parties further agree that such funds will be disbursed to the Clerk of Court for further remittance to the IRS. Execution of this Agreement by the United States shall constitute acknowledgement on behalf of the United States that the disbursement to the Clerk of Court pursuant to this Section 2(c) of the Agreement shall satisfy the Tax Restitution Order in full. Pursuant to the Amended Cash Collateral Order, the United States shall file a request for such disbursement to satisfy the Tax Restitution Order. The United States will request that the EDNY District Court order payment of these funds to the Clerk of Court by filing the proposed order attached hereto as **Exhibit H**, which proposed order will be filed contemporaneously with the United States's filing of the Final Forfeiture Order.

(d) Distribution to the Brooks Family. The Parties agree to the distribution of certain cash and non-cash assets to the Brooks Family as follows:

(i) \$25,000,000 of the Remaining Restrained Assets, which shall consist of \$24,837,525 in cash (the “Returned Cash”) (subject to the deduction of one-half of the amount of the Interest Remainder Payment, discussed below) and the items listed as Asset Nos. 6, 10, 11, 14, 15, 107 and 109 on Schedule I (the “Returned Non-Cash Assets” and, together with the Returned Cash, the “Returned Cash and Assets”), shall be paid and/or distributed to the Brooks Family by the U.S. Marshals Service, on behalf of the United States. For the avoidance of any doubt, the Parties do not consent to the forfeiture of the Returned Cash and Assets, and the Returned Cash and Assets shall be paid or distributed as set forth herein solely to the Brooks Family, and not to the David Brooks Claimants or any other claimant. The payments or distributions to the Brooks Family pursuant to this Section 2(d)(i) of the Agreement shall be conditioned upon entry of the Final Forfeiture Order. The United States shall make a request that the Returned Cash be distributed to the Brooks Family Attorney Escrow Account (as defined in this Section 2(d)(i)), and that the Returned Non-Cash Assets be made available to the Escrow Agent (in accordance with Section 2(d)(ii) below). Pursuant to the Amended Cash Collateral Order, the amount of Returned Cash shall be reduced by one-half of the amount of the Interest Remainder Payment (as defined in Section 2(d)(iv) below). The amount of the Returned Cash distributed under this Agreement may also be reduced pursuant to the Treasury Offset Program as set forth in this Section 2(d)(i) of this Agreement. The Returned Cash due pursuant to this Section 2(d)(i) shall be remitted by wire to Richard C. Klugh, on behalf of the Brooks Family, as Escrow Agent of an attorney escrow account to be designated in a digitally and fully completed ACH form submitted by the Brooks Family to the United States (the “Brooks Family Attorney Escrow Account”). The Brooks Family must attach to the ACH form a schedule listing the names and social security numbers of each member of the Brooks Family. The Returned Cash shall be subject to any offset pursuant to the Treasury Offset Program. Within fifteen business days of the date on which the United States receives the above-referenced ACH form and attached schedule, so long as the conditions in Section 1(i)-(j) have been met, the U.S. Marshals Service shall cause the Returned Cash to be remitted to the Brooks Family Attorney Escrow Account. The Debt Collection Improvement Act of 1996 (“DCIA”),

31 U.S.C. § 3716, requires the United States Department of the Treasury, and any other disbursing officials, to offset Federal payments to collect delinquent non-tax debts owed to the United States, or delinquent debts owed to states, including past due child support enforced by states. If any offset to the Returned Cash is made during an electronic funds transfer, the Brooks Family will receive a notification from the United States at the last address provided by the debtor to the creditor. If the Brooks Family believes that the Returned Cash may be subject to an offset, the Brooks Family may contact the United States Department of the Treasury at 1-800-304-3107. The Parties and the Escrow Agent (Richard C. Klugh) agree that the disbursement of the Returned Cash from the Brooks Family Attorney Escrow Account shall be governed by Section 2(d)(v) of this Agreement.

(ii) The Returned Non-Cash Assets shall be made available to Judd Burstein, Esq., as Escrow Agent on behalf of the Brooks Family, upon the United States's request to the Federal Bureau of Investigation. The Parties and Escrow Agent (Judd Burstein) agree that the Escrow Agent shall not distribute the Returned Non-Cash Assets to the Brooks Family, or to any other individual or entity, until SSBA I and the Lead Plaintiffs have received the Payments identified in Section 2(b)(ii) of this Agreement. The Parties and Escrow Agent (Judd Burstein) further agree that any distribution of the Returned Non-Cash Assets by the Escrow Agent prior to receipt of the Payments by SSBA I and the Lead Plaintiffs shall constitute a material breach of this Agreement.

(iii) \$16,616,944 of the Remaining Cash Collateral shall be remitted by wire to the Brooks Family Attorney Escrow Account, on behalf of the Brooks Family, in accordance with the Amended Cash Collateral Order and represent funds to be returned to the Brooks Family. The United States will request that the EDNY District Court order payment of these funds and any excess funds remaining in the Cash Collateral Account to the Brooks Family Attorney Escrow Account by filing the Order Directing Payment of Cash Collateral, which order will be filed contemporaneously with the United States's filing of the Final Forfeiture Order. The Parties and Escrow Agent (Richard C. Klugh) agree that the disbursement of these funds from the Brooks Family Attorney Escrow Account shall be governed by Section 2(d)(v) of this Agreement.

(iv) The United States shall calculate the “Interest Remainder Payment” contemporaneously with the filing of the Order Directing Payment of Cash Collateral. The Interest Remainder Payment shall be calculated as the balance in the Cash Collateral Account at that time, minus the amount of the Payment described in Section 2(c), and minus the amount due to the Brooks Family pursuant to Section 2(d)(iii).

