

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
LEON COUNTY, FLORIDA

STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,

Plaintiff,

vs.

CASE NO: 2011 CA 3249
Judge Shelfer

ENGAGE BDR, INC., and
GALAXY GROUP LA, LLC,
California corporations,
d/b/a LOTTOGOPHER.COM

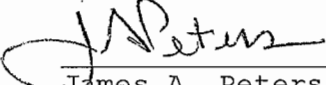
Defendants.

Notice of Filing Settlement Agreement

Plaintiff, STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS notices the filing of the settlement
agreement and signature pages [Composite Exhibit A1-A3] as was
electronically served and signed by the parties on December 21, 2011
and December 22, 2011.

Respectfully Submitted,

PAMELA JO BONDI
ATTORNEY GENERAL

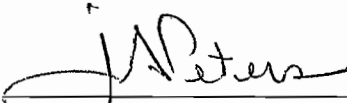


James A. Peters
Special Counsel
Fla. Bar # 230944
jim.peters@myfloridalegal.com

Office of the Attorney General
PL-01, The Capitol
Tallahassee, FL 32399-1050
Ph: 850-414-3300
Fax: 850-414-9650

Certificate of Service

I certify that the foregoing was served electronically and by U.S. mail to Danielle Barger, Barger Law Group, APC, 12770 High Bluff Dr., Suite 380, San Diego, California 92130 and James Morel, Galaxy Group LA LLC, 311 North Robertson Blvd., Ste. 371, Beverly Hills, CA. 90211 on December 22, 2011.



Attorney

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STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS,

Plaintiff,

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CASE NO: 2011 CA 3249
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ENGAGE BDR, INC., and
GALAXY GROUP LA, LLC
California Corporations,
d/b/a LOTTOGOPHER.COM

Defendants.

SETTLEMENT AGREEMENT FOR ENTRY OF AGREED JUDGMENT

Plaintiff, STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS and ENGAGE BDR, INC., and GALAXY GROUP, LLC, and their corporate affiliates, (hereinafter "Defendants") pursuant to the signatures of their respective representatives below, have agreed: (a) to settle all jurisdictional and Florida Deceptive and Unfair Trade Practices, Chapter 501, Part II, Fla. Stat. (2011), issues presented in Plaintiff's December 1, 2011, amended complaint on the terms stated below, and (b) to present this Settlement

Agreement for Entry of the attached Agreed Judgment (Settlement Agreement) to the Court with these parties' joint request for entry of the agreed judgment.

I. CASE NO. 2011-CA-3249

1. Jurisdiction and Venue

This Court has subject-matter jurisdiction, pursuant to the provisions of Chapter 501, Part II, Fla. Stat., specifically section 501.207, which outlines the remedies of the Office of the Attorney General as the enforcing authority.

The signatories to this Settlement Agreement agree that venue for any and all disputes between them, including matters arising from this Settlement Agreement, will be in Tallahassee, Leon County, Florida.

2. Allegations

a. Beginning prior to November 2011 and continuing to present, Galaxy Group LA, LLC operated a website with the domain name "LottoGopher.com."

b. Engage BDR, Inc. was the web developer hired by Galaxy Group LA, LLC to create the site "LottoGopher.com." Engage BDR, Inc. claimed to be a 30% owner of Lottogopher in the LottoGopher website promotions.

c. LottoGopher's website touts LottoGopher.com as "a messenger service that provides storage and handling of lottery tickets that our subscribers legally own." Consumers may sign up for a ten-day, monthly, or annual membership. Members are permitted to order lottery tickets in Florida for specific "jackpots" or, with a renewing membership option, to automatically play in every drawing. The renewing membership option allows members to join an online group to pool tickets with up to 100 other players.

d. LottoGopher's website promises "[a]s a free service to our members, we get your tickets from the store and hold them in our secure storage facility. Easily manage winnings in your online account."

e. LottoGopher's website contains "Terms and Conditions" which include:

When you enter Groups and your Group's tickets win, your account balance is increased (unless a jackpot is hit - see Jackpots). Winnings are distributed to each entry in the Group equally per drawing. Winnings are distributed after the lottery drawing occurs. See 'Jackpots' for further explanation of handling jackpot winnings. LottoGopher.com will attempt to inform you of any winnings you may win. However; it is ultimately your responsibility to notify LottoGopher.com of any winnings and to do so within the time limits that each individual lottery designates to collect a prize on a winning ticket. Winnings under \$600 will be automatically collected by LottoGopher.com and will be credited to your account. If your winnings are \$600 or greater LottoGopher.com may forward you an official lottery claim form, which you will fill out, sign, and return to us. We will use the form and your ticket to collect your winnings.

