

RELEASE AND SETTLEMENT AGREEMENT

This Agreement is entered into as of the 1st day of July, 1997 ("Effective Date") between AT&T Corp., a New York Corporation having a place of business at 295 North Maple Avenue, Basking Ridge, New Jersey ("AT&T") and Combined Companies, Inc. ("CCI" or "CUSTOMER"), a Florida Corporation having a place of business at 7061 West Commercial Boulevard, Suite 5K, Tamarac, Florida ("CUSTOMER").

WHEREAS, CUSTOMER subscribes to certain telecommunications services (the "Services") pursuant to AT&T F.C.C. Tariff No. 2 ("Tariff 2"), under CSTP II Plan numbers 2430, 2829, 3124, 3524, and 3663 ("the Plans");

WHEREAS, a dispute has arisen concerning the provision of the Services under the Plans to CUSTOMER and the amounts allegedly owed to and by CUSTOMER in connection with CUSTOMER's use of the Services under the Plans (the "Payment Dispute");

WHEREAS, the Payment Dispute is, in part, the subject of litigation pending in the United States District Court for the District of New Jersey, styled Combined Companies, Inc. et al. v. AT&T Corp., Civil Action No. 95-908 (NHP), ("the New Jersey Action") and before the Federal Communications Commission ("F.C.C."), styled In the Matter of Joint Petition for Declaratory Ruling on the Assignment of Accounts (Traffic) without the Associated CSTPII Plans under Tariff F.C.C. No. 2 on Referral by the United States Court of Appeals for the Third Circuit, Docket No. CCB/CPD 96-20 (the "F.C.C. Action");

WHEREAS, a dispute has also arisen with regard to the Plans concerning an alleged practice of changing, without authorization, the 800 service provider of AT&T customers from AT&T to Winback & Conserve Program, Inc., One Stop Financial, Inc., Group Discounts, Inc. and 800 Discounts, Inc. (collectively, "Winback and Conserve") and/or CCI (the "Slamming Dispute");

WHEREAS, the Slamming Dispute is the subject of a formal complaint pending before the F.C.C., styled In the Matter of AT&T Corp. v. Combined Companies, Inc. and Winback & Conserve Program, Inc., File Number E-97-02 ("the F.C.C. Slamming Action"); and

WHEREAS, AT&T and CUSTOMER wish to settle all pending disputes with regard to the Plans and the Services provided thereunder, including but not limited to the Payment Dispute and the Slamming Dispute;

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Discontinuance with Liability of the Services

The Plans shall be discontinued with liability pursuant to AT&T F.C.C. Tariff 2 on July 1, 1997 ("Termination Date"), and Customer acknowledges the conversion of the Plans to AT&T as of July 1, 1997. CCI shall not be liable for any charges incurred after that date. CUSTOMER understands that charges of up to \$17.78 million will apply for the discontinuance with liability of the Plans pursuant to the provisions of Tariff 2 (the actual amount of which, once determined in accordance with the provisions of Tariff 2, are referred to as the "Termination Charges").

2. Payments and Credits

- (a) The parties agree that the total unpaid shortfall charges (including billed and unbilled charges) allegedly owed by CUSTOMER to AT&T exceed \$61 million as of July 1, 1997 (the "Shortfall Charges").
- (b) The net amount of all other charges, discounts and credits due from or to CCI in connection with the Plans pursuant to any AT&T tariff is referred to as the "Other Charges".
- (c) AT&T shall apply one or more credits to CUSTOMER's accounts on the Plans in the total combined amount equal to the sum of the Termination Charges, the Shortfall Charges, and the Other Charges.
- (d) In addition, AT&T agrees to pay to CUSTOMER, by check, REDACTED the "Settlement Payment") within seven (7) days after the Effective Date.
- (e) AT&T agrees that it will not further invoice CUSTOMER'S end users nor will AT&T attempt to collect from CUSTOMER'S end users any true-up charges relating to the Plans.
- (f) If any CCI end user customer demonstrates that it has paid to AT&T any shortfall charges billed to the end user by AT&T in connection with the Plans, AT&T will reimburse to the end user the amount of such payment, after deduction for any unpaid usage charges.

3. Mutual Releases

- (a) As of the date of clearance of the Settlement Payment, CUSTOMER, on behalf of itself and its subsidiaries, successors and assigns (the "CUSTOMER Releasees"), hereby discharges and releases AT&T and its past and present employees, officers, directors (in their individual and representative capacities), subsidiaries, successors and assigns (the "AT&T Releasees"), from any and all rights, claims, damages, actions or liabilities, at law or in equity, known or unknown, matured or unmatured, foreseeable or unforeseeable, including, but not limited to the Payment Dispute, the Slamming Dispute, the New Jersey Action, the F.C.C. Action and the

F.C.C. Slamming Action, which the CUSTOMER Releasers now have or ever had against the AT&T Releasees arising out of or related to the Plans or the Services provided thereunder.