(v) With respect to all funds remitted or paid to the Brooks Family Attorney Escrow Account pursuant to Sections 2(d)(i) and 2(d)(iii)-(iv) of this Agreement, the Parties and the Escrow Agent (Richard C. Klugh) agree that the Escrow Agent shall not make any disbursements of such funds, and no disbursements of such funds shall otherwise be made, from the Brooks Family Attorney Escrow Account until SSBA I and the Lead Plaintiffs have received the Payments identified in Section 2(b)(ii) of this Agreement. The Parties and the Escrow Agent further agree that any disbursement of such funds from the Brooks Family Attorney Escrow Account prior to receipt of the Payments by SSBA I and the Lead Plaintiffs shall constitute a material breach of this Agreement. Upon the request of the United States, the Escrow Agent (Richard C. Klugh) shall provide the United States with proof that no disbursements have been made from the Brooks Family Attorney Escrow Account prior to the receipt of the Payments by SSBA I and the Lead Plaintiffs. Upon the request of the United States, the Escrow Agent (Judd Burstein) shall provide the United States with proof that no distributions of the Returned Non-Cash Assets have occurred, prior to the receipt of the Payments by SSBA I and the Lead Plaintiffs.

(vi) \$9,545,531 shall be remitted by wire to Terry S. Brooks, on behalf of the Brooks Family, from SSBA I, which amount shall be payable solely from the Payment that SSBA I receives under Section 2(b)(ii) of this Agreement, and shall be paid from the principal of such funds in satisfaction of the claim filed by Terry S. Brooks against SSBA I. Upon receipt by SSBA I and the Lead Plaintiffs of the Payments contemplated under Section 2(b)(ii) of this Agreement in immediately available funds, SSBA I shall initiate the payments or distributions to Terry S. Brooks pursuant to this Section 2(d)(vi) of the Agreement.

(vii) As specified in Sections 3 and 3(a)-3(c) of this Agreement, all creditor claims and claims based on equity interests filed or scheduled in the Bankruptcy Proceeding

by or for the Brooks Family Releasors (as defined in Section 3(a) of this Agreement), the Jeffrey Brooks Releasors (as defined in Section 3(b) of this Agreement) and the David Brooks Releasors (as defined in Section 3(c) of this Agreement) shall be deemed disallowed; all shares of SSBA I stock held directly or indirectly by the Brooks Family Releasors, the Jeffrey Brooks Releasors and the David Brooks Releasors, and all interests and benefits flowing from such shares, shall be cancelled, waived and released; and all rights, claims and interests in the Recovery Trust held directly or indirectly by the Brooks Family Releasors, the Jeffrey Brooks Releasors and the David Brooks Releasors, as creditors or as equity interest holders, shall be released, waived and discharged.

(viii) The claims filed by the David Brooks Claimants, the Brooks Family Claimants and the Jeffrey Brooks Claimants in the Civil Forfeiture Action shall be withdrawn and dismissed with prejudice pursuant to the Final Forfeiture Order.

3. Mutual Releases. The Parties agree to exchange the releases set forth below, which releases shall become effective upon: (1) receipt by SSBA I and the Lead Plaintiffs of the Payments identified in Section 2(b)(ii) of this Agreement, (2) distribution of the Returned Cash to the Brooks Family Attorney Escrow Account and release of the Returned Non-Cash Assets to the Escrow Agent pursuant to Sections 2(d)(i)-(ii) of this Agreement, (3) distribution of \$16,616,944 of the Remaining Cash Collateral, and the Interest Remainder Payment and any excess funds remaining in the Cash Collateral Account, to the Brooks Family Attorney Escrow Account pursuant to Sections 2(d)(iii)-(iv) of this Agreement; and (4) the payment of \$9,545,531 to Terry S. Brooks pursuant to Section 2(d)(vi) of this Agreement. However, the failure of SSBA I to make the Payment of \$9,545,531 to Terry S. Brooks pursuant to Section 2(d)(vi) of this Agreement shall have no effect on the mutual releases between the United States and any other Party, which releases shall remain binding and in full force and effect.

(a) The Brooks Family Claimants, on behalf of themselves and on behalf of their heirs, agents, assigns, representatives and successors, any entities in which they individually, collectively, directly or indirectly hold any ownership interest, and any entities they individually, collectively, directly or indirectly control or manage (collectively, the “Brooks Family Releasors”), shall:

(i) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Brooks Family Releasors have, may have or are entitled to assert against SSBA I, the Recovery Trust and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(ii) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Brooks Family Releasors have, may have or are entitled to assert against the Class Plaintiffs, Class Plaintiffs' counsel in the Class Action and the Bankruptcy Proceeding, plaintiff's counsel in the Derivative Action and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(iii) Release, waive and discharge all rights, claims and interests in the Forfeited Assets;

(iv) Release, waive and discharge all rights, claims and interests in the Escrowed Funds;

(v) Release, waive and discharge all rights, claims and interests in the Recovery Trust, whether such rights, claims and interests are held directly or indirectly, or are held as creditors or as equity interest holders;

(vi) Agree that all shares of SSBA I stock held directly or indirectly by the Brooks Family Releasors, and all interests and benefits in whatever form flowing from such shares, are cancelled, waived and released;

(vii) Agree that all creditor claims and claims based on equity interests filed by or scheduled for the Brooks Family Releasors in the Bankruptcy Proceeding shall be deemed disallowed;

