

# **EXHIBIT A**

## DEFINED TERMS

"First Payment Default:" A customer's failure to make its initial Lease payment within 60 days of delivery and acceptance of a Matrix Box.

"Insiders:" Alexander L. Wolf, Robert Fine, Robert Wizeman, William Jean Charles, Terry Skeemer, Arthur Scuttaro.

"ISR" or "Inside Sales Representative:" A highly trained NorVergence call center employee. At its peak, NorVergence had approximately 1100 ISRs.

"Lease" or "Equipment Rental Agreement," or "ERA:" A 5-year agreement obtained by NorVergence from a customer and immediately assigned to a Leasing Company for substantial cash. A copy of a Lease is included within Exhibit B.

"Lease Rate:" The rate utilized by the Leasing Companies to calculate the purchase price of the Lease. The customer's monthly payment, when divided by the Lease Rate, derives the purchase price that the Leasing Company pays NorVergence for a Lease.

"Leasing Companies:" ABB Business Finance, Alfa Financial Corporation, a division of OFC Capital a/k/a Alfa Financial a/k/a OFC Capital, Banc Lease Acceptance Corporation a/k/a North Texas Credit Corp., BB&T Leasing Corporation a/k/a BB&T Leasing, Celtic Bank, CIT Group a/k/a CIT Capital a/k/a CIT Technology Financing Services, Inc. a/k/a CIT Financial USA, Inc. a/k/a CIT Leasing, Citicapital Technology Finance, Inc. a/k/a Citi Capital a/k/a The Citi Group, Combined Capital a/k/a ACC Leasing, Court Square Leasing Corporation, DeLage Landen Financial Services, Inc. a/k/a DeLage Landen, Dolphin Financial Corporation a/k/a Dolphin Capital Corporation a/k/a Dolphin Leasing a/k/a Capital Crossing Bank, First Lease, Inc., General Electric Capital Corporation a/k/a GE Capital, IFC Leasing, Inc. a/k/a IFC Credit Corporation a/k/a Insight Financial Corp.,

Information Leasing Corp. n/k/a National City Commercial Capital, Irwin Business Finance a/k/a Irwin Commercial Finance Corp. a/k/a Irwin Commercial Leasing, Leasing Innovations, Inc., Liberty Bank Leasing a/k/a Liberty Bank, Lyon Financial Services, Inc. d/b/a U.S. Bancorp Business Equipment Finance Group a/k/a US Bancorp, Madison Capital, LLC a/k/a Madison Capital-Funding a/k/a Madison Capital Equipment Lease, Inc., National Penn Leasing a/k/a National Penn Bank Co., Northland Capital Financial Services a/k/a Northland Leasing Innovations, Partners Equity Capital Company, PFG Commercial Finance, Popular Leasing a/k/a Popular Leasing USA, Inc., Preferred Capital, Inc. a/k/a Preferred Capital, LLC a/k/a Preferred Leasing, LLC a/k/a Preferred Capital Leasing, R-G Crown Bank Leasing d/b/a Crown Bank Leasing f/k/a Crown Bank, a Federal Savings Bank, Sterling National Bank, Studebaker Worthington Leasing Group, Susquehanna Patriot Commercial Leasing Company, Inc. a/k/a Patriot Leasing Company a/k/a Patriot Leasing, US Express Leasing, Inc. a/k/a USXL, Wells Fargo Financial Leasing a/k/a Wells Fargo Financial, Inc.

"Matrix Box:" A T-850 router or similar device with certain intellectual property which was manufactured by AdTran and enabled voice and data to be transmitted together over one line. The Matrix Box did not eliminate per minute charges. AdTran sold the Matrix Box to NorVergence for \$1,278.00 per unit.

"MPA" or "Master Program Agreement:" Agreement between a Leasing Company and NorVergence which governed the terms pursuant to which the Leasing Company would purchase or accept assignments of Leases from NorVergence. A Master Program Agreement is attached as Exhibit C.

"NorVergence Service Contract" or "Service Contract:" A 5-year fixed price agreement between a customer and NorVergence for telephone and internet service, a sample of which is included within Exhibit B.

"NorVergence Solution" or "Solution:" Paying 20% to 30% less on your phone and internet charges than you were paying before you came to NorVergence. Essentially, a straight mathematical calculation engineered to put as much value as possible into the Lease.

"Peter:" Peter Salzano

"Repurchase Obligation:" The obligation of NorVergence to repurchase or buy back from a Leasing Company any Lease where a customer suffered a First Payment Default. Some Leasing Companies also required repurchase by NorVergence upon a second or third payment default.

"Salzano:" Thomas N. Salzano, NorVergence's true founder and leader, although according to NorVergence's books and records he was simply a consultant.

"Salzano Scheme:" A scheme containing elements of both a Ponzi and a Bust Out where goods and services are sold to customers at a great loss to induce new customers to sign on. The new customers generate substantial cash upfront which cash is used to obtain even more customers. It is marked by exponential growth supporting lavish lifestyles of the principals.

"OSM" or "Outside Screening Manager:" Highly trained salesman who visited customers to "screen" them for the NorVergence Solution. At its peak, NorVergence had approximately 400 OSMs.

"Webulator:" Peter Salzano's articulation of the device used to engineer the NorVergence Solution for a customer.

# **EXHIBIT B**





**Accurate Business Assessment Form and Proposal Request**

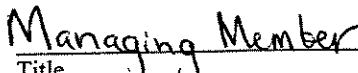
Please accept our company's request for a savings proposal. We understand that our request for and your engineering department's decision to create a savings proposal does not connote approval for service and that both parties are under no obligation. We hereby certify that the local, long distance, cellular and internet access bills attached hereto are a typical representation of our company's monthly telecommunications expense.

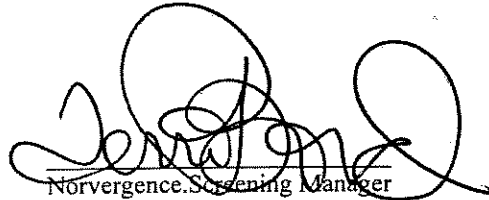
Additionally, it has been explained to us that we are allowed to request a proposal utilizing telecommunications bills only one time per location. So, we hereby authorize you to use the attached bills and the information provided from the Location Assessment Form as the accurate basis for calculating the actual savings we will receive if we are approved for the unlimited calling solution.

We understand that our misrepresentation of these costs is cause for denial of our application.

  
\_\_\_\_\_  
Authorized Decision Maker

  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Norvergence Screening Manager

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*Note: for wireless service to be incorporated in the proposal you must submit three (3) consecutive months of the most current summary pages of your cellular phone bills, for each cell number you wish to include, demonstrating established service.*



Registered Partner



Investment Management  
Proposal of Enhanced Telecommunications Benefits for ~~Darakjian Jewelers Inc~~

Current Monthly Costs	
Total Domestic Outbound Charges	186.83
Existing Domestic Inbound 8XX Charges	47.98
Conference Calling Costs	0.00
Total Cellular Costs	519.60
Total Local Phone Charges	763.33
WAN Connectivity Costs	0.00
Integrated T1 Costs	0.00
International Costs	0.00
Internet Access	49.95
PBX Service Cost, Moves, Changes & Software Upgrades	0.00
PBX Lease Cost*	221.45
<b>Total Current Monthly Costs</b>	<b>1,789.14</b>

New Monthly Costs		Savings Percentage
Quantity 1 Circuit Facility*	79.00	
Unlimited Domestic 8XX*	33.00	31.22 %
Unlimited Conference Calling Services*	0.00	
Unlimited Cellular Access for 5 cell phones*	84.95	83.65 %
Reduced International Costs *	0.00	
PBX Service, Moves, Changes & Software Upgrades*	0.00	
Monthly MATRIX™ CCS with 17 Phone Sets Rental Payment	1,229.35	
<b>New Monthly Costs</b>	<b>1,426.30</b>	

Customer Monthly Savings \$ 362.84

Customer Yearly Savings \$ 4,354.08

\* These items are billed Monthly by NorVergence, total monthly bill = \$196.95

NorVergence Pricing & Savings Guarantee: Subject to mutual Due Diligence & Acceptance by Engineering, the savings numbers\*\* represented in the Proposal above are based on actual bills and represent your current telecommunications expenditures. This proposal can only be generated once and is not subject to change.

Both parties hereto agree that during month 12 of this agreement, and during every 12 month anniversary thereafter, the customer can review competitive pricing offers from other providers for identical services. If two or more written quotes are received from alternate providers for the same services that are 10% less than the above costs NorVergence will reduce the customer's monthly payout to equal the lowest confirmed quote for the balance of the term.

Applicant Initial

NorVergence Screening Manager- TERRI BOND

Signature

Date 3/1/04

\*\* The savings illustrated above is a conservative estimate and is subject to increase due to your added call volume and industry rate hikes.

Extended Service Warranty

The MATRIX™ CCS has a standard 90 days part and labor service warranty. Initial here to have extended service warranty coverage at the cost of \$30.00 per month added to your monthly NorVergence bill. Extended warranty service includes: Monday to Friday, 8AM to 6PM , 4 hour emergency response, free next business day replacement of the parts and desktop phones (except for misuse and abuse) for five years.

Initial Here For Acceptance \_\_\_\_\_





**MATRIX™ Gateway and CCS (With 800 Direct) BILL ANALYSIS WORKSHEET**

Updated: 10/27/2003

<p><b>Applicant Name</b> <u>Investment Mgmt Assoc</u> <small>Lead # 2278638</small></p> <p><b>Screening Manager</b> <u>Terri Bond</u></p> <p><b>LD Company:</b> <u>Telegation + Qwest</u></p> <p><b>Invoice Date:</b> <u>1/9/04</u> <b>LD Usage:</b> <u>186.83</u> <small>(Do not include international charges or dedicated inbound/Toll Free charges)</small></p> <p><b>Toll Free Provider:</b> <u>Telegation</u></p> <p><b>Invoice Date:</b> <u>1/9/04</u> <b>Total 8XX Chgs:</b> <u>47.98</u> <small>(Chgs=usage &amp; Monthly Service Fee)</small></p> <p><b>Conference Calling Provider:</b> <del>_____</del></p> <p><b>Conference Calling Costs:</b> <del>_____</del></p> <p><b>Local Phone Service Provider:</b> <u>SBC</u></p> <p><b>Invoice Date:</b> <u>1/10/04</u></p> <p><b>Total Local Phone Charges:</b> <u>763.33</u> <small>(All Charges except Yellow Page Advertising and Calling Card Charges)</small></p> <p><b>Number of Existing Lines:</b> <u>20</u></p> <p><b>Total Integrated T1 Charges</b> _____</p> <p><b>PBX Vendor:</b> _____</p> <p><b>PBX Maintenance Cost:</b> _____</p> <p><b>PBX Lease Cost:</b> <u>221.45</u></p> <p><b>Cost for Moves, Changes &amp; Software Upgrades:</b> _____</p> <p><b>Internet Provider:</b> <u>Mercury Network</u></p> <p><b>Current Charges:</b> <u>49.95</u></p> <p><b>Cellular Provider(s):</b> <u>Verizon + T-Mobile</u></p> <p><b>Invoices Dates:</b> _____</p> <p><u>5 phones</u></p>	<p><b>Total Domestic Outbound Charges:</b> <u>186.83</u></p> <p><b>Existing Domestic Inbound 8XX Charges:</b> <u>47.98</u></p> <p><b>Conference Calling Costs:</b> _____</p> <p><b>Total Cellular Costs:</b> <u>519.60</u></p> <p><b>Total Local Phone Charges:</b> <u>763.33</u></p> <p><b>Integrated T1 Charges:</b> <u>—</u></p> <p><b>WAN Connectivity Costs:</b> _____</p> <p><b>International Costs:</b> <u>—</u></p> <p><b>Internet Access:</b> <u>49.95</u></p> <p><b>PBX Maintenance Cost:</b> _____</p> <p><b>PBX Lease Cost:</b> <u>221.45</u></p> <p><b>Cost for Moves, Changes &amp; Software Upgrades:</b> _____</p> <p><b>Total Current Costs:</b> <u>1789.14</u></p> <p><b>Circuit Facility:</b> <u>79.00</u></p> <p><b>Unlimited Domestic 8XX Charge:</b> <u>33.00</u></p> <p><b>Matrix Conference Unlimited:</b> _____</p> <p><b>Unlimited Cellular Access:</b> <u>84.95</u></p> <p><b>Reduced International Costs:</b> _____</p> <p><b>Moves, Changes, &amp; Software Upgrades:</b> _____</p> <p><b>Matrix™ System Rental Payment:</b> <u>1229.35</u></p> <p><b>New Total Costs:</b> <u>1426.30</u></p>																																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;"></th> <th style="width:15%;">11/2-12/03 Month 1</th> <th style="width:15%;">12/3-1/4 Month 2</th> <th style="width:15%;">1/4-2/04 Month 3</th> <th style="width:15%;">Average</th> </tr> </thead> <tbody> <tr> <td><b>Provider 1</b></td> <td>198.35</td> <td>211.64</td> <td>225.77</td> <td>231.92</td> </tr> <tr> <td><b>Provider 2</b></td> <td>10/20 93.92</td> <td>10/20-11/19 180.24</td> <td>11/20-12/19 93.74</td> <td>122.63</td> </tr> <tr> <td><b>Provider 3</b></td> <td>11/23 291.12</td> <td>12/23 101.33</td> <td>1/23 102.68</td> <td>165.04</td> </tr> <tr> <td><b>Provider 4</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><b>TOTAL</b></td> <td><b>519.60</b></td> </tr> </tbody> </table>						11/2-12/03 Month 1	12/3-1/4 Month 2	1/4-2/04 Month 3	Average	<b>Provider 1</b>	198.35	211.64	225.77	231.92	<b>Provider 2</b>	10/20 93.92	10/20-11/19 180.24	11/20-12/19 93.74	122.63	<b>Provider 3</b>	11/23 291.12	12/23 101.33	1/23 102.68	165.04	<b>Provider 4</b>								<b>TOTAL</b>	<b>519.60</b>	<p><b>NOTES AND CALCULATIONS:</b></p>				
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Registered Partner



Services Application

THIS IS A NON-BINDING APPLICATION TO RESERVE "VOICE AS UNLIMITED DATA™", HIGH SPEED T-1 ACCESS FACILITIES AND CELLULAR HANDSETS SUBJECT TO THE TERMS BELOW, FINAL CREDIT AND ENGINEERING APPROVAL

This Services Application is non-binding until you are approved for the "Voice as Unlimited Data™" services herein and all parties agree to move forward. Access Facilities will then be connected and installation confirmed and all terms below will apply.

