



STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

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In the Matter of

**DOUGLAS PAUL COX, UNIVERSAL LIFE
RESOURCES, UNIVERSAL LIFE
RESOURCES, INC., ULR INSURANCE
SERVICES, INC. and BENEFITS COMMERCE,**

**STIPULATION
No. 2004-0125-C**

Respondents.

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WHEREAS, Respondent Douglas Paul Cox is licensed as an agent under Section 2103(a) of the New York Insurance Law ("Insurance Law") and is President and Chief Executive Officer of Respondents ULR Insurance Services, Inc. and Benefits Commerce, and is President and Chief Executive Officer of the General Partner of Respondent Universal Life Resources; and

WHEREAS, on or about November 12, 2004, the Attorney General of the State of New York commenced a civil action in the Supreme Court of the State of New York, County of New York, entitled *The People of the State of New York by Eliot Spitzer, Attorney General of the State of New York v. Universal Life Resources, dba ULR; Universal Life Resources, Inc., dba ULR Insurance Services, Inc.; Douglas P. Cox; and Benefits Commerce*, Index No. 403790/04 (the "Civil Action"), alleging that Respondents engaged in fraudulent and anti-competitive practices in connection with the brokering of insurance business in violation of the New York Executive Law, the General Business Law and common law; and

WHEREAS, the Civil Action has been resolved pursuant to an Agreement between the Attorney General of the State of New York, the Superintendent of Insurance and Respondents, dated December 30, 2005 ("Settlement Agreement"), a copy of which is annexed hereto; and

WHEREAS, the attached Citation, dated November 12, 2004, charging Respondents with using fraudulent, coercive and/or dishonest practices, demonstrating untrustworthiness, violating section 340 of the General Business Law, and engaging in determined violations of the Insurance Law, was duly served on the Respondents; and

WHEREAS, Respondents have been advised and are aware of their statutory right to notice and a hearing on said charges; and

WHEREAS, Respondents desire to resolve said charges by entering into a Stipulation on the terms and conditions hereinafter set forth in lieu of proceeding with a hearing in this matter; NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED by and between the Respondents and the New York State Insurance Department ("Department"), subject to the approval of the Superintendent of Insurance, as follows:

1. Respondents waive their right to further notice and hearing in this matter, and agree to fully comply with all of the terms and conditions of the Settlement Agreement.

2. Respondents agree to cooperate fully in all Department examinations of Respondents and in all Department investigations of current or former employees of Respondents or licensees of the Department.

3. Respondents acknowledge that this Stipulation may be used against them in any future Department proceeding if there is reason to believe the terms of the Settlement Agreement or this Stipulation have been violated by Respondents, or if the Department institutes disciplinary action against any Respondent for any reason other than the acts considered herein.

4. The proceeding initiated by the attached Citation is hereby resolved and discontinued by the Department.

Dated: New York, New York
January 3, 2006

NEW YORK STATE INSURANCE
DEPARTMENT

By:



Jon G. Rothblatt
Principal Attorney

DOUGLAS P. COX, on Behalf of Himself
in His Individual Capacity



Douglas P. Cox

THE FOREGOING STIPULATION IS HEREBY APPROVED.

Dated: New York, NY
January 3, 2006

HOWARD MILLS
Superintendent of Insurance

By: Audrey Samers
Audrey Samers
Deputy Superintendent & General Counsel

SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of December 30, 2005, is made and entered into by and among the following Parties: (i) the State of New York, on behalf of itself and as *parens patriae* on behalf of natural persons residing in New York, by and through the Attorney General of the State of New York (collectively, the "Attorney General"); (ii) the Superintendent of the New York State Insurance Department (the "Superintendent"); and (iii) Douglas P. Cox, individually, ULR Insurance Services, Inc., a California corporation, by Douglas P. Cox, its President and Chief Executive Officer, Universal Life Resources, a California limited partnership, by ULR Insurance Services, Inc., a California corporation, its general partner, by Douglas P. Cox, its President and Chief Executive Officer, and Benefits Commerce, a California corporation, by Douglas P. Cox, its President and Chief Executive Officer (collectively, "Cox"). The Settlement Agreement is intended by the Parties to fully, finally and forever resolve--subject to the terms and conditions set forth below and as authorized by law--the causes of action alleged in the complaint filed in the Supreme Court of the State of New York, New York County (the "Court") in an action entitled, *The People of the State of New York by Eliot Spitzer, Attorney General of the State of New York v. Universal Life Resources, dba ULR; Universal Life Resources, Inc., dba ULR Insurance Services, Inc.; Douglas P. Cox; and Benefits Commerce* (Index Number 403790/04) (the "Civil Action"); and the citation filed by the Superintendent against Douglas P. Cox in the proceeding entitled, *In the Matter of Douglas Paul Cox, et al.*, Docket No. 2004-0125-C. (the "Citation").

