SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Small Business Administration ("SBA") (collectively, the "United States"), Brigham Taylor ("Taylor"), and SlideBelts Inc. ("SlideBelts"), a debtor and debtor-in-possession, through their authorized representatives. The United States, Taylor, and SlideBelts are collectively referred to as the "Parties."

RECITALS

A. SlideBelts is a Delaware corporation with a principal executive office in El Dorado Hills, California. SlideBelts manufactures and sells fashion accessories on the internet. On August 12, 2019, SlideBelts filed a voluntary petition for bankruptcy relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of California. *In re: SlideBelts Inc.*, No. 2019-25064 (Bankr. E.D. Cal. Aug. 12, 2019). On June 30, 2020, the Bankruptcy Court dismissed SlideBelts' Chapter 11 bankruptcy case. On August 25, 2020, SlideBelts filed another voluntary petition for bankruptcy relief, this time under Subchapter V of Chapter 11 of the Bankruptcy Code. *In re: SlideBelts, Inc.*, No. 20-24098-A-11 (Bankr. E.D. Cal. Aug. 25, 2020). That case is currently pending, and a bankruptcy plan has not yet been confirmed.

B. Taylor is the President, Chief Financial Officer, and Chief Executive Officer of SlideBelts.

C. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted on March 27, 2020, to provide emergency assistance to individuals, families, and businesses affected by the coronavirus pandemic. Section 1102(a)(2) of the CARES Act

amended Section 7(a) of the Small Business Act, 15 U.S.C. § 631 *et seq.*, to establish the Paycheck Protection Program ("PPP"). 15 U.S.C. § 636(a)(36). The SBA administers the PPP to provide relief expeditiously to small businesses experiencing economic hardship as a result of coronavirus measures.

D. To administer the PPP, the SBA used its existing underwriting factors in the 7(a) loan program to establish bright line rules that private lenders could evaluate quickly, such as excluding debtors in bankruptcy. The PPP application on SBA Form 2483 asks, in Question 1, whether the applicant is presently involved in any bankruptcy. Directly above Question 1, the application states that, "If questions (1) or (2) below are answered 'Yes,' the loan will not be approved." In addition, on the lender's application to the SBA to guaranty the PPP loan on SBA Form 2484, lenders must certify that "[t]he Applicant has certified to the Lender that neither the Applicant nor any owner is … presently involved in any bankruptcy." Above that certification, the Form states that, "[i]f no, the loan cannot be approved."

E. On April 24, 2020, concurrent with Congress' extension of additional funding for the PPP, the SBA posted an interim final rule that provides additional information regarding a number of eligibility requirements for the PPP, including applicants in bankruptcy. 85 Fed. Reg. 23450 ("Fourth Interim Final Rule"). Section III(4) of the Fourth Interim Final Rule states specifically that, "[i]f the applicant or the owner of the applicant is the debtor in a bankruptcy proceeding, either at the time it submits the application or at any time before the loan is disbursed, the applicant is ineligible to receive a PPP loan." 85 Fed. Reg. at 23451. The Fourth Interim Final Rule explains that debtors in bankruptcy are ineligible because "debtors in bankruptcy would present an unacceptably high risk of an unauthorized use of funds or non-repayment of unforgiven loans." *Id.* Moreover, the Fourth Interim Final Rule explained, "the

Bankruptcy Code does not require any person to make a loan or a financial accommodation to a debtor in bankruptcy." *Id.*

F. The United States contends that, from approximately April 3, 2020, through at least June 30, 2020, Taylor and SlideBelts knowingly and intentionally made false statements to financial institutions, including to federally insured financial institutions, that SlideBelts was not involved in a bankruptcy proceeding in order to influence those institutions to grant SlideBelts a loan, and to influence the SBA to guarantee that loan, under the PPP of the CARES Act. In addition, the United States contends that Taylor and SlideBelts knowingly caused a false claim for payment, and knowingly made a false statement material to a false or fraudulent claim, to be made to the SBA. This conduct is referred to below as the Covered Conduct.