(viii) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Brooks Family Releasors have, may have or are entitled to assert against the United States, its agencies, and/or its current or former agents, officers or employees for or on account of any matter, including but not limited to the prosecution of the Criminal Action (including all litigation relating to the Bail Conditions) and/or the Civil Forfeiture Action, the seizure and restraint of the Restrained Assets, the condition of any Returned Non-Cash Assets, and the forfeiture of the Forfeited Assets, provided that: (1) such releases shall exclude any future claim against the United States, its agencies, and/or its current or former agents, officers or employees with respect to any personal injuries and/or the death of David Brooks (a “Tort Action”) asserted by or on behalf of any member of the Brooks Family Releasors; (2) that this exclusion only shall be effective if the Brooks Family Claimants, the Jeffrey Brooks Claimants, and the David Brooks Claimants and/or any individual members thereof shall serve, along with the summons and complaint of any such Tort Action, a copy of this Agreement in its entirety upon the United States Attorney’s Office for the United States District Court in which the Tort Action is filed, and if there is no service of this Agreement under this provision, then the exclusion provided under provision (1) of this paragraph is null and void; and (3) in the event any such Tort Action is filed and the Brooks Family Releasors do not prevail on the merits, the Brooks Family Releasors agree that they shall be liable to the United States for all litigation costs and attorneys’ fees incurred in connection with the defense of such Tort Action, in the same manner and at the same rate as a plaintiff may recover fees and costs against the United States under the Equal Access to Justice Act;

(ix) In the event a third party, other than the United States, its agencies, agents, officers, and employees, past and present, asserts a claim to any of the Remaining

Restrained Assets, hold the United States, its agencies, agents, officers, and employees, past and present, harmless from such claims;

(x) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Brooks Family Releasers have, may have or are entitled to assert against the SEC and/or its current or former agents, officers or employees;

(xi) Agree to waive any and all rights the Brooks Family Releasers may have to recover attorneys' fees, costs or interest under the Equal Access to Justice Act, the Civil Asset Forfeiture Reform Act, and/or any other applicable case law or statute.

(b) The Jeffrey Brooks Claimants, on behalf of themselves and their heirs, agents, assigns, representatives and successors, any entities in which they individually, collectively, directly or indirectly hold any ownership interest, and any entities they individually, collectively, directly or indirectly control or manage (collectively, the "Jeffrey Brooks Releasers"), shall:

(i) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Jeffrey Brooks Releasers have, may have or are entitled to assert against SSBA I, the Recovery Trust and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries, including without limitation all claims asserted by Jeffrey R. Brooks and/or the Jeffrey Brooks IRA in the action filed in New York state court under the caption *Jeffrey R. Brooks Individual Retirement Account v. James R. Henderson*, Index No. 650781/2011 (N.Y. Sup. Ct.) (the "NY State Court Action");

(ii) Agree to request, within ten (10) business days of the date on which the releases set forth in this Section 3 of the Agreement become effective, the dismissal with prejudice of the NY State Court Action;

(iii) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Jeffrey Brooks Releasors have, may have or are entitled to assert against the Class Plaintiffs, Class Plaintiffs' counsel in the Class Action and the Bankruptcy Proceeding, plaintiff's counsel in the Derivative Action and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(iv) Release, waive and discharge all rights, claims and interests in the Forfeited Assets;

(v) Release, waive and discharge all rights, claims and interests in the Escrowed Funds;

(vi) Release, waive and discharge all rights, claims and interests in the Recovery Trust, whether such rights, claims and interests are held directly or indirectly, or are held as creditors or as equity interest holders;

(vii) Agree that all shares of SSBA I stock held directly or indirectly by the Jeffrey Brooks Releasors, and all interests and benefits in whatever form flowing from such shares, are cancelled, waived and released;

(viii) Agree that all creditor claims and claims based on equity interests filed by or scheduled for the Jeffrey Brooks Releasors in the Bankruptcy Proceeding shall be deemed disallowed;

(ix) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or

unforeseen, matured or unmatured, in law, equity or otherwise, that the Jeffrey Brooks Releasors have, may have or are entitled to assert against the United States, its agencies, and/or its current or former agents, officers or employees for or on account of any matter, including but not limited to the prosecution of the Criminal Action (including all litigation relating to the Bail Conditions) and/or the Civil Forfeiture Action, the seizure and restraint of the Restrained Assets, the condition of any Returned Non-Cash Assets, and the forfeiture of the Forfeited Assets, provided that (1) such releases shall exclude any Tort Action brought by or on behalf of any of the Jeffrey Brooks Releasors, (2) that this exclusion only shall be effective if the Brooks Family Claimants, the Jeffrey Brooks Claimants, and the David Brooks Claimants and/or any individual members thereof shall serve, along with the summons and complaint of any such Tort Action, a copy of this Agreement in its entirety upon the United States Attorney's Office for the United States District Court in which the Tort Action is filed, and if there is no service of this Agreement under this provision, then the exclusion provided under provision (1) of this paragraph is null and void, and (3) in the event any such Tort Action is filed and the Jeffrey Brooks Releasors do not prevail on the merits, the Jeffrey Brooks Releasors agree that they shall be liable to the United States for all litigation costs and attorneys' fees incurred in connection with the defense of such Tort Action, in the same manner and at the same rate as a plaintiff may recover fees and costs against the United States under the Equal Access to Justice Act;

(x) In the event a third party, other than the United States, its agencies, agents, officers, and employees, past and present, asserts a claim to any of the Remaining Restrained Assets, hold the United States, its agencies, agents, officers, and employees, past and present, harmless from such claims;

(xi) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Jeffrey Brooks Releasors have, may have or are entitled to assert against the SEC and/or its current or former agents, officers or employees; and

(xii) Agree to waive any and all rights the Jeffrey Brooks Releasors may have to recover attorneys' fees, costs or interest under the Equal Access to Justice Act, the Civil Asset Forfeiture Reform Act, and/or any other applicable case law or statute.