BACKGROUND

1. On November 12, 2004, the Attorney General commenced the Civil Action against Cox pursuant to Executive Law Section 63 (12), the Donnelly Act (Gen. Bus. Law § 340 *et*

seq.) and the common law of the State of New York (the "Complaint"), and has conducted an investigation related thereto (the "Attorney General's Investigation"). On the same day, the Superintendent issued the Citation against Cox pursuant to Section 2110 of the Insurance Law and has conducted an investigation related thereto (the "Superintendent's Investigation").

2. The Complaint in the Civil Action and the Citation each alleges that Cox unlawfully deceived its clients by (a) steering its clients' business to favored insurance companies that paid him contingent commission compensation and communication fees, and (b) receiving this compensation from insurance companies without the knowledge and consent of its clients.
3. After commencement of the Civil Action and issuance of the Citation, Cox has cooperated with the Attorney General's and Superintendent's Investigations, and has adopted, and under the Settlement Agreement will continue to adopt, a number of business reforms that will govern its conduct and the conduct of its employees.
4. Cox has determined it to be in Cox's best interest to resolve this dispute and enter into the Settlement Agreement. Without admitting or denying any claim in the Complaint or Citation, Cox is entering into this Agreement prior to any court or administrative body making any findings of fact or conclusions of law pursuant to any allegations by the Attorney General or Superintendent. The Superintendent and the Attorney General find the relief and agreements contained in the Settlement Agreement appropriate and in the public interest.

MONETARY PAYMENT (RELIEF)

5. Cox, contemporaneously with the execution of this Settlement Agreement, shall pay two million dollars into a fund (the "Fund") to be paid to Cox's policyholder clients who retained Cox to place, renew, consult on or service group insurance where such placement resulted in contingent commissions or overrides or the payment of communication fees. Cox shall retain, at Cox's expense, an escrow agent to administer the Fund. Cox agrees that the terms of the escrow agreement between Cox and the escrow agent shall not be inconsistent with the terms of this Settlement Agreement. All of the money paid into the Fund and any interest earned thereon shall be paid to such policyholder clients pursuant to this Settlement Agreement. No portion of the Fund shall be considered a fine or a penalty. This sum is in full satisfaction of Cox's obligations hereunder, and neither the Superintendent nor the Attorney General shall seek to impose on Cox any other financial obligation or liability related to the Complaint or the Citation.
6. Cox shall calculate the amount of money that each client who retained Cox to place, renew, consult on or service group insurance with inception or renewal dates between January 1, 1999 through December 31, 2004 where such placement, renewal, consultation or servicing resulted in contingent commissions or overrides or payments of communication fees to Cox between January 1, 1999 through December 31, 2004 (the "Relevant Period") is eligible to receive.
7. Promptly following the execution of this Agreement, Cox will provide the Superintendent and the Attorney General with a report summarizing the following calculation: (i) the dollar amount of contingent commission or override revenue or communication fees paid to Cox during the Relevant Period that is attributable to each client; (ii) the percentage

share of contingent commission or override revenue or communication fees attributable to the client; and (iii) the client's allocated share of the Settlement Fund (the allocated share is calculated as the percentage of contingent commission or override revenue or communication fees attributed to each client multiplied by two million). By February 1, 2006, Cox will send a notice, subject to the approval of the Superintendent and the Attorney General, to each client eligible to be paid from the Fund, setting forth (i) – (iii) above. The notice shall also state that the amount paid may increase if there is less than full participation by eligible clients in the Fund.

8. Clients eligible to receive a distribution from the Fund shall have until May 1, 2006, to request a distribution. Eligible clients who voluntarily elect to receive a cash distribution (the "Participating Policyholders") shall tender a release in the form attached hereto as Exhibit 1. In the event that any eligible client elects not to participate or otherwise does not respond (the "Non-Participating Policyholders"), that client's allocated share may be used by Cox to satisfy any pending or other claims asserted by policyholders relating to these matters. In no event shall a distribution be made from the Fund to any Non-Participating Policyholder until all Participating Policyholders have been paid the full aggregate amount due as calculated pursuant to paragraph 7 above; nor shall the total payments from the Fund to any Non-Participating Policyholder exceed 80% of that Non-Participating Policyholder's allocated share. If any funds remain in the Fund as of December 31, 2007, any such funds shall be distributed on a pro rata basis to the Participating Policyholders.
9. In no event shall any of the funds in the Fund be used to pay attorneys' fees.
10. On June 1, 2006, Cox shall pay proportionally to each Participating Policyholder as much of that Participating Policyholder's aggregate share of the Fund as possible with the

monies then available in the Fund pursuant to a calculation approved by the Superintendent and the Attorney General. Within forty-five (45) days of payment from the Fund, Cox shall file a report with the Superintendent and the Attorney General, certified by Douglas P. Cox, listing all amounts paid from the Fund.