Site Information		
Applicant Company Name: Darakjian Jewelers Inc Investment Management	Address: 29333 Northwestern Hwy, Southfield, Michigan 48034-1025	What MATRIX™ Solution are you applying for? : <input type="checkbox"/> Gateway <input checked="" type="checkbox"/> CCS
Contact: Ara Darakjian	Phone #: 248-356-7140	What MATRIX™ Service are you applying for? <input checked="" type="checkbox"/> Fraud Protection Technology <input checked="" type="checkbox"/> 800 Direct Technology <input type="checkbox"/> Unlimited Conference calling
Floor(s)/ Closet(s) Name: Main Floor	Order Date: 02-27-2004	Screening Mgr: TERRI BOND <input checked="" type="checkbox"/> New Application <input type="checkbox"/> Upgrade Application

If approved and mutual consent is given, NorVergence will perform the following services:

- Coordinate and arrange for delivery of Carrier Neutral High Speed "Voice as Unlimited Data™" T1 Access Facilities through your Local Service Provider.
- Program and provide Cellular "Voice as Unlimited Data™" handsets (as applicable) for toll and surcharge free Cellular calling if the Cellular LOA is attached.
- Coordinate the National Conversion Assistance Program to provide for a smooth transition to new Cellular numbers or 800 Direct Technology, if applicable
- Coordinate the transfer of your Business Telephone Numbers and or Toll Free Number(s) to Unlimited Domestic Inbound Calling without per Minute Charges, if number portability form is attached (NPF).
- Connect your lines to Unlimited Outbound Domestic Toll Free Calling without per Minute Charges, Fees, or Surcharges.
- Activate Fraud Protection Technology ("FPT") on all MATRIX™ Outbound Lines and Cellular phones Removing Toll Fraud and Hacker Liability.
- Upon approval, NorVergence agrees to indemnify, save, and hold harmless "Applicant" from former carrier/provider and third party Early Termination Fees arising from all telecommunications service(s) incurred heretofore, volume commitments made, and/or signed contract(s) if any are provided by former carriers/service providers.

If approved and mutual consent is given, Applicant agrees to:

- Authorize NorVergence to submit this Application for Credit and Engineering Acceptance.
- Save and Hold NorVergence Harmless if Credit or Engineering Approval is Not Granted for the Solution.
- Purchase the access services on the terms below and allow Local Service Provider installation.
- Within 30 days of Matrix mounting, applicant will expeditiously allow the Local Service Provider and PBX Technician access to connect all facilities.

If approved and mutual consent is given, NorVergence agrees to:

- Coordinate & Enable Carrier Neutral "Voice as Unlimited Data™" with T-1, Internet Access, for \$ 79.00 /per month for 1 T1(s) for a 60 month term.
- Coordinate & Enable Unlimited Cellular Access for \$84.95 /per month on a 60 month term for 5 Cellular Handsets(if applicable)
- Coordinate & Enable Unlimited Toll Free Domestic Calling for \$33.00 /per month on a 60 month term for 2 Toll Free Numbers(if applicable)
- Coordinate & Enable Free Unlimited Domestic U.S. Calling for 20 Outbound/Inbound Toll Free 8XX lines attached to your Phone System
- Moves, Changes & Software Upgrades \$0.00 per month on a 60 month term
- Coordinate & Enable Unlimited Conference Calling for \$ N/A /per month on a 60 month term
  - Carrier Neutral Unlimited Cellular Service
  - 5 (Qty.) Wireless Phone sets/Phone Numbers
  - 17 (Qty.) Phone sets for the Matrix™ CCS
  - National Conversion Assistance Program Request Attached
  - 800 Direct Technology

WARRANTY & ADDITIONAL TERMS and GUARANTEES of SERVICE: After approval, as long as Customer Applicant remains in good credit standing, this Agreement authorizes the Service Provider Carrier to guarantee pricing, service assurance and circuit continuity on all T-1s installed & Cellular phones programmed. Additionally, throughout the term, customers may request a change in Cellular Handsets, per access number, every 12 months free of charge. Cellular change requests that are within 12 months are subject to availability and any carrier equipment upgrade fee (if applicable) at the time of the request. Cellular Handsets DO NOT include direct dialed International Calling capability. In order to guarantee the customer savings outlined in your proposal, customer agrees that NorVergence may enhance or modify underlying carriers, transport facilities and handsets at any time during the term at NorVergence cost. All International outbound calls are billed separately. International inbound calling, outside of the North American Calling Plan, is not supported with 800 Direct Technology. For comprehensive Terms and Conditions included herein by reference, please visit our web site at www.NorVergence.com.

Applicant Authorization

The parties noted below, as duly authorized representatives of their respective companies, hereby approve the above services to be provided and purchased on the terms herein subject to customer written confirmation of Matrix™ Solution Mounting. This application is further conditioned upon Credit Approval, Engineering Review, and final consent of all parties to move forward prior to System Mounting.

Name (please print)	Applicant Title:	Signature	Date
Applicant: ARA DARAKJIAN	MANAGING MEMBER		3/1/04

NorVergence Authorization

Name (please print)	Employee Title:	Signature	Date
Employee:			



Equipment Rental Agreement

Rental Number \_\_\_\_\_

Renter (Full Legal Name) NorVergence, Inc.				Renter (Full Legal Name)			
Address 550 Broad St 3rd Floor				Address 29333 Northwestern Hwy			
City Newark	State NJ	County Essex	Zip Code 07102	City Southfield	State Michigan	County Oakland	Zip Code 48034-1025
Telephone Number 973 - 242 -7500			Telephone Number 248-356-7140		Federal Tax ID Number 38-3452706		State of Organization MI

Dear Customer: We've written this Equipment Rental Agreement (the "Rental") in simple and easy-to-read language because we want you to understand its terms. Please read this Rental carefully and feel free to ask us any questions you may have about it. We use the words you and your to mean the Renter indicated above. The we, us and our refer to the Renter indicated herein.

Rental Agreement: We agree to rent to you and you agree to rent from us the Equipment listed below (the "Equipment"). You promise to pay us the Rental Payments shown below according to the payment schedule below.

Quantity	Equipment Model & Description	Serial Number
1	MATRIX™	

Equipment to be new unless otherwise noted: Used  Reconditioned

Equipment Location (if different from Renter address above)

Address

City	State	County	Zip Code	Renter Contact Name	Telephone Number
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RENTAL TERM 60 Months

Transaction Terms: Rental Payment \$ 1,229.35 (plus applicable taxes) Security Deposit \$ 0

checked the first payment is due approximately 60 days after date of acceptance.

Your payments shown above may not include any applicable tax. If any taxes are due, you authorize us to pay the tax when it is due and agree to reimburse us by adding a charge to your Rental Payment. You authorize us to insert or correct missing or incorrect information on the Rental; we will send you notice of such changes. Payments will be applied first to past due balances, taxes, fees and late charges, and then to the current amount due.

You agree to all the terms and conditions shown above and the reverse side of this Rental, that those terms and conditions are a complete and exclusive statement of our agreement and that they may be modified only by written agreement between you and us. Terms or oral promises which are not contained in this written Rental may not be legally enforced. You also agree that the Equipment will not be used for personal, family or household purposes. You acknowledge receipt of a copy of this Rental. Your obligations to make all Rental Payments for the entire term are not subject to set off, with holding or deduction for any reason whatsoever.

This Rental is not binding on us until we accept it by signing below. You authorize us to record a UCC-1 financing statement or similar instrument, and appoint us as your attorney-in-fact to execute and deliver such instrument, in order to show our interest in the Equipment.

THIS RENTAL MAY NOT BE CANCELLED OR TERMINATED EARLY.

Rentor: NorVergence, Inc.

By: X \_\_\_\_\_

Accepted on behalf of Rentor on: \_\_\_\_\_

Renter 

By: X \_\_\_\_\_

Name (print) AGA DRAKSIAN

Date/Title: MANAGING MANAGER

You agree that a facsimile copy of this Rental bearing signatures may be treated as an original.

Guaranty: In this guaranty, you means the person(s) making the guaranty, and we, us and our refer to the Rentor indicated above. You will unconditionally, jointly and severally guarantee that the Renter will make all payments and pay all the other charges required under this Rental and under any other agreement now or hereafter entered into between the Renter and us (the "agreement(s)") when they are due and will perform all other obligations under the agreement(s) fully and promptly. You also agree that we may make other arrangements with the Renter and you will still be responsible for those payment and other obligations.

We do not have to notify you if the Renter is in default. If the Renter defaults, you will immediately pay in accordance with the default provisions of this Rental all sums due under the terms of this Rental and you will perform all other obligations of Renter under this Rental. It is not necessary for us to proceed first against the Renter before enforcing this guaranty. You will reimburse us for all the expenses we incur in enforcing and of our rights against the Renter or you, including attorney fees. THE SAME STATE LAW AS THE RENTAL WILL GOVERN THIS GUARANTY. YOU AGREE TO JURISDICTION AND VENUE AS STATED IN THE PARAGRAPH TITLED APPLICABLE LAW OF THE RENTAL.

Personal Guaranty:  
By: X(sign) \_\_\_\_\_, Individually

Personal Guaranty:  
By: X(sign) \_\_\_\_\_, Individually

Name (print)

Name (print)

## Equipment Rental (continued)

**RENT/TERM OF RENTAL:** You agree to pay us the amount specified in this Rental as the Rental Payment (plus any applicable taxes) when each payment is due. Your acceptance of the Equipment will be conclusively and irrevocably established upon the receipt by us of your confirmation (verbal or written) of such acceptance. However, if you have not provided us with confirmation of acceptance or provided us with written notice of non-acceptance of the Equipment, in either case, within 10 days after delivery of the Equipment, you will be deemed to have inspected and irrevocably accepted the Equipment and to have authorized us to pay for the Equipment. The term of this Rental begins on a date designated by us after receipt of all required documentation and acceptance by us ("Commencement Date") and continues for the number of months designated as "Rental Term" on the face of this Rental. The Rental Payments are payable in advance periodically as stated in or on any schedule to this Rental. You agree to pay an interim Rental Payment in the amount of one-thirtieth (1/30th) of the Rental payment for each day from and including the Effective Date ("which shall be the date the Equipment is installed") until the day preceding the Commencement Date.

**PAYMENT:** You authorize us to change the Rental Payment by not more than 15% due to changes in the Equipment configuration, which may occur prior to our acceptance of this Rental. Restrictive endorsements on checks you send to us will not reduce your obligations to us. Whenever any Rental Payment or other payment is not made when due, you agree to pay us, within one month, a late charge of the greater of ten percent (10%) of the payment or \$20.00 for each delayed payment for our internal operating expenses arising as a result of each delayed payment, but only to the extent permitted by law.

**LOCATION AND OWNERSHIP OF EQUIPMENT:** You will keep and use the Equipment only at "the Equipment location address." You agree that the Equipment will not be removed from that address unless you get our written permission in advance to move it. You agree to pay the costs incurred by us to verify installation of the Equipment prior to commencement or during the term of the Rental. We are the owner of the Equipment and have title to the Equipment.