(c) The David Brooks Claimants, on behalf of themselves and their heirs, agents, assigns, representatives and successors, any entities in which they individually, collectively, directly or indirectly hold any ownership interest, and any entities they individually, collectively, directly or indirectly control or manage (collectively, the "David Brooks Releasors"), shall:

(i) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the David Brooks Releasors have, may have or are entitled to assert against SSBA I, the Recovery Trust and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(ii) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the David Brooks Releasors have, may have or are entitled to assert against the Class Plaintiffs, Class Plaintiffs' counsel in the Class Action and the Bankruptcy Proceeding, plaintiff's counsel in the Derivative Action and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(iii) Release, waive and discharge all rights, claims and interests in the Forfeited Assets;

(iv) Release, waive and discharge all rights, claims and interests in the Escrowed Funds;

(v) Release, waive and discharge all rights, claims and interests in the Recovery Trust, whether such rights, claims and interests are held directly or indirectly, or are held as creditors or as equity interest holders;

(vi) Agree that all shares of SSBA I stock held directly or indirectly by the David Brooks Releasors, and all interests and benefits in whatever form flowing from such shares, are cancelled, waived and released;

(vii) Agree that all creditor claims and claims based on equity interests filed by or scheduled for the David Brooks Releasors in the Bankruptcy Proceeding shall be deemed disallowed;

(viii) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the David Brooks Releasors have, may have or are entitled to assert against the United States, its agencies, and/or its current or former agents, officers or employees for or on account of any matter, including but not limited to the prosecution of the Criminal Action (including all litigation relating to the Bail Conditions) and/or the Civil Forfeiture Action, the seizure and restraint of the Restrained Assets, the condition of any Returned Non-Cash Assets, and the forfeiture of the Forfeited Assets, provided that (1) such releases shall exclude any Tort Action brought by or on behalf of any of the David Brooks Releasors, (2) that this exclusion only shall be effective if the Brooks Family Claimants, the Jeffrey Brooks Claimants, and the David Brooks Claimants and/or any individual members thereof shall serve, along with the summons and complaint of any such Tort Action, a copy of this Agreement in its entirety upon the United States Attorney's Office for the United States District Court in which the Tort Action is filed, and if there is no service of this Agreement under this provision, then the exclusion provided under provision (1) of this paragraph is null and void, and (3) in the event any such Tort Action is filed and the David Brooks Releasors do not prevail on the merits, the David Brooks Releasors agree that they shall be liable to the United States for all litigation costs and attorneys' fees incurred in connection with the defense of such Tort Action, in the same manner and at the

same rate as a plaintiff may recover fees and costs against the United States under the Equal Access to Justice Act;

(ix) In the event a third party, other than the United States, its agencies, agents, officers, and employees, past and present, asserts a claim to any of the Remaining Restrained Assets, hold the United States, its agencies, agents, officers, and employees, past and present, harmless from such claims;

(x) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the David Brooks Releasors have, may have or are entitled to assert against the SEC and/or its current or former agents, officers or employees; and

(xi) Agree to waive any and all rights the David Brooks Releasors may have to recover attorneys' fees, costs or interest under the Equal Access to Justice Act, the Civil Asset Forfeiture Reform Act, and/or any other applicable case law or statute.

(d) The United States shall:

(i) Release the Brooks Family, the Brooks Family Claimants, the Jeffrey Brooks Claimants, and the David Brooks Claimants from any civil or administrative claim for monetary or injunctive relief that the United States has or may have related to the conduct (the "Covered Conduct") alleged in the Criminal Action and/or the Civil Forfeiture Action, provided that such releases are subject to the exceptions in Section 7 below (concerning excluded claims) and are conditioned on full compliance with the terms and conditions herein by the Brooks Family, the Brooks Family Claimants, the Jeffrey Brooks Claimants, and the David Brooks Claimants; and

(ii) As the Criminal Action has previously been dismissed against David Brooks in accordance with the Second Circuit Decision, the United States will request entry of the Final Forfeiture Order to dispose of the Remaining Restrained Assets and effect the return of the Returned Cash and Assets in accordance with Section 2(d) of this Agreement.

(e) The Class Plaintiffs shall:

(i) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that the Class Plaintiffs have, may have or are entitled to assert against the David Brooks Claimants, the Brooks Family Claimants, the Jeffrey Brooks Claimants and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries; and

(ii) Release, waive and discharge all rights, claims and interests in the Restrained Assets and Remaining Cash Collateral, except as set forth in this Agreement.

(f) Robbins Geller Rudman & Dowd, LLP and Labaton Sucharow, LLP as court-appointed lead counsel in the Class Action (“Lead Counsel”) shall:

(i) Cooperate with and make reasonable best efforts to assist the United States in the defense of any litigation of any claim asserted against the United States, or any of its agencies, agents, officers and employees, past and present, in connection with the Payment to the Class Plaintiffs, provided that all obligations of the Lead Counsel under this Section 3(f)(i) of the Agreement shall expire upon the disbursement by the Lead Plaintiffs of the Payment set forth in Section 2(b)(ii) to members of the class. A breach of this Section 3(f)(i) shall be considered a material breach of this Agreement, the only remedy for which shall be that the United States shall have the right to compel specific performance of this Section 3(f)(i) in any appropriate court.

(g) SSBA I and the Recovery Trust shall:

(i) Release, waive and discharge any and all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, liabilities, and causes of action, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity or otherwise, that SSBA I and/or the Recovery Trust have, may have or are entitled to assert against the David Brooks Claimants,

the Brooks Family Claimants, the Jeffrey Brooks Claimants and/or their respective current or former officers, directors, members, employees, agents, attorneys, consultants, insurers, representatives, predecessors, successors, parents and subsidiaries;

(ii) Release, waive and discharge all rights, claims and interests in the Restrained Assets and Remaining Cash Collateral, except as set forth in this Agreement; and

(iii) Intervene and participate in, and cooperate with and make reasonable best efforts to assist the United States in the defense of, any litigation of any claim asserted against the United States, or any of its agencies, agents, officers and employees, past and present, with respect to the Payment to SSBA I, provided that all obligations of SSBA I and the Recovery Trust under this Section 3(g)(iii) of the Agreement shall expire upon the issuance of a final decree by the Bankruptcy Court in the Bankruptcy Proceeding closing SSBA I's Chapter 11 case. A breach of this Section 3(g)(iii) shall be considered a material breach of this Agreement by SSBA I and the Recovery Trust but shall not affect the rights of any other Party to this Agreement.

