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SETTLEMENT AGREEMENT

WHEREAS, this Settlement Agreement ("Agreement") is entered into by and between the New York State Commission on Public Integrity ("Commission") and American Alternative Fuels; and

WHEREAS, the Commission is the State agency responsible for enforcing Article 1-A of the New York State Legislative Law, as amended ("Lobbying Act"); and

WHEREAS, as a registered client in 2007, American Alternative Fuels is therefore required to comply with the reporting requirements set forth in the Lobbying Act; and

WHEREAS, it is clearly established that American Alternative Fuels failed to file report(s) for the year 2007, specifically a 2007 July/December Client Semi-Annual Report, as required by §1-j of the Lobbying Act; and

WHEREAS, in lieu of appearing for an adjudicatory hearing that could result in the assessment of a civil penalty, the parties to this Agreement have agreed to resolve their dispute in a manner that avoids further administrative litigation;

NOW THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of the violation set forth herein, the parties agree that:

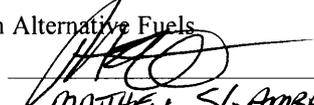
- I. American Alternative Fuels admits that it violated § 1-j of the Lobbying Act as set forth herein and agrees to pay to the Commission the amount of \$250 in settlement of said violation within 15 days of the execution of this Agreement. If full payment is not received within 15 days of the execution of this Agreement, this Agreement shall become null and void in its entirety.
- II. American Alternative Fuels further agrees to submit the accurately completed 2007 July/December Client Semi-Annual Report within 15 days of your execution of this Agreement. If the outstanding report is not received within 15 days of your execution of this Agreement, this Agreement shall become null and void in its entirety.
- III. Notwithstanding the provisions of this Agreement, American Alternative Fuels understands and acknowledges that the Commission may investigate other knowing and willful violations, if any, by American Alternative Fuels, of the Lobbying Act.
- IV. American Alternative Fuels hereby waives (its, their, his, her) right to cure, as provided in §1-o(c)(iii) of the Lobbying Act and may not assert such right at any future time.
- V. Any amendment or modification to this Agreement shall be in writing and signed by both parties.

Dated:



 NEW YORK STATE
 Commission on Public Integrity

ACCEPTED AND AGREED TO
THIS 16th DAY OF October, 2008

American Alternative Fuels
 By: 
 Name: MATTHEW S. GAMBETTA
 Title: MANAGING MEMBER