**USE, MAINTENANCE AND INSTALLATION:** You are responsible for protecting the Equipment from damage except for ordinary wear and tear and from any other kind of loss while you have the Equipment. If the Equipment is damaged or lost, you agree to continue to pay rent. You will not move the Equipment from the Equipment location without our advance written consent. You will give us reasonable access to the Equipment location so that we can check the Equipment's existence, condition and proper maintenance. You will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. All replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.

**REDELIVERY OF EQUIPMENT; RENEWAL:** You shall provide us with written notice, by certified mail, sent not less than 120 days nor more than 180 days prior to the expiration of the Rental Term or any renewal Rental Term of your intention either to exercise any option to purchase all but not less than all of the Equipment (if we grant you such an option) or cancel the Rental and return the Equipment to us at the end of the Rental Term. If you elect to return the Equipment to us at the expiration of the original or any renewal term of the Rental, you agree to return the Equipment in accordance with the paragraph titled Return of Equipment. If we have not received written notice from you of your intention to purchase or return the Equipment, the Rental will automatically renew for succeeding one-year periods commencing at the expiration of the original Rental Term. If this Rental is renewed, the first renewal payment will be due the first day after the original Rental Term expired. Any security deposit held by us shall continue to be held to secure your performance for the renewal period.

**LOSS; DAMAGE; INSURANCE:** You are responsible for and accept the risk of loss or damage to the Equipment. You agree to keep the Equipment insured against all risks of loss in an amount at least equal to the replacement cost until this Rental is paid in full and will list us as loss payee. You will also carry public liability insurance with respect to the Equipment and the use thereof and name us as additional insured. You will give us written proof of this insurance before this Rental Term begins. You agree to promptly notify us in writing of any loss or destruction or damage to the Equipment and you will, at our option, (a) repair the Equipment to good condition and working order, (b) replace the Equipment with like Equipment in good repair, condition and working order, acceptable to us and transfer clear title to such replacement Equipment to us, such Equipment shall be subject to the Rental and be deemed the Equipment, or (c) pay to us the present value of the total of all unpaid Rental Payments for the full Rental term plus the estimated Fair Market Value of the Equipment at the end of the originally scheduled Rental term, all discounted at six percent (6%) per year whereupon the Rental shall terminate. All proceeds of insurance received by us as a result of such loss or damage will be applied, where applicable, toward the replacement or repair of the Equipment or the payment of your obligations. **IF YOU DO NOT GIVE US PROOF OF PHYSICAL DAMAGE INSURANCE, WE MAY (BUT WILL NOT BE OBLIGATED TO) OBTAIN OTHER PHYSICAL DAMAGE INSURANCE AND CHARGE YOU A FEE FOR IT, ON WHICH WE MAY MAKE A PROFIT, OR WE MAY CHARGE YOU A MONTHLY CHARGE EQUAL TO 0.25% OF THE ORIGINAL EQUIPMENT COST DUE TO THE INCREASED CREDIT-RISK TO US AS WELL AS TO COVER OUR INCREASED INTERNAL OVERHEAD COSTS OF REQUESTING PROOF OF PHYSICAL DAMAGE INSURANCE FROM YOU.**

**ASSIGNMENT; YOU MAY NOT SELL, PLEDGE, TRANSFER, ASSIGN OR SUBRENT THE EQUIPMENT OR THIS RENTAL.** We may sell, assign or transfer all or any part of this Rental and/or the Equipment without notifying you. The new owner will have the same rights that we have, but not our obligations. You agree you will not assert against the new owner any claims, defenses or set-offs that you may have against us.

**TAXES AND FEES:** You agree to pay when due all sales and use taxes, personal property taxes and all other taxes and charges, license and registration fees, relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment as part of this Rental or as billed by us. You agree to pay us any estimated taxes when we request payment. You agree that if we pay any taxes or charges on your behalf in excess of the estimated taxes previously collected, you shall reimburse us for all such payments and shall pay us a late charge (as described in the paragraph titled Payment) on such payments if applicable with the next payment. You agree to pay us a monthly fee up to one hundred and fifty thousandths of one percent (.150%) of the original Equipment cost to reimburse us for our costs of preparing, reviewing and filing any such returns. You agree, and we have the right to (f) bill monthly the estimated applicable personal property taxes together with the fees described herein and (g) bill any remaining estimated amount due upon assessment of such taxes, without regard to any discounts we may obtain. You also agree to appoint us as your attorney-in-fact to sign your name to any document for the purpose of such filing, so long as the filing does not interfere with your right to use the Equipment. We may charge you and you shall pay to us a one time administrative fee of up to \$75.00 to reimburse us for documentation and investigation costs. You also agree to pay us for any filing and releasing fees prescribed by the Uniform Commercial Code or other law including filing or other fees incurred by us.

**LIABILITY:** We are not responsible for any losses or injuries caused by the installation or use of the Equipment. You agree to reimburse us for and to defend us against any claims for the losses or injuries caused by the Equipment.

**DEFAULT:** Each of the following is a "Default" under this Rental: (a) you fail to pay any Rental Payment or any other payment when due, (b) you fail to perform any of your other obligations under this Rental or in any other agreement with us or with any of our affiliates, and this failure continues for 10 days after we have notified you of it, (c) you become insolvent, you dissolve or are dissolved, you fail to pay your debts as they mature, you assign your assets for the benefit of your creditors, or you enter (voluntarily or involuntarily) any bankruptcy or reorganization proceeding, or (d) any guarantor of this Rental dies, does not perform its obligations under the guaranty, or becomes subject to one of the events listed above.

**REMEDIES:** If a Default occurs, we may do one or more of the following: (a) cancel or terminate this Rental or any or all other agreements that we have entered into with you; (b) require you to immediately pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (i) all amounts then due under this Rental plus, (ii) all unpaid Rental Payments for the remainder of the term plus our anticipated residual interest in the Equipment each discounted to present value at the rate of 6% per annum; (c) deliver the Equipment to us as set forth in the paragraph titled Return of Equipment; (d) peacefully repossess the Equipment without court order and you will not make any claims against us for damages or trespass or any other reason; and (e) exercise any other right or remedy available at law or in equity. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees and costs. If we take possession of the Equipment, we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You agree that if notice of sale is required by law to be given, 10 days notice shall constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds. All our remedies are cumulative, are in addition to any other remedies provided for by law and may be exercised either concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any right, other or future rights or to modify the terms of this Rental.

**SECURITY DEPOSIT:** We will retain any required security deposit to ensure your performance of your obligations. Any security deposit is non-interest bearing. We may, but are not obligated to, apply any security deposit to cure any default by you, in which event you will promptly restore any amount so applied. If you are not in default, any security deposit will be returned to you within 90 days after the end of the original or renewal Rental Term (or as otherwise required by applicable law), or at your direction we may apply the security deposit towards your purchase of the Equipment (if we grant you a purchase option).

**RETURN OF EQUIPMENT:** If (a) a default occurs, or (b) you do not purchase the Equipment at the end of the Rental Term, you will immediately return the Equipment to any location(s) and aboard any carrier(s) we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with the paragraph titled Use Maintenance and Installation, and in "average Saleable Condition". "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or Renter, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings. You will pay us for any missing or defective parts or accessories, including manuals and licenses. You will continue to pay Rental Payments until the Equipment is received and accepted by us.

**ARTICLE 2A STATEMENT: YOU AGREE THAT IF ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE IS DEEMED TO APPLY TO THIS RENTAL, THIS RENTAL WILL BE CONSIDERED A FINANCE LEASE THEREUNDER. YOU WAIVE YOUR RIGHTS AND REMEDIES UNDER ARTICLE 2A OF THE UCC.**

**APPLICABLE LAW:** You understand that the Equipment may be purchased for cash or it may be rented. By signing this Rental, you acknowledge that you have chosen to rent the Equipment from us for the term of this Rental, and that you have agreed to pay the specified Rental Payment and other fees described herein. We both intend to comply with applicable laws. If it is determined that your Rental Payment results in a payment greater than would be allowed by applicable law, then any excess collected by us will be applied to any outstanding balance due and owing under this Rental. In no event will we charge or receive or will you pay any amounts in excess of that allowed by applicable law. This agreement shall be governed by, construed and enforced in accordance with the laws of the State in which Renter's principal offices are located or, if this Lease is assigned by Renter, the State in which the assignee's principal offices are located, without regard to such State's choice of law considerations and all legal actions relating to this Lease shall be venue: exclusively in a state or federal court located within that State, such court to be chosen at Renter or Renter's assignee's sole option. You hereby waive right to a trial by jury in any lawsuit in any way relating to this rental.

**ADDITIONAL SERVICES:** To request copies of your billing or payment history or for other information or services with respect to your Rental, please contact us. You will be charged a reasonable fee for these services.

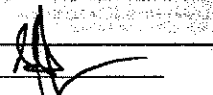
**OTHER CONDITIONS:** You understand and agree that:

**YOUR DUTY TO MAKE THE RENTAL PAYMENTS IS UNCONDITIONAL DESPITE EQUIPMENT FAILURE, DAMAGE, LOSS OR ANY OTHER PROBLEM. RENTER IS RENTING THE EQUIPMENT "AS IS", WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT.** If the Equipment does not work as represented by the manufacturer or supplier, or if the manufacturer or supplier or any other person fails to provide service or maintenance, or if the Equipment is unsatisfactory for any reason, you will make any such claim solely against the manufacturer or supplier or other person and will make no claim against us.

**If any term of this Rental conflicts with any law in a state where the Rental is to be enforced, then the conflicting term shall be null and void to the extent of the conflict but this will not invalidate the rest of this Rental.**

**NO WARRANTIES:** We are renting the Equipment to you "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT. We transfer to you for the term of this Rental all warranties, if any, made by manufacturer or supplier to us. We are not liable to you for any modifications or rescission of supplier or manufacturer warranties. You agree to continue making payments to us under this Rental regardless of any claims you may have against the supplier or manufacturer. **YOU WAIVE ANY RIGHTS WHICH WOULD ALLOW YOU TO: (a) cancel or repudiate the Rental; (b) reject or revoke acceptance of the Equipment; (c) grant a security interest in the Equipment; (d) accept partial delivery of the Equipment; (e) "cover" by making any purchase or Rental of substitute Equipment; and (f) seek specific performance against us.**

**YOU UNDERSTAND THAT ANY ASSIGNEE IS A SEPARATE AND INDEPENDENT COMPANY FROM RENTOR/MANUFACTURER AND THAT NEITHER WE NOR ANY OTHER PERSON IS THE ASSIGNEE'S AGENT. YOU AGREE THAT NO REPRESENTATION, GUARANTEE OR WARRANTY BY THE RENTOR OR ANY OTHER PERSON IS BINDING ON ANY ASSIGNEE, AND NO BREACH BY RENTOR OR ANY OTHER PERSON WILL EXCUSE YOUR OBLIGATIONS TO ANY ASSIGNEE.**

  
Renter: Please initial if submitting via facsimile.



Drastically Reducing Telecommunications Costs

Corporate Headquarters:

NorVergence Inc.  
550 Broad Street  
3rd Floor  
Newark, NJ 07102

Voice 1-866-848-6678  
Fax 1-866-742-6678

[www.NorVergence.com](http://www.NorVergence.com)

Equipment Release and Address Verification

Dear Customer:

This letter serves as confirmation that your account is prepared to receive Unlimited Calling Service. Equipment for Unlimited usage has been approved.

Please sign this confirmation to authorize the release of your equipment and shipment to the above address.

- Free nationwide calling for 5 Cellular phone number(s).  
Model #(s) 1-Nokia 3595 2-Samsung I-660 1-Motorola V-300  
1-Sony Eriksson P-900
- CCS Desk Top Phones approved 17.

Company Name: Darakjian Jewelers, Inc

Customer Signature: [Signature]

Print Customer Name: Aed DARAJIAN

Date: 3/31/04

Customer Equipment Confirmation

Field Offices:

Philadelphia

New York

Chicago

Washington D.C.

Baltimore

Atlanta

Boston

Albany

Pittsburgh

Miami

Columbus

Raleigh

Hartford

# **EXHIBIT C**

## MASTER PROGRAM AGREEMENT

This Agreement made this 11<sup>th</sup> day MARCH, 2003, by and between NorVergence, Inc. a New Jersey corporation having its principal place of business at 550 Broad Street, Newark, New Jersey 07102 ("you" or "NorVergence") and **POPULAR LEASING U.S.A., INC.** a Delaware corporation, having its principal place of business at 16280 Westwood Business Park Drive, Ellisville, Missouri 63021 ("us" or "Popular").

