SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

EASTERN FUNDING LLC,

Plaintiff,

-against-

ALLIED HEALTH CARE SERVICES, INC. and CHARLES K. SCHWARTZ

Defendants.

Index No.:

Plaintiff designates New York County as the place of trial

1010695

The basis of the venue is: Plaintiff's

Residence and Contractual Provision

SUMMONS

Plaintiff resides at: 213 WEST 35TH STREET

NEW YORK, NY 10001 County of NEW YORK

To the above-named defendants:

YOU ARE HEREBY SUMMONED and required to serve upon plaintiff's attorney, at his address stated below, an answer to the attached complaint.

If this summons was personally served upon you in the State of New York, the answer must be served within 20 days after such service of the summons, excluding the day of service. If the summons was not personally delivered to you within the State of New York, the answer must be served within 30 days after service of the summons is complete as provided by law.

If you do not serve an answer to the attached complaint within the applicable time limitation stated above, a judgment may be entered against you, by default, for the relief demanded in the complaint, without further notice to you.

The action will be heard in the Supreme Court of the State of New York, in and for the County of New York. This action is brought in the County of New York because of plaintiff's residence, to wit, 213 West 35th St., New York, County of New York, New York 10001 and contractual provisions.

Dated, Roslyn Heights, New York May 24, 2010 THEODORE JON COHEN, ESQ.

Attorney for Plaintiff

Address:

77 Carriage Lane

Roslyn Heights, New York 11577

Tele. #:

(516) 672-2423

Defendants' Addresses:

Allied Health Care Services, Inc., 89 Main Street, Orange, NJ 07050 Charles K. Schwartz, 37 Timberline Drive, Sparta, NJ 07871

Notice: The nature of this action is Breach of Contract

The relief sought is Money Damages.

FILED MAY 26 2010

COUNTY CLERK'S OFFICE

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

Index No.

EASTERN FUNDING LLC,

Plaintiff,

-against-

ALLIED HEALTH CARE SERVICES, INC., and CHARLES K. SCHWARTZ,

Defendants.

VERIFIED COMPLAINT

16106951

Plaintiff, by its attorney, Theodore Jon Cohen, complaining of defendants, respectfully alleges:

- 1. Plaintiff is a Delaware limited liability company, qualified to do business in the State of New York, with its principal place of business located at 213 West 35th Street, Suite 1000, New York, NY 10001.
- 2. Defendant ALLIED HEALTH CARE SERVICES, INC. is, upon information and belief, a corporation organized and existing under, and by virtue of, the laws of the State of New Jersey, with its principal place of business located at 89 Main Street, Orange, NJ 07050.
- 3. Defendant CHARLES K. SCHWARTZ, upon information and belief, resides at 37 Timberline Drive, Sparta, NJ 07871.

<u>JURISDICTION</u>

- 4. Paragraph 21 of the Lease annexed hereto as Exhibit A and referenced in paragraph 7 of this Complaint provides, in part, that defendant ALLIED HEALTH CARE SERVICES, INC. consents to the jurisdiction of any state court located in New York County, New York.
- 5. The next to the last paragraph of the Guaranty annexed hereto as Exhibit B and referenced in paragraph 16 of this Complaint, provides, in part, that defendant CHARLES K. SCHWARTZ consents to the jurisdiction of any state court located in New York County, New York.

AS AND FOR A FIRST CAUSE OF ACTION AGAINST DEFENDANT ALLIED HEALTH CARE SERVICES, INC.

6. Plaintiff repeats and realleges those allegations contained in paragraph. 1 through 5 above as if fully set forth herein at length.

7. On or about July 5, 2006, defendant ALLIED HEALTH CARE SERVICES, I

COUNTY CLERK'S OFFICE

3368

as Lessee, and plaintiff, as Lessor, entered into an equipment lease known as Lease Number 3368 (the "Lease") for 35 Lifecare Products PLV 102 Home Care Ventilators (the "Equipment") to be used in defendant ALLIED HEALTH CARE SERVICES, INC.'s business. A copy of the Lease is annexed hereto as Exhibit A.

- 8. Defendant ALLIED HEALTH CARE SERVICES, INC. has defaulted under the terms of the Lease and there is now due and owing to plaintiff the sum of \$53,591.59, together with interest thereon.
- 9. Defendant ALLIED HEALTH CARE SERVICES, INC. was, on or about April 12, 2010, notified of its default and has refused to pay any part of the amount due to plaintiff, despite plaintiff's due and just demand. A copy of such default/demand notice is annexed hereto as Exhibit C.
- 10. As a result of the foregoing, plaintiff has been damaged in the amount of \$53,591.59, together with interest thereon.

