

STATE OF WISCONSIN  
123 West Washington Avenue  
Post Office Box 7857  
Madison, Wisconsin 53707-7857,

Plaintiff,

v.

Case No. 00-CV-2925  
Unclassified - Civil: 30703

LUZIUS A. BERNHARD  
Kurrentgasse 10-22  
Vienna, Austria 1010 AT

SILVERSERVER  
Lorenz Mandlgasse 33/1  
Vienna, Austria A-1160

CSL GmbH  
Rathausufer 16  
40213 Duesseldorf  
Germany

Defendants.

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#### SETTLEMENT AGREEMENT

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Plaintiff State of Wisconsin ("Wisconsin"), by its attorneys, James E. Doyle, Attorney General, and Alan R. Kesner and Barbara L. Oswald, Assistant Attorneys General, and Defendant Luzius A. Bernhard, hereby enter into the following agreement as a full and final resolution of this litigation with regards to Defendant Bernhard.

1. Wisconsin is a sovereign state. The people of Wisconsin, through their duly elected Legislature, have enacted certain criminal, consumer protection and nuisance laws which are enforceable in the name of the State of Wisconsin through actions such as this one.

2. Defendant Luzius A. Bernhard, a/k/a Hans Bernhard, is an individual who currently resides in Vienna, Austria. Defendant Bernhard is the principal operator of the website known as *vote-auction.com* and currently found through numerous addresses, or URL's, on the World Wide Web portion of the Internet, including but not limited to <http://62.116.31.68>, <http://vote-auction.net>, <http://www.voteauction.ru>, <http://www.voteauction.de>, <http://voteauction.enemy.org>, and others.

3. The parties to this Stipulation agree that this court is the proper venue for the above-titled action, and that this court has jurisdiction over the subject matter of the present litigation. The defendant agrees to submit to the personal jurisdiction of this court.

4. By execution of this Settlement Agreement, Defendant hereby stipulates that neither he nor his agents, employees, representatives and all persons acting or claiming to be acting in his behalf, as well as any persons acting in concert with Defendant Bernhard and having notice of the final judgment in this action, will use the World Wide Web site *vote-auction.com* or others, including but not limited to <http://62.116.31.68>, <http://vote-auction.net>, <http://www.voteauction.ru>, <http://www.voteauction.de>, <http://voteauction.enemy.org>, to buy, sell, broker, auction or otherwise facilitate or assist in the sale of votes on behalf of any candidate in any future Wisconsin elections, in violation of Wis. Stat. §§ 12.11(1m)(a)3. and 823.02.

5. Defendant shall, within thirty (30) days of the Court's entry of the Consent Decree, Permanent Injunction and Judgment by the court, advise all persons holding managerial positions within his business of the terms of and the company's obligations under this Judgment.

6. Defendant shall take all actions necessary to effectuate compliance by any third party service providers acting for or on his behalf, including but not limited to co-defendants SilverServer and CSL GmbH. Defendant shall advise the attorneys for Plaintiff State of

Wisconsin of his compliance with this term.

7. In the event that Defendant Bernhardt, or any person or entity acting in concert with him and having notice of the final judgment in this matter, engages in buying, selling or otherwise facilitating the purchase or sale of votes via the World Wide Web portion of the Internet, for any future election in the United States, Defendant Bernhardt shall assure that the following or a substantially similar statement appears prominently displayed in bold type on the initial explanatory page of his website in a font size no smaller than the default font size, and in no case smaller than the font size utilized for the majority of the information contained within all of the site's WebPages: "Participation in this site, through registration, offering to purchase, or offering to sell votes, by persons physically located within the state of Wisconsin or registered to vote in elections in the state of Wisconsin, is unlawful and may subject the participant to prosecution."

8. If Defendant Bernhardt, or any person or entity acting in concert with him and having notice of the final judgment in this matter, engages in buying, selling or otherwise facilitating the purchase or sale of votes via the World Wide Web portion of the Internet, for any future election in the United States, Defendant Bernhardt shall make efforts to utilize new technology which may become generally available to Internet businesses and accepted as standard in the industry, to ascertain whether any person who accesses the site is physically located within the state of Wisconsin, and shall use such information to prevent such persons from participating in the site.

9. Any violation of any of the terms or conditions of this Permanent Injunction shall be considered contempt of this court, and shall subject Defendant to civil penalties of not more than Five Thousand Dollars (\$5,000) per violation. In the event any violation is shown,

Defendant Bernhard may also be ordered to reimburse Plaintiff for any costs incurred in enforcing any of the terms or conditions of the Permanent Injunction. Nothing in the Settlement Agreement or Consent Decree, Permanent Injunction and Judgment shall preclude Plaintiff from initiating any further investigation or any further civil legal proceedings for violations not related to the specific solicitation and other practices underlying this action against Defendant.

10. In consideration of the terms of this agreement and of the Consent Decree, Permanent Injunction and Judgment, Wisconsin waives any request or entitlement to any additional civil remedies based upon any of the acts of defendants alleged in the complaint, except as necessary to enforce the terms of this stipulation or the Consent Decree, Permanent Injunction and Judgment.

11. In the event the Plaintiff believes Defendant has violated any term of the Settlement Agreement or the Consent Decree, Permanent Injunction and Judgment, Plaintiff shall, before seeking to enforce the terms of this Judgment, first contact Defendant in writing, and advise Defendant of the manner in which he is believed to be in violation of this Judgment. Defendant shall be afforded no less than Fifteen (15) days from receipt of any notice to cure any alleged violation before Plaintiff proceeds with enforcement of this Judgment.

12. By signing this document, the parties acknowledge that they have reviewed this document and the consent decree in full, and that they have availed themselves of legal and other advise so as to be fully informed. All parties enter into this stipulation knowingly, understandingly and voluntarily.

13. Defendant shall be assessed and shall pay the court costs incurred in this action.

14. Construction of the Consent Decree, Permanent Injunction and Judgment shall be under Wisconsin law.

15. The parties hereby agrees to the entry, by the court, of the Consent Decree, Permanent Injunction and Judgment, in the form attached to this agreement and incorporated herein by reference.

16. The parties agree that the court may enter the Consent Decree, Permanent Injunction and Judgment without further notice to, appearance by, or consent of the parties or their attorneys.

Dated at Madison, Wisconsin, this \_\_\_\_ day of \_\_\_\_\_, 2000.

JAMES E. DOYLE  
Attorney General

ALAN R. KESNER  
Assistant Attorney General  
State Bar # 01001216

BARBARA L. OSWALD  
Assistant Attorney General  
State Bar # 01021541

Attorneys for State of Wisconsin

Wisconsin Department of Justice  
123 West Washington Avenue  
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Madison, Wisconsin 53707-7857  
(608) 267-2070  
(608) 266-3067

Dated at Vienna, Austria this \_\_\_\_ day of \_\_\_\_\_, 2000.

Luzius A. Bernhard  
d/b/a Vote-auction.com