**WHEREAS**, NorVergence, in the ordinary course of its business, has entered into or may hereafter enter into certain rentals of personal property ("Rental Agreements") providing for the payment of money to NorVergence, arising out of NorVergence's rental of equipment described in such Rental Agreements ("Equipment") to users thereof ("Customer" or "Customers") and may desire, from time to time, to assign to Popular its right, title, and interest in and to such Rental Agreements and Equipment; and,

**WHEREAS**, Popular may, at its sole discretion, accept the assignment of such Rental Agreements as are acceptable to it, and, if so accepted, shall pay NorVergence therefor.

**NOW THEREFORE**, in consideration of the covenants, undertakings, warranties, representations, and agreements hereinafter set forth and for other good and valuable consideration, upon Popular's approval of any Rental Agreement and receipt from NorVergence of all necessary documents, the terms and conditions of this Master Program Agreement ("Agreement") shall govern and apply to all such assignments and Popular hereby accepts assignment of such Rental Agreements.

**1. CREDIT PROCEDURES.** From time to time during the term of this Agreement, NorVergence may submit to Popular applications for leasing from Customers, together with such financial and other pertinent credit information ("Information") as is available and reasonably requested by Popular. Popular may accept or reject a proposed Customer or Rental Agreement in its sole discretion. Popular shall use its best efforts to accept or reject each such application, and notify NorVergence of its determination, within one business day after receipt by Popular of all Information reasonably requested by Popular. NorVergence acknowledges that Popular intends to rely on any Information supplied by NorVergence to Popular to determine whether, within Popular's sole discretion, Popular will accept assignment of said Rental Agreement. NorVergence acknowledges that Popular shall not conduct a Customer interview during the credit approval process, which is contrary to Popular's standard credit policy. NorVergence warrants and represents to Popular that the Information provided to Popular shall be the same information as provided to NorVergence from the source providing the Information, the Information shall be true and factual, and that NorVergence has fully disclosed all Information to Popular. In the event of a violation of this representation and warranty, NorVergence shall be required to repurchase the Rental Agreement in accordance with Paragraph 5 herein.

**2. ASSIGNMENT OF RENTAL AGREEMENTS.** Upon Popular's approval of a Rental Agreement, NorVergence hereby assigns to Popular all its rights, title and interest in and to the Rental Agreement and Equipment including all monies due and to become due under the Rental Agreement, but none of its obligations under the Rental Agreement ("Assigned Rental Agreement"). The assignment price for each Assigned Rental Agreement shall be sales price of the Equipment established individually and evidenced by NorVergence's invoice to Popular ("Assignment Price") plus a commission to NorVergence of one and one-half percent (1-1/2%) of NorVergence invoice amount.

Popular's rate to NorVergence, shall include applicable personal property tax for each Customer. Popular is responsible for making appropriate declarations to the taxing jurisdiction and shall pay the tax to said jurisdiction. Popular shall not invoice any Customer for any additional personal property tax.

Assigned Rental Agreements may be written to include 60 days with no payments by the Customer. NorVergence does not require any advance rental payments to secure the Rental Agreement. Popular shall not obtain any confirmation of delivery other than the signed Delivery & Acceptance notice provided by NorVergence. The Assignment Price for each Assigned Rental Agreement shall be paid to NorVergence by Popular within 24 hours after Popular's receipt of a properly executed original Rental Agreement Assignment (Exhibit A) together with the original Rental Agreement documentation as set forth in Exhibit A ("Closing"). In the event any Customer defaults in the payment of the first rental where an actual payment of money is due, and such default is not cured within 30 days, then NorVergence shall repurchase said defaulted Assigned Rental Agreement from Popular for the dollar amount originally advanced by Popular plus interest on the funds advanced at a rate equal to the then current Prime Rate (as published in the Federal Reserve internet website) plus 200 Basis Points.

Any and all Assigned Rental Agreements executed by NorVergence shall be expressly subject to and in accordance with the terms and conditions of this Agreement. All of the terms and conditions of this Agreement are hereby incorporated into each Rental Agreement Assignment executed by NorVergence as if the terms and conditions were expressly set forth in the Rental Agreement Assignment.

**3. END OF TERM RESIDUAL PURCHASE.** At the end of the original term of any Assigned Rental Agreement which we enter into pursuant to this Agreement, if the Customer is not in default and has otherwise performed all of its obligations under the terms of the Rental Agreement, Popular shall grant to NorVergence the exclusive right to repurchase from Popular the Equipment covered by the Assigned Rental Agreement, as well as any rights to rental payments for any renewal term after the termination of the original Assigned Rental Agreement term, for the sum of One Dollar (\$1.00), plus any applicable taxes or, and any accrued late charges (the "Residual Purchase Price"). Popular shall invoice NorVergence for the Residual Purchase Price then shall debit NorVergence's bank account 15 days after our invoice to you.

Upon your repurchase of the Equipment, Popular shall forward to NorVergence a Bill of Sale for the Equipment and shall WITHOUT RECOURSE OR WARRANTY, assign, set over and transfer to NorVergence all of Popular's right, title, and interest in and to the Equipment. NorVergence understands and agrees that any end of rental residual purchase shall be on an AS-IS and WHERE-IS basis, that it will be solely responsible for determining the location and condition of the Equipment, and that Popular makes NO WARRANTIES as to the Equipment, including NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

If NorVergence does not repurchase the Equipment at the end of the original Assigned Rental Agreement term, Popular will have the right (but not the obligation) (i) to offer to sell the Equipment to the Customer for any price which we deem appropriate, in our sole discretion; or (ii) to renew the Assigned Rental Agreement term for an additional period according to the terms of the Assigned Rental Agreement; or (iii) to require the Customer to return the Equipment to Popular. If NorVergence does not repurchase the Equipment, NorVergence shall have no rights or interest in the Equipment or in any of the proceeds of any sale or other disposal of the Equipment or of any renewal of the Rental Agreement term.

**4. REPRESENTATIONS AND WARRANTIES.** NorVergence hereby represents and warrants with respect to each Assigned Rental Agreement that:

- (a) it is valid, binding, and enforceable in accordance with its terms and represents a non-cancelable obligation of a bona fide Customer having legal capacity to contract;
- (b) the form, terms, and execution thereof are in compliance with all applicable State and Federal laws and regulations affecting the same;
- (c) Customer's signature and guarantor(s) signature, if applicable, are genuine in all respects;



- (d) the amount(s) stated as due in the Assigned Rental Agreement are due and payable at the time(s) provided therein;
- (e) that the Assigned Rental Agreement is, at the time of the transfer to Popular, and will remain, free and clear of all defenses, set-offs, counterclaims, liens, and encumbrances of every kind and nature against NorVergence;
- (f) the description of the Equipment in the Assigned Rental Agreement is accurate and unless otherwise specified at the time of credit submission, the Equipment is new and unused;
- (g) no part of any down payment has been advanced directly to Customer by NorVergence;
- (h) at the time any Assigned Rental Agreement was assigned to Popular, title in and to the Equipment was vested in NorVergence free and clear of all liens, claims, and encumbrances;
- (i) each and every item of Equipment listed on any Rental Agreement had been delivered to and unconditionally accepted by Customer. Popular shall not be obligated to make any independent confirmation of such delivery and NorVergence shall be solely responsible for its representation that the Equipment has been accepted by Customer.
- (j) no dispute or claim by Customer of which NorVergence has been notified was pending at the time of assignment;
- (k) no agreement or instrument other than the Assigned Rental Agreement has been entered into with Customer which would change the terms and conditions of the Assigned Rental Agreement or impair Popular's rights to collect the proceeds of the Assigned Rental Agreement;
- (l) all Equipment will be used solely for business or commercial purposes, and will not be used for personal, family, or household purposes;

Except for the aforesaid, NorVergence agrees that it is still required to comply with and is bound by all representations and warranties herein.

#### 5. **ADDITIONAL REPRESENTATION AND WARRANTIES OF NORVERGENCE.**

NorVergence further represents and warrants that:

- (a) it is validly organized, existing and in good standing in its State of Incorporation and is duly qualified to do business in each State in which, because of the nature of its business or the Rental Agreement it owns, qualification is required;
- (b) it has the power and authority to enter into and perform this Agreement;
- (c) it will not grant a security interest in any Assigned Rental Agreement or any Equipment thereunder; it will promptly fulfill all obligations on its part to be fulfilled and performed in accordance with any agreement with Customer with respect to the Equipment;
- (d) NorVergence will indemnify and hold Popular harmless from and against any demand, claim, action, cost, loss, liability, damage, or expense of any kind, including attorney's fees and costs, arising from or in connection with the breach of any warranty or representation contained in this Agreement and arising from or in connection with any breach by NorVergence of any provision of any Rental Agreement assigned to Popular.

6. **REPURCHASE OBLIGATIONS.** NorVergence hereby agrees to repurchase from Popular within ten (10) days after Popular's demand any Assigned Rental Agreement with respect to which any representation or warranty of NorVergence contained in this Agreement or the Rental Agreement Assignment is untrue, incorrect, or is breached by NorVergence. The Repurchase Price shall be the amount equal to the remaining balance due (calculated on the basis of the Rule of 78s) under the Rental Agreement plus all out-of-pocket expenses incurred by Popular in connection with collection or attempted collection of such Rental Agreement, including but not limited to attorney's fees and costs as a consequence of litigation whether by or against Popular, and, if applicable, the expenses of retaking, storing, and disposing of the Equipment. If the Repurchase Price is not paid within ten (10) days of demand, in addition to the Repurchase Price, NorVergence shall also be liable for and pay to Popular all expenses incurred by Popular in connection with collection, or attempted collection of the Repurchase Price (including attorney's fees, litigation expenses, and, if applicable, expenses related to the repossession and sale of the equipment), plus interest on the Repurchase Price at a rate of 1-1/2 percent per month until paid but not in excess of the maximum amount permitted by law.

**7. UNIFORM COMMERCIAL CODE FILING.** NorVergence hereby authorizes Popular to file and record appropriate Uniform Commercial Code Financing Statements ("UCC") naming each Customer as Debtor and Popular as secured party. In the event NorVergence files a UCC against a Customer, NorVergence hereby grants to Popular the right, in the name of NorVergence, to amend such UCC to evidence the assignment to Popular.

**8. COLLECTIONS.** Popular shall bill the Customers for payments to be made under the Rental Agreement, including any applicable sales, personal property or use tax, and have the sole right to make collections on any Assigned Rental Agreement and to exercise any and all rights, powers, and remedies thereunder. Popular's failure to attempt to collect or to take any action regarding a delinquent Assigned Rental Agreement shall not relieve NorVergence of any obligation it may have for breach of representation or warranty or breach of any Rental Agreements. NorVergence hereby appoints Popular and each of its officers as NorVergence's limited attorney-in-fact, without any right of revocation and full power of substitution to endorse, without recourse, NorVergence's name upon any and all notes, checks, drafts, or other instruments for the payment of money received by Popular which are payable to NorVergence with respect to an Assigned Rental Agreement, which payments are owed to Popular by a Customer. Both Popular and NorVergence agree to deliver any sums received by either of them to the party entitled to such sums.

**9. INDEPENDENT CONTRACTORS.** NorVergence and Popular hereby acknowledge that they are separate entities, each of which has entered into this Agreement for independent business reasons and that none has acted, acts, or shall be deemed to have acted or acts, as an agent for the other except as expressly provided for in this Agreement. NorVergence shall have no right or authority to, and will not attempt to, accept collections, repossess or consent to return of the Equipment or modify the terms of any Assigned Contract unless agreed to by Popular

**10. TERMINATION.** This Agreement may be terminated by either party at any time upon thirty (30) days prior written notice to the other. Termination shall not affect the rights of the parties with respect to any transaction entered into before termination and Popular shall retain all rights under any such assigned Rental Agreement.