G. The United States contends that it has certain civil claims against Taylor and SlideBelts for violating the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1833a ("FIRREA"), predicated on violations of 18 U.S.C. § 1014, 15 U.S.C. § 645(a), 18 U.S.C. § 1001, 18 U.S.C. § 1343, and 18 U.S.C. § 1344. The United States also contends that it has claims against Taylor and SlideBelts for violating the False Claims Act, 31 U.S.C. § 3729-3733 ("FCA"). Based on these claims, the United States contends that Taylor and SlideBelts are liable to the United States for damages and penalties totaling $4,196,992 under FIRREA and the FCA.

H. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. This Settlement Agreement is neither an admission of liability by Taylor or SlideBelts nor a concession by the United States that its civil claims are not well founded. But Taylor and SlideBelts admit, acknowledge, and accept responsibility for the following facts:

a. On April 3, 2020, while SlideBelts was a debtor in bankruptcy proceedings, it submitted an application for a PPP loan for approximately $300,000 to a Credit Union in Sacramento, California (FI-1). On April 8, 2020, SlideBelts submitted a second PPP loan application to a federally insured financial institution in Fort Lee, New Jersey, for $350,000 (FI-2). In response to Question 1 of the SBA's PPP application to both lenders, Taylor and SlideBelts answered falsely that SlideBelts was not "presently involved in any bankruptcy."

b. On April 10, 2020, a manager from FI-1 advised Taylor by email that he had answered Question 1 incorrectly because the manager knew that SlideBelts was presently in bankruptcy. Indeed, FI-1 was a creditor in SlideBelts' bankruptcy proceedings. Taylor responded that his answer was an "[o]versight," but nonetheless argued that the question regarding bankruptcy in the application was "an overreach" by the SBA. Days later, on April 14, 2020, Taylor emailed the manager again and reiterated that the term "bankruptcy" should not be included in Question 1 of the PPP loan application, and asked FI-1 to approve SlideBelts' loan. But the manager rejected Taylor's request, repeating that SlideBelts was definitively not eligible for a PPP loan because it was in bankruptcy. For that reason, FI-1 declined to approve a PPP loan to SlideBelts. Taylor answered and acknowledged the manager, "that does make sense. All good!"

c. On April 14, 2020, three hours after FI-1 rejected SlideBelts' application, SlideBelts submitted a third application for a PPP loan to a federally insured financial institution in Minneapolis, Minnesota ("FI-3"). In that application, Taylor and SlideBelts made the same false statement for a third time that SlideBelts was not presently involved in any bankruptcy. Taylor and SlideBelts made the false statement to influence FI-3 to grant SlideBelts a PPP loan guaranteed by the SBA.

d. FI-2 approved SlideBelts' PPP loan application before FI-3. Taylor signed the loan note with FI-2 and stated falsely that SlideBelts was not in bankruptcy to influence FI-2 to execute the note and disburse the loan proceeds to SlideBelts. Taylor knew from his communications with FI-1 that FI-2 would not execute the note and the SBA would not guarantee the loan if he disclosed that SlideBelts was in bankruptcy. Taylor also knew that SlideBelts was already in default of the PPP loan because he certified that the borrower (SlideBelts) would default on the loan if it entered bankruptcy proceedings.

e. Taylor's false statements influenced FI-2 to execute the loan note and disburse the $350,000 to SlideBelts, and the SBA to guarantee the loan. Had FI-2 or the SBA known that Taylor and SlideBelts falsely stated SlideBelts' status in bankruptcy, FI-2 would not have approved SlideBelts' application and the SBA would have declined to guarantee the loan. In addition, Taylor's and SlideBelts' false statements caused FI-2 to submit a false claim to the

SBA for $17,500 in loan processing fees, which the SBA paid to FI-2. Taylor's and SlideBelts' false statements threatened the proper functioning of the PPP because the SBA relies on lenders like FI-2 to ensure the proper expenditure federal funds to support small businesses affected by the COVID-19 pandemic.