AS AND FOR A SECOND CAUSE OF ACTION AGAINST DEFRENDANT ALLIED HEALTH CARE SERVICES, INC.

- 11. Plaintiff repeats and realleges those allegations contained in paragraphs 1 through 10 above as if fully set forth herein at length.
- 12. An account was taken and stated between plaintiff and defendant ALLIED HEALTH CARE SERVICES, INC. which showed a balance of \$53,591.59 due and owing by defendant ALLIED HEALTH CARE SERVICES, INC. to plaintiff.
- 13. No part of that sum of \$53,591.59 has been paid, although duly demanded on or about April 12, 2010. A copy of such default/demand notice is annexed hereto as Exhibit C.
- 14. As a result of the foregoing, plaintiff has been damaged in the amount of \$53,591.59, together with interest thereon.

AS AND FOR A THIRD CAUSE OF ACTION AGAINST DEFENDANT DEFENDANT CHARLES K. SCHWARTZ

- 15. Plaintiff repeats and realleges those allegations contained in paragraphs 1 through 14 above as if fully set forth herein at length.
- 16. On or about the day that defendant ALLIED HEALTH CARE SERVICES, INC. entered into the Lease, defendant CHARLES K. SCHWARTZ, as additional consideration to induce plaintiff-lessor to enter into the Lease, guaranteed the timely performance, by ALLIED

HEALTH CARE SERVICES, INC., of all of the terms and conditions of the Lease. A copy of such guaranty is annexed hereto as Exhibit B.

- 17. Defendant CHARLES K. SCHWARTZ has failed to honor his guarantor obligations to plaintiff-lessor and there is now due and owing to plaintiff the sum of \$53,591.59, together with interest thereon.
- 18. Defendant CHARLES K. SCHWARTZ was, on or about April 12, 2010, notified that ALLIED HEALTH CARE SERVICES, INC. had defaulted under the terms of the Lease, but he has refused to pay any part of the amount due to plaintiff, despite plaintiff's due and just demand. A copy of such default/demand notice is annexed hereto as Exhibit C.
- 19. As a result of the foregoing, plaintiff has been damaged in the amount of \$53,591.59, together with interest thereon.

WHEREFORE, plaintiff demands judgment against:

- A. Defendant ALLIED HEALTH CARE SERVICES, INC. on the First Cause of Action in the amount of \$53,591.59 and on the Second Cause of Action in the amount of \$53,591.59, together with the costs and disbursements of this action, interest, and for such other and further relief as to this Court seems just and proper; and,
- B. Defendant CHARLES K. SCHWARTZ on the Third Cause of Action in the amount of \$53,591.59, together with the costs and disbursements of this action, interest, and for such other and further relief as to this Court seems just and proper.

Dated: May 24, 2010

Roslyn Heights, New York

THEODORE JON COHEN

Attorney for Plaintiff 77 Carriage Lane

Roslyn Heights, New York 11577

(516) 672-2423

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

Index No.

EASTERN FUNDING LLC,

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-against-

ALLIED HEALTH CARE SERVICES, INC. and CHARLES K. SCHWARTZ,

Defendants.

VERIFICATION
BY A PARTY

STATE OF NEW YORK)

SS.:

COUNTY OF NEW YORK)

MARC STERN, being duly sworn states that he is the Chief Credit Officer of the plaintiff in this action and that the foregoing complaint is true to his own knowledge, except as to matters therein stated to be alleged on information and belief, and as to those matters, he believes them to be true.

May 24, 2010

Date

Signature of Marc Stern

Notarial Acknowledgment. On May 24, 2010, before me personally appeared Marc Stern, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

Notary Public State of New Yor

No. 01K16180093

Qualified in New York County

My Commission Expires 01/07/2012

Index No.: /10 Year 2010
SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY
EASTERN FUNDING LLC,
Plaintiff,
VS.
ALLIED HEALTH CARE SERVICES, INC. and CHARLES K. SCHWARTZ,
Defendants.
SUMMONS and VERIFIED COMPLAINT
THEODORE JON COHEN ATTORNEY FOR Plaintiff 77 CARRIAGE LANE ROSLYN HEIGHTS, NEW YORK 11577 (516) 672-2423
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Attorney(s) for ====================================
is hereby admitted.
Dated:
Attorney(s) for