- (b) As of the date of clearance of the Settlement Payment, AT&T, on behalf of itself and its subsidiaries, successors and assigns (the "AT&T Releasers"), hereby discharges and releases CUSTOMER and its past and present employees, officers, directors (in their individual and representative capacities), subsidiaries, successors and assigns (the "CUSTOMER Releasees"), from any and all rights, claims, damages, actions or liabilities, at law or in equity, known or unknown, matured or unmatured, foreseeable or unforeseeable, including, but not limited to, the Payment Dispute, the Slamming Dispute, the New Jersey Action, the F.C.C. Action and the F.C.C. Slamming Action, which the AT&T Releasers now have or ever had against the CUSTOMER Releasees arising out of or related to the Plans or the Services provided thereunder. AT&T does not release any claims it has against Winback and Conserve or its past and present employees, officers, directors, shareholders, subsidiaries, successors or assigns (other than CUSTOMER).

4. Dismissal of Actions

Within 30 days after CCI's receipt of the Settlement Payment, AT&T and CCI will each seek dismissal with prejudice of their claims against the other in the New Jersey Action, the FCC Action, and the FCC Slamming Action.

5. Assignment of Claims

Effective as of the date CCI receives the Settlement Payment, CCI assigns to AT&T all claims it may have against its own current or former customers as a result of any non-payment of charges for services that AT&T provided to CCI under the Plans. CCI will promptly endorse and deliver to AT&T any payments received from CCI's customers in connection with service provided under the Plans.

6. Entire Agreement

This Agreement is the entire and complete agreement of the parties regarding the subject matter hereof. No statements, promises or representations have been made by any party to any party, or are relied upon, and no consideration has been or is offered, promised, expected or held out, other than as stated in this Agreement. There are no oral or written collateral agreements. All prior discussions and negotiations regarding the dispute have been, and are, merged and integrated into, and are superseded by, this Agreement. This Agreement is not intended to, and shall not, modify the terms of any applicable AT&T tariff.

7. Legal Counsel

Each of the parties represents that in the execution of this Agreement, and the negotiations leading thereto, it had the opportunity to consult legal counsel of its own selection. Prior to the execution of this Agreement by each party, the party's attorney, if any, reviewed this Agreement and advised to the party with respect to making the settlement and release provided herein and of executing this Agreement.

8. Administrative Proceedings

AT&T agrees to cooperate reasonably with Customer with respect to the favorable resolution of any pending or threatened administrative proceedings relating to the Plans which refer or relate to the invoicing of true-up charges to end-users and/or alleged actions of the Customer regarding the change or attempted change of 800 service on or before May 19, 1995. AT&T shall not initiate or cause to be initiated any state or federal administrative proceedings against CCI with regard to the Plans or the Services provided thereunder.

9. Applicable Law

This Agreement shall be construed in accordance with and be governed by the laws of the State of Florida, not including its choice of law provisions.

10. Enforcement of Agreement

If any action at law or in equity, including an action for declaratory or injunctive relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to all of its costs in prosecuting or defending said action, including a reasonable amount of its attorneys' fees, which may be set by the court in which the action for enforcement is brought, or in a separate action for that purpose, in addition to any other relief to which the prevailing party may be entitled.

11. Miscellaneous

- (a) The delay or failure of a party to exercise any right, power or privilege hereunder or failure to strictly enforce any breach or default shall not constitute a waiver with respect thereto and no waiver of any such right, power, privilege, breach or default on any one occasion shall constitute a waiver thereof on any subsequent occasion unless clear and express notice thereof in writing is provided.
- (b) If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.
- (c) Within sixty (60) days of the execution of this Agreement, AT&T Corp. shall arrange and provide for one round of guest playing privileges at Pine Valley Golf

Club in Pine Valley, New Jersey for Larry Shipp, Jeffrey Sarrow and an additional third person to be designated by them.

12. Confidentiality

This Agreement, and the terms and existence hereof, constitute the confidential and proprietary information of each party.