f. On April 22, 2020, one day after FI-2 distributed the loan to SlideBelts, and more than one week after FI-1 rejected SlideBelts' PPP loan application, Taylor wrote an email to FI-2 explaining that SlideBelts "just realized that we may not have answered [Question 1] correctly since we filled out the application quickly and wanted to bring it to your attention[.]" Taylor did not disclose that SlideBelts was in bankruptcy until after FI-2 disbursed the loan to SlideBelts. SlideBelts did not return the loan to FI-2 at that time.

g. On April 30, 2020, SlideBelts filed a motion in its bankruptcy court proceedings seeking retroactive court approval of the PPP loan. SlideBelts' motion did not disclose to the Court that it had obtained the loan by making a false statement to FI-2 concerning its status in bankruptcy.

h. On June 16, 2020, the SBA opposed SlideBelts' motion seeking retroactive court approval of the PPP loan and requested that the Court order SlideBelts to return the loan to FI-2. FI-2 joined the SBA's opposition. But SlideBelts did not return the loan at that time. Instead, SlideBelts asked the Bankruptcy Court to dismiss its case so that it could refile for bankruptcy under Subchapter V of Chapter 11 of the Bankruptcy Code, and "to apply for [PPP] funds while the case is dismissed."

i. On June 30, 2020, the Bankruptcy Court granted SlideBelts' motion to dismiss its bankruptcy case. During a hearing on the motion, the United States reiterated on the record that it was SBA's position that SlideBelts must return the loan to FI-2 immediately.

j. On July 8, 2020, two and a half months after receiving a PPP loan based on false statements, and multiple requests by the SBA to return the proceeds, SlideBelts returned the $350,000 loan to FI-2.

2. Taylor and SlideBelts agree to pay the United States the sum of one hundred thousand dollars ($100,000) (the "Settlement Amount"), of which seventeen thousand five hundred dollars ($17,500) constitutes restitution from Taylor, by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Eastern District of California, and in the following manner:

a. Within fourteen (14) days of the Effective Date of this Agreement, Taylor will make a payment to the United States in the amount of thirty five thousand dollars ($35,000).

b. Within fourteen (14) days of bankruptcy court approval of the fully executed Settlement Agreement in *In re: SlideBelts, Inc.*, No. 20-24098-A-11 (Bankr. E.D. Cal. Aug. 25, 2020) under Fed. R. Bankr. P. § 9019, SlideBelts will make a payment to the United States in the amount of ten thousand dollars ($10,000).

c. Over a period of five years, SlideBelts will pay the remaining fifty five thousand dollars ($55,000), plus interest at 0.12% per annum, pursuant to the payment schedule in Attachment A (the "Payments Over Time").

d. Interest shall accrue on the unpaid settlement amount as indicated in Attachment A.

e. Within seven (7) days from the Effective Date, SlideBelts shall seek bankruptcy court approval of the fully executed Settlement Agreement in *In re: SlideBelts, Inc.*, No. 20-24098-A-11 (Bankr. E.D. Cal. Aug. 25, 2020), consistent with Fed. R. Bankr. P. § 9019. Time is of the essence. Provisions for compliance with the terms of the Settlement Agreement shall also be included in any plan presented for approval to the bankruptcy court in this or any other bankruptcy filed by SlideBelts or Taylor.

f. If SlideBelts or any of its affiliates is sold, merged, or transferred, or a significant portion of the assets of SlideBelts or any of its affiliates is sold, merged, or transferred into another non-affiliated entity, SlideBelts shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement shall be accelerated and become immediately due and payable.

g. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

3. Subject to the exceptions in Paragraph 4 (concerning reserved claims), Paragraph 5 (concerning disclosure of assets), and Paragraphs 11a. through d. (concerning default); and upon the United States' receipt of the payments set forth in Paragraphs 2.b. and 2.c., the United States releases SlideBelts, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions, current or former corporate owners; and the corporate successors and assigns of any of them from any civil or administrative monetary claim the United States has for the Covered Conduct under Paragraph 3.a. through 3.d. below. Subject to the exceptions in Paragraph 4 (concerning reserved claims), Paragraph 5 (concerning disclosure of assets), and Paragraphs 11a. through d. (concerning default); and upon the receipt of the payment set forth in Paragraph 2.a., the United States releases Taylor from any civil or administrative monetary claim the United States has for the Covered Conduct under Paragraph 3.a. through 3.d. below. Together, SlideBelts and Taylor are deemed the "Released Parties."