**11. GENERAL PROVISIONS.**

a) Notices. All notices, demands, consents, approvals and similar communications shall be in writing and delivered in person, by telecopy, by overnight courier or by prepaid certified mail, addressed to the party for which it is intended as follows:

If to Popular:  
 Popular Leasing U.S.A., Inc.  
 16280 Westwood Business Park Drive  
 Ellisville, Missouri 63021  
 Attn: Phyllis Hardcastle  
 Telecopy No. (636) 391-0535

If to NorVergence:  
 NorVergence, Inc.  
 550 Broad Street  
 Newark, New Jersey 07102  
 Attn: Edward Lucas  
 Telecopy No. (973) 242-7414

Notices shall be deemed delivered on the day of actual receipt. Any party may change its address for the receipt of notices by written instrument duly given to the other party.

b) Additional Documents And Mutual Cooperation. The parties agree to cooperate from time to time for purposes of:

(i) Preparation of forms, including notices to Customers,

- (ii) In the execution of such other documents as may be necessary or proper to fulfill the intent or effectuate the purposes of this Agreement or any Assignment, and
  - (iii) In the furnishing, subject to each party's then current internal procedures, of records and supporting material relating to this Agreement, Payments, Equipment and Purchased Contracts as may be reasonably requested or needed by any party for internal or tax audits or otherwise.
- c) Successors And Assigns. This Agreement shall inure to the benefit of and be binding upon NorVergence and Popular and their respective successors and permitted assigns. Any party may assign the benefits inuring to it under this Agreement but may not assign any duty, obligation or undertaking without the prior written consent of the other, which may be given or withheld at the sole discretion of such party.
- d) Waiver. No delay or omissions on the part of any party in exercising any right, remedy, option, or notice of default, except as any pertinent statute of limitations which may apply, on any one occasion, shall be construed as a bar or waiver of any other default, right, remedy, or option, or the same default, right, remedy, or option on any future occasion.
- e) Survival. The respective indemnities, representations, warranties and agreements of NorVergence contained in this Agreement or any Assignment or made by or on behalf of NorVergence pursuant to this Agreement or any Assignment shall remain in full force and effect, regardless of any termination or cancellation of this Agreement.
- f) Entire Agreement. This Agreement, including any exhibits, schedules and attachments hereto and delivered in connection herewith, constitutes the entire agreement among the parties concerning the subject matter hereof and incorporates all representations made and recourse undertaken in connection with negotiation of the same. The express terms hereof may not be terminated, amended or modified orally, but only by an instrument duly authorized by the parties hereto.
- g) Headings; Unenforceability. Headings appearing in this Agreement are for convenience of reference and reading only and shall not be construed to modify, expand or limit the express terms of any provision hereof. The parties to this Agreement agree that each has significant bargaining capacity with respect to the terms hereof and that none of the parties shall be deemed the drafter for purposes of provisions being construed strictly against such party. If any provision of this Agreement shall be deemed to be unenforceable, such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

12. **Governing Law.** The parties agree that this Agreement shall be deemed to be fully executed and performed in the State of Missouri and shall be governed by, construed and enforced in accordance with the laws of the State of Missouri. The parties agree that this Agreement shall be treated at though executed and performed in St. Louis County, Missouri, and any legal actions relating to this Agreement must be instituted in the courts of St. Louis County, Missouri or the United States District Court for the Eastern District of Missouri, which shall have exclusive jurisdiction. The parties hereby waive right to a trial by jury in any lawsuit in any way relating to this Agreement. The prevailing party shall be awarded its reasonable attorney's fees and costs in any litigation to enforce this Agreement.

POPULAR LEASING U.S.A., INC.

NORVERGENCE, INC.

By: *Phyllis Handcock*  
 Title: V.P.

By: *Timothy Johnson*  
 Title: CEO & Pres

EXHIBIT A  
CONTRACT DOCUMENTATION

1. The original of each of the following documents in accordance with NorVergence's representations and warranties set out in the Master Program Agreement:
  - a) Rental Agreement, in form and substance satisfactory to Popular as and when so delivered; and
  - b) all documentation related to such Rental Agreement including, but not limited to, amendments, supplements, exhibits, letters, schedules thereto including schedules referred to in any Rental Agreement as constituting a separate rental transaction; and
  - c) Customer acceptances; and
  - d) guarantees, additional collateral agreements, or supplier warranty agreements; and
  - e) any recourse or Equipment buyback arrangements; and
  - f) 526 Proof of insurance in force by Customer covering liability for injury to the person or property of third parties naming NorVergence as additional insured in amounts and having deductibles which are normal and customary for this type of Equipment and casualty loss to the Equipment for all risks for the greater of the original or replacement cost of the Equipment having a deductible which is normal and customary for this type of equipment naming NorVergence as loss payee as its interests may appear.
  - g) NorVergence's invoice.
  
2. Any additional documents as may have been entered into in connection with any Purchased Contract or as may be provided for in any Commitment Letter pertaining to one or more Purchased Contracts.

EXHIBIT B  
NOTICE OF ASSIGNMENT

[Customer Name]  
[Customer Address]

Re: Agreement No. \_\_\_\_\_, dated \_\_\_\_\_.

We appreciate serving you as a valued NorVergence customer and would like to advise you that the above referenced agreement has been transferred to Popular Leasing U.S.A., Inc. All terms and conditions remain unchanged with the exception that beginning with your first rental payment due you are to make your contract payments to Popular Leasing as follows:

Popular Leasing USA Inc.  
P O Box 4240  
Carol Stream, IL 60197-4240

This letter confirms that the agreement commenced on \_\_\_\_\_ and is for a term of \_\_\_\_\_ months. There are \_\_\_\_\_ monthly payments remaining each in the amount of \$ \_\_\_\_\_, plus applicable taxes.

In addition please update your insurance to reflect Popular Leasing USA Inc. as loss payee and additional insured and forward a certificate of insurance to:

Popular Leasing U.S.A., Inc.  
16280 Westwood Business Park Drive  
Ellisville, MO 63021  
ATTN: Insurance Dept.

If you have any questions, please do not hesitate to call.

Sincerely,

NorVergence, Inc.

(Name)  
(Title)

**AMENDMENT TO MASTER AGREEMENT**

This Agreement will amend the Master Agreement dated March 11, 2003 entered into by and between NorVergence, Inc., ("you" or "NorVergence") and POPULAR LEASING U.S.A., INC. a ("us" or "Popular").

WHEREAS, NorVergence and Popular have entered into a Master Agreement calling for, among other things, Popular to purchase certain rental agreements from NorVergence, and

WHEREAS, the parties wish to amend that Master Usage Agreement with respect to all rental agreements purchased by Popular from NorVergence.

NOW THEREFORE for the mutual covenants, warranties, representations and agreements hereinafter set forth and for other good and valuable consideration, it is agreed:

1. NorVergence hereby grants to Popular the right to countersign Rental Contracts on behalf of NorVergence evidencing its acceptance of said Rental Contract.
2. NorVergence grants to Popular the right to receive, endorse and cash checks from customers whose rental contracts have been assigned to Popular. Said checks shall be applied by Popular to the account of the Customer for which it was intended.
3. Popular agrees to fund NorVergence's invoices upon receipt of faxed documents. NorVergence agrees to promptly deliver to Popular the original of such contracts after receipt of such payment.
4. Popular's normal procedure is to require serial numbers on all invoices. In order to expedite processing of NorVergence's invoices, Popular agrees to fund invoices without serial numbers, however NorVergence will provide serial numbers to Popular at any time upon Popular's specific request.

NorVergence, Inc.

By: [Signature]

Title: CEO

Dated: 04/02/03

Popular Leasing U.S.A., Inc.

By: [Signature]

Title: V.P.

Dated: 4/11/03

**PARTIAL TERM LEASE AMENDMENT TO Master Program Agreement**

This Partial Term Lease Amendment To Master Program Agreement is made this 7<sup>th</sup> day of July, 2003 by and between Popular Leasing U.S.A., Inc. ("Popular") and NorVergence, Inc. ("NorVergence").

Popular and NorVergence are parties to that certain Master Program Agreement signed by NorVergence on November March 11, 2003 ("Agreement"). All capitalized terms used but not defined herein shall have the meaning given them in the Agreement. Notwithstanding the terms of the Agreement, NorVergence desires to sell to Popular from time to time, on a case-by-case basis, a Lease, and the Equipment covered thereby, for a shorter term ("Partial Term") than the actual Lease term specified in the Lease ("Partial Term Lease"). For example, for a Lease with a stated 60 month term, NorVergence may desire to sell Popular the Lease for only the first 36 months of the stated 60 month term. Popular is willing to purchase such partial Lease terms under the Agreement on the terms and conditions set forth below.

NOW THEREFORE, NorVergence and Popular hereby agree that the Agreement is amended as follows:

1. Provided Popular approves the purchase of a Partial Term Lease, NorVergence shall attach a Partial Term Lease Specification in the form attached hereto as Exhibit C ("Specification") to each Lease submitted to Popular for purchase as a Partial Term Lease hereunder.
2. Popular and NorVergence agree that the terms and conditions of the Agreement will apply to each Partial Term Lease and the Equipment purchased by Popular hereunder.
3. Upon Popular's receipt, as and when due, of all Lease payments scheduled to be paid during the Partial Term specified in the Specification ("Partial Term Payments"), the Partial Term Lease and Equipment shall be deemed to be automatically re-sold, re-assigned, and re-transferred by Popular back to NorVergence on an "AS-IS, WHERE-IS" basis without any representations or warranties of any kind, express or implied.
4. The Partial Term Lease and Equipment will be sold to Popular by NorVergence under the Agreement in the same manner and with all of the rights associated with the sale of a Lease and accompanying Equipment to Popular under the Agreement.
5. Popular will be entitled to all of the rights and remedies under the Agreement, under the Partial Term Lease, and in the Equipment as if the Partial Term Lease was a regular, full Lease purchased under the Agreement including but not limited to, rights and remedies for a default by the Lessee under the Partial Term Lease. In the event of a default under the Partial Term Lease, Popular shall be entitled to all proceeds of any enforcement of such rights and remedies up to an amount equal to the sum of (a) the Partial Term Payments, plus (b) Popular's residual value in the Equipment, plus (c) Popular's reasonable costs and expenses of such enforcement, including but not limited to, reasonable attorney fees and costs. Any proceeds in excess of the sum of (a), (b) and (c) received by Popular after such enforcement shall be promptly sent to NorVergence for NorVergence's account.
6. In the event a Partial Term Lease has reached the expiration of its Partial Term and Popular has not received all Partial Term Payments scheduled during such Partial Term, NorVergence shall upon Popular's written request therefore, pay Popular an amount equal to the Partial Term Payments not received by Popular and the Partial Term Lease and Equipment shall be re-conveyed to NorVergence as provided in section 3. above.

Except as expressly amended herein, the Agreement remains unchanged and in full force and effect.

NorVergence, Inc.

By: [Signature]

Title: CEO

Popular Leasing U.S.A., Inc.

By: [Signature]

Title: Vice Pres

JUL 21 2003

**AMENDMENT TO MASTER AGREEMENT**

This Amendment to Master Program Agreement between the parties dated March 11, 2003 ("Master Program Agreement"), is entered into this 8th day of August, 2003, by and between NorVergence, Inc. ("NorVergence"), having a place of business at 550 Broad Street, Newark, New Jersey 07102 and Popular Leasing USA, Inc. ("Popular"), having its principal place of business at 16280 Westwood Business Park Drive, Ellisville, Missouri 63021.

WHEREAS, NorVergence and Popular have entered into a Master Program Agreement calling for, among other things, assignment of leases to Popular which were generated by NorVergence; and

WHEREAS, Popular has determined, that from time to time, certain of the NorVergence customers have not maintained a "Good Standing" status with the appropriate Secretaries of State.

NOW THEREFORE for the mutual covenants, warranties, representations and agreements hereinafter set forth and for other good and valuable consideration, it is agreed:

1. The Master Program Agreement is amended so that NorVergence guarantees payments and all obligations due Popular under any Lease assigned to Popular by and between NorVergence and any Customer (as defined in the Master Program Agreement) in the event: a) the Customer has failed to maintain its "Good Standing" status with all appropriate Secretaries of State and; b) said Customer defaults under any Assigned Rental Agreement (as defined in the Master Program Agreement) based upon said Customer's claim that it is not, or was not, a corporate entity authorized to execute the Assigned Rental Agreement. Upon such default, NorVergence agrees to immediately pay the Repurchase price, as defined in the Master Program Agreement, due Popular under such Assigned Rental Agreement.
2. Popular shall provide NorVergence written notice (by e-mail or otherwise) of such default by Customer.

NorVergence shall also pay Popular for any and all expenses Popular may incur: a) in connection with enforcement of any Assigned Rental Agreement where Customer raises its lack of good standing as a defense and; b) Popular's enforcement of this Amendment. Such expenses shall include reasonable attorney's fees, litigation expenses and court costs. NorVergence shall also pay interest at the rate of 1% per month from the date of notice of such Default by Customer until paid in full.

3. All other provisions of said Master Program Agreement with respect to Customer not specifically amended herein shall remain in affect. Such Master Program Agreement with respect to any other entity other than Customer shall not be affected or altered by this amendment.

**A FACSIMILE OF THIS DOCUMENT SHALL BE DEEMED AN ORIGINAL**

NorVergence, Inc.

By: [Signature]

Title: VP Credit

Popular Leasing U.S.A., Inc.

By: [Signature]

Title: Vice Pres

4/16 12 2003



## AMENDMENT TO MASTER PROGRAM AGREEMENT

This Amendment to Master Program Agreement ("Amendment") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003 by and between NorVergence, Inc. ("NorVergence") and Popular Leasing USA, Inc. ("Popular").