4. Release of Unknown Claims By The Parties. Except for the rights reserved by the United States in Section 7 of this Agreement, the Parties, and each of them, understand and acknowledge that there are laws that may invalidate releases of claims that are unknown to the releasing party. The Parties, and each of them, expressly acknowledge and agree that, subject to the terms of this Agreement, they are waiving and relinquishing any and all rights that they have or might have against the persons or entities they release pursuant to this Agreement, or any of them, under such laws, including but not limited to any and all rights afforded under California Civil Code § 1542 or any other similar state or federal statute and/or case law. California Civil Code § 1542 reads as follows:

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

In connection with such waiver and relinquishment, the Parties, and each of them, acknowledge that they are aware that they may later discover facts in addition to or different from those that

they currently know or believe to be true with respect to the subject matter of this Agreement, but that it is their intention to, subject to the terms of this Agreement, fully, finally, and forever release all of the matters and claims identified in the releases contained in this Agreement, which now exist, may exist, or previously existed between them and any of the persons or entities they release pursuant to this Agreement, whether known or unknown, suspected, or unsuspected. In furtherance of such intention, the releases contained in this Agreement shall be and remain in effect, subject to the terms of this Agreement, as full and complete releases, notwithstanding the discovery or existence of such additional or different facts by any of the Parties or by any person acting on their respective behalves.

5. Representations and Warranties.

(a) Except as otherwise set forth herein with respect to necessary court or governmental approvals, which the Parties agree they will utilize their reasonable best efforts to obtain, each Party and signatory hereto represents and warrants that: (i) such Party has the power and authority to execute, deliver and perform this Agreement, and that each signatory hereto has the authority to bind the Party on whose behalf he or she is signing; (ii) such Party and/or signatory has taken all necessary actions to authorize the execution, delivery and performance of this Agreement; (iii) this Agreement has been duly executed and delivered by such Party and/or signatory, and constitutes the legal, valid and binding obligations of such Party and/or signatory; (iv) the execution, delivery, and performance of this Agreement does not and will not conflict with, or constitute a violation or breach of, or constitute a default under any obligation of such Party and/or signatory, and will not violate any applicable law, or any order or decree of any court or government instrumentality applicable to such Party and/or signatory; and (v) such Party and/or signatory has entered into this Agreement in reliance on its own independent investigation and analysis of the facts underlying the subject matter of this Agreement, and no representations, warranties, or promises of any kind have been made directly or indirectly to induce it to execute this Agreement other than those that are expressly set forth in this Agreement, including the exhibits hereto.

(b) For the avoidance of any doubt, SSBA I represents and warrants that the Post-Confirmation Debtor Oversight Committee (as such term is defined in the Plan) was

consulted regarding this Agreement, and that SSBA I has the authority to enter into this Agreement.

(c) For the avoidance of any doubt, the Recovery Trust represents and warrants that the Recovery Trust Committee (as such term is defined in the Plan) was consulted regarding this Agreement, and that the Recovery Trust has the authority to enter into this Agreement.

(d) For the avoidance of any doubt, the Parties expressly agree that the United States has made no representations regarding the tax treatment of any Payments or distributions made to, or any assets distributed to, the Brooks Family or any other Party pursuant to this Agreement.

6. No Admissions of Culpability, Liability or Guilt. This Agreement, including the releases and other terms provided for herein, is made, executed, given and accepted as part of a compromise and settlement of disputed claims. No provisions of this Agreement, nor any acceptance of the benefits thereof by or on behalf of any of the Parties, shall be construed or deemed to be evidence of an admission of any fact, matter, thing or liability of any kind to any other Party. Each of the Parties denies any liability of any kind to any other Party for any purpose, and this Agreement is made solely and entirely as a compromise and for the purpose of fully and finally resolving the disputed matters referenced herein. Neither this Agreement nor any terms thereof shall be offered or received as evidence in any proceeding in any forum as an admission of any liability or wrongdoing on the part of any of the Parties. For the avoidance of any doubt, this Agreement shall in no way be deemed an admission of culpability, liability or guilt on behalf of any of the David Brooks Claimants, any of the Brooks Family Claimants or any of the Jeffrey Brooks Claimants in the Civil Forfeiture Action. Furthermore, the Brooks Estate is not admitting or denying the allegations asserted by the SEC in the SEC Action, except the allegations as to personal and subject matter jurisdiction, which the Brooks Estate admits. This Agreement does not and shall not in any way constitute a reflection upon the merits of the pending claims and defenses asserted by the United States, the SEC or any other Party in any of the proceedings referenced herein. In addition, the Brooks Family, the Brooks Family Claimants, the David Brooks Claimants, and the Jeffrey Brooks Claimants

waive their rights, if any, to use the Civil Forfeiture Action or this Agreement as a basis for any statutory or constitutional defense in any other civil, criminal, tax, or administrative action, including, without limitation, venue, defenses based upon the Double Jeopardy Clause of the Fifth Amendment and the Excessive Fines Clause of the Eighth Amendment.

