

**AGREEMENT TO ENTRY OF STIPULATED JUDGMENT
AND PERMANENT INJUNCTION**

This ACKNOWLEDGMENT AND AGREEMENT TO ENTRY OF STIPULATED JUDGMENT AND PERMANENT INJUNCTION is entered into as of this 7th day of October, 1990, at Van Nuys, CA by and between WORLD SERVICE OFFICE, INC., a California non profit corporation , with its principal place of business located at 16155 Wyandotte Street, Van Nuys CA 91406 (hereinafter "WSO") and DAVID MOORHEAD, an individual, with his principal place of residence located at 1110 Palmer Street, Philadelphia PA 19125 (hereinafter "MOORHEAD").

WHEREAS, WSO claims legal ownership of the rights to the marks and copyrights set forth in Paragraphs 1⁴² hereof, which are held by WSO in a fiduciary capacity as trustee of a charitable trust established in 1982 by the World Service Conference for the benefit of the fellowship of Narcotics Anonymous;

WHEREAS, MOORHEAD acknowledges that he was one of several source of certain "light blue copies" of the Narcotics Anonymous Basic Text;

WHEREAS MOORHEAD asserts that he believed and believes in good faith that he was entitled to edit and reproduce the "light blue copies" and distribute same;

WHEREAS, WSO has demanded that MOORHEAD immediately cease and desist in all editing, reproduction and distribution of unauthorized copies the Narcotics Anonymous Basic Text including the "light blue copies";

WHEREAS, the parties believe that this dispute has been and is continuing to erode the unity of the fellowship of Narcotics Anonymous and unnecessary diverting the energies of the fellowship from fulfilling its primary purpose;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties agree as follows:

1. **AGREEMENT TO CEASE TRADEMARK INFRINGEMENTS.** MOORHEAD agrees that he will not hereafter directly or indirectly

manufacture, sell, or distribute in any manner any items (that are not authorized by WSO in writing) bearing any of the following marks, including but not limited to the following marks:

United States Service Mark and Trademark Registration No. 1,450,681, issued August 4, 1987:



United States Trademark and Service Mark Registration No. 1,467,774, issued February 16, 1988:

NARCOTICS ANONYMOUS

2. **AGREEMENT TO CEASE COPYRIGHT INFRINGEMENTS.**
MOORHEAD agrees that he will not hereafter directly or indirectly manufacture, sell or distribute in any manner any items (that are not authorized by WSO in writing) which includes any portion of the Narcotics Anonymous Basic Text which are protected by the following copyright registrations:

U.S. Copyright Reg. No. TX 2 112 598, issued June 15, 1987;

U.S. Copyright Reg. No. TX 2 250 589, issued January 26, 1988;

U.S. Copyright Reg. No. TX 2 334 402, issued January 26, 1988;

U.S. Copyright Reg. No. TX 2 250 588 issued January 26, 1988;

U.S. Copyright Reg. No. TX 2 254 607, issued February 17, 1988;

U.S. Copyright Reg. No. TX 2 837 638, issued May 30, 1990.

MOORHEAD further covenants and promises that he will not hereafter or in any manner directly or indirectly infringe any additional or future intellectual properties of

WSO, nor will he directly or indirectly assist or otherwise encourage others to engage in infringement.

3. AGREEMENT TO SURRENDER CURRENT STOCKS AND IDENTIFY SOURCES OF SUPPLY AND MANNER OF DISTRIBUTION Concurrently with the execution of this document, MOORHEAD shall surrender to the WSO all unauthorized copies of the Basic Text within his possession or control, except for one copy of each of his four printings of the Basic Text. He shall further provide WSO with a true, correct and complete written listing under penalty of perjury reflecting the following information:

- a. The total number of copies of the Basic Text produced and/or distributed by MOORHEAD;
- b. The dates such copies were produced;
- c. The present location of all means by which the copies were made.

4. AGREEMENT TO COMMUNICATE WITH THE FELLOWSHIP. MOORHEAD shall forthwith draft and/or approve plus execute a letter addressed to the fellowship advising the fellowship that he has ceased all manufacturing and distribution of the "little blue copies" of the Basic Text; that he has agreed to submit the propriety of the publication of the "little blue copies" of the Basic Text through the usual literature development process and abide by the decision made through that process. He shall also encourage all other members of the fellowship to cease their distribution or manufacturing of their own versions of the Basic Text, to surrender all copies thereof directly to the WSO, and to submit the propriety of literature through the usual literature development process and abide by the decision made through that process.

5. FILING OF ACTION TO ENFORCE MANDATORY AND INJUNCTIVE RELIEF. The parties agree that WSO shall file an action in the United States District Court for the Eastern District of Pennsylvania for trademark and copyright infringement arising out of the facts set forth above. Immediately upon

the filing of this action, the parties shall jointly file a FINAL JUDGMENT PURSUANT TO STIPULATION and a PERMANENT INJUNCTION in forms set forth as Exhibits A and B hereto. WSO agrees to refrain from seeking any damages, costs, attorneys fees or other remedies from MOORHEAD in connection with that action so long as MOORHEAD stays in full compliance with the letters and the spirit of the PERMANENT INJUNCTION.

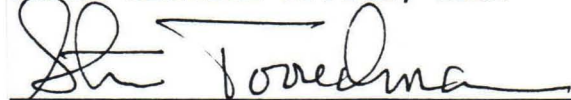
6. ATTORNEYS FEES AND COSTS. In the event that any action is brought to enforce any portion of this agreement, then the prevailing party shall be entitled to recover its attorneys fees and costs as an element of damage.

I have read, understand and agree to the terms of this agreement.

Executed as of October 7, 1990 at Van Nuys, CA.

DAVID MOORHEAD

WORLD SERVICE OFFICE, INC.



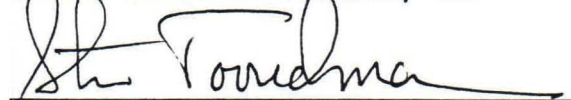
Stu Tooredman, Acting Executive Director

Approved in form and content:

WORLD SERVICE BOARD OF TRUSTEES

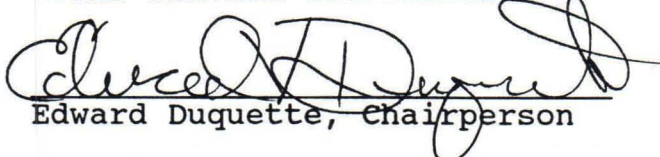
Jack Bernstein, Chairperson

BOARD OF DIRECTORS OF
WORLD SERVICE OFFICE, INC.



Stu Tooredman, Chairperson

WORLD SERVICE CONFERENCE


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