



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

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August 3, 2006

Via Courier (Next Day Delivery)

Peter J. Deeb, Esq.  
Frey, Petrakis, Deeb, Blum, Briggs & Mitts  
1601 Market Street  
Suite 2600  
Philadelphia, PA 19103

**RE: Celtic Bank Corporation**

Dear Pete:

Pursuant to our discussions, we are writing to confirm that your client, Celtic Bank Corporation ("Celtic"), a Utah corporation with its principal place of business at 340 E. 400 S., Salt Lake City, UT 8411, held only two Equipment Rental Agreements with NorVergence customers in New York State as of January of 2006. Our records indicate that these customers are Pirsum Printing & Graphics, Inc. ("Pirsum"), with its principal place of business located at 46 Main Street, Monsey, NY 10952; and (2) Laurel Environmental ("Laurel"), with its principal place of business at 52 Elm Street, 1<sup>st</sup> Floor, Huntington, NY 11743. The Equipment Rental Agreements with Pirsum and Laurel are annexed hereto as Exhibits A and B, respectively.

Celtic represents that it has not assigned these Equipment Rental Agreements or the rights thereto to other leasing companies.

Celtic has forgiven 98.25% of the total outstanding balance due under the Equipment Rental Agreement with Pirsum as of July 15, 2004, and Celtic has forgiven 98.95% of the total outstanding balance due under the Equipment Rental Agreement with Laurel as of July 15, 2004. Celtic has also waived all its rights under the Equipment Rental Agreements with Pirsum and



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Laurel and has ceased any collections or litigation efforts undertaken to collect monies due under these agreements. This letter agreement shall be binding upon Celtic's principals, officers, directors, agents (including, but not limited to third party collection agents), employees, successors and assigns, and any entity or device through which it may now or hereafter act, as well as any persons who have authority to control or who, in fact, control and direct its business.

If the terms detailed above are an accurate statement of Celtic's settlement terms with Pirsum and Laurel, please have Celtic execute the acknowledgment below and return an original signed copy to my attention.

Sincerely,

Shahla F. Ali  
Assistant Attorney General

ACKNOWLEDGMENT

I, on behalf of Celtic Bank Corporation, hereby certify that I accept, and intend to be legally bound by, the terms detailed above.

CELTIC BANK CORPORATION

\_\_\_\_\_

Title :

Date: \_\_\_\_\_