WHEREAS, NorVergence and Popular entered into a Master Program Agreement dated March 11, 2003, pursuant to which NorVergence assigned certain Rental Agreements to Popular under the terms and conditions outlined in the Master Program Agreement; and,

WHEREAS, the Parties desire to amend said Master Program Agreement to allow under certain circumstances NorVergence to make a payment under an Assigned Rental Agreement on behalf of a Customer.

NOW THEREFORE, for the mutual covenants and agreements as hereinafter set forth, the Parties agree as follows:

1. Section 2 of the Master Program Agreement is deleted in its entirety and the following new Section 2 is inserted in lieu thereof:

Upon Popular's approval of a Rental Agreement, NorVergence hereby assigns to Popular all its rights, title and interest in and to the Rental Agreement and Equipment including all monies due and to become due under the Rental Agreement, but none of its obligations under the Rental Agreement ("Assigned Rental Agreement"). The assignment price for each Assigned Rental Agreement shall be sales price of the Equipment established individually and evidenced by NorVergence's invoice to Popular ("Assignment Price") plus a commission to NorVergence of one and one-half percent (1-1/2%) of NorVergence invoice amount.

Popular's rate to NorVergence shall include applicable personal property tax for each Customer. Popular is responsible for making appropriate declarations to the taxing jurisdiction and shall pay the tax to said jurisdiction. Popular shall not invoice any Customer for any additional personal property tax.

Assigned Rental Agreements may be written to include 60 days with no payments by the Customer. NorVergence does not require any advance rental payments to secure the Rental Agreement. Popular shall not obtain any confirmation of delivery other than the signed Delivery & Acceptance notice provided by NorVergence. The Assignment Price for each Assigned Rental Agreement shall be paid to NorVergence by Popular within 24 hours after Popular's receipt of a properly executed original Rental Agreement Assignment (Exhibit A) together with the original Rental Agreement documentation as set forth in Exhibit A ("Closing"). In the event any Customer defaults in the first rental when an actual payment of money is due, Popular shall notify NorVergence by electronic mail of such default and further demand that NorVergence repurchase said defaulted Assigned Rental Agreement from Popular for the dollar amount originally advanced by Popular plus interest on the funds advanced at a rate equal to the then current prime rate (as published in the Federal Reserve internet website) plus two hundred Basis Points. In

response to such electronic notice, NorVergence may request, in writing from Popular, that NorVergence make such initial Customer payment to Popular and upon Popular's written acceptance of such request, NorVergence shall make such payment which shall be deducted from the next equipment funding payment to be made by Popular to NorVergence. In the event there are no subsequent purchases by Popular from NorVergence for equipment, such payment by NorVergence of the aforementioned amount to Popular must be made within ten (10) days of the electronic notice. NorVergence's right to make the Customer's payment herein shall only apply to the first rental payment due under any Assigned Rental Agreement and if NorVergence, at any time, makes any other payment to or in behalf of the Customer, on behalf or under an Assigned Rental Agreement, such payment shall constitute a default under said Assigned Rental Agreement and NorVergence shall repurchase such Assigned Rental Agreement from Popular in the amount outlined herein. In addition, if the customer fails to make the payment due after NorVergence makes the initial payment as outlined herein, such non-payment shall constitute a default under said Assigned Rental Agreement and NorVergence shall repurchase such Assigned Rental Agreement from Popular in the amount outlined herein.

Any and all Assigned Rental Agreements executed by NorVergence shall be expressly subject to and in accordance with the terms and conditions of this Amendment. All of the terms and conditions of this Amendment are hereby incorporated into each Rental Agreement Assignment executed by NorVergence as if the terms and conditions were expressly set forth in the Rental Agreement Assignment.

- 2. All other provisions of the Master Program Agreement dated March 11, 2003 by and between NorVergence and Popular not expressly amend herein shall remain in effect.

POPULAR LEASING U.S.A., INC.

NORVERGENCE, INC.

BY: \_\_\_\_\_

BY: 

TITLE: \_\_\_\_\_

TITLE: 

# **EXHIBIT D**

P

CAUSE NO. 04-04187-C

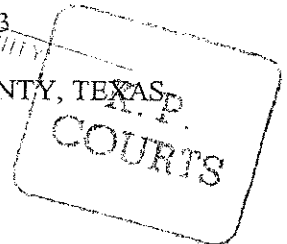
SPECIALTY OPTICAL d/b/a SOS

VS.

IFC CREDIT CORP.

§  
§  
§  
§  
§

FILED  
CYNTHIA FIGUEROA CALHOUN  
COUNTY CLERK  
DALLAS COUNTY TEXAS  
2006 JUN -5 PM 2:02  
IN THE COUNTY COURT  
AT LAW NO. 3  
DALLAS COUNTY, TEXAS



**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

TO THE HONORABLE JUDGE OF SAID COURT:

The Court, having been requested to prepare findings of fact and conclusions of law, finds the following:

1. IFC Credit Corporation ("IFC") entered into a Master Program Agreement ("Master Agreement") with NorVergence, Inc. ("NorVergence") on or about October 10, 2003. NorVergence was engaged in the business of selling telecommunications services and promising discounts to small businesses.
2. As part of the arrangement that NorVergence reached with its small business customers, it supplied a piece of equipment called a Matrix box ("Box" or "Matrix Box") that was to be connected to a telephone or T-1 service line to provide discounted telecommunications services. NorVergence combined the charges for service and the use of the Box in the form of an Equipment Rental Agreement. It was not possible for NorVergence customers to obtain the promised discounted telecommunications cost savings without the telephone or T-1 service.
3. Specialty Optical ("SOS") was induced into the Lease with NorVergence (the "Lease") by, among other things, the promise of telephone service savings. SOS was not interested in leasing the Box alone, but wanted the savings on telephone service. Without the service, the Box served no function.

4. It was NorVergence's practice to sell the leases (such as the SOS Lease) to equipment leasing companies, such as IFC, with which it had extensive relationships.

5. The Master Agreement between NorVergence and IFC set forth the terms under which IFC would purchase the leases from NorVergence. IFC approved all of the NorVergence lease forms, including the SOS form. IFC also worked in conjunction with NorVergence to prepare the confirmation script that was eventually read by an IFC employee to SOS confirming that SOS would receive the NorVergence telephone service savings that NorVergence had promised.

6. On June 30, 2004, NorVergence was forced into an involuntary bankruptcy. This ended the IFC/NorVergence relationship. By the end of their relationship, IFC had purchased between 700 and 800 leases from NorVergence. IFC, through its "hold-backs" and modifications, created a lending relationship between itself and NorVergence. This existed prior to the execution of the SOS Lease. IFC was inextricably intertwined with NorVergence, had a close connection to NorVergence and had a substantial voice in its dealings with NorVergence. IFC worked in conjunction with NorVergence.

7. IFC read the confirmation script to SOS prior to the expiration of the 60-day period, and reaffirmed that SOS would receive the telephone service savings originally promised by NorVergence to SOS. At the time IFC read the script promising these savings, it knew that NorVergence customers were not receiving service and therefore were not receiving the promised savings.

8. About the same time that the first lessees IFC was to start receiving payments from the first group of leases sold to it by NorVergence, instead of payments, IFC started receiving telephone calls and letters from customers complaining that they were not getting service, and thus not receiving the promised savings, from NorVergence, but yet were receiving bills from IFC. IFC was aware that

NorVergence was not providing the service and savings that both IFC and NorVergence had promised to its customers, including SOS.

9. IFC also knew that the Box would not have any value to SOS without the promised service, a telephone line or T-1 line that was to be provided by NorVergence. Nonetheless, IFC reassured SOS that it would receive “NorVergence savings.”

10. Under the initial Master Agreement, IFC did not have any protection in the event NorVergence filed for bankruptcy. Additionally, the Master Agreement provided for full payment for the leases that IFC purchased from NorVergence. In March of 2004, after receiving months of telephone calls and letters from customers complaining that they had not received the service and savings promised by IFC and NorVergence, the companies agreed to an amendment to the Master Agreement on March 16, 2004 (“First Amendment”). The First Amendment provided IFC with greater financial protections than the original Master Agreement. It added provisions dealing with the potential insolvency of NorVergence and also added provisions designed to protect IFC financially. This was added because customers were not paying the lease payments because they were not getting the promised service or savings, and IFC knew the Box that was the subject of the leases was totally useless without this service. Thus, when customers refused to pay because they were not receiving the promised savings, IFC’s losses were reduced as a result of this amendment.

11. By late April or early May, IFC had decided to provide notice that it would stop funding new leases due to the high rate of customer defaults, as well as the steady stream of complaints by customers to IFC. IFC had become very concerned about the situation regarding the lack of promised service and savings and did not want to have any more exposure for potential losses. However, it eventually decided to continue doing business with NorVergence after it further modified its arrangement with NorVergence to give IFC even greater financial protection in the event

customers defaulted due to lack of service or savings. On or about May of 2004, IFC entered into a second amendment (“Second Amendment”) to the Master Agreement, where it increased its holdback by 25 percent, providing itself even greater financial protection. The Second Amendment “holdback” allowed IFC to acquire the leases at steep discounts and excused IFC from funding the balance of the purchase price unless NorVergence started to provide an acceptable level of service that would allow customers to receive the promised savings. Eventually, IFC and NorVergence agreed to two 25 percent holdbacks along with the initial holdback from the First Amendment.

12. In the April and May of 2004 timeframe, IFC had knowledge of the fact that NorVergence was making promises of savings with no intention of delivering such savings. IFC had knowledge of this fraud. NorVergence had promised savings to customers without any intention of providing such savings. IFC participated in deceiving customers through its confirmation script. IFC participated in this fraud by calling customers to reassure them that they would receive service and by continuing to purchase the leases even after it learned that the service and savings were not provided. At the time of the SOS Lease, IFC was aware of this fraud and was obtaining benefits by its discounted lease acquisition costs.

13. On or about May 18, 2004, the final signature was provided on the equipment rental agreement for the SOS Lease (the “Lease”). Also on May 18, 2004, IFC promised SOS that it would receive the savings on its telephone service as promised by NorVergence. At this point in time, IFC had knowledge of the fact that customers were not receiving service and were complaining about the fact that service was not being provided, and IFC had knowledge of the fraud regarding the lack of service or savings.

14. Shortly before NorVergence representatives visited the office of SOS, SOS had signed a two-year agreement for telephone service with a company called Logix. This agreement obligated

SOS to a two-year term for telephone service starting April 5, 2004. NorVergence promised SOS that if it signed the NorVergence agreement, the NorVergence agreement would not be signed or finalized by NorVergence and would not be enforced unless the Logix contract was terminated. SOS was told to fill out paperwork and NorVergence would take care of the Logix agreement. The primary purpose of the arrangement with NorVergence was to purchase lower-cost telephone service and not the Box. SOS had no intention or need to have two telecommunication contracts in force with different providers.

15. On or about May 12, 2004, the Box was delivered to SOS. SOS was not able to inspect the Box for functionality because the service connection necessary for that inspection was not provided. It was only able to determine if there was any physical damage to the exterior of the Box. SOS signed a delivery and acceptance certificate. At the time it signed this certificate, it had not had a reasonable opportunity to inspect the equipment

16. After the Box was delivered, IFC contacted SOS and informed it that it was working in conjunction with NorVergence and reassured SOS that it would receive savings on its telephone service.

17. After SOS was not able to receive service, and not able to inspect the Box for functionality, it sent notice to NorVergence that, if it did not receive service, the Lease would be cancelled. Thereafter, SOS returned the Box in good condition to IFC. There was no evidence that IFC utilized the Box to mitigate its damages either through sale or rent.

18. At the time the Lease was signed, IFC was aware, or reasonably should have been aware, of the fact that NorVergence was engaging in fraud with the lessees and was in poor financial condition and was either unable or not planning to provide the promised service. IFC participated in



the fraud and ratified the conduct of NorVergence. SOS never received service through NorVergence or through IFC. IFC did not act in good faith with regarding to SOS.

19. Due to the fact that service was not provided, SOS did not have a reasonable opportunity to inspect the Box prior to signing the delivery and acceptance form. As a result, there was no acceptance of the equipment under the Uniform Commercial Code. SOS timely rejected the Lease and the Box. The Box was a non-conforming good in that it failed to provide the savings promised and did not function as promised. SOS properly cancelled the Lease.

20. NorVergence and SOS agreed to an oral modification prior to any conduct that could be considered acceptance by making the effectiveness of the agreement subject to cancellation of the Logix agreement. The Logix agreement was never cancelled.

21. The Lease is not a finance lease. The original lessor was NorVergence, which selected the equipment. The purpose of the Lease was not to finance the acquisition of the Box but to obtain telephone service savings.