7. Reservations and Exclusions to Releases Granted by the United States. Notwithstanding any other provision of this Agreement other than the provisions dealing with the payment of the Tax Restitution Order, specifically reserved and excluded from the scope of this Agreement and the releases set forth in Section 3(d) are: (a) any claim of the United States, or its agencies, arising out of any conduct other than the Covered Conduct; (b) any criminal liability concerning any matter, including but not limited to the Covered Conduct; and (c) any liability the Brooks Family, the Brooks Family Claimants, the David Brooks Claimants, and/or the Jeffrey Brooks Claimants have or may have to the IRS under Title 26 of the United States Code for any period of time or for any transaction or event, including but not limited to the time period of the Covered Conduct. Except for the obligations of the United States set forth in this Agreement, the releases it has granted under Section 3, and the rights to the Payments set forth in this Agreement, nothing else contained herein shall be deemed to limit or affect any right held by the United States, or any of its agencies. Furthermore, except for the obligations of the United States set forth in this Agreement, the releases it has granted under Section 3, and the rights to the Payments set forth in this Agreement, nothing else contained herein shall be read in any way to alter, affect, abrogate, or impair the ability and obligations of the United States.

8. Cancellation of Agreement. If the Effective Date does not occur, or the Payments identified in Section 2(b)(ii) of this Agreement are not received by SSBA I and the Lead Plaintiffs, or the payments and distributions identified in Section 2(d) of this Agreement are not received by the Brooks Family, this Agreement will be null and void, and each of the Parties will revert to their respective positions that existed on the date immediately prior to execution of this Agreement, unless the Parties otherwise agree in writing.

9. No Assignment. Each of the Parties represents and warrants that it has not assigned or transferred any released matter or any right to consideration provided pursuant to this

Agreement. The Parties each agree to defend, indemnify and hold the others harmless from any and all claims based on or arising out of any such assignment or transfer made, purported or claimed.

10. Venue and Personal Jurisdiction. The Parties and signatories agree that any dispute regarding the validity, interpretation or performance of this Agreement shall be brought in the EDNY District Court, if such dispute concerns the United States's obligations under this Agreement, and/or the United States Bankruptcy Court for the District of Delaware, and each of the Parties and signatories consents to personal jurisdiction and venue in such courts in connection with any such dispute.

11. Applicable Law. The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the State of New York.

12. Voluntary Agreement. Each Party and signatory acknowledges that it has read all of the terms of this Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right, and enters into this Agreement voluntarily and without duress.

13. Joint Drafting. This Agreement shall be deemed to have been jointly drafted by the Parties, and in construing or interpreting this Agreement, no provision shall be construed or interpreted for or against any Party because such provision or any other provision of the Agreement was purportedly prepared or requested by such Party.

14. Costs, Expenses and Attorneys' Fees. Except as provided in Sections 3(a)(viii), 3(b)(ix) and 3(c)(viii), the Parties agree that each Party shall bear its own costs, expenses and attorneys' fees, and the David Brooks Claimants, the Brooks Family Claimants, and the Jeffrey Brooks Claimants further waive any and all rights they may have to recover attorneys' fees, interest and/or costs under the Equal Access to Justice Act, the Civil Asset Forfeiture Reform Act, and/or any other applicable case law or statute.

15. Prevailing Party (Other Than the United States). Notwithstanding Section 14 of this Agreement, in the event of a dispute regarding the validity, interpretation or performance of this Agreement, the prevailing Party(ies) (other than the United States) shall be entitled to

recover its costs and expenses, including reasonable attorneys' fees, against the opposing Party(ies) (other than the United States) to such dispute.

16. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and their respective agents, employees, affiliates, successors and assigns.

17. Notices. All notices, consents, waivers and other communications under this Agreement must be in writing and shall be deemed to have been duly given when: (i) delivered by hand, with written confirmation of receipt; or (ii) received by the addressee, if sent by U.S. Mail, overnight mail and/or email, in each case to the appropriate addresses and representatives set forth below, or to such other addresses or representatives as a Party may designate by notice to the other Parties in accordance with this section:

If to the United States:

Richard P. Donoghue
United States Attorney
Eastern District of New York
Attn: Laura Mantell, AUSA
Karin Orenstein, AUSA
Artemis Lekakis, AUSA
271 Cadman Plaza, East
Brooklyn, New York 11201
Telephone: (718) 254-7000
Email: laura.mantell@usdoj.gov
karin.orenstein@usdoj.gov
artemis.lekakis@usdoj.gov

If to SSBA I:

Alan J. Kornfeld
Elissa A. Wagner
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, California 90067
Telephone: (310) 277-6910
Email: akornfeld@pszjlaw.com
ewagner@pszjlaw.com

-and-

T. Scott Avila
Paladin Management Group
633 W. 5th Street, 28th Floor
Los Angeles, CA 90071
Telephone: (213) 223-2289
Email: savila@paladinmgmt.com

If to the Recovery Trust:

Robert M. Hirsh
Beth M. Brownstein
Arent Fox LLP
1301 Avenue of the Americas, 42nd Floor
New York, New York 10019
Telephone: (212) 457-5430
Email: robert.hirsh@arentfox.com
beth.brownstein@arentfox.com

-and-

Brian Ryniker
CBIZ MHM, LLC
1065 Avenue of Americas, 11th Floor
New York, New York 10018
Telephone: (212) 790-5899
Email: bryniker@cbiz.com

If to the Class Plaintiffs:

Michael S. Etkin
Lowenstein Sandler LLP
One Lowenstein Drive
Roseland, New Jersey 07068
Telephone: (973) 597-2312
Email: metkin@lowenstein.com

-and-

Ira A. Schochet
Labaton Sucharow LLP
140 Broadway
New York, New York 10005
Telephone: (212) 907-0700
Email: ischochet@labaton.com

-and-

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Robbins Geller Rudman & Dowd LLP
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Melville, New York 11747
Telephone: (631) 367-7100
Email: srudman@rgrdlaw.com

If to the David Brooks Claimants, the Brooks Family Claimants and/or the Jeffrey Brooks Claimants:

Richard C. Klugh
Richard C. Klugh, P.A.
Courthouse Center, Penthouse One
40 N.W. 3rd Street
Miami, Florida 33128
Telephone: (305) 536-1191
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-and-