11. Cox represents that it will not submit any filing for bankruptcy under the United States Bankruptcy Code before the elapse of 220 days from the date of this Settlement Agreement.
12. Notification of any proposed bankruptcy filing by Cox during the period between the date of this Settlement Agreement and December 31, 2007, shall be given to the Superintendent and the Attorney General at the earliest practicable date and no later than such notification is given to any other creditor.
13. If a case is commenced with respect to Cox under the United States Bankruptcy Code, or a trustee, receiver or conservator is appointed under any similar law, and if a final order of a court of competent jurisdiction is entered determining that the payment to the Fund or any portion thereof, by or on behalf of Cox, is a preference, a voidable transfer, a fraudulent transfer or a similar transaction, and if pursuant to an order of a court of competent jurisdiction monies paid by Cox pursuant to the Settlement Agreement either are returned to Cox or the trustee, receiver or conservator appointed by a court in any bankruptcy proceeding or similar proceeding with respect to Cox, such return of monies shall constitute a failure of consideration such that the Settlement Agreement, Release, Consent Decree and Notice of Discontinuance of Action shall be deemed null and void without further action or notice by the Attorney General, and the parties may assert any and all rights that could have been asserted immediately prior to execution of the Settlement Agreement.

BUSINESS REFORMS

Within 30 days of executing of the Settlement Agreement, Cox shall undertake the following business reforms on a prospective basis:

Permissible Forms of Compensation

14. In connection with insurance brokerage, agency, producing, consulting and other services in placing, renewing, consulting on or servicing of any insurance policy, Cox shall accept only: a specific fee to be paid by the client; a specific percentage commission on premium to be paid by the insurance company set at the time of purchase, renewal, placement or servicing of the insurance policy; or a combination of both. Cox shall accept no such commissions unless, before the binding of any such policy: (a) Cox in plain, unambiguous written language fully discloses such commissions, in either dollars or percentage amounts; and (b) the client consents in writing. Nothing in this paragraph relieves Cox of complying with additional requirements imposed by law, including the requirements for written documentation relating to fees paid directly by clients. Cox may not retain interest earned on premiums collected on behalf of insurance companies without prior notification to the client, and only when such retention is consistent with the requirements of, and is permitted by, applicable law.
15. Cox shall not hereafter, except as set forth in paragraph 14 above, directly or indirectly accept or request any thing of value from an insurance company including, but not limited to, money, credits, loans, forgiveness of principal or interest, vacations, prizes, gifts or the payment of employee salaries or expenses (hereinafter collectively "Compensation").

Prohibition of Contingent Compensation

16. In placing, renewing, consulting on or servicing of any insurance policy, Cox shall not directly or indirectly accept from or request of any insurance company any Contingent Compensation. For purposes of the Settlement Agreement, Contingent Compensation is any Compensation contingent upon Cox's: (a) placing a particular number of policies or dollar value of premium with the insurance company; (b) achieving a particular level of growth in the number of policies placed or dollar value of premium with the insurance company; (c) meeting a particular rate of retention or renewal of policies in force with the insurance company; (d) placing or keeping sufficient insurance business with the insurance company to achieve a particular loss ratio or any other measure of profitability; (e) providing preferential treatment in the placement process, including but not limited to the giving of last looks, first looks, rights of first refusal, or limiting the number of quotes sought from insurance companies for insurance placements; or (f) obtaining anything else of material value from an insurance company.

Prohibition of Communication Fees

17. Cox shall not directly or indirectly accept from or request of any insurance company any Compensation for providing communication services in connection with the placing, renewing, consulting or servicing of any insurance policy.

Prohibition of "Pay-To-Play" Arrangements

18. In placing, renewing, consulting on or servicing any insurance policy, Cox shall not directly or indirectly accept from or request of any insurance company any Compensation in connection with Cox's selection of insurance companies from which to solicit bids for its clients.

Mandated Disclosures to Clients

19. Cox, in placing, renewing, consulting on or servicing of any insurance policy, shall in writing: (a) prior to binding, disclose to each client all quotes and indications sought and all quotes and indications received by Cox in connection with the coverage of the client's risk with all terms, including but not limited to any Cox interest in or contractual agreements with any of the prospective insurance companies, and all Compensation to be received by Cox for each quote, in dollars if known at that time or as a percent of premium if the dollar amount is not known at that time, from any insurance company or third party in connection with the placement, renewal, consultation on or servicing of insurance for that client; (b) provide disclosure to each client and obtain written consent in accordance with paragraph 14 of the Settlement Agreement for each client; and (c) disclose to each client no later than 30 days after the end of each calendar year all Compensation received or contemplated to have been received during the preceding calendar year from any insurance company or third party in connection with the placement, renewal, consultation on or servicing of that client's policy.

Standard of Conduct

20. Cox shall implement company-wide written standards of conduct regarding Compensation from insurance companies, consistent with the terms of the Settlement Agreement, which implementation shall include, *inter alia*, appropriate training of relevant employees, including but not limited to training in business ethics, professional obligations, conflicts of interest, anti-trust and trade practices compliance, and record keeping.