22. IFC does not qualify as a holder in due course. It was aware of NorVergence' fraud at the time it purchased the Lease. In addition, it participated in its own fraud on SOS in connection with the Lease. IFC was also aware that the Lease was invalid for a failure of consideration at the time of the assignment.

23. The entire Lease and the delivery and acceptance certificate are unconscionable due to the circumstances under which they were entered, the manner in which the terms of the Lease and delivery and acceptance were reached, and the unfairness of the Lease and delivery and acceptance. IFC grossly over-charged for the Box.

24. SOS effectively rejected the Lease. Even if its conduct could be considered acceptance, it properly revoked and timely revoked the acceptance. Its revocation, to the extent

applicable, was proper under TEX. BUS. & COM. CODE § 2A.517. SOS is entitled to cancellation of the Lease under section 2A.508.

25. The Lease fails for a lack of consideration. IFC failed to mitigate its damages.

26. IFC ratified and participated in the fraud of NorVergence. IFC had knowledge of the fraudulent conduct of NorVergence at the time SOS signed the Lease. IFC continued to attempt to enforce the Lease despite its knowledge of the fraudulent scheme. SOS was induced to enter the Lease by the fraud of NorVergence. SOS was induced to enter the Lease by the fraud of IFC. The Lease is vitiated by the fraud of IFC and NorVergence.

27. Under Texas choice of law rules, the floating choice of law clause contained in the Lease is unenforceable, and Texas law governs this transaction. The Lease does not bear a reasonable relationship to the State of Illinois. The State of Texas has a more significant relationship to the transaction and has a materially greater interest in the application of its laws to the transaction. The Lease was solicited and signed in Texas, the Box was delivered to SOS in Texas and was intended to be used in Texas. NorVergence was a New Jersey company with no ties to Illinois. Prior to signing the Lease, SOS did not know that NorVergence would assign the Lease to an Illinois company. All acts regarding the execution of the NorVergence agreement took place in the State of Texas. There was no connection between this transaction and the State of Illinois with regard to the transaction.

28. The choice of law provision contained in the Lease was not conspicuously set forth. Therefore, it does not comply with the TEX. BUS. & COM. CODE § 35.53(b). The Lease is a contract that is for less than \$50,000.00.

29. IFC has failed to take the necessary procedural steps to request the application of the laws of a different state. It has failed to file any preliminary motion to ask the Court to apply the laws of the State of Illinois.

30. SOS signed the delivery and acceptance certificate before it had any opportunity to inspect the working order of the Box. This is because service was not provided and the Box was not functional in the absence of T-1 service or telephone service. As a result, SOS never had the opportunity to inspect the Box to determine if the Box worked as represented.

31. Based upon the assurances of IFC of promised savings on service, and the fact that under the Lease, service would not be provided for at least 60 days, IFC participated in the fraud upon SOS. The lessor defaulted and the default substantially impaired the value of the Box. The Box was not in conformity with representations. That non-conformity was not discovered prior to any purported acceptance and any purported acceptance was induced by the lessor's assurances, or by the difficulty of discovery before acceptance to the extent that any acceptance occurred.

32. As of the time that SOS signed the Lease, IFC had received telephone calls and letters for several months regarding lack of service. There were defaults on many leases due to this lack of service. This had become so severe, that IFC decided to stop doing business with NorVergence, but continued only because NorVergence provided it with additional collateral and agreed to allow IFC to have increased holdbacks.

33. The Lease acquisition from NorVergence was not an isolated occurrence. IFC acquired between 700 and 800 leases from NorVergence. It is currently in litigation on more than 500 of those leases.

34. IFC did not act in good faith in connection with the Lease. IFC ratified the conduct of NorVergence.

35. IFC's decision to progressively increase its protections against defaults and obtain additional collateral, as well as its knowledge of the fact that service was not being provided by NorVergence, and that NorVergence customers did not receive the savings that both IFC and NorVergence promised, leads to the inevitable conclusion that IFC had knowledge of the underlying fraud. IFC's testimony to the contrary is not credible. This additional protection was only needed because customers refused to pay their rental payments because the promised savings and service had not been provided. Additionally, IFC purchased the Lease for \$11,743.67, which is a dramatic reduction in the purchase price and further signifies that it had knowledge of the declining state of NorVergence, that there were numerous lessee defaults due to lack of service, and the fact that NorVergence was not providing the necessary service. At the time IFC purchased the Lease, it had knowledge of SOS's defenses of failure of consideration and fraud.

36. The attorneys' fees awarded in the judgment were stipulated to by the parties and have been awarded in accordance with the parties' stipulation and pursuant to TEX. CIV. PRAC. & REM. CODE § 37.009. The court approves of the parties' stipulation and finds that the fees awards are equitable and just. The Court finds costs should be taxed against IFC. Based on the parties' pleadings, both parties have agreed that fees may be awarded under TEX. CIV. PRAC. & REM. CODE § 37.009.

37. The acceleration provision in the Lease is not enforceable because it is an unenforceable penalty. The Lease permitted acceleration for any breach regardless of how small or insignificant that breach was. As a result, the acceleration provision is unenforceable and IFC failed to present any evidence of damages.

38. SOS did not breach the Lease because the Lease was properly canceled, the Box was timely and properly rejected, and the Lease was induced by fraud or fails for want of consideration.

39. IFC cannot enforce any waiver of defense provision in the Lease because it does not meet the requirements of a holder in due course. IFC also cannot enforce the waiver of defense provision because the Lease was induced by fraud and because the Lease was unconscionable. IFC also cannot enforce the waiver of defense provision because the Lease is not a finance lease.

SIGNED this 5 day of June, 2006.

  
JUDGE PRESIDING

# **EXHIBIT E**

**Thomas N. Salzano AMEX #3732-739838-52049**

<u>Transfer Date</u>		<u>Amount</u>
01/13/2003	\$	102,125.77
02/11/2003		50,874.11
03/07/2003		101,288.20
04/11/2003		45,033.16
05/12/2003		64,935.52
06/11/2003		110,082.77
07/15/2003		43,062.38
08/13/2003		35,883.57
09/18/2003		44,714.43
10/21/2003		29,481.73
11/18/2003		19,451.49
12/11/2003		34,156.66
01/12/2004		27,031.62
02/02/2004		47,782.03
03/19/2004		23,933.16
04/20/2004		32,074.74
		<b><u>Total</u></b>
	\$	811,911.34

# **EXHIBIT F**



**Thomas J. Salzano AMEX #3732-739838-53013**

<u>Transfer Date</u>		<u>Amount</u>
01/13/2003	\$	15,464.54
02/11/2003		5,500.72
03/07/2003		13,304.48
04/11/2003		75,881.19
05/12/2003		19,660.45
06/11/2003		16,965.57
07/15/2003		5,408.84
08/13/2003		9,622.17
09/18/2003		3,785.68
10/21/2003		25,295.46
11/18/2003		5,805.02
12/11/2003		18,529.04
01/12/2004		15,417.05
02/02/2004		27,683.64
03/19/2004		7,310.79
04/20/2004		3,161.20
		<b><u>Total</u></b>
	\$	268,795.84

# **EXHIBIT G**

## Jersey City Apts.

Date	Check #	Amount
01/01/2002	907	\$1,566.65
01/04/2002	914	\$2,399.00
01/07/2002	1002	\$2,406.00
02/04/2002	1153	\$2,392.00
02/04/2002	1154	\$1,580.00
03/06/2002	1383	\$2,180.00
03/06/2002	1384	\$2,399.00
05/15/2002	2051	\$4,798.00
05/15/2002	2052	\$3,760.00
06/10/2002	2411	\$1,989.00
06/10/2002	2412	\$2,508.00
07/02/2002	2730	\$1,880.00
07/02/2002	2731	\$2,399.00
07/25/2002	3006	\$2,800.00
07/30/2002	3072	\$1,950.00
08/09/2002	3455	\$2,399.00
08/09/2002	3456	\$1,880.00
08/16/2002	3524	\$2,040.00
08/19/2002	3526	\$2,100.00
08/26/2002	3612	\$2,040.00
08/26/2002	3614	\$2,075.00
09/15/2002	6116964	\$4,279.00
09/20/2002	3237	\$2,800.00
09/20/2002	3239	\$1,950.00
09/20/2002	3235	\$1,880.00
09/20/2002	3236	\$2,399.00
10/15/2002	6100329	Voided
10/23/2002	6100493	\$10,930.00
10/23/2002	6100494	\$4,279.00
11/14/2002	6100791	\$13,005.00
11/14/2002	6100792	\$4,279.00
12/16/2002	6101355	\$10,930.00
12/16/2002	6101354	\$4,279.00
01/20/2003	6102220	\$4,150.00
01/20/2003	6102221	\$10,930.00
01/20/2003	6102222	\$4,279.00
02/25/2003	6103397	\$13,005.00
02/25/2003	6103399	\$4,279.00
03/13/2003	6104237	\$13,005.00
03/13/2003	6104236	\$4,279.00
04/18/2003	6106343	\$13,055.00
04/18/2003	6106344	\$4,279.00
05/16/2003	6108194	\$13,005.00
05/16/2003	6108195	\$4,279.00
06/13/2003	61109965	\$13,005.00
06/13/2003	6109966	\$4,279.00
07/11/2003	6112126	\$13,005.00
07/11/2003	6112127	\$4,279.00

Jersey City Apts.

Date	Check #	Amount
08/08/2003	6114291	\$13,005.00
08/08/2003	6114292	\$4,279.00
09/15/2003	6116963	\$13,005.00
10/17/2003	6120141	\$13,005.00
10/17/2003	6120142	\$2,399.00
10/20/2003	6120211	\$1,880.00
11/14/2003	6123025	\$13,005.00
11/14/2003	6123026	\$2,399.00
12/12/2003	6126174	\$13,005.00
12/12/2003	6126175	\$4,279.00
12/18/2003	6126868	\$1,880.00
01/13/2004	6129389	\$13,005.00
01/13/2004	6129390	\$4,279.00
02/20/2004	6135106	\$13,005.00
02/20/2004	6135107	\$4,279.00
03/19/2004	6138623	\$2,040.00
03/19/2004	6138624	\$2,075.00
03/19/2004	6138625	\$2,800.00
03/19/2004	6138626	\$1,950.00
03/19/2004	6138627	\$2,040.00
03/19/2004	6138628	\$2,100.00
03/19/2004	6138629	\$1,880.00
03/19/2004	6138630	\$2,399.00
05/14/2004	6146533	\$2,040.00
05/14/2004	6146534	\$2,074.00
05/14/2004	6146536	\$2,800.00
05/14/2004	6146547	\$1,950.00
05/14/2004	6146549	\$2,040.00
05/14/2004	6146554	\$2,100.00
05/14/2004	6146556	\$1,880.00
05/14/2004	6146557	\$2,399.00
05/14/2004	6146559	\$1,950.00
05/14/2004	6146561	\$2,070.00
05/18/2004	6147290	\$2,040.00
05/18/2004	6147291	\$2,075.00
05/18/2004	6147293	\$2,800.00
05/18/2004	6147295	\$1,950.00
05/18/2004	6147296	\$2,040.00
05/18/2004	6147298	\$2,100.00
05/18/2004	6147325	\$1,880.00
05/18/2004	6147327	\$2,399.00
06/25/2004	6154233	\$2,399.00
06/25/2004	6154234	\$1,880.00
06/25/2004	6154235	\$1,950.00
06/25/2004	6154236	\$2,800.00
		<u>\$415,273.65</u>

# **EXHIBIT H**

BMW Financial Company

Date	Check #	Amount
04/25/2003	6106878	\$1,024.89
05/23/2003	6108643	\$1,024.89
06/27/2003	6110935	\$1,024.89
07/14/2003	6112171	\$6,393.50
07/24/2003	6113108	\$1,024.89
08/22/2003	6115590	\$1,024.89
09/24/2003	6117943	\$1,024.89
10/24/2003	6120599	\$1,024.89
12/02/2003	6124876	\$1,024.89
12/23/2003	6127306	\$1,024.89
01/27/2004	6131819	\$1,024.89
02/24/2004	6135562	\$1,024.89
03/09/2004	6137616	\$1,023.75
03/25/2004	6139920	\$1,111.83
04/22/2004	6143312	\$1,024.89
TOTAL		\$20,827.76

# **EXHIBIT I**

Allstate Insurance Company

Date	Check #	Amount
07/18/2003	6112762	\$123.66
07/29/2003	6113417	\$985.00
11/19/2003	6123623	\$0.00
12/04/2003	6125172	\$24.44
01/29/2004	6131970	\$222.09
03/08/2004	6137359	\$222.09
TOTAL		\$1,577.28



