

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

THE NATIONAL BANK  
A national banking association, Plaintiff,

Court File No. \_\_\_\_\_

vs.

**COMPLAINT  
(JURY TRIAL DEMANDED)**

FIRST PREMIER CAPITAL LLC, a  
Minnesota limited liability company,  
Defendant.

Plaintiff THE National Bank (hereinafter "TNB"), by its undersigned attorneys,  
for its Complaint against Defendant, states:

**THE PARTIES**

1. Plaintiff TNB is a national banking association with its principal place of  
business in the State of Iowa and, therefore, is a citizen of the State of Iowa for purposes  
of jurisdiction.

2. Defendant First Premier Capital LLC (hereinafter "First Premier") is a  
South Dakota limited liability company with its principal place of business in the State of  
Minnesota and, therefore, is a citizen of the States of South Dakota and Minnesota for  
purposes of jurisdiction.

**JURISDICTION AND VENUE**

3. This action is brought pursuant to 28 U.S.C Section 1332 as complete  
diversity of citizenship exists between the Plaintiff and Defendant, and the amount in

controversy exceeds \$75,000.00, exclusive of interest and costs. Venue is proper under 28 U.S.C. Section 1391.

### COMMON ALLEGATIONS

4. Equipment Acquisition Resources, Inc. (hereinafter "EAR") was purportedly a manufacturer of lappers, slicers, grinders, and other cutting machines used in the semiconductor industries. EAR also purported to be a process development firm for customers in the industry.

5. Sheldon Player (hereinafter "Player") founded EAR and was involved in EAR's management and day-to-day activities.

6. In 1986, prior to founding EAR and while employed by an entity called Greyhound Leasing, Player was indicted in a case captioned *U.S.A v. Sheldon Player*, Case No. 2:86-cr-00081, for his involvement with a purchase and lease scheme, whereby fraudulent invoices were prepared and the purchase of equipment was financed by various lenders, but—as a deliberate fraud against those lenders—the equipment was never purchased. Instead, the financing proceeds earmarked for equipment financing were diverted to various officers and employees of Greyhound Leasing, including Player.

7. In 1988, Player was convicted and sentenced to five years in prison for interstate transportation of money taken by fraud (two counts) and mail fraud (one count), for which Player served thirty-three (33) months.

8. First Premier is, among other things, in the business of originating equipment leases for equipment financing and arranging financing for equipment leases.

9. First Premier made its first lease finance transaction with EAR and Player in 2003.

10. Prior to that time, First Premier was fully aware of Player's criminal background in the leasing industry. First Premier met with Player to discuss his background including his prior criminal record before entering into a transaction with EAR.

11. After that meeting, First Premier agreed to provide EAR with equipment lease financing. However, First Premier undertook a series of extraordinary precautions in its underwriting and monitoring of EAR by requiring: (1) CPA audited or reviewed financial statements; (2) periodic appraisals of the First Premier equipment leased to EAR; (3) cash collateral deposits in connection with the initial transaction between EAR and First Premier; and (4) an assignable personal guaranty from Player and others.

12. These precautions were rendered meaningless, however, because First Premier allowed companies selected by Player to perform critical evaluation and accounting functions on EAR's behalf. Said evaluation and accounting functions were not performed properly or accurately.

13. On May 16, 2005, First Premier entered into a Master Lease Agreement with EAR, identified as "No. EQU051605." On October 11, 2007, First Premier and EAR entered into Lease Schedule No. 013R. A copy of the Master Lease and Lease Schedule are attached hereto as Exhibit "A" (collectively referred to as the "Lease Agreement").

14. In or about September 2007, First Premier requested TNB purchase the Lease Agreement.

15. In originating the Lease Agreement and in the course of performance of the lease origination, First Premier provided TNB with supporting documentation to purportedly verify and document the underlying transaction whereby First Premier was acquiring certain equipment ("Equipment") identified in the Lease Agreement.

16. By letter dated October 10, 2007, First Premier transmitted to TNB the following documents:

- a. Lease Schedule No. 013R;
- b. Certificates of Acceptance signed by Player on behalf of EAR purporting the equipment had been delivered and accepted;
- c. Invoices and Proof of Payment;
- d. UCC-1 between EAR and First Premier;
- e. UCC-3 Assignment to TNB;
- f. Certificate of Authority;
- g. Insurance Certificate;
- h. Guaranties – Player Guaranty and Donna Malone Guaranty (Ms. Malone is Player's wife);
- i. Sales Tax Exemption Certificate; and
- j. Amortization Schedule.

Copies of these documents are attached hereto as Exhibit "B" (collectively referred to as the "Lease Documents").