21. Cox shall not place its own financial interest ahead of its clients' interests in determining the best available insurance product or service for its clients. Cox shall communicate with its clients in sufficient detail to enable them to make informed choices on insurance products or services, and shall provide complete and accurate information to prospective and current clients on all proposals and bids received from insurance companies, including the amount of Compensation or other things of value that were or will be paid to Cox by each insurance company.
22. Cox will acquire and maintain proper licensing as required by law in regard to the renewing, placing, consulting or servicing of any insurance policy.

Prohibition Against Violating New York Law

23. Cox shall not directly or indirectly engage or attempt to engage in violations of Executive Law § 63 (12), the Donnelly Act (Gen. Bus. Law § 340 et seq.) and New York Insurance Law and regulations or the common law of New York.

MONITORING COMPLIANCE AND REPORTING

24. To insure Cox's compliance with the Settlement Agreement, Cox will retain by March 1, 2006, at its own expense, a monitor acceptable to the Superintendent and the Attorney General to oversee Cox's activities in the placing, renewing, consulting on and servicing of any insurance policy for a period of five years commencing from the date of execution of the Settlement Agreement.
25. For a period of five years, commencing on the date of the execution of the Settlement Agreement, Cox shall file with the monitor quarterly reports on compliance with the standards of conduct regarding the Compensation arrangements, which shall include the following information: (a) all Compensation received directly or indirectly by Cox from

the placing, renewing, consulting on or servicing of any insurance policy; (b) the sources of all Compensation received directly or indirectly by Cox from the placing, renewing, consulting on or servicing of any insurance policy; (c) copies of all of Cox's filings with state, federal and foreign tax authorities; (d) copies of all of Cox's bank account statements, brokerage account statements, mutual fund account statements and partnership distribution statements; (e) description and location of any real property, wherever located, in which Cox has a direct or indirect ownership interest; (f) the name and address of any Family Member of Douglas P. Cox who directly or indirectly receives Compensation from the placing, renewing, consulting on or servicing of any insurance policy; (g) the source of any Compensation received directly or indirectly by any such Family Member; (h) a record of all complaints received by Cox concerning any Compensation directly or indirectly received by him from an insurance company; and (i) any additional information requested by the monitor related to the placing, renewing, consulting on or servicing of any such insurance policy. For the purposes of the Settlement Agreement, the term "Family Member" shall mean any natural person within three degrees of affinity or consanguinity of Douglas P. Cox, as well as any natural person living in the same household as Douglas P. Cox or the same household of any Family Member. Cox shall submit with each quarterly report an attestation verifying the accuracy of the information contained in the report.

26. Cox shall be subject to periodic examinations by the monitor. Cox shall fully cooperate with any such examination. Cox shall additionally provide the monitor all relevant data upon request by the monitor in electronic or computerized format.
27. The monitor shall report exclusively to the Superintendent and the Attorney General. The monitor shall communicate and consult with the Superintendent and the Attorney

General regarding Cox's compliance with the terms of the Settlement Agreement. Cox agrees that all communications among the monitor, the Superintendent and the Attorney General will be confidential and privileged. Nothing in this paragraph precludes the Superintendent and the Attorney General from submitting into evidence at any legal or administrative proceeding, to the extent permitted by law, any report or analysis of the monitor concerning Cox's compliance with the Settlement Agreement.

COOPERATION WITH THE SUPERINTENDENT

28. Cox shall fully cooperate with the Superintendent in any investigations or examinations of Cox. Cox shall additionally provide all relevant data upon request by the Superintendent in electronic or computerized format. The Superintendent may coordinate such investigations or examinations with other states.
29. Cox shall fully comply with the terms of the Settlement Agreement. If Cox violates any term of the Settlement Agreement in any material respect, as reasonably found by the Superintendent, all licenses issued to Douglas P. Cox by the New York State Insurance Department ("Department") will be summarily suspended, pending an administrative hearing to determine if the finding of a violation of the Settlement Agreement should be upheld and whether any other relief, including revocation of all licenses issued to Douglas P. Cox by the Department, should be imposed.

