

AGREEMENT BETWEEN THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA AND WESTERN UNION FINANCIAL SERVICES, INC.

1. This is an agreement (“Agreement”) between the Attorney General of the State of California and Western Union Financial Services, Inc. (“Western Union”) to implement for the State of California the “participating state” provisions of the *State of Arizona v. Western Union Settlement Agreement* (“Settlement Agreement”) and the State’s participation in the Southwest Border Anti-Money Laundering Alliance (“ALM”), established by that Settlement Agreement.

2. The Attorney General and Western Union believe that the Southwest Border Area poses special money laundering risks associated with criminal activity by drug, human, and weapons smuggling organizations. The problems associated with this criminal activity are regional in nature and are not confined to any single U.S. or Mexican border state. Combating such criminal activity requires cooperation between law enforcement agencies in the U.S. Border States and federal government agencies, as well as with law enforcement authorities in Mexico. The Attorney General and Western Union further believe that the implementation of effective AML compliance programs by financial service providers in the Southwest Border Area and an effective and cooperative working relationship between financial service providers and law enforcement agencies play an important role in enabling law enforcement to successfully combat money laundering and other criminal activity in the Southwest Border Area.

3. This Agreement incorporates by reference, as if set forth herein in full, and implements for the benefit of the State of California “participating state” status and the Southwest Border Area provisions of the *State of Arizona v. Western Union Settlement Agreement*, specifically: ¶¶17.1, 17.1.1, 17.1.2, 17.1.3, and 17.1.4 [regarding the provision of documents and data by Western Union to the State of Arizona, the Monitor and the participating states], 17.2, 18, and 19 [regarding Western Union’s compliance with applicable federal and state laws and maintenance of an Anti-Money Laundering Compliance Program], and 23.2, 23.2.1, and 23.2.2 [regarding funding for the Southwest Border Anti-Money Laundering Alliance].

4. Western Union agrees that nothing in this Agreement is intended to place any condition or limitation on the Attorney General’s statutory or other legal authority to obtain records or information from Western Union. Western Union further agrees not to assert this Agreement or to assert the Attorney General’s failure to comply with any aspect of this Agreement in response to any subpoena, administrative request, or other legal action to obtain records or information from Western Union. Western Union agrees that the Attorney General remains free to pursue any legal authority that the Attorney General may have to obtain records or information from Western Union without reference to this Agreement and without proving any fact or circumstance or presenting any information that it would not have been required to prove or present in the absence of this Agreement, in addition to and apart from any rights that the Attorney General may have to obtain records or information under this Agreement.

5. In consideration of the Western Union’s agreement regarding the provision of documents and data to the State of Arizona, the Monitor and the participating states, Western Union’s agreement to comply with applicable federal and state laws and maintenance of an Anti-Money Laundering Compliance Program, and the provision of funding for the Southwest Border Anti-Money Laundering Alliance, as set forth above, and except in the event of a willful and material breach

of this Agreement by Western Union, with respect to data and information provided to the Attorney General, either directly by Western Union, or through the Monitor, the State of Arizona or the Southwest Border Anti-Money Laundering Alliance pursuant to the provisions of the Settlement Agreement, with the execution of this Agreement, the Attorney General agrees that he will not pursue any investigation or prosecution of Western Union and any of its current or former parents, subsidiaries, affiliates, successors, assigns, and related entities, and any of its or their current or former directors, officers, and employees (collectively “Western Union Affiliates”) and will bring no criminal charges, civil actions and take no regulatory action against Western Union from the date of the execution of this agreement, with respect to transactions and events that are subject of disclosures of data and other information made pursuant to this Agreement or the Settlement Agreement with the State of Arizona. Provided, however, the above agreement not to pursue any investigation or prosecution of Western Union or its Affiliates and not to bring criminal charges, civil actions and take no regulatory action against Western Union or its Affiliates with respect to transactions and events that are subject of disclosures of data and other information made pursuant to this Agreement and the Settlement Agreement with the State of Arizona does not include any regulatory claims or enforcement actions as might be taken by the California State Department of Financial Institutions as might be disclosed in its audit, scheduled for June, 2010.

5.1 The term “Western Union Affiliates” does not include Western Union authorized delegates or Agents. This paragraph does not prohibit the Attorney General from investigating or prosecuting, or from bringing civil claims or regulatory actions against, any Western Union authorized delegate or Agent or the employee(s) of any such authorized delegate or Agent.

5.2 The Attorney General’s agreement not to take “regulatory action” does not preclude examinations by the California Department of Financial Institutions. Western Union agrees that examinations may continue under the statutory examination process. Western Union also agrees that the Monitor may freely provide information to DFI and that the Monitor may receive information from DFI except as restricted by the confidentiality statutes relating to examination reports.

5.3 If the State of Arizona declares a breach of the Settlement Agreement and thereafter files a civil or regulatory action or obtains an indictment against Western Union or a Western Union Affiliate, it shall be in the sole and reasonable discretion of the Attorney General to determine, as a result thereof and subject to the notice and cure provisions in ¶ 5.5 of this Agreement, that Western Union be deemed in breach of this Agreement.

5.4 The Attorney General may enforce this Agreement by declaring a breach of this Agreement without any action by any other state. In particular, it may do so in the absence of any declaration by the State of Arizona of a breach of the Settlement Agreement.

5.5 Should the Attorney General determine in his sole and reasonable discretion that Western Union has committed a willful and material breach of any provision of this Agreement or the Settlement Agreement with the State of Arizona, the Attorney General shall provide written notice to Western Union of the alleged breach and provide Western Union with ten business days, unless the public health and safety requires the Attorney General take action sooner, or longer at the reasonable discretion of the Attorney General, in which to make a presentation to

the Attorney General to demonstrate that no breach has occurred or, to the extent applicable, that the breach was not willful or material or has been cured. The parties hereto expressly understand and agree that should Western Union fail to make a presentation to the Attorney General within such time period after receiving notice, the Attorney General may, in his discretion, conclusively infer that Western Union is in willful and material breach of this Agreement and shall not be bound by his agreement not to bring criminal charges, civil actions or regulatory action against Western Union and Western Union Affiliates. The parties further understand and agree that the Attorney General's exercise of discretion under this Agreement is not subject to review in any court, tribunal, or otherwise.

5.6 In the event of a willful and material breach of this Agreement which results in any civil, criminal, or regulatory proceedings, the Attorney General's claims may be premised upon any information provided by or on behalf of Western Union to the Attorney General at any time.

Date: _____

Edmund G. Brown
Attorney General of California

Date: _____

David Schlapbach
General Counsel
Western Union Financial Services, Inc.