17. The Lease Documents established First Premier had all rights, title and interest in and to the Equipment.

18. On or about October 11, 2007, First Premier entered into a Collateral Assignment of Lease Payments and Equipment with TNB (the "Assignment"). A copy of the Assignment is attached hereto as Exhibit C.

19. Pursuant to the Assignment, First Premier sold to TNB certain lease payments due under the Lease Agreement relating to the Equipment and First Premier's rights under the Player Guaranty and Malone Guaranty.

20. In consideration for the Assignment, TNB paid First Premier the sum of \$3,000,000.00.

21. Prior to entering into the Assignment, TNB and First Premier held negotiations about the terms and conditions of the transaction. The purchase price was based on a discounted present value of the future lease payments and upon a variety of factors, including the financial statements, the guaranties, and the statements of sound condition proffered by EAR and First Premier, and the value of the equipment collateral owned by First Premier.

22. At no time during the negotiations, did First Premier mention that Player had a criminal past or that First Premier believed it was necessary to take extraordinary precautions to protect itself from Player.

23. Although First Premier purportedly informed other lenders about Player's background as a convicted felon, First Premier failed to inform TNB of this information when it entered into the Assignment with TNB.

24. On or about February 22, 2008, after being confronted by an employee of TNB who had learned of Player's felonious past, First Premier, by and through its employee, Steve Berglund, admitted it did not inform TNB of Player's criminal background prior to entering into the Assignment with TNB.

25. This omission was even more egregious when coupled with the fact First Premier promoted the fact Player and Malone were providing personal guaranties as an inducement for TNB to buy the Lease Agreement

26. First Premier knew or should have known Player's and Malone's personal guaranties had limited or no value given Player's criminal history, and knew or should have known that had First Premier disclosed Player's felonious past to TNB, TNB would not have entered into the Assignment.

27. By the second quarter of 2009, EAR was unable to pay its debts as they became due and was insolvent. EAR then sought protection in the United States Bankruptcy Court for the Northern District of Illinois (Case No. 09-39937, filed by EAR on October 23, 2009).

28. It came to light after EAR's bankruptcy filing that EAR, Player and others were engaged in an elaborate "Ponzi" or pyramid scheme to defraud TNB and others who purchased EAR leases from First Premier.

29. As a result of the Ponzi scheme, the stream of lease payments sold by First Premier to TNB was fictitious, lacked underlying revenue sources, and was secured or collateralized by non-existent or grossly overvalued equipment that was pledged to

numerous other lenders through the use of bogus serial numbers; and was backed by worthless personal guaranties.

30. TNB is not able to identify or recover the Equipment nor is it receiving payments under the Lease Agreement or Assignment.

**COUNT I – BREACH OF CONTRACT**

31. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

32. On or about October 11, 2007, First Premier entered into the Assignment pursuant to which, among other things, it sold certain lease payments due under the Lease Agreement to TNB and assigned First Premier's rights under the Player Guaranty and Malone Guaranty to TNB.

33. The Assignment is a contract, which created rights and obligations for both parties.

34. In consideration for the Assignment and First Premier's rights under the Player Guaranty and Malone Guaranty, TNB paid First Premier the sum of \$3,000,000.00.

35. First Premier represented, warranted, covenanted, and agreed that First Premier was the owner of the respective lease collateral and/or Equipment, "free and clear of any and all liens, security interests, assessments, and encumbrances, except those created under the Lease."

36. In addition, First Premier represented, warranted, covenanted, and agreed that all documents executed between it and EAR were "genuine and enforceable"

pursuant to their terms and represented, warranted, covenanted, and agreed that the Equipment had been delivered to EAR.

37. First Premier was not and is not the owner of the Equipment free and clear of any and all liens, security interests, assessments, and encumbrances; the documents executed by it and EAR were not “genuine and enforceable;” and, on information and belief, the Equipment was never delivered to EAR.

38. First Premier has therefore defaulted in the representations, warranties and covenants under the Assignment and has otherwise breached the contract.

39. The Assignment provides that First Premier shall pay the expenses of collection incurred by TNB in the event First Premier defaults in its obligations under the Assignment and further provides that First Premier shall “pay to (TNB) the remaining unpaid rentals and other monies due and which will become due” under the Lease Agreement. Exhibit C ¶ 5.

40. The above-described conduct constitutes a breach of the Assignment by First Premier, and as a direct and proximate result of First Premier’s breach of the Assignment, TNB has suffered damages in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

#### **COUNT II – UNJUST ENRICHMENT**

41. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

42. Pursuant to the Assignment, TNB paid First Premier \$3,000,000.00.



43. First Premier has benefitted from receipt of the Assignment price, and has received the benefits arising therefrom, without having to provide the lease collateral as contemplated by the Assignment and the Lease Agreement.