COOPERATION WITH THE ATTORNEY GENERAL

30. Cox shall continue to fully and promptly cooperate with the Attorney General with regard to his Investigation, and related proceedings and actions, of any other person, corporation or entity, including but not limited to Cox's current and former employees, concerning the

insurance industry. Cox shall use its best efforts to ensure that all its officers, directors, employees, and agents also fully and promptly cooperate with the Attorney General in his Investigation and related proceedings and actions. Cooperation shall include without limitation: (1) production voluntarily and without service of subpoena of any information and all documents or other tangible evidence in Cox's possession reasonably requested by the Attorney General, and any compilations or summaries of information or data that the Attorney General reasonably requests be prepared; (2) without the necessity of a subpoena, having Cox's officers, directors, employees and agents attend any proceedings at which the presence of any such persons is requested by the Attorney General and having such persons answer any and all inquiries that may be put by the Attorney General (or any of the Attorney General's deputies, assistants or agents) to any of them at any proceedings or otherwise ("proceedings" include but are not limited to any meetings, interviews, depositions, hearings, grand jury hearing, trial or other proceedings); (3) fully, fairly and truthfully disclosing all information and producing all records and other evidence in Cox's possession relevant to all inquiries reasonably made by the Attorney General concerning any fraudulent or criminal conduct whatsoever about which he has any knowledge or information; (4) in the event any document is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by Cox indicating: a) the type of document; b) the date of the document; c) the author and recipient of the document; d) the general subject matter of the document; e) the reason for withholding the document; and f) the Bates number or range of the withheld document. The Attorney General may challenge such claim in any forum of his choice and may, without limitation, rely on all documents or communications theretofore produced or the contents of which have been described by Cox, its officers, directors,

employees, or agents; and (5) Cox shall not jeopardize the safety of any investigator or the confidentiality of any aspect of the Attorney General's Investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the Investigation, without the consent of the Attorney General. Nothing herein shall prevent Cox from providing such evidence to other regulators, or as otherwise required by law.

31. Cox shall comply fully with the terms of the Settlement Agreement. If Cox violates the terms of ¶¶ 25 and 30 of the Settlement Agreement in any material respect, as determined in the discretion of the Attorney General: (1) the Attorney General may pursue any action, criminal or civil, against any person or entity for any violation of law, as authorized by law, without limitation; (2) as to any criminal prosecution brought by the Attorney General for violation of law committed within six years prior to the date of the Settlement Agreement or for any violation committed on or after the date of the Settlement Agreement, Cox shall waive any claim that such prosecution is time barred on grounds of speedy trial or speedy arraignment or the statute of limitations.

REPRESENTATIONS AND WARRANTIES OF COX

Cox represents and warrants to the Superintendent and the Attorney General as follows:

32. Universal Life Resources, a California Limited Partnership, is a partnership duly organized, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to execute and perform its obligations under the Settlement Agreement. Such execution and performance by Universal Life Resources, a California Limited Partnership, has been duly authorized by its sole general partner, ULR Insurance Services, Inc.

33. ULR Insurance Services, Inc. is a corporation, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to execute and perform its obligations under the Settlement Agreement. Such execution and performance by ULR Insurance Services, Inc. has been duly authorized by appropriate corporate action.
34. Benefits Commerce is a corporation, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to execute and perform its obligations under the Settlement Agreement. Such execution and performance by Benefits Commerce has been duly authorized by appropriate corporate action.
35. Douglas P. Cox has full authority to execute the Settlement Agreement on behalf of ULR Insurance Services, Inc., Universal Life Resources, a California Limited Partnership and Benefits Commerce.
36. The financial information of Cox provided to the Superintendent and the Attorney General during the course of the Attorney General's and Superintendent's Investigations and during the negotiations of the Settlement Agreement does not contain any untrue statement of a material fact or omits to state any material fact necessary to make the financial information provided not misleading.
37. Douglas P. Cox, ULR Insurance Services, Inc., Universal Life Resources, a California Limited Partnership and Benefits Commerce each intend to be jointly and severally bound to the terms and obligations of the Settlement Agreement.

NOTICES

38. All notices that are required or permitted under the Settlement Agreement shall be in writing and shall be sufficient if personally delivered or sent by certified or registered

mail, facsimile transmission or overnight courier. Any notices shall be deemed given upon the earlier date of when received, or the third day after the date when sent by registered or certified mail or the day after the date when sent by overnight courier to the address below or by facsimile to the number below:

For Douglas P. Cox, ULR Insurance Services, Inc., Universal Life Resources, a California Limited Partnership and Benefits Commerce:

12264 El Camino Real, Suite 303,
San Diego, CA 92130
858-414-5373
858-350-7220

with a copy to:

Patterson Belknap Webb & Tyler LLP
Attn: Paul Gardephe, Esq.
1133 Avenue of Americas
New York, New York 100036
212-336-2000
212-336-2222 (facsimile)

For the Superintendent:

New York State Insurance Department
Attn: Deputy Superintendent and General Counsel
25 Beaver Street
New York, New York 10004
212-480-5282
212-480-5272 (facsimile)

For the Attorney General:

Office of Attorney General, State of New York
Attn: Kermit J. Brooks, Esq.
120 Broadway
New York, New York 10271
212-416-8050
212-416-8942 (facsimile)

39. Each Party shall provide the other notification within seven days of any change in its principal address, telephone number or facsimile number. ULR Insurance Services, Inc., Universal Life Resources, a California Limited Partnership and Benefits Commerce will

provide the Superintendent and the Attorney General with notification of any change in its corporate name and any merger, dissolution, or sale of all or substantially all of its assets.

