

**IN THE MATTER OF:
KINGDOM CONNECTION INVESTMENTS, LLC
and CHRIS STALEY, d/b/a SOUTHEASTERN AIR
RESTORATION, etc.**

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by Roy Cooper, Attorney General of the State of North Carolina (hereinafter "Attorney General@), and Chris Staley and his company Kingdom Connection Investments, LLC, doing business as Southeastern Air Restoration.

I. PARTIES

1. Chris Staley is a resident of Columbia, South Carolina. Kingdom Connection Investments, LLC (hereinafter "the Corporation"), is a limited liability corporation formed and existing under the laws of the State of South Carolina. Chris Staley and the Corporation have their principal offices in Columbia, South Carolina. Chris Staley and the Corporation have done business within the state of North Carolina using the names "Southeastern Air," "Southeastern Air Restoration," and "Southeastern Air Restorations."

2. The Attorney General is the North Carolina official empowered by law to enforce the North Carolina Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. § 75-1.1, *et seq.*, as well as several related market practices statutes.

II. FACTUAL BACKGROUND

3. In June of 2009, the Attorney General initiated an investigation into the practices of Chris Staley and the Corporation as a result of reports and written complaints that they were employing deceptive sales representations and scare tactics to sell air system cleaning services to North Carolina home owners. These transactions were taking place at the customers' homes. The investigation also was initiated due to reports that Chris Staley and the Corporation regularly failed to provide customers with written and verbal notification of their three-day rights to reconsider and cancel the contracts, as set for in North Carolina General Statute § 14-401.13 and the Federal Trade Commission's Door-to-Door Sales Rule, 16 Code of Federal Regulations § 429.1.

4. Based upon complaints from home owners and the documentation they produced, the Attorney General believed that Chris Staley and the Corporation regularly were combining scare tactics with "bait & switch" tactics in order to up-sell homeowners from a heavily advertised \$75.95 heating, ventilation and air conditioning ("HVAC") duct cleaning service to HVAC cleaning services costing several hundreds or thousands of dollars. The Attorney General was further concerned that Chris Staley and the Corporation pressured home owners to execute contracts and pay for work before they had time reconsider.

5. The Attorney General can bring and has brought enforcement actions against companies that engage in such practices with North Carolina home owners. Such actions are brought under

the aforementioned Unfair and Deceptive Trade Practices Act. Remedies the Attorney General has sought in such enforcement actions have included restitution to consumers harmed by the practices, payment of civil penalties by the defendants, injunctions and attorneys fees.

6. Chris Staley and the Corporation deny that they have violated any laws or regulations in the course of selling their services to North Carolina home owners and deny, further, that any of their business practices were deceptive or misleading.

7. Since September 2009, the parties, through counsel, have engaged in negotiations to resolve complaints that home owners have registered with the Attorney General as well as the Attorney General's concerns about business practices underlying those complaints.

8. The terms and conditions in this Settlement Agreement are the result of the aforesaid negotiations.

9. By entering into this Settlement Agreement, neither side admits or implies that its allegations, claims or possible defenses in this matter have lacked merit or that those of the opposing side possessed merit. Instead, they hereby stipulate that the resolution set forth herein represents a negotiated compromise designed to save the parties from expending substantial and unnecessary amounts of time and resources in order to prove their respective allegations, claims or defenses in a court of law.

III. MUTUAL UNDERTAKINGS OF THE PARTIES

Pursuant to the foregoing, and in consideration for the other parties' undertakings or waivers herein, the Attorney General, Chris Staley and the Corporation hereby bind themselves as follows:

10. Chris Staley and the Corporation, together with their employees, officers, agents, subcontractors, corporate successors and assigns, and any other companies, partnerships or firms under Chris Staley's management or control, and any others acting in concert with either Chris Staley or the Corporation who have knowledge hereof, shall be and hereby are prohibited from engaging in any home improvement transactions or in-home sales transactions with North Carolina home owners unless:

- a. All such transactions not initiated or executed by the home owner at Chris Staley or the Corporation's business premises fully comply with the disclosure provisions and other requirements of N.C. Gen. Statute § 14-401.13 (Failure to give right to cancel in off-premises sales), a copy of which is attached hereto;
- b. All such transactions comply with applicable state and local statues, ordinances and regulations, including those pertaining to off-premises sales, itinerant solicitors, pest control contractors and heating, ventilation and air conditioning contractors;
- c. All such transactions meet applicable standards of care and workmanship in the industry; and
- d. All such transactions not initiated or executed at Chris Staley or the Corporation's

business premises begin no sooner than the fourth day following execution of the written contract by the home owner and their conveying to the home owner copies of the contract, estimate or bid, the statutory three-day right of cancellation notices set forth in sub-paragraph a, hereof, and the cancellation forms required therein.

