

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by Plaintiff KindHearts for Charitable Humanitarian Development, Inc. (“KindHearts”) and Defendants Timothy F. Geithner, in his official capacity as the Secretary of the Treasury, Adam Szubin, in his official capacity as Director of the Office of Foreign Assets Control, and Eric Holder, in his official capacity as Attorney General of the United States (“Defendants”), (hereinafter, collectively, “the Parties”). Whereas the Parties now mutually desire to resolve all of the claims asserted by Plaintiff in this action without the need for further litigation, and without any admission of liability or wrongdoing by either Party; whereas KindHearts believes that it acted lawfully and has independently determined to close down because further charitable work would be best pursued under other auspices; and whereas the government believes that it acted lawfully and correctly, the Parties hereby accordingly agree to compromise, settle and resolve all of the claims asserted by Plaintiff in this action on the following terms and conditions:

1. All funds and assets owned by KindHearts will be expended, pursuant to licenses by the Office of Foreign Assets Control (OFAC), to cover KindHearts’ outstanding financial obligations and as grants for charitable purposes to charitable organizations set forth in Appendix A. Nothing in this Agreement is or should be construed as Defendants’ endorsement or approval of, or agreement with, any of the organizations or individuals listed in the Appendix. KindHearts shall complete the process of identifying financial obligations within 90 days of the signing of this agreement. Once KindHearts has identified all such obligations to OFAC and certified to OFAC that the obligations are valid and represent a complete accounting of KindHearts’ outstanding financial obligations, and OFAC has found that such licenses are appropriate, OFAC will issue, within 30 days, licenses authorizing: (1) the payment of those obligations; and (2) the apportionment of all remaining funds between the entities listed in Appendix A, pursuant to the agreement of KindHearts and OFAC. Upon completion of the process contemplated in this paragraph, the remainder of this agreement will become operative. In the event that the parties cannot reach agreement as to the payment or licensing of particular debts, either party may terminate this agreement prior to disposition of KindHearts’ assets.
2. Once its assets and funds have been fully allocated, KindHearts agrees to dissolve, cease operations and close down. Assuming all requirements are met, OFAC will license such dissolution. Nothing in this Agreement is or should be construed as a determination that KindHearts was engaged in any wrongdoing. KindHearts is responsible for complying with its legal obligations, including those related to dissolution.
3. Within 60 days after disposition of all KindHearts assets and dissolution of KindHearts, OFAC will remove KindHearts from the list of entities whose assets are blocked, and lift any and all blocking orders against KindHearts. As long as the terms of the Agreement are fulfilled and KindHearts is not a functioning entity, OFAC will not designate KindHearts. At the conclusion of this process, OFAC will notify all other federal agencies to which it normally communicates such actions that KindHearts has been removed from the list of specially designated nationals and blocked persons, and OFAC has lifted the blocking pending investigation of its assets.

4. Nothing in this agreement prevents KindHearts' former board members, officers, and employees from engaging in any lawful activity, including forming a new organization to engage in charitable activity in the Middle East or elsewhere that conforms with all legal requirements. In this agreement, OFAC takes no position on such future charitable activities. Nothing in this agreement affects the laws and regulations applicable to KindHearts' former officers and employees; nor does this agreement restrict the authority or discretion of the Defendants to take enforcement action or seek designation with respect to any person or entity, consistent with Executive Order 13224 or any other authority.

5. Within 180 days of execution of this agreement – or if KindHearts has not dissolved within 180 days, then within 60 days of the dissolution of KindHearts – Defendants will pay \$ 330,000 as reasonable attorneys' fees and expenses directly to KindHearts' counsel on KindHearts' behalf, without remittance to KindHearts or its officers. OFAC will license this transaction.

6. Upon satisfactory completion of the terms of Paragraphs 1, 2, 3 and 5, the Parties will jointly move for lifting of the existing preliminary injunction, and dismissal of this case with prejudice.

7. Plaintiff, for itself and its administrators, heirs, representatives, successors, or assigns, acting in their formal capacity as such, hereby waives, releases and forever discharges Defendants, all of its agencies, components, offices or establishments, and any officers, employees, agents, or successors, of any such department, agency, component, office or establishment, either in their official or individual capacities, from any and all claims, demands and causes of action of every kind, nature or description, which were known to Plaintiff or should have been known, which have been or could have been asserted in this action, or any other administrative or judicial proceeding against Defendant, arising out of or in connection with any event occurring prior to the date of this Agreement including, without limitation, the blocking pending investigation of Plaintiff, the provisional determination that Plaintiff could be designated, and any and all licensing requests to OFAC for disbursement of Plaintiff's funds. This agreement does not constitute waiver of claims by Plaintiff's administrators or representatives in their personal capacities.

8. This Agreement is not and shall not be construed as an admission by Defendants of the truth of any allegation or the validity of any claim asserted in this action, or the Defendants' liability therein. Nor is it an admission by Plaintiff of the truth of any allegations or accusations made by Defendants about it. Nor is it a concession or an admission of any fault or omission in any act or failure to act. Nor shall any of the terms hereof be offered or received in evidence or in any way referred to in any civil, criminal, or administrative action, or construed for any purpose whatsoever as an admission or presumption of wrongdoing on the part of either Defendants or Plaintiff.

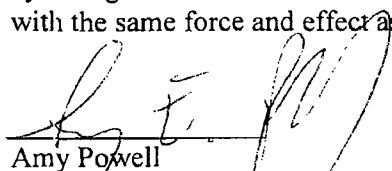
9. The terms of the Agreement, and the attachment thereto, constitute the entire agreement of the Parties entered into in good faith, and no statement, remark, agreement or understanding, oral or written, which is not contained therein, shall be recognized or enforced; nor does the Agreement reflect any agreed-upon purpose other than the desire of the Parties to reach a full and final conclusion of this action and to resolve the matter without the time and expense of further litigation.

10. This Agreement cannot be modified or amended except by an instrument in writing signed by the party to be charged therewith; nor shall any provision hereof be waived other than by a writing setting forth such waiver and signed by the party to be charged with such waiver.

11. This Agreement shall be binding upon and inure to the benefit of the Plaintiff and the Defendants and their respective successors, assigns, and representatives acting in their official capacities, including any persons, entities, departments or agencies succeeding to the interests or obligations of the Parties. This agreement shall not be binding upon Plaintiff's administrators or representatives in their personal capacities.

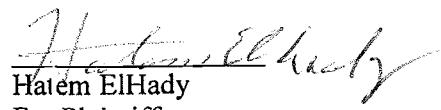
12. Each person signing this Agreement, whether signed individually or on behalf of any person or entity, warrants and represents that he or she has full authority to so execute the Agreement on behalf of the party on whose behalf he or she so signs.

13. This Agreement, which may be signed in counterparts, shall take effect upon execution by all signatories below. This Agreement may be executed on copies sent by electronic mail with the same force and effect as an executed original of the same.



Amy Powell
For Defendants

11/22/11
Dated



Hatem ElHady
For Plaintiff

11/29/11
Dated



Jihad Smaili
For Plaintiff

11/28/11
Dated

APPENDIX A

1. United Nations World Food Programme
See <http://www.wfp.org>
2. United Nations Children's Fund
See <http://www.unicef.org>
3. United Nations Relief and Works Agency for Palestinian Refugees
See <http://www.unrwa.org>
4. Mercy Corps
See <http://mercycorps.org>
5. Masjid Saad (receiving KindHearts' physical assets only)