OTHER PROVISIONS

40. The Superintendent may take regulatory action to enforce the Settlement Agreement. The Superintendent may investigate or take regulatory action against any current or former Cox employee who is licensed by the Superintendent.
41. Cox shall not seek or accept, directly or indirectly, indemnification pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to the Settlement Agreement.
42. Notwithstanding the provisions contained herein, Douglas P. Cox agrees that in the event he is indicted for any felony, all licenses issued to him by the Department will be summarily suspended, pending an administrative hearing to determine if the suspension should be upheld and whether any other relief, including revocation of all licenses issued to Douglas P. Cox by the Department, should be imposed.
43. Notwithstanding the provisions contained herein, Douglas P. Cox agrees that in the event he is convicted of any felony, all licenses issued to him by the Department will be summarily revoked by the Superintendent. In such case, Douglas P. Cox waives all of his administrative and due process rights to contest the license revocation.
44. The Attorney General will promptly file a Notice of Discontinuance of Action with Prejudice, in the form attached hereto as Exhibit 2, voluntarily dismissing the Complaint with prejudice, and will not initiate a new case against Cox related to the matters set forth in the Complaint.

45. The Superintendent will promptly discontinue the administrative proceeding commenced by the Citation with prejudice, pursuant to a Stipulation in the form attached hereto as Exhibit 3, and will not initiate a new administrative proceeding against Cox related to the matters set forth in the Citation.
46. The Settlement Agreement is not intended to disqualify Cox, or any current or past employees of Cox, from engaging in any business in New York or in any other jurisdiction. Nothing in the Settlement Agreement shall relieve Cox's obligations imposed by any applicable state insurance law or regulations or other applicable law.
47. The Settlement Agreement shall not confer any rights upon any persons or entities besides the Attorney General, the Superintendent and Cox.
48. Cox shall maintain custody of, or make arrangements to have maintained, all documents and records of Cox related to this matter for a period of not less than six (6) years, to the extent that these documents and records are not in the custody of a government agency.
49. The Attorney General of the State of New York may make such application as appropriate to enforce or interpret the provisions of the Settlement Agreement, or in the alternative, maintain any action, either civil or criminal, for such other and further relief as the Attorney General may determine is proper and necessary for the enforcement of the Settlement Agreement.
50. In any application or in any such action, facsimile transmission of a copy of any papers to Paul G. Gardephe, Esq. of Patterson Belknap Webb & Tyler LLP, counsel for Cox, shall be good and sufficient personal service on Cox.
51. The Settlement Agreement constitutes the entire agreement among the Parties and no representations, warranties or inducements have been made to any Party concerning the Settlement Agreement other than the representations, warranties and covenants contained

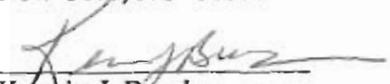
and memorialized in the Settlement Agreement. The Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

52. The Settlement Agreement shall be subject to, governed by, construed, interpreted and enforced pursuant to the laws of the State of New York without regard to its conflict of laws principles.
53. The Court shall retain jurisdiction with respect to the performance and enforcement of the terms of the Settlement Agreement, and all Parties submit to the jurisdiction of the Court for the purposes of implementing and enforcing the settlement embodied in the Settlement Agreement.
54. The Parties agree that the amount of the settlement and the other terms of the Settlement Agreement were negotiated in good faith by the Parties, and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel and arm's-length negotiations. The Settlement Agreement shall be construed as being drafted jointly by the Parties and construed as so drafted, without construction in favor of or against any Party on account of any Party's participation in the drafting of the Settlement Agreement.
55. Nothing in the Settlement Agreement shall be construed as setting any precedent with respect to the Attorney General or the Superintendent.
56. The Settlement Agreement may be executed in counterparts. All executed counterparts shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.
57. The Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

58. The invalidity of any one or more word, phrase, sentence, clause or section of the Settlement Agreement shall not affect the enforceability of the remaining portions of the Settlement Agreement. In the event that any one or more word, phrase, sentence, clause or section in the Settlement Agreement is declared invalid, the Settlement Agreement shall be construed as if such invalid word, phrase, sentence, clause or section had not been included in this agreement.