3. Scope of Agreed Judgment and Agreement

The injunctive provisions of this Settlement Agreement are entered into pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Fla. Stat. (2011), relating to the offering for sale or assignment of lottery tickets over the internet, which were alleged at all times material

applicable to ENGAGE BDR, INC. and GALAXY GROUP LA, LLC. Chapter 501, Part II was also applicable to ENGAGE BDR, INC. and GALAXY GROUP LA, LLC's officers, directors, employees, agents, servants, representatives, as well as all persons, corporations partnerships and other entities acting in concert or participating in any acts that violate Chapter 501, Part II, Fla. Stat. This Settlement Agreement applies to ENGAGE BDR, INC. and GALAXY GROUP LA, LLC d/b/a LOTTOGOPHER.COM.

II. PARTIES

1. Defendants

As used in this document, the term "Defendants" in this Settlement Agreement shall include ENGAGE BDR, INC. and GALAXY GROUP LA, LLC d/b/a/ LOTTOGOPHER.COM. Both ENGAGE BDR, INC. and GALAXY GROUP LA, LLC are California corporations.

2. Plaintiff

The term "Plaintiff" in this Settlement Agreement shall be the State of Florida, Office of the Attorney General, Department of Legal Affairs.

III. INJUNCTIVE TERMS

Defendants agree to immediately and forever cease)
solicitations for subscriptions to assign or transfer
the rights to claim Florida lottery prizes and claiming
Florida lottery prizes for Lottogopher. Galaxy Group
LA, LLC agree that:

1. Lottogopher shall file and serve, within 7
calendar days of the execution of this agreement, an
affidavit attesting that prizes for all winning tickets
have been processed and paid and that all membership
and ticket purchase prices have been refunded,
including the date(s) and how and by whom these events
were accomplished;

2. Lottogopher shall secure all Florida Lottery
tickets and communications from and to its Florida
subscribers;

3. Lottogopher shall present its subscriber and
restitution records to Plaintiff in Tallahassee,
Florida, within 30 business days of the last signature
date on this Settlement Agreement;

4. Lottogopher shall immediately and forever cease claims on its Florida subscribers' winnings and forfeiting subscribers' balances and immediately reinstate to its subscribers all winnings and balances that have been claimed or forfeited by Defendant;

5. Lottogopher shall post this settlement agreement immediately on its Website upon execution by all parties, and for 60 days thereafter, and shall forward to Plaintiff by electronic copy for 60 calendar days after the Website posting all correspondence from Florida residents regarding its Florida promotion, subject to extension by motion if Plaintiff concludes that the volume and nature of the correspondence warrants;

6. Lottogopher shall publish clearly and conspicuously on the LottoGopher website (LottoGopher.com) within two business days of the last signature date on this Settlement Agreement the name, address and phone number of the corporate parent(s) and corporate holder(s) of Lottogopher.com;

7. Lottogopher shall file with the court, within three business days of the last signature date on this Settlement Agreement, a copy of Galaxy Group LA, LLC's website publication of this Settlement Agreement.

IV. MONETARY PROVISIONS

1. Galaxy Group LA, LLC agrees to pay, within seven days of the last signature date on this Settlement Agreement, full restitution of membership fees to all of its subscribers for Florida lottery games.

2. Galaxy Group LA, LLC agrees to pay Plaintiff's attorneys fees and costs in the sum of \$3,500.00 within sixty business days of the last date on this Settlement Agreement. Plaintiff reserves the right to move for additional attorney fees, costs, and other monetary relief if further examination by Plaintiff is required and if Plaintiff determines and demonstrates to the Court that the terms of this agreement were not fully and timely accomplished.

V. RECORDS AND COMPLIANCE

Provision for Record Retention

For a period of two years after the last signature date on this Settlement Agreement, Galaxy Group LA, LLC shall maintain and make available to the Office of the Attorney General, upon its written request, all books, records and other documents relating in any way to the subject of this agreement. Any such records request by the Office of the Attorney General shall be made available for inspection within twenty (20) days. Galaxy Group LA, LLC shall honor any request from the Office of the Attorney General to make such records available without further legal process, or provide a written explanation as to why the records are not available.

VI. GENERAL AND AMINISTRATIVE PROVISIONS

Reservation of Jurisdiction, Modification

1. The parties agree that jurisdiction shall be retained by the Circuit Court for the Second Judicial Circuit in and for Leon County, Florida, for the

purpose of enabling any party to this Settlement Agreement to apply to the Court at any time for further orders regarding enforcement, modification, construction and for such and direction as might be necessary or appropriate for the enforcement of any of the terms of this Settlement Agreement.

2. Jurisdiction shall be retained regarding sanctions arising from any violations of the provisions hereof, and completion of the injunctive provisions of this Settlement Agreement.

3. The parties by stipulation may agree to a modification of the Agreed Judgment, which agreement shall be presented to the Court for consideration, provided that the parties may jointly agree to a modification only by a written instrument signed by or on behalf of both the Office of the Attorney General and Defendants.

Future Actions

4. The Defendants shall abide by the financial and injunctive terms of the Settlement Agreement.

5. The Office of the Attorney General may institute any action or proceeding to enforce the terms of the Settlement Agreement.

6. Defendants acknowledge that a violation of the injunctive terms of the Settlement Agreement shall be evidence of a violation of the applicable state law(s) by that non-compliant defendant in a proceeding initiated by the Office of the Attorney General.