11. Chris Staley and the Corporation shall pay Twenty-Two Thousand Dollars to the Attorney General, the first Four Thousand of which is being tendered to the Attorney General together with this executed Settlement Agreement. The remaining Eighteen Thousand Dollars will be paid to the Attorney General by Chris Staley and the Corporation in twenty-four monthly installments of Seven Hundred and Fifty Dollars each beginning November 1, 2010. Each subsequent monthly payment shall be due on the first of the month. If a monthly payment is not made by the fifth of the month in which it is due, the Attorney General may declare all remaining payments required hereunder to be immediately due and may bring an action to collect it. Payments hereunder shall be made using checks drawn on the client trust account of a licensed North Carolina attorney, through a bank's certified check or its equivalent, or through a United States Postal Service money order. All checks or money orders shall be made payable to the North Carolina Department of Justice. The first \$7,292 of these funds shall be conveyed by the Attorney General to the following home owners in the amounts indicated: Beverly Bateman (\$1,640); Robert Morris, (\$1,800); Veronica Baldwin (\$3,570); Mildred C. Oliver (\$282.00). The remainder shall be retained by the Attorney General and applied towards consumer restitution, attorneys' fees, costs, consumer education, enforcement, or other consumer protection purposes at the discretion of the Attorney General, except as provided herein.

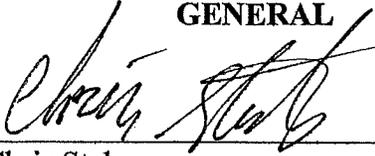
12. As between Chris Staley and the Corporation, the payment obligations in the preceding paragraph shall be joint and several. Payment shall be tendered in care of David N. Kirkman, Assistant Attorney General, or his successor, Consumer Protection Division, N.C. Department of Justice, P.O. Box 629, Raleigh, NC 27602-0629. (Street address for overnight courier deliveries: 114 W. Edenton Street, Raleigh, NC 27603)

13. Except as provided below, Chris Staley and any company he owns, manages or controls, including Kingdom Connection Investments, LLC, shall not offer further air duct cleaning or other products or services to North Carolina home owners directly or through employees or contractors without first providing to the Attorney General his or the company's written procedures for ensuring that sales representations made to such home owners by either of them, or by their respective employees, agents, contractors and representatives, are non-deceptive and contain no incentives to frighten, alarm or mislead those home owners in order to secure a sale or to increase the scope, price or amount of the items or services sold. Although all other requirements of this Settlement Agreement commence immediately, this requirement for approved written procedures shall not begin until November 1, 2010. If by that date the written procedures have not been submitted and approved in accordance with this paragraph, no further contracts may be solicited, bid, quoted or executed in North Carolina until such approval is received. Thereafter, said written procedures must be provided at least 10 days before resuming sales in North Carolina, and no such sales will commence until after the procedures have been approved.

14. With respect to acts or practices committed by either of them prior to the execution hereof, the Attorney General shall not bring an Unfair and Deceptive Trade Practices enforcement action against Chris Staley or the Corporation based upon trade practices which were set forth in paragraphs one through four, above. The Attorney General and the State of North Carolina expressly reserve the right to bring proceedings to enforce this Settlement Agreement, as well as the right to bring any other legal claim or enforcement proceeding not involving the subject matter of this Settlement Agreement. Chris Staley and the Corporation hereby stipulate that proper venue and trial court division for an action by the Attorney General to enforce this Settlement Agreement shall be the North Carolina General Court of Justice, Wake County Superior Court.

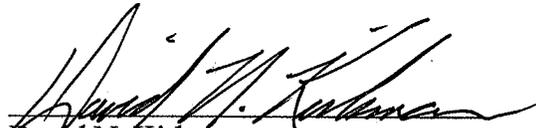
This the 25th day of October, 2010.

**CHRIS STALEY and KINGDOM
CONNECTION INVESTMENTS, LLC
GENERAL**

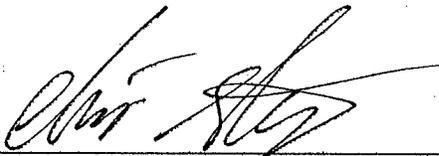


Chris Staley
In His Individual Capacity

**STATE OF NORTH CAROLINA, *ex rel.*
ROY COOPER, ATTORNEY**



David N. Kirkman
Assistant Attorney General



Kingdom Connections Investments, LLC
By Chris Staley, Member/Manager