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LETTER AGREEMENT

Re: *FTC, et al. v. Equinox International Corporation, et al.*,
CV-S-99-0969-JBR-RLH

This Agreement sets forth the understanding between the Plaintiffs and the Intervenor, on the one hand, and Defendant Bill Gould on the other hand, with respect to the agreed upon return of capital to Gould pursuant to the terms set forth in the Order Preliminarily Approving Stipulated Final Judgment and Class Action Settlement and Setting Fairness Hearing in the above-referenced matter. Government plaintiffs have authorized David C. Fix to sign this letter on their behalf.

It is agreed that in addition to the two Florida homes, reasonable household furnishings in such homes (no single furnishing to exceed \$5,000 in value), one 1997 Range Rover, debentures in Sand Hill Capital, one wristwatch not to exceed approximately \$11,000 in value, and Gould's clothing and other personal effects not to exceed \$50,000 in value, Gould will receive one hundred percent of any interest attributable to Bill Gould in the IRC § 419A(f)(6) Welfare Benefit Trust established by and for the benefit of the employees of BG Management, Inc. (hereafter "§ 419 Trust") up to a limit of \$8,000,000 cash net of all costs, expenses, taxes, and fees of every type and nature whatsoever. It is understood by the parties to this agreement that immediately after the Receiver takes ownership and control of BG Management, Inc. the § 419 Trust will be reduced to cash, and that Gould is entitled to receive when that event occurs a total of \$8,000,000 cash net of all costs, expenses, taxes and fees of every type and nature whatsoever that are incurred as a result of reducing the § 419 Trust to cash. The Receiver and Gould agree that the Receiver shall take all reasonable steps necessary to insure that the § 419 Trust yields the maximum amount of cash. In the event that the § 419 Trust yields less than \$8,000,000 cash to Gould net of all costs, expenses, taxes, and fees of every type and nature whatsoever, the parties agree that the Receiver shall return additional capital to Gould, as soon as practicable, so that Gould receives \$8,000,000 cash net of all costs, expenses, taxes and fees of every type and nature whatsoever. If reducing the § 419 Trust to cash yields more than \$8,000,000 cash to Gould net of all costs, expenses, taxes and fees of every type and nature whatsoever, the Receivership estate will receive any such amount in excess of \$8,000,000.

At Gould's request, the Receiver shall advance to Gould against the proceeds from the § 419 Trust \$200,000 within seventy-two (72) hours of Gould's compliance with Subsection VIII.A of the Order Preliminarily Approving Stipulated Final Judgment and Class Action Settlement and Setting Fairness Hearing, and an additional \$200,000 per month until Gould receives the proceeds from the cashing out of the § 419 Trust. The amount of any advances shall be deducted from the \$8,000,000 payment net of all costs, expenses, taxes, and fees of every type and nature whatsoever that Gould is to receive as set forth above.

Johnnie B. Rawlinson -4/20/00
Johnnie B. Rawlinson
United States District Judge

FEDERAL TRADE COMMISSION
DEBRA A. VALENTINE
General Counsel

David C. Fix

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