ELIOT SPITZER
Attorney General
State of New York
120 Broadway, 25th Floor
New York, NY 10271

By:


Kermit J. Brooks
Deputy Attorney General

HOWARD MILLS
Superintendent of Insurance
New York State Insurance Dept.
25 Beaver Street
New York, NY 10004

By:

Audrey Samers
Deputy Superintendent and General Counsel

DOUGLAS P. COX
(In his individual capacity)

Douglas P. Cox

UNIVERSAL LIFE RESOURCES
A California Limited Partnership

By: ULR INSURANCE SERVICES, INC.
A California Corporation
Its General Partner

By:

Douglas P. Cox
Its President and Chief Executive
Officer

ULR INSURANCE SERVICES, INC.
A California Corporation

By:

Douglas P. Cox
Its President and Chief Executive Officer

BENEFITS COMMERCE
A California Corporation

By:

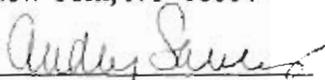
Douglas P. Cox
Its President and Chief Executive
Officer

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ELIOT SPITZER
Attorney General
State of New York
120 Broadway, 25th Floor
New York, NY 10271

By: _____
Kermitt J. Brooks
Deputy Attorney General

HOWARD MILLS
Superintendent of Insurance
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By: 
Audrey Samiers
Deputy Superintendent and General Counsel

DOUGLAS P. COX
(In his individual capacity)

Douglas P. Cox

UNIVERSAL LIFE RESOURCES
A California Limited Partnership

By: ULR INSURANCE SERVICES, INC.
A California Corporation
Its General Partner

By: _____
Douglas P. Cox
Its President and Chief Executive
Officer

ULR INSURANCE SERVICES, INC.
A California Corporation

By: _____
Douglas P. Cox
Its President and Chief Executive Officer

BENEFITS COMMERCE
A California Corporation

By: _____
Douglas P. Cox
Its President and Chief Executive
Officer

58. The invalidity of any one or more word, phrase, sentence, clause or section of the Settlement Agreement shall not affect the enforceability of the remaining portions of the Settlement Agreement. In the event that any one or more word, phrase, sentence, clause or section in the Settlement Agreement is declared invalid, the Settlement Agreement shall be construed as if such invalid word, phrase, sentence, clause or section had not been included in this agreement.

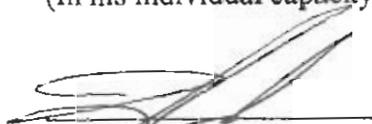
ELIOT SPITZER
Attorney General
State of New York
120 Broadway, 25th Floor
New York, NY 10271

HOWARD MILLS
Superintendent of Insurance
New York State Insurance Dept.
25 Beaver Street
New York, NY 10004

By: _____
Kermitt J. Brooks
Deputy Attorney General

By: _____
Audrey Samers
Deputy Superintendent and General Counsel

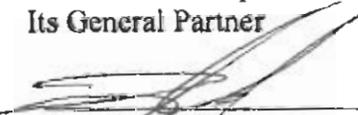
DOUGLAS P. COX
(In his individual capacity)



Douglas P. Cox

UNIVERSAL LIFE RESOURCES
A California Limited Partnership

By: ULR INSURANCE SERVICES, INC.
A California Corporation
Its General Partner

By: 

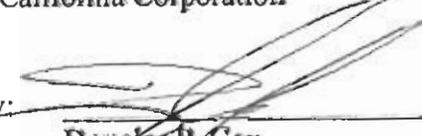
Douglas P. Cox
Its President and Chief Executive
Officer

ULR INSURANCE SERVICES, INC.
A California Corporation

By: 

Douglas P. Cox
Its President and Chief Executive Officer

BENEFITS COMMERCE
A California Corporation

By: 

Douglas P. Cox
Its President and Chief Executive
Officer

EXHIBIT 1

GENERAL RELEASE

This RELEASE (the "Release") is executed this ___ day of _____, 2006 by RELEASOR (defined below) in favor of RELEASEE (defined below).

DEFINITIONS

"RELEASOR" refers to [fill in name _____] and any of its affiliates, subsidiaries, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers acting on behalf of RELEASOR.

"RELEASEE" refers to Universal Life Resources, dba ULR; Universal Life Resources, Inc., dba ULR Insurance Services, Inc.; Douglas P. Cox and Benefits Commerce and any of their subsidiaries, affiliates, associates, general or limited partners or partnerships, predecessors, successors, or assigns, including, without limitation, any of their respective present or former officers, directors, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers (collectively, "Cox").

"AGREEMENT" refers to a certain agreement between Cox and the Attorney General of the State of New York ("NYAG") and the Superintendent of Insurance of the State of New York ("NYSI") dated December 30, 2005, relating to an action commenced against Cox by NYAG dated November 12, 2004 captioned *The People of the State of New York by Eliot Spitzer, Attorney General of the State of New York v. Universal Life Resources, dba ULR; Universal Life Resources, Inc., dba ULR Insurance Services, Inc.; Douglas P. Cox; and Benefits Commerce* (Index Number 403790/04), and an investigation by NYAG relating to same (the "Complaint"), and a Citation captioned *In the Matter Douglas Paul Cox, Universal Life Resources, Inc., Universal Life Resources, Inc., ULR Insurance Services, Inc., and Benefits Commerce*, (Citation No. 2004-0125-C), issued to Cox by NYSI on November 12, 2004 and an investigation by NYSI relating to same.