44. First Premier is not entitled to the benefit of the Assignment price paid by TNB.

45. Under the circumstances, it is unjust to permit First Premier to retain said price and the benefits associated therewith, without providing TNB payment or value for the same.

46. As a result of First Premier's unjustifiable and unlawful conduct, First Premier has been unjustly enriched to the detriment of TNB in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

**COUNT III – PROMISSORY/EQUITABLE ESTOPPEL**

47. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

48. First Premier made numerous promises and representations to TNB including, without limitation, that it would abide by the terms and conditions of the Assignment and other documents related thereto and that such documents provided true and accurate information. These promises and representations were made with the full knowledge that TNB would rely thereon by entering into the transactions evidenced by the Assignment.

49. First Premier knew, or should have known, that such promises and representations would induce action or forbearance of a definite and substantial character on TNB's behalf.

50. TNB did reasonably rely on the promises and representations of First Premier by entering into the Assignment and other documents related thereto.

51. Injustice can only be avoided by estopping First Premier from denying the aforementioned promises, representations and obligations and as such, TNB is entitled to judgment against First Premier in an amount in excess of \$2,480,386.00, the exact amount to be determined in these proceedings.

**COUNT IV – BREACH OF IMPLIED COVENANT OF  
GOOD FAITH AND FAIR DEALING**

52. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

53. TNB and First Premier entered into the Assignment.

54. Pursuant to the Assignment, TNB paid First Premier the sum of \$3,000,000.00.

55. First Premier violated the implied covenant of good faith and fair dealing by intentionally and unfairly depriving TNB of the benefit of the Assignment by not performing its due diligence in originating the Lease Agreement and/or by not confirming the existing of the lease collateral.

56. The above-described conduct constitutes a breach of the implied covenant of good faith and fair dealing, and as a direct proximate result of said breach, TNB has

suffered damages in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

**COUNT V – NEGLIGENCE**

57. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

58. First Premier is in the business of originating equipment leases for equipment financing transactions and arranging financing for equipment leases it originates.

59. First Premier is compensated for its efforts in originating these leases.

60. In the course of its business and in a transaction in which it had a pecuniary interest, First Premier breached its duty to TNB in one or more of the following ways:

a. Negligence in Originating the Lease:

- i. First Premier represented to TNB it had exercised the due diligence and due care in originating the Lease Agreement and that the Lease Agreement was valid, enforceable and involved a reputable lessee and valuable Equipment.
- ii. First Premier, however, provided TNB with financial documents fraudulently prepared and provided by EAR.
- iii. First Premier was derelict and negligent in failing to detect fraudulent activities by EAR and Player.
- iv. First Premier failed to exercise reasonable care or competence in originating the Lease Agreement.

- b. Negligence in selling TNB the Assignment:
- i. First Premier knew of Player's background as a convicted felon in the leasing industry when it sold the Lease Agreement to TNB.
  - ii. First Premier failed to disclose such information regarding Player's criminal background.
  - iii. First Premier's failure to disclose such information was a breach of its duty—First Premier was aware of information TNB was not aware of and failure to disclose such information resulted in First Premier's statements regarding the Player Guaranty being misleading.
  - iv. First Premier failed to disclose the extra precautions taken to oversee the EAR relationship.
  - v. First Premier was derelict in failing to utilize ordinary and reasonable care in the sale of the Assignment to TNB.

61. First Premier's breach of its duties caused TNB to enter into the Assignment.

62. As a direct and proximate result of First Premier's negligence, TNB has suffered damages in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

**COUNT VI – NEGLIGENT MISREPRESENTATION**

63. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

64. In the course of First Premier's business and in a transaction in which it had a pecuniary interest, First Premier represented to TNB it had exercised the required due diligence in originating the Lease Agreement and that the Lease Agreement was valid, enforceable and involved a reputable lessee.

65. First Premier failed to exercise reasonable care or competence in performing its due diligence and provided TNB with false information regarding the Lease Agreement.

66. TNB justifiably relied on First Premier's representations regarding the Lease Agreement.

67. As a direct and proximate result of First Premier's negligent misrepresentation, TNB is entitled to a judgment rescinding the Assignment and, or in the alternative, judgment in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

**COUNT VII – FRAUDULENT MISREPRESENTATION**  
**AND/OR FRAUDULENT CONCEALMENT**

68. TNB hereby restates and realleges the allegations set forth in the preceding paragraphs as though fully set forth herein.

69. In the course of First Premier's business and in a transaction in which it had a pecuniary interest, First Premier represented to TNB it had exercised the required due diligence in originating the Lease Agreement and that the Lease Agreement was valid, enforceable and involved a reputable lessee.

70. First Premier knowingly provided TNB with false information regarding the Lease Agreement, including the assurance of validity of the Lease Agreement, knowing it had not performed its own due diligence and not knowing whether the assurance of the validity of the Lease Agreement was true or false.