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Marcus Neiman & Rashbaum LLP
1 S. Biscayne Blvd., Suite 1750
Miami, Florida 33131
Telephone: (305) 400-4262
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-and-

Ian M. Comisky
Fox Rothschild LLP
2000 Market Street, 20th Floor
Philadelphia, Pennsylvania 19103
Telephone: (215) 299-2000
Email: icomisky@foxrothschild.com

-and-

Justine Harris
Sher Tremonte LLP
90 Broad Street, 23rd Floor
New York, New York 10004
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Email: jharris@shertremonte.com

-and-

Judd Burstein
Judd Burstein, P.C.
5 Columbus Circle
New York, New York 10019
Telephone: (212) 974-2400
Email: jburstein@burlaw.com

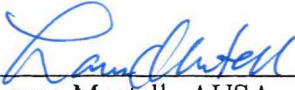
18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. Delivery of a signature page to this Agreement by email or other electronic means shall be effective as delivery of the original signature page to this Agreement.

19. No Waiver Upon Breach. No waiver of any breach of this Agreement shall be construed as an implied amendment to this Agreement, or as an implied agreement by any Party to amend or modify any provision of this Agreement.

20. Entire Agreement. This document, including the exhibits hereto, contains the entire Agreement between the Parties, and may only be modified in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this document, including the exhibits hereto. The Final Forfeiture Order is not intended to and does not modify the terms of this Agreement.


WHEREFORE, the Parties have executed this Agreement on the dates shown below.

Dated: October 29, 2018



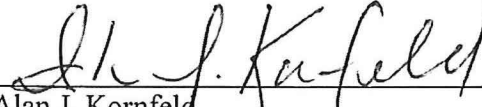
Laura Mantell, AUSA, on behalf of
the United States

Dated: October 25, 2018



T. Scott Avila, on behalf of SSBA I

Dated: October 26, 2018



Alan J. Kornfeld
Pachulski Stang Ziehl & Jones LLP
Counsel to SS Body Armor I, Inc.

Dated: October __, 2018

Brian Ryniker, as Recovery Trustee
on behalf of the Recovery Trust

Dated: October __, 2018

Robert M. Hirsh
Arent Fox LLP
Counsel to the Recovery Trust

Dated: October __, 2018

Samuel H. Rudman
Robbins Geller Rudman & Dowd LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

Dated: October __, 2018

Ira A. Schochet
Labaton Sucharow LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

WHEREFORE, the Parties have executed this Agreement on the dates shown below.

Dated: October __, 2018

Laura Mantell, AUSA, on behalf of
the United States


Dated: October __, 2018

T. Scott Avila, on behalf of SSBA I

Dated: October __, 2018

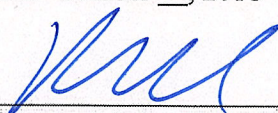
Alan J. Kornfeld
Pachulski Stang Ziehl & Jones LLP
Counsel to SS Body Armor I, Inc.

Dated: October 26, 2018



Brian Ryniker, as Recovery Trustee
on behalf of the Recovery Trust

Dated: October 26, 2018



Robert M. Hirsh
Arent Fox LLP
Counsel to the Recovery Trust

Dated: October __, 2018

Samuel H. Rudman
Robbins Geller Rudman & Dowd LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

Dated: October __, 2018

Ira A. Schochet
Labaton Sucharow LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

WHEREFORE, the Parties have executed this Agreement on the dates shown below.

Dated: October __, 2018

Laura Mantell, AUSA, on behalf of
the United States

Dated: October __, 2018

T. Scott Avila, on behalf of SSBA I

Dated: October __, 2018

Alan J. Kornfeld
Pachulski Stang Ziehl & Jones LLP
Counsel to SS Body Armor I, Inc.

Dated: October __, 2018

Brian Ryniker, as Recovery Trustee
on behalf of the Recovery Trust

Dated: October __, 2018

Robert M. Hirsh
Arent Fox LLP
Counsel to the Recovery Trust


Dated: October 26, 2018

Samuel H. Rudman
Robbins Geller Rudman & Dowd LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

Dated: October 26, 2018

Ira A. Schochet
Labaton Sucharow LLP
Court-Appointed Co-Lead Counsel,
on behalf of the Class Plaintiffs, and
as to paragraph 3(f) only, on behalf of
Lead Counsel

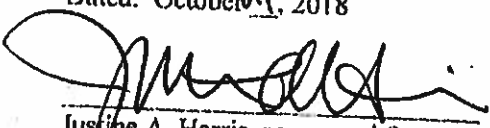
Dated: October 27, 2018


Jeffrey Marcus, as counsel for the
Brooks Estate and David Brooks
International, Inc.

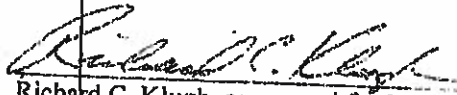
Dated: October __, 2018

Ian Comisky, on behalf of True Grit
Holdings, LLC, Wildfire Holdings
LLC and Perfect World Partners,
LLC

Dated: October 29, 2018


Justine A. Harris, as counsel for Terry
S. Brooks, Brooks Industries of Long
Island, Inc., Brooks Industries of Long
Island – Profit Sharing Plan and Trust,
and Gear to Gear Trust

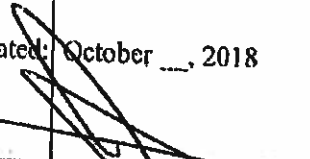
Dated: October 27, 2018


Richard C. Klugh, as counsel for David
Brooks; David Brooks International,
Inc., the Jeffrey Brooks Claimants.
TAP and as Escrow Agent for the
Brooks Family Attorney Escrow
Account

Dated: October __, 2018

Jeffrey R. Brooks, individually, and
on behalf of the Jeffrey Brooks
Claimants, the Brooks Estate, and the
David Brooks Claimants

Dated: October __, 2018


Judd Burstein, as Escrow Agent for the
Returned Non-Cash Assets and as
counsel for Victoria Brooks, VRB Inc.,
Victoria Brooks Industries, Inc. and
Magic Moments Trust, Andrew Brooks.
ASB, Inc., Andrew Brooks Industries.
Inc. and Saving Lives Trust, Elizabeth
Brooks, EJB, Inc., Elizabeth Brooks
Industries, Inc. and ShowTime Trust,
VAE Enterprises, LLC (now VAE
LLC), Vianet Industries, Inc.