7. This Settlement Agreement shall specifically discharge James Morel, individually, from any further financial obligations to the Office of the Attorney General. This Settlement Agreement, except as specifically stated herein, barring any breach of the same, will constitute a complete general release by the Office of the Attorney General to ENGAGE BDR, INC. and GALAXY GROUP LA, LLC.

Compliance with and Application of State Law

8. Nothing in this Settlement Agreement will be construed to limit the authority of the Attorney General to protect the interests of the State of

Florida or the people of the State of Florida. Accordingly, nothing herein relieves Defendants of their continuing duty to comply with applicable laws of the State nor constitutes authorization by the State for Defendant to engage in acts and practices prohibited by such laws. This Settlement Agreement shall be governed by the laws of the State of Florida.

Non-Admission

9. This Settlement Agreement shall not be construed as, or deemed to be evidence of, an admission or concession on the part of Defendants of any liability or wrongdoing whatsoever, which is hereby expressly denied and disclaimed by Defendant. This Settlement Agreement is entered into solely for the purpose of compromise, and in considerations of the expenses connected with protracted litigation.

No Change to Substantive Rights

10. Nothing herein shall be construed to waive, modify or change any substantive rights of other persons or entities against Defendant with respect to

the acts and practices not covered by the terms of this Settlement Agreement.

VII. CONSENT TO AGREED JUDGMENT

1. ENGAGE BDR, INC. and GALAXY GROUP LA, LLC acknowledge that they have read or had ample opportunity to read the foregoing Settlement Agreement.

2. ENGAGE BDR, INC. and GALAXY GROUP LA, LLC admit the jurisdiction of the Court and consent to the entry of this Settlement Agreement and Agreed Judgment.

3. ENGAGE BDR, INC. and GALAXY GROUP LA, LLC state that no promise of any kind or nature whatsoever (other than the written terms of this Settlement Agreement) was made to them to induce them to enter into this Settlement Agreement, that they have entered into this Settlement Agreement voluntarily, and that this Settlement Agreement constitutes the entire agreement between the parties.

4. James Morel represents that he is an officer of GALAXY GROUP LA, LLC, a California limited liability company, and that, as such, has been authorized to

enter into this Settlement Agreement for and on behalf of GALAXY GROUP LA, LLC and its corporate affiliates.

5. Danielle Barger represents that she is the general counsel of ENGAGE BDR, INC., a California corporation, and that, as such, has been authorized to enter into this Settlement Agreement for and on behalf of ENGAGE BDR, INC., and its corporate affiliates.

6. Forbearance: So long as this Settlement Agreement is not breached by Engage BDR, Inc. or Galaxy Group LA, LLC, as provided herein, the Office of the Attorney General agrees to forbear from pursuing any litigation or proceeding, or the attempt to collect or enforce any refund or claim of any customer of LOTTOGOPHER.COM or exercise any other remedies available to it, or pursue any claim for liability, either administratively or otherwise as against ENGAGE BDR, INC. and GALAXY GROUP LA, LLC or participate in proceedings in any court or administrative hearing with regard to each. Any breach of this agreement by either Engage BDR, Inc. or Galaxy Group LA, LLC shall not

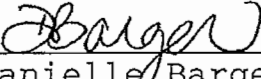
entitle Plaintiff to pursue any claim for liability against the non breaching party.

AGREED TO BY:

PAMELA JO BONDI
ATTORNEY GENERAL

James A. Peters
Special Counsel

Date: December _____, 2011



Danielle Barger
General Counsel
Barger Law Group, APC
12770 High Bluff Dr.,
Suite 380
San Diego, California
92130

For ENGAGE BDR, INC.,
d/b/a LOTTOGOPHER.COM

December 21, 2011

James Morel
Managing Member
Galaxy Group LA LLC
311 North Robertson Blvd
Ste 371
Beverly Hills,
CA 90211

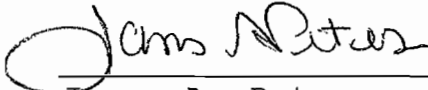
For GALAXY GROUP LA, LLC
d/b/a LOTTOGOPHER.COM

December _____, 2011

entitle Plaintiff to pursue any claim for liability against the non breaching party.

AGREED TO BY:

PAMELA JO BONDI
ATTORNEY GENERAL



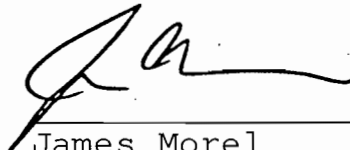
James A. Peters
Special Counsel

Date: December 22, 2011

Danielle Barger
General Counsel
Barger Law Group, APC
12770 High Bluff Dr.,
Suite 380
San Diego, California
92130

For ENGAGE BDR, INC.,
d/b/a LOTTOGOPHER.COM

December _____, 2011



James Morel
Managing Member
Galaxy Group LA LLC
311 North Robertson Blvd
Ste 371
Beverly Hills,
CA 90211

For GALAXY GROUP LA, LLC
d/b/a LOTTOGOPHER.COM

December _____, 2011