# **EXHIBIT J**

## Data Solutions, Ltd.

Date	Check #	Amount
01/29/2002	1088	\$3,653.85
02/01/2002	1113	\$3,653.85
03/01/2002	1296	\$3,653.85
03/15/2002	1468	\$3,653.85
03/29/2002	1572	\$3,653.85
04/12/2002	1704	\$3,653.85
04/25/2002	1869	\$3,653.85
05/10/2002	1996	\$3,653.85
05/24/2002	2185	\$3,653.85
06/07/2002	2346	\$3,653.85
06/21/2002	2517	\$3,653.85
07/05/2002	2857	\$0.00
07/18/2002	2959	\$3,653.85
08/02/2002	3428	\$3,653.85
08/15/2002	3498	\$3,653.85
08/22/2002	3598	\$3,653.85
08/30/2002	3667	\$3,653.85
09/12/2002	3184	\$3,653.85
09/26/2002	6100140	\$3,653.85
10/03/2002	6100186	\$3,653.85
10/10/2002	6100277	\$3,653.85
10/24/2002	6100502	\$3,653.85
11/05/2002	6100650	\$3,653.85
11/07/2002	6100672	\$3,653.85
11/21/2002	6100917	\$3,653.85
11/21/2002	6100918	\$3,653.85
12/05/2002	6101185	\$3,653.85
12/20/2002	6101481	\$3,653.85
01/02/2003	6101740	\$3,477.30
01/02/2003	6101741	\$3,653.85
01/16/2003	6102075	\$3,653.85
01/16/2003	6102076	\$3,065.30
01/28/2003	6102436	\$33,653.84
01/30/2003	6102466	\$3,653.85
01/30/2003	6102469	\$2,980.30
01/30/2003	6102470	\$0.00
02/13/2003	6103069	\$3,653.85
02/13/2003	6103072	\$3,319.80
02/27/2003	6103495	\$3,653.85
02/27/2003	6103498	\$0.00
02/28/2003	6103639	\$3,319.80
03/03/2003	6103686	\$18,000.00
03/13/2003	6104225	\$3,653.85
03/13/2003	6104228	\$3,696.05
03/27/2003	6105231	\$3,653.85
03/27/2003	6105234	\$3,790.55
04/10/2003	6105909	\$3,653.85
04/10/2003	6105912	\$3,636.90

Date	Check #	Amount
04/24/2003	6106736	\$3,653.85
04/24/2003	6106739	\$3,277.80
05/08/2003	6107589	\$3,653.85
05/08/2003	6107592	\$3,570.70
05/22/2003	6108487	\$3,653.85
05/22/2003	6108490	\$3,608.97
06/05/2003	6109397	\$3,653.85
06/05/2003	6109401	\$3,615.49
06/19/2003	6110332	\$3,653.85
06/19/2003	6110335	\$3,606.02
07/02/2003	6111292	\$3,803.00
07/02/2003	6111295	\$3,654.00
07/17/2003	6112525	\$3,654.00
07/17/2003	6112530	\$3,681.00
07/30/2003	6113498	\$3,654.00
07/01/3003	6113501	\$3,621.00
08/15/2003	6114774	\$3,654.00
08/15/2003	6114776	\$1,577.00
08/18/2003	6114866	\$2,280.00
08/28/2003	6115890	\$3,654.00
08/28/2003	6115893	\$3,782.00
09/11/2003	6116705	\$3,654.00
09/11/2003	6116708	\$3,755.00
09/25/2003	6118015	\$4,045.00
09/25/2003	6118016	\$3,654.00
10/09/2003	6119324	\$3,654.00
10/09/2003	6119327	\$4,331.00
10/23/2003	6120553	\$3,654.00
10/23/2003	6120556	\$4,153.00
11/06/2003	6122085	\$3,654.00
11/06/2003	6122088	\$4,257.00
11/20/2003	6123794	\$3,654.00
11/20/2003	6123796	\$4,601.00
12/04/2003	6125138	\$3,654.00
12/04/2003	6125140	\$4,527.00
12/18/2003	6126744	\$4,080.00
12/18/2003	6126745	\$3,654.00
12/30/2003	6127634	\$4,212.00
12/30/2003	6127636	\$3,654.00
01/05/2004	6128235	\$12,000.00
01/15/2004	6129546	\$3,654.00
01/15/2004	6129547	\$4,034.00
01/29/2004	6131949	\$3,398.00
01/29/2004	6131950	\$3,654.00
02/02/2004	6132245	\$279.00
02/12/2004	6133888	\$3,654.00
02/26/2004	6136021	\$3,654.00
03/11/2004	6137927	\$3,654.00
03/25/2004	6139817	\$3,654.00

Data Solutions, Ltd.

Date	Check #	Amount
04/08/2004	6141675	\$3,654.00
04/01/1904	6142987	\$18,000.00
04/22/2004	6143374	\$3,654.00
05/06/2004	6145597	\$3,654.00
05/20/2004	6147725	\$3,654.00
06/03/2004	6153099	\$3,654.00
06/04/2004	6153121	\$3,654.00
06/14/2004	6153844	\$18,000.00
06/18/2004	6154151	\$3,654.00
06/25/2004	Wire	\$7,308.00
06/29/2004	Wire	\$36,000.00
06/30/2004	Wire	\$18,000.00
		\$515,154.82

# **EXHIBIT K**

## William Jean-Charles 2002

Date	Check #	Amount
2002		
01/01/2002	995	\$1,538.00
01/04/2002	87	\$1,538.00
01/18/2002	1033	\$1,538.00
01/22/2002	1073	\$700.00
02/01/2002	1143	\$1,967.00
02/01/2002	1094	\$1,538.00
02/01/2002	1144	\$331.00
02/15/2002	1185	\$1,538.00
02/15/2002	1240	\$500.00
02/21/2002	1258	\$1,000.00
02/27/2002	1274	\$1,109.00
02/27/2002	1275	\$1,000.00
03/01/2002	1277	\$1,538.00
03/01/2002	1363	\$482.00
03/01/2002	1370	\$341.00
03/01/2002	1369	\$331.00
03/07/2002	1397	\$2,563.00
03/11/2002	1421	\$3,000.00
03/15/2002	1446	\$1,538.00
03/15/2002	1494	\$742.00
03/01/2902	1594	\$1,538.00
03/29/2002	1606	\$492.00
03/29/2002	1625	\$203.00
04/01/2002	1627	\$1,500.00
04/12/2002	1726	\$1,538.00
04/12/2002	1740	\$488.00
04/25/2002	1893	\$1,385.00
04/25/2002	1900	\$1,000.00
04/30/2002	1921	\$1,000.00
05/10/2002	2022	\$1,538.00
05/17/2002	2073	\$500.00
05/24/2002	2215	\$1,538.00
04/24/2002	2230	\$500.00
05/27/2002	2239	\$1,500.00
06/03/2002	2269	\$1,500.00
06/07/2002	2379	\$1,538.00
06/07/2002	2406	\$500.00
06/21/2002	2512	\$1,318.00
06/21/2002	2590	\$725.00
06/26/2002	2645	\$2,000.00
06/26/2002	2646	\$2,000.00
07/05/2002	2850	\$1,318.00
07/05/2002	2903	\$723.00
07/13/2002	2934	\$2,000.00
07/19/2002	2968	\$2,000.00
07/19/2002	16	\$1,260.00
07/19/2002	17	\$497.00

William Jean-Charles 2002

07/25/2002	3004	\$2,000.00
07/30/2002	3087	\$2,000.00
08/02/2002	10145	\$2,078.00
08/02/2002	10075	\$1,252.00
08/05/2002	3437	\$2,000.00
08/09/2002	3452	\$2,000.00
08/14/2002	3479	\$2,000.00
08/16/2002	10252	\$1,731.00
08/16/2002	10251	\$1,252.00
08/19/2002	3530	\$1,000.00
08/22/2002	3599	\$1,200.00
08/27/2002	3621	\$1,200.00
08/28/2002	3633	\$1,850.00
08/30/2002	10430	\$1,252.00
08/30/2002	10431	\$1,051.00
09/12/2002	3191	\$2,500.00
09/13/2002	105921	\$1,252.00
09/13/2002	10593	\$783.00
09/18/2002	6100024	\$1,000.00
09/23/2002	6100058	\$2,000.00
09/27/2002	10838	\$2,055.00
09/27/2002	10837	\$1,252.00
09/27/2002	6100154	\$1,200.00
10/01/2002	3245	\$2,500.00
10/03/2002	6100185	\$1,000.00
10/11/2002	11067	\$1,575.00
10/11/2002	11066	\$1,252.00
10/11/2002	6100292	\$1,200.00
10/17/2002	6100374	\$1,200.00
10/25/2002	11336	\$1,514.00
10/25/2002	11335	\$1,252.00
11/06/2002	6100661	\$1,886.00
11/06/2002	6100662	\$1,818.00
11/14/2002	6100797	\$1,839.00
11/21/2002	6100922	\$1,873.00
12/03/2002	6101158	\$1,859.00
12/17/2002	6101425	\$1,820.00
12/23/2002	6101573	\$1,855.00
12/30/2002	6101698	\$1,834.00
		\$119,116.00

Date	Check #	Amount
2003		
01/06/2003	6101811	\$1,831.00
01/13/2003	6101989	\$1,815.00
01/21/2003	6102247	\$1,823.00
01/27/2003	6102410	\$1,833.00
02/04/2003	6102677	\$1,822.00
02/10/2003	6102884	\$1,835.00
02/11/2003	6102919	\$2,173.00
02/18/2003	6103127	\$1,829.00
02/20/2003	6103170	\$1,545.00
02/24/2003	6103297	\$1,887.00
03/03/2003	6103687	\$1,866.00
03/11/2003	6104047	\$1,850.00
03/18/2003	6104429	\$1,856.00
03/24/2003	6105074	\$1,850.00
03/31/2003	6105437	\$2,057.00
03/31/2003	6105438	\$1,690.00
04/07/2003	6105787	\$2,030.00
04/14/2003	6106127	\$1,895.00
04/21/2003	6106474	\$1,561.00
04/25/2003	6106892	\$1,966.00
04/28/2003	6106894	\$1,874.00
05/01/2003	6107110	\$1,150.00
05/05/2003	6107275	\$1,836.00
05/12/2003	6107774	\$1,733.00
05/19/2003	6108239	\$1,701.00
05/21/2003	6108420	\$3,180.00
05/27/2003	6108754	\$1,728.00
06/02/2003	6109123	\$1,831.00
06/09/2003	6109661	\$2,268.00
06/10/2003	6109750	\$1,733.00
06/12/2003	6109917	\$1,870.00
06/16/2003	6110141	\$2,279.00
06/23/2003	6110561	\$2,041.00
06/30/2003	6111077	\$1,539.00
07/07/2003	6111442	\$1,582.00
07/14/2003	6112207	\$1,431.00
07/21/2003	6112878	\$1,944.00
07/28/2003	6113352	\$1,523.00
08/04/2003	6113855	\$2,084.00
08/11/2003	6114353	\$2,182.00
08/15/2003	602147	\$220.00
08/19/2003	6115048	\$1,820.00
09/03/2003	6116154	\$1,755.00
09/08/2003	6116431	\$1,658.00
09/15/2003	6116948	\$1,679.00
09/22/2003	6117444	\$1,863.00
09/29/2003	6118292	\$1,755.00



William Jean-Charles 2003

10/06/2003	6118911	\$2,036.00
10/14/2003	6119815	\$1,890.00
10/20/2003	6120188	\$2,225.00
10/27/2003	6120897	\$2,101.00
11/03/2003	6121625	\$1,836.00
11/10/2003	6122338	\$1,814.00
11/17/2003	6123388	\$1,723.00
11/24/2003	6124086	\$1,334.00
12/02/2003	6124682	\$1,895.00
12/08/2003	6125628	\$2,349.00
12/15/2003	6126440	\$2,489.00
12/19/2003	606499	\$3,228.00
12/22/2003	6127115	\$1,274.00
12/29/2003	6127559	\$1,798.00
		\$113,265.00

William Jean-Charles 2004

Date	Check #	Amount
2004		
01/05/2004	6128279	\$2,511.00
01/12/2004	6129072	\$2,981.00
01/21/2004	6129822	\$2,711.00
01/26/2004	6131377	\$2,630.00
02/02/2004	6132270	\$2,722.00
02/10/2004	6133462	\$2,722.00
02/17/2004	6134371	\$2,198.00
02/23/2004	6135258	\$2,257.00
03/01/2004	6136391	\$2,084.00
03/08/2004	6137448	\$1,879.00
03/15/2004	6138252	\$1,739.00
03/22/2004	6139221	\$2,257.00
04/01/2004	6140532	\$1,933.00
04/05/2004	6141209	\$1,831.00
04/12/2004	6142253	\$1,728.00
04/19/2004	6142994	\$2,063.00
04/26/2004	6143804	\$1,728.00
05/03/2004	6144669	\$1,836.00
05/24/2004	6150214	\$1,350.00
		\$41,160.00