Dated: October __, 2018

Jeffrey Marcus, as counsel for the Brooks Estate and David Brooks International, Inc.

Dated: October __, 2018

Richard C. Klugh, as counsel for David Brooks; David Brooks International, Inc., the Jeffrey Brooks Claimants, TAP and as Escrow Agent for the Brooks Family Attorney Escrow Account

Dated: October ²⁸__, 2018



Ian Comisky, on behalf of True Grit Holdings, LLC, Wildfire Holdings LLC and Perfect World Partners, LLC

Dated: October __, 2018

Jeffrey R. Brooks, individually, and on behalf of the Jeffrey Brooks Claimants, the Brooks Estate, and the David Brooks Claimants

Dated: October __, 2018

Justine A. Harris, as counsel for Terry S. Brooks, Brooks Industries of Long Island, Inc., Brooks Industries of Long Island – Profit Sharing Plan and Trust, and Gear to Gear Trust

Dated: October __, 2018

Judd Burstein, as Escrow Agent for the Returned Non-Cash Assets and as counsel for Victoria Brooks, VRB Inc., Victoria Brooks Industries, Inc. and Magic Moments Trust, Andrew Brooks, ASB, Inc., Andrew Brooks Industries, Inc. and Saving Lives Trust, Elizabeth Brooks, EJB, Inc., Elizabeth Brooks Industries, Inc. and ShowTime Trust, VAE Enterprises, LLC (now VAE LLC), Vianel Industries, Inc.

Dated: October __, 2018

Jeffrey Marcus, as counsel for the
Brooks Estate and David Brooks
International, Inc.


Dated: October __, 2018

Ian Comisky, on behalf of True Grit
Holdings, LLC, Wildfire Holdings
LLC and Perfect World Partners,
LLC

Dated: October 29, 2018

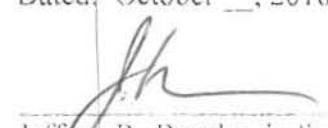
Justine A. Harris, as counsel for Terry
S. Brooks, Brooks Industries of Long
Island, Inc., Brooks Industries of Long
Island - Profit Sharing Plan and Trust,
and Gear to Gear Trust

Dated: October 27, 2018



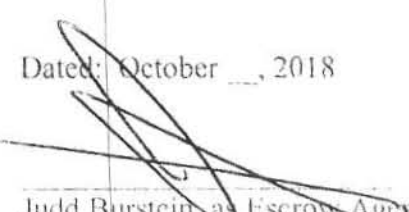
Richard C. Klugh, as counsel for David
Brooks; David Brooks International,
Inc., the Jeffrey Brooks Claimants,
TAP and as Escrow Agent for the
Brooks Family Attorney Escrow
Account

Dated: October __, 2018



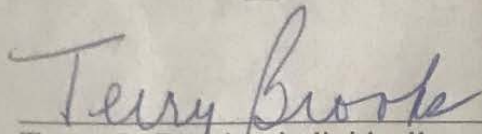
Jeffrey R. Brooks, individually, and
on behalf of the Jeffrey Brooks
Claimants, the Brooks Estate, and the
David Brooks Claimants

Dated: October __, 2018



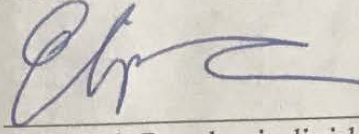
Judd Burstein, as Escrow Agent for the
Returned Non-Cash Assets and as
counsel for Victoria Brooks, VRB Inc.,
Victoria Brooks Industries, Inc. and
Magic Moments Trust, Andrew Brooks,
ASB, Inc., Andrew Brooks Industries,
Inc. and Saving Lives Trust, Elizabeth
Brooks, EJB, Inc., Elizabeth Brooks
Industries, Inc. and ShowTime Trust,
VAE Enterprises, LLC (now VAF
LLC), Vanel Industries, Inc.

Dated: October 31, 2018



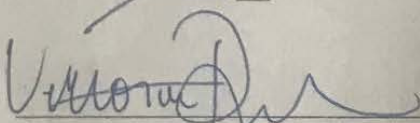
Terry S. Brooks, individually and
on behalf of the Brooks Family
Claimants

Dated: October 31, 2018



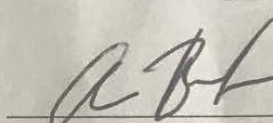
Elizabeth Brooks, individually and on
behalf of the Brooks Family
Claimants

~~Dated: October~~ November 1, 2018



Victoria Brooks, individually and
on behalf of the Brooks Family
Claimants

Dated: October 25, 2018



Andrew Brooks, individually and on
behalf of the Brooks Family
Claimants

Exhibits

A	Schedule I to the Amended Complaint filed in the Civil Forfeiture Action
B	MLARS Approval Letter to SSBA dated July 11, 2018
C	MLARS Approval Letter to Lead Counsel dated July 11, 2018
D	SEC Consent and SEC Final Judgment
E	Amended Cash Collateral Order
F	Final Forfeiture Order
G	Stipulation of Dismissal (<i>Brooks v. Sposato, et al.</i>)
H	Order Directing Payment of Cash Collateral