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**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKAN**

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**ARKANSAS STATE BOARD OF  
COLLECTION AGENCIES**

**PLAINTIFF**

**VS. CASE NO. CV 2007-6073**

FILED 06/22/2009 08:34:06  
Pat O'Brien Pulaski County Clerk  
011

**DENNIS D. BAILEY, KAREN BAILEY,  
WILLIAM BROOKS BAILEY,  
MORGAN ELYSE BAILEY,  
KAREN BAILEY, AS PARENT  
AND GUARDIAN OF  
SAMUEL BRONSON BAILEY, a minor child,  
JONATHAN WHITEHEAD,  
BAILEY SUPER STORE, INC.,  
BMB FINANCE COMPANY, LLC,  
and DUENE BAILEY**

**DEFENDANTS**

**AGREED ORDER**


Now before the Court, is an Agreed Motion to allow the distribution of funds held in the Edward D. Jones & Co., L.P. Account No. 526-08034 to be paid to the Arkansas State Board of Collection Agencies, pursuant to a Settlement Agreement. From the Agreed Motion and other matters before the Court, the Court finds as follows:

1. Edward D. Jones & Co., L.P. is hereby authorized and directed to distribute the funds (up to \$250,000) in the Edward D. Jones & Co., L.P. Account No. 526-08034 to the Arkansas State Board of Collection Agencies. This distribution shall be made, as soon as possible, upon receiving a written request from Steve Morley, counsel for Dennis Bailey and Duene Bailey, and Thomas Thrash, counsel for the Arkansas State Board of Collection Agencies.

2. If no request is made by both Steve Morley and Thomas Thrash by 10:00 a.m., Thursday, June 25, 2009, Edward D. Jones & Co., L.P. shall distribute the funds in the account (up to \$250,000) to the Arkansas State Board of Collection Agencies, as soon as possible.


3. Upon distribution of the funds of the Edward D. Jones & Co., L.P. Account No. 526-08034, as outlined above, Edward D. Jones & Co., L.P. shall have no further obligations or responsibilities regarding said account and Edward D. Jones & Co., L.P. shall be released from all orders of the Court in this case.

IT IS SO ORDERED.

  
\_\_\_\_\_  
HONORABLE TIMOTHY D. FOX  
CIRCUIT JUDGE

AGREED AS TO FORM:

  
\_\_\_\_\_  
Thomas P. Thrash

  
\_\_\_\_\_  
Steve Morley

\_\_\_\_\_  
Q. Byrum Hurst

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MORRISSEY LAW FIRM

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3. Upon distribution of the funds of the Edward D. Jones & Co., L.P. Account No. 526-08034, as outlined above, Edward D. Jones & Co., L.P. shall have no further obligations or responsibilities regarding said account and Edward D. Jones & Co., L.P. shall be released from all orders of the Court in this case.


IT IS SO ORDERED.

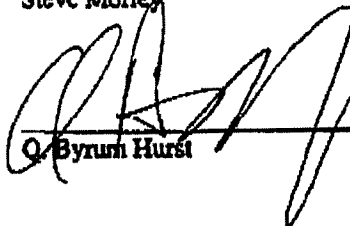
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HONORABLE TIMOTHY D. FOX  
CIRCUIT JUDGE

AGREED AS TO FORM:

  
\_\_\_\_\_  
Thomas F. Thrash

  
\_\_\_\_\_  
Steve Morley

  
\_\_\_\_\_  
Q. Byron Hurst

**SETTLEMENT AGREEMENT  
AND GENERAL RELEASE OF CLAIMS**

This SETTLEMENT AGREEMENT AND GENERAL RELEASE OF CLAIMS (the "Settlement Agreement") is made effective on the \_\_\_ day of June 2009, by and among Arkansas State Board of Collection Agencies, its past and present agents, employees, predecessors, successors, representatives, privies, parties in interest, administrators, beneficiaries and assigns (separately and collectively, jointly and individually "State Board") and Dennis D. Bailey, Karen Bailey, William Brooks Bailey, Morgan Elyse Bailey, Karen Bailey, as parent and guardian of Samuel Bronson Bailey, a minor child, Bailey Super Store, Inc., BMB Finance Company, LLC and Duene Bailey, their past and present agents, employees, predecessors, successors, representatives, privies, parties in interest, administrators, beneficiaries and assigns (separately and collectively, jointly and individually "Defendants").

**I. RECITALS**

State Board obtained an Administrative Order of Judgment against Dennis Bailey on June 28, 2006 in the amount of \$1,317,706.25, which was affirmed by the Circuit Court of Pulaski County, Arkansas by Order dated April 16, 2007 and Judgment dated May 1, 2007, Case No. 06-7387, which was affirmed by the Arkansas Supreme Court on April 17, 2008.

**WHEREAS**, State Board filed a separate action against Defendants in the Circuit Court of Pulaski County, Arkansas, Case No. CV 2007-6073 alleging fraudulent transfers of assets;

**WHEREAS**, State Board and Defendants have agreed to settle and resolve these Civil Actions upon the terms and conditions set forth herein.

**NOW, THEREFORE,** State Board and Defendants hereby record and memorialize the terms of their settlement and resolution as follows.

## II. AGREEMENT

1. Consideration. Defendants agree to pay State Board, by check from Edward Jones and/or certified check, the sum of two hundred and fifty thousand dollars (\$250,000) (the "Settlement Funds"). State Board agrees to file with the Clerk of the Court in the Civil Actions, a Dismissal of the Civil Action With Prejudice and Satisfaction of Judgment upon receipt of the Settlement Funds and a copy of this Settlement Agreement that is executed by all Defendants. The parties shall be responsible for their own costs, expenses, and attorneys' fees incurred in, and related to, the Civil Actions and this Settlement.