RELEASE

1. In consideration for the total payment of \$_____ in accordance with the terms of the Agreement, RELEASOR does hereby fully release, waive and forever discharge RELEASEE from any and all claims, demands, debts, rights, causes of action or liabilities whatsoever, including known and unknown claims, now existing or hereafter arising, in law, equity or otherwise, whether under state, federal or foreign statutory or common law, and whether possessed or asserted directly, indirectly, derivatively, representatively or in any other capacity, and including but not limited to all claims which have been or could be asserted in those certain actions now pending in the United States District Court for the District of New Jersey styled "In Re Insurance Brokerage Antitrust Litigation," civil action no. 04-5184 (FSH) and "In Re Employee Benefit Insurance Brokerage Antitrust Litigation," civil action no. 05-1079 (FSH) and all other actions consolidated as MDL No. 1663 (collectively, "claims"), to the extent any such claims are based upon, arise out of or relate to, in whole or in part, any of the allegations, acts, omissions, transactions, events, types of conduct or matters that are the subject of the Complaint and/or the Citation.

2. RELEASOR also expressly waives the provisions of California Civil Code Section 1542 which states "A general release does not extend to claims which the creditor does not know 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."

3. In the event that the total payment referred to in paragraph 1 is not made for any reason, then this RELEASE shall be deemed null and void, provided that any payments received by RELEASOR shall be credited to Cox in connection with any claims that RELEASOR may assert against Cox, or that are asserted on behalf of RELEASOR or by a class of which RELEASOR is a member, against Cox.

4. This RELEASE may not be changed orally and shall be governed by and interpreted in accordance with the internal laws of the State of New York, without giving effect to choice of law principles, except to the extent that federal law requires that federal law governs. Any disputes arising out of or related to this RELEASE shall be subject to the exclusive jurisdiction of the Supreme Court of the State of New York or, to the extent federal jurisdiction exists, the United States District Court for the Southern District of New York.

5. Releasor represents and warrants that the claims have not been sold, assigned or hypothecated in whole or in part.

Dated: _____

RELEASOR: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT 2

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

----- x
THE PEOPLE OF THE STATE OF NEW YORK :
by ELIOT SPITZER, Attorney General of :
the State of New York, :
Plaintiff, :
- against - :
UNIVERSAL LIFE RESOURCES, d/b/a ULR; :
UNIVERSAL LIFE RESOURCES, INC., d/b/a :
ULR INSURANCE SERVICES, INC.; :
DOUGLAS P. COX; and BENEFITS COMMERCE, :
Defendants. :
----- x

Index No. 403790/04

**NOTICE OF
DISCONTINUANCE
WITH PREJUDICE**

PLEASE TAKE NOTICE that, pursuant to CPLR Rule 3217(a), and subject to the Settlement Agreement between the parties herein dated December 30, 2005, a copy of which is annexed hereto, Plaintiff hereby discontinues this action with prejudice as of this date without costs to either party against the other.

Dated: New York, New York
January 2, 2006

ELIOT SPITZER,
Attorney General of the State of New York

By: _____
KERRITT J. BROOKS
Deputy Attorney General
120 Broadway
New York, NY 10271

To: Paul G. Gardephe, Esq.
Patterson Belknap Webb & Tyler
1133 Avenue of the Americas
New York, NY 10036
(212) 336-2000

Counsel for Defendants

EXHIBIT 3

STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NY 10004

-----X
In the Matter of

DOUGLAS PAUL COX, UNIVERSAL LIFE
RESOURCES, UNIVERSAL LIFE RESOURCES, INC.,
ULR INSURANCE SERVICES, INC., and
BENEFITS COMMERCE,

Respondents.

-----X

WHEREAS, Respondent Douglas Paul Cox is licensed as an agent under Section 2103(a) of the New York Insurance Law ("Insurance Law") and is President and Chief Executive Officer of Respondents ULR Insurance Services, Inc. and Benefits Commerce, and is President and Chief Executive Officer of the General Partner of Respondent Universal Life Resources;

WHEREAS, on or about November 12, 2004, the Attorney General of the State of New York commenced a civil action in the Supreme Court of the State of New York, County of New York, Index No. 403790/04 (the "Civil Action"), alleging that Respondents engaged in fraudulent and anti-competitive practices in connection with the brokering of insurance business in violation of the New York Executive Law, the General Business Law and common law; and

WHEREAS, the Civil Action has been resolved pursuant to an Agreement between the Attorney General of the State of New York, the Superintendent of Insurance and Respondents, dated December 30, 2005 ("Settlement Agreement"), a copy of which is annexed hereto; and

WHEREAS, the attached Citation, dated November 12, 2004, charging Respondents with using fraudulent, coercive and/or dishonest practices, demonstrating untrustworthiness, violating section 340 of the General Business Law, and engaging in determined violations of the Insurance Law, was duly served on the Respondents; and

WHEREAS, Respondents have been advised and are aware of their statutory right to notice and a hearing on said charges; and