a. FIRREA, 12 U.S.C. § 1833a;

b. The FCA, 31 U.S.C. §§ 3729-3733;

c. The Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or

d. Common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

4. Notwithstanding the releases given in Paragraph 3 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in the Agreement, any administrative liability or enforcement right, including the suspension and debarment rights of any federal agency;

d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon obligations created by this Agreement; and

f. Any liability of individuals except Taylor.

5. The Released Parties have provided sworn financial disclosure statements and supporting documents ("Financial Statements") to the United States and the United States has relied on the accuracy and completeness of those Financial Statements in reaching this Agreement. The Released Parties warrant that the Financial Statements are complete, accurate, and current as of the Effective Date of this Agreement. If the United States learns of asset(s) in which the Released Parties had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy the Released Parties' obligations under this Agreement) that were not disclosed in the Financial Statements, or if the United States learns of any false statement or misrepresentation by the Released Parties on, or in connection with, the Financial Statements, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set forth in the Financial Statements by ten percent (10%) or more, the United States may at its option: (a) rescind this Agreement and file suit based on the Covered Conduct or (b) collect the full Settlement Amount in accordance with this Agreement plus one hundred percent (100%) of the net value of the Released Parties' previously undisclosed assets. The Released Parties agree not to contest any collection action undertaken by the United States pursuant to this provision, and agree that they will immediately pay the United States the greater of (i) a ten percent (10%) surcharge of the amount collected in

the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States, pursuant to this paragraph rescinds this Agreement, the Released Parties waive and agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 calendar days of written notification to the Released Parties that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement.

6. The Released Parties waive and shall not assert any defenses the Released Parties may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

7. The Released Parties fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that the Released Parties have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof. The Released Parties hereby expressly waive all rights they may have by virtue of Section 1542 of the California Civil Code, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

8. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of the Released Parties and their present or former officers, directors, employees, shareholders, and agents in connection with:

a. the matters covered by this Agreement;

b. the United States' civil investigation of the matters covered by this Agreement;

c. the Released Parties' investigation, defense, and corrective actions undertaken in response to the United States' civil investigation in connection with the matters covered by this Agreement (including attorneys' fees);

d. the negotiation and performance of this Agreement; and

e. the payment the Released Parties make to the United States pursuant to this Agreement are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

9. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by the Released Parties, and the Released Parties shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

10. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, the Released Parties shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by the Released Parties or any of their subsidiaries or affiliates from the United States. The Released Parties agree that the United States, at a minimum, shall be entitled to recoup from the Released Parties any overpayment plus applicable interest and

penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine the Released Parties' books and records and to disagree with any calculations submitted by the Released Parties or any of their subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by the Released Parties, or the effect of any such Unallowable Costs on the amount of such payments.

11. The United States' claim of $4,196,992 against the Released Parties, and the Settlement Amount, are non-dischargeable, non-subordinated debts under 11 U.S.C. § 523(a)(2), 11 U.S.C. § 1141(d)(6)(A), and 11 U.S.C. § 1192. The Settlement Amount of $100,000 represents the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to the Released Parties' financial condition as reflected in the Financial Statements referenced in Paragraph 5.

a. In the event that the Released Parties fail to make any payments as set forth in Paragraph 2 above, the Released Parties shall be in Default of their respective payment obligations under Paragraph 2 ("Default"). Taylor is in Default only if he fails to make payment under Paragraph 2.a., and SlideBelts is in Default only if it fails to make payments under Paragraph 2.b. or 2.c. The United States will provide a written Notice of Default, and the Released Parties shall have an opportunity to cure such Default within thirty (30) calendar days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Settlement Agreement up to the date of payment. Notice of Default will be delivered to the Released Parties, or to such other representative as the Released Parties shall designate in advance in writing. If the Released