- (a) The parties will use their best efforts to keep this Agreement and the terms hereof confidential. Both parties separately agree that the party, its counsel, and any other person who has acquired or may acquire knowledge of the matter through it or its counsel, will maintain the confidentiality of the terms of this Settlement Agreement and the terms and amount of the settlement and will not disclose the same except as may be required by law or under compulsion of a lawful order and will resist by all legitimate means any attempt of any kind whatever to compel disclosure or otherwise breach the confidentiality of the existence or terms of this Settlement Agreement or the amount of the settlement. Notwithstanding the foregoing, the existence but not the content of this Agreement may be disclosed to any party and their counsel in the New Jersey Action, the F.C.C. Action and the F.C.C. Slamming Action. If, as described above, it becomes necessary to disclose the existence of this Agreement, the disclosing party shall use its best efforts to notify the other party of this disclosure.
- (b) Both parties further separately agree to give the other party timely notice and opportunity to oppose any such attempt to compel disclosure, and even as to disclosures required by law or under compulsion of a lawful order will give timely notice thereof to the other party and will cooperate with counsel for the other party in resisting any disclosure beyond the requirement of law. The notice required by the foregoing provision of this Paragraph shall be given in writing to:

For AT&T:

Richard R. Meade
Senior Attorney
AT&T
Room 3226B2
295 North Maple Avenue
Basking Ridge, New Jersey 07920.
Fax: 908-953-8360

For CCI:

Jeffrey A. Sarrow
300 South Pine Island Road
Suite 304

Plantation, Florida 33324
Fax: (954) 474-4416

- (c) Both parties, in addition to their obligations pursuant to subparagraph (a) and (b) of this Paragraph 12, agree that they will limit disclosure of the terms of this Settlement Agreement or the amount of settlement to the officers, directors and such other employees of their companies who have a need to know such information in order to perform their corporate duties, and that the obligations of confidentiality hereunder shall extend to those to whom such disclosure under this subparagraph (c) is made.

13. Cooperation

- (a) CUSTOMER agrees to reasonably cooperate to the fullest extent with AT&T in connection with AT&T's ongoing efforts to resolve its disputes with Winback and Conserve, including the New Jersey Action, the F.C.C. Action, and the F.C.C. Slamming Action. Such cooperation shall include, but not be limited to, the provision of non-privileged documents and other information in response to AT&T's reasonable requests, without the need for formal process. However, CCI shall not be required to produce any documents that were created for the purpose of communication between CCI and its attorneys and Winback and Conserve, Al Inga, and their attorneys in the absence of a duly issued subpoena. CCI agrees that it will not contest any such subpoena, but may give notice of such subpoena to any party affected thereby.
- (b) CUSTOMER agrees to cooperate to the fullest extent with AT&T with respect to notifying CUSTOMER's end users of the impending discontinuance of the Plans and conversion of the end users' 800 service provider from CCI to AT&T as provided by AT&T Tariff 2. CCI agrees that AT&T may contact said end users for the purpose of marketing to them AT&T's 800 services. CUSTOMER and AT&T agree to use their best efforts to transition service in an uninterrupted manner for those end users who wish to replace the 800 Service which they currently purchase from CUSTOMER with AT&T 800 Service. As of the Effective Date, CCI shall not target marketing efforts to its end users and shall not initiate or participate in any communications whatsoever, with its end users without the prior written approval of AT&T, except as necessary to enable CCI to protect its interests in connection with any administrative proceeding. CCI shall provide to AT&T copies of all such communications made in connection with administrative proceedings. After the Termination Date, CCI shall not initiate or participate in any communication with its former end users relating to the Services or the Plans, except as provided for in this sub-paragraph.
- (c) Upon CUSTOMER'S request, AT&T agrees to send one letter (in a form substantially similar to the attached letter) to any state regulatory body with responsibility for regulation of telecommunications common carriers and one letter

(in a form substantially similar to the attached letter) to any end user who contacts CCI or AT&T with inquires regarding the Plans.

14. Disparagement

The parties agree that it is in their mutual best interests to refrain from making disparaging remarks about each others' businesses. Therefore, the parties shall make their best efforts to avoid such conduct. In the event one party has evidence that the other party has engaged in such disparaging remarks, that party shall provide in writing to the other party, details of the alleged disparaging. The parties agree to take appropriate action to correct the alleged disparaging remarks.

15. Counterparts

This Agreement may be signed in counterparts, which together will constitute the original Agreement.

IN WITNESS WHEREOF, the parties have duly executed and agreed to be bound by this Agreement by the signatures of their authorized representatives below. Each party represents and warrants that the person executing this Agreement on its behalf is fully authorized to do so.

AT&T CORP.

COMBINED COMPANIES, INC.

By: *Rainda V. Odom*
(Signature)

By: *G. G. L.*
(Signature)

Wholesale Customer Care Vice President
(Name and Title)

LARRY G. SHIPP, PRESIDENT
(Name and Title)

7-3-97
(Date Executed)

7/12/97
(Date Executed)