

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
FILE NO. 03 CVS 015749

STATE OF NORTH CAROLINA,  
ex rel. ROY COOPER,  
ATTORNEY GENERAL,  
Plaintiff,  
v.

2011 JAN -4 PM 4: 29

WAKE COUNTY, C.S.C.

BY

**CONSENT ORDER  
RESOLVING PLAINTIFF'S  
MOTION FOR CONTEMPT**

WARRIOR CUSTOM GOLF, INC.,  
a California Corporation, and  
BRENDAN M. FLAHERTY,  
Individually and as Agent  
and Principal Officer of  
WARRIOR CUSTOM GOLF, INC.,  
Defendants.

**THIS MATTER** coming before the undersigned Judge presiding over the

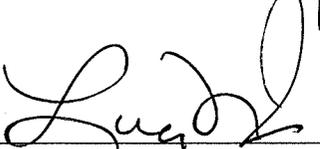
January 4, 20 11 civil session of Wake County Civil Superior Court upon joint application by the parties for entry of a Consent Order resolving the Motion for Contempt filed by plaintiff against defendants on February 19, 2010; and it appearing to the Court from the record in this cause and the representations of the parties, whose signatures are affixed below, that plaintiff's Motion pertained to alleged violations of the Consent Judgment and Stipulated Permanent Injunction entered herein on January 16, 2004 and that resolution of the Motion upon the terms and conditions set forth below would be fair and equitable; and it further appearing, and the Court accepting, that the parties' willingness to enter into this Consent Order is motivated, in large part, by a desire to avoid the expenditures of time and resources necessary to litigate plaintiff's Motion for Contempt and that by signing this Consent Order none of the parties acknowledges that an opposing party's contentions, claims or defenses possess merit or that their own contentions, claims or defenses lack merit;

**IT IS THEREFORE ORDERED**, with the consent of the parties, that plaintiff's Motion for Contempt is withdrawn based upon the defendants' agreement to pay \$40,000 in penalties

and costs to plaintiff in four monthly installments of \$10,000 each. \$35,000 of this sum shall be deemed civil penalties under N.C. Gen. Stat. § 75-105(a) and the remaining \$5000 shall be considered attorneys fees under N.C. Gen. Stat. § 75-105(d). By their signatures below, the parties acknowledge that the first of these four monthly installments already has been tendered to and received by the plaintiff. The second, third and fourth installments shall be delivered to plaintiff, in care of its attorney of record, by January 31, 2011, February 28, 2011 and March 31, 2011, respectively. Payments required hereunder shall be made via checks that are payable to "The Attorney General of North Carolina."

Upon plaintiff's receipt of all funds in the manner set forth above, this Court shall entertain no further motions for contempt based upon alleged violations of the January 2004 Judgment by Consent and Stipulated Permanent Injunction. Plaintiff further agrees that it fully releases defendant from any and all claims, suits and/or actions brought pursuant to N.C.G.S. 75-105 for any alleged violations by the defendants that occurred prior to the date hereof. The payments made by defendants hereunder are not to be construed as an admission of liability of acts constituting contempt or a violation of N.C.G.S. 75-105. The parties further agree and the court orders that neither this consent order, the payments made hereunder, nor the allegations and complaints giving rise to the plaintiff's motion for contempt shall be used as evidence in any future proceeding against the defendants.

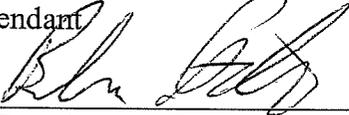
SO ORDERED this the 4<sup>th</sup> day of January, 2011.

  
\_\_\_\_\_  
Superior Court Judge

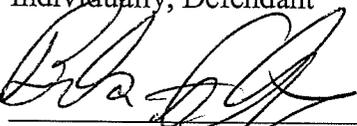
**(Consent of the Parties on the Following Page)**

**We Consent:**

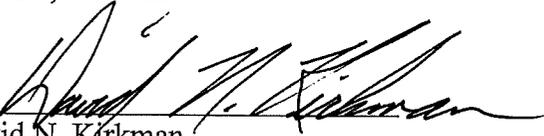
Warrior Custom Golf, Inc.,  
Defendant

By:   
Brendan M. Flaherty, President

Brendan M. Flaherty,  
Individually, Defendant

  
Brendan M. Flaherty

State of North Carolina,  
ex rel. Roy Cooper, Attorney  
General, Plaintiff

By:   
David N. Kirkman  
Assistant Attorney General  
North Carolina Department of Justice

Warrior Consent Judgment 12/10/10