71. First Premier knew of Player's background as a convicted felon in the leasing industry when it sold the Lease Agreement and Player Guaranty to TNB and chose to conceal it and/or failed to disclose this fact to TNB.

72. The materiality of the information is established by the fact First Premier, knowing of the conviction, took extra precautions when dealing with Player and EAR, including a meeting with Player to discuss his background including his prior criminal record, tightening First Premier's underwriting and monitoring requirements of EAR, and personal guaranties.

73. First Premier knew or should have known that, had it disclosed Player's background to TNB, TNB would have elected not to proceed with this transaction.

74. TNB justifiably relied on the information First Premier supplied in TNB's decision to purchase the Lease Agreement.

75. As a direct and proximate result of First Premier's fraudulent misrepresentation and/or fraudulent concealment, TNB is entitled to a judgment rescinding the Assignment and, or in the alternative, judgment in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

**JURY DEMAND**

Plaintiff demands a trial by jury on all claims so triable.

WHEREFORE, Plaintiff requests that this Court enter judgment in its favor and against the Defendant as follows:

1. As to Counts I through V, awarding Plaintiff damages against Defendant in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceeding.

2. As to Count VI and VII, awarding Plaintiff rescission of the Assignment and, or in the alternative, damages in an amount in excess of \$2,480,386.00, the exact amount to be proven in these proceedings.

3. As to all Counts, awarding Plaintiff prejudgment interest, costs and attorneys' fees incurred in this action, and awarding Plaintiff such other and further relief as the Court deems appropriate.

Dated this 22nd day of March, 2010.

Respectfully submitted,

**ATTORNEYS FOR PLAINTIFF**

WINTHROP & WEINSTINE, P.A.

By /s/ Matthew R. McBride

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**Exhibit A**



5201 Eden Ave.  
Suite 180  
Edina, MN 55436  
(952)224-2450

THIS IS A CERTIFIED  
COPY OF THE ORIGINAL.

Lease Agreement Number EQU051605

12/11/07

## LEASE AGREEMENT

This Lease Agreement, dated as of the 16<sup>th</sup> day of May, 2005, between FIRST PREMIER CAPITAL LLC

(the "Lessor") and Equipment Acquisition Resources, Inc. (the "Lessee")  
(Lessee Legal Name)  
555 South Vermont Street  
(Lessee Address)  
Palatine, IL 60067

Lessor has agreed to provide certain Equipment to Lessee subject to the terms of this Lease Agreement. Each item of Equipment and the financial terms applicable to it will be described in one or more Lease Schedules to be attached to this Lease Agreement. Each Lease Schedule shall constitute a separate, distinct, and independent lease and contractual obligation of Lessee. Each Lease Schedule shall incorporate this Lease Agreement by reference and shall be governed by the terms and conditions of this Lease Agreement as well as the terms and conditions in the Lease Schedule.

### 1. Term

This Lease Agreement is effective from the date it is executed by both parties. The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule shall commence on the Installation Date for all Equipment on such Lease Schedule and shall continue for an initial period ending that number of months from the Commencement Date as set forth in such Lease Schedule, (the "Initial Term") and shall continue from year to year thereafter until terminated. The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or any anniversary date thereafter by either party mailing written notice of its termination to the other party not less than one hundred twenty (120) days prior to such termination date.

### 2. Commencement Date

The Installation Date for each item of Equipment shall be the day following the date said item of Equipment is delivered to the location of Installation and is ready for use. The Commencement Date for any Lease Schedule is the first of the month following Installation of all the Equipment on any Lease Schedule, unless the latest Installation Date for any Equipment on the Lease Schedule falls on the first day of the month, in which case that is the Commencement Date. If Lessor does not receive a Certificate of Acceptance which Lessee agrees to provide upon Installation of any item of Equipment or written notification of Lessee's dissatisfaction within seven days after receipt of any item of Equipment, Lessor will assume that Lessee is satisfied and accepts the Equipment.

### 3. Charges

The Charges for the Equipment delivered pursuant to this Lease Agreement shall be the aggregate Charges set forth on each and every Lease Schedule executed pursuant hereto. Lessee promises to pay Lessor the Charges in accordance with the Lease Schedule(s), and the payments shall be made at Lessor's address indicated thereon. The Monthly Charge shall be paid by Lessee monthly in advance with the first full month's payment due on the Commencement Date. If the Installation Date does not fall on the first day of a month, the Charge for the period from the Installation Date to the Commencement Date shall be an amount equal to the Monthly Charges divided by thirty (30) and multiplied by the number of days from and including the Installation date to the Commencement Date. Charges for taxes made in accordance with