Parties fail to cure the Default within thirty (30) calendar days of receiving the Notice of Default and in the absence of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, the Released Parties agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Released Parties for the claims that would otherwise be covered by the releases provided in Paragraph 3 above, with any recovery reduced by the amount of any payments previously made by the Released Parties to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action; (iii) offset the remaining unpaid balance from any amounts due and owing to the Released Parties and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. In addition, in the event of an Uncured Default by SlideBelts, SlideBelts agrees that the United States may take action to collect on the consent judgment in Attachment B.

c. In the event of an Uncured Default, relief from an automatic bankruptcy stay may be provided without further hearing upon the filing of an affidavit of default by the United States and the entry of the proposed order by the bankruptcy court. The United States may then proceed with any state court remedies against the collateral, including sending any required notice to the Released Parties. This ex parte provision shall be effective in SlideBelts'

current bankruptcy proceedings (*In re: SlideBelts, Inc.*, No. 20-24098-A-11 (Bankr. E.D. Cal. Aug. 25, 2020)), or in any future filing by the Released Parties or by any other person or entity with an interest in the subject property, and shall not operate as an automatic stay against the United States except upon separate order of the court. The Parties agree that the Federal Rule of Bankruptcy Procedure 4001(a)(3) stay is not applicable to any order granting relief for Uncured Default on this Settlement Agreement.

d. The United States shall be entitled to any other rights granted by law or in equity by reason of Uncured Default, including referral of this matter for private collection. In the event the United States pursues a collection action, the Released Parties agree immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, the Released Parties waive and agree not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against the Released Parties within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement. The Released Parties agree not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

12. In exchange for valuable consideration provided in this Agreement, Taylor acknowledges the following:

a. Taylor has reviewed his financial situation and warrants that he is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the amount in Paragraph 2.a.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Taylor, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Taylor was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If Taylor's obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the amount in Paragraph 2.a. is paid in full, Taylor or a third party seeking any order for relief of Taylor's debts, or to adjudicate Taylor as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Taylor or for all or any substantial part of Taylor's assets,

(i) the United States may bring any civil and/or administrative claim, action, or proceeding against Taylor for the claims that would otherwise be covered by the releases provided in Paragraph 3 above; and

(ii) the United States has an undisputed, non-contingent, non-dischargeable, non-subordinated, and liquidated allowed claim against the Released Parties in the amount of $4,196,992, less any payments received pursuant to this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by the Released Parties, a receiver, trustee, custodian, or other similar official for the Released Parties.

13. The Released Parties agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 12.e. is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. The Released Parties shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). The Released Parties waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to the Released Parties that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on the Effective Date of the Agreement.

14. This Agreement is intended to be for the benefit of the Parties only.

15. Each Party shall bear its own legal and other costs incurred in connection with this matter, including those incurred in the preparation and performance of this Agreement.

16. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

17. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of California. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

18. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

19. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

20. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

21. This Agreement is binding on the Released Parties' successors, transferees, heirs, and assigns.

22. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

23. This Agreement is effective on the date of signature of the last signatory to the Agreement (the "Effective Date"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 1/12/21

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United States Attorney

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BRIGHAM TAYLOR

DATED: 1/12/21 BY:

Brigham Taylor

DATED: 1/12/2021 BY: Dyke Huish

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Attorney for Brigham Taylor

SLIDEBELTS INC.

DATED: 1/12/21 BY:

Brigham Taylor
President and Chief Executive Officer of SlideBelts Inc.

DATED: 1-12-21 BY:

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Attorney for SlideBelts Inc.

ATTACHMENT A

SlideBelts Inc. Amortization Schedule

Payment	Date	Payment	Interest	Principal	Balance
Beginning Balance					$55,000.00
1	4/5/2021	$2,500.00	$0.00	$2,500.00	52,500.00
2	7/5/2021	$2,515.75	$15.75	$2,500.00	50,000.00
3	10/5/2021	$2,515.00	$15.00	$2,500.00	47,500.00
4	1/5/2022	$2,514.25	$14.25	$2,500.00	45,000.00
5	4/5/2022	$2,513.50	$13.50	$2,500.00	42,500.00
6	7/5/2022	$2,512.75	$12.75	$2,500.00	40,000.00
7	10/5/2022	$2,512.00	$12.00	$2,500.00	37,500.00
8	1/5/2023	$2,511.25	$11.25	$2,500.00	35,000.00
9	4/5/2023	$2,510.50	$10.50	$2,500.00	32,500.00
10	7/5/2023	$2,509.75	$9.75	$2,500.00	30,000.00
11	10/5/2023	$2,509.00	$9.00	$2,500.00	27,500.00
12	1/5/2024	$2,508.25	$8.25	$2,500.00	25,000.00
13	4/5/2024	$2,507.50	$7.50	$2,500.00	22,500.00
14	7/5/2024	$2,506.75	$6.75	$2,500.00	20,000.00
15	10/5/2024	$2,506.00	$6.00	$2,500.00	17,500.00
16	1/5/2025	$2,505.25	$5.25	$2,500.00	15,000.00
17	4/5/2025	$3,754.50	$4.50	$3,750.00	11,250.00
18	7/5/2025	$3,753.38	$3.38	$3,750.00	7,500.00
19	10/5/2025	$3,752.25	$2.25	$3,750.00	3,750.00
20	1/5/2026	$3,751.13	$1.13	$3,750.00	0.00
	Total	$55,168.75	$168.75	$55,000.00	

Amortization schedule to pay $55,000 in five years at 0.12 percent annual interest rate with quarterly payments beginning April 5, 2021. Quarterly payments of $2,500 plus interest for the first four years and $3,750 plus interest for the fifth year.

ATTACHMENT B

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United States Attorney
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Attorneys for the United States

IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, vs. SLIDEBELTS INC., Defendant.	**CONSENT JUDGMENT**

WHEREAS, on January 12, 2021, Plaintiff the United States, Defendant SlideBelts Inc. ("SlideBelts"), and Brigham Taylor ("Taylor") (together, the "Parties"), entered into a Settlement Agreement to settle the United States' civil claims against SlideBelts and Taylor for violating the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1833a, and the False Claims Act, 31 U.S.C. § 3729-3733 (attached hereto as Exhibit A);

WHEREAS, as part of that Settlement Agreement, the parties agreed that, if SlideBelts failed to cure a default of its payment obligations under the Settlement Agreement, SlideBelts would consent to the entry of judgment against it in the amount of the United States' full claim against it, $2,098,496;

WHEREAS, SlideBelts has failed to cure a default of its payment obligations under the Settlement Agreement;

Upon consent of plaintiff the United States of America and defendant SlideBelts Inc., it is hereby ORDERED, ADJUDGED, AND DECREED that: plaintiff the United States of America is awarded judgment in the sum of $2,098,496, as against defendant SlideBelts Inc. for violating the

ATTACHMENT B

Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1833a, and the False Claims Act, 31 U.S.C. § 3729-3733 ("FCA").

Consented to by:

THE UNITED STATES OF AMERICA

DATED: 1/12/21

McGREGOR W. SCOTT
United States Attorney

By: _____

MATTHEW R. BELZ
Assistant United States Attorney
501 I Street, Suite 10-100
Sacramento, CA 95814
Telephone: (916) 554-2758
Facsimile: (916) 554-2900

Attorneys for the United States of America

SLIDEBELTS INC.

DATED: 1/12/21 BY: _____

Brigham Taylor
President and Chief Executive Officer of SlideBelts Inc.

DATED: 1/12.21 BY: _____

Stephen Reynolds
Reynolds Law Corporation
424 Second Street, Suite A
Davis, California 95616
Tel: 530-297-5030

Attorney for SlideBelts Inc.

SO ORDERED:

_____
UNITED STATES DISTRICT JUDGE