2. Mutual Release of Claims. For and in consideration of the execution of the Settlement Agreement and the other covenants, promises, representations and agreements contained in this Settlement Agreement, each of the parties hereto, on behalf of itself, its subsidiaries, affiliates, divisions, successors, and assigns do hereby fully, finally, forever, irrevocably and unconditionally release, dismiss, remise, and forever discharge the other and its subsidiaries, affiliates, divisions, successors, and assigns, from all claims, demands, actions, causes of action, suits, damages, losses, and expenses of any nature arising from or in any way related to the Civil Actions, or any other matter, whether known or unknown, disclosed and undisclosed, and actual and consequential, however denominated arising out of or in any way connected to the Civil Actions that precede the date on which this Settlement Agreement is executed and entered into by and between the parties hereon, except any claim for a breach of this Settlement Agreement.

It is the express intent of State Board and Defendants to enter into a mutual, full and final settlement and compromise. This release shall not be construed to prevent any party to this Settlement Agreement from instituting an action, in law or in equity, for breach of this Settlement Agreement or to recover any damages as a result of any violation of this Settlement Agreement.

3. Miscellaneous Provisions.

a. Representations and Warranties. Each party represents that it has the full capacity and authority to enter into this Settlement Agreement and is duly authorized to execute this Settlement Agreement on its own behalf and has done so willingly and voluntarily. Each party further represents that it has read this Settlement Agreement prior to its execution and understands its terms and has consulted with counsel of its own choosing in connection with this Settlement Agreement.

b. Complete Agreement. This Settlement Agreement constitutes the entire agreement between the parties relating to the matters set forth herein. This Settlement Agreement may not be modified, and neither of the parties shall be deemed to bound by any other promise, covenant, or representation related to the subject matter of this Settlement Agreement, unless the same has been reduced to writing and executed by each party sought to be bound thereby. The parties represent they have filed no action or administrative charge or complaint against each other than that described above.

c. Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original Settlement Agreement.

d. Severability. Each provision of this Settlement Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. But if any

provision of this Settlement Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law or rule, such invalidity, illegality, or unenforceability shall not affect any other provision of this Settlement Agreement, and this Settlement Agreement shall be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provision had never been contained herein.

e. Successors and Assigns. This Settlement Agreement shall be binding upon and inure to the benefit of the respective parties and their respective successors or assigns or any other entity that may acquire all or substantially all of the assets of the respective parties or which the respective parties may be merged or consolidated, and such successors or assigns shall be deemed substituted for the respective party(ies) under the provision hereof.

f. Governing Law and Venue. This Settlement Agreement shall be construed and interpreted in all respects in accordance with, and governed by, the internal laws (as opposed to the conflicts of law provisions) of the State of Arkansas. Any cause of action relating in any manner to the Settlement Agreement shall be brought and tried in the Circuit Court of Pulaski County, Arkansas.

g. Interpretation. This agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any other party based on attribution of drafting to any party.

h. Attorneys' Fees to Prevailing Party. In the event either party brings an action for breach of violation of this Settlement Agreement, in addition to any damages or other relief otherwise available, the prevailing party to the action shall be entitled to its reasonable attorneys' fees and expenses relating to the action.

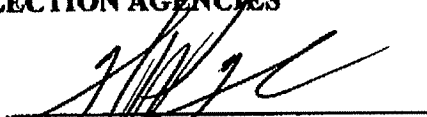
**THIS IS A FULL AND FINAL RELEASE ENTERED INTO WITH  
ADVICE OF LEGAL COUNSEL. THE PARTIES HAVE CAREFULLY READ  
THIS AGREEMENT AND EXECUTE SAME OF THEIR OWN FREE WILL,  
WITH A FULL UNDERSTANDING OF AND VOLUNTARY AGREEMENT TO  
ITS CONTENTS.**

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have  
executed this Settlement Agreement as of the date written below.

**ARKANSAS STATE BOARD OF  
COLLECTION AGENCIES**

Dated: June 17, 2009

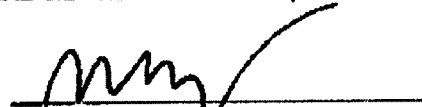
By:

  
Thomas V. Thrash  
Thrash Law Firm  
1101 Garland Street  
Little Rock, AR 72201  
(501) 374-1058

**DENNIS BAILEY, DUENE BAILEY,  
BAILEY SUPER STORE, INC. and  
BMB FINANCE COMPANY, LLC**

Dated: June 17, 2009

By:

  
Steve Morley  
Morley Law Firm  
315 N Broadway St  
North Little Rock, AR 72114  
(501) 372-4314

**KAREN BAILEY, WILLIAM BROOKS  
BAILEY, MORGAN ELYSE BAILEY,  
and KAREN BAILEY, as parent and  
guardian of SAMUEL BRONSON  
BAILEY, a minor child.**



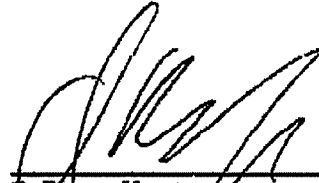
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Dated: June 18, 2009

By:



C. Byron Hurst  
Hurst & Morrissey  
518 Ouachita Avenue  
Hot Springs, AR 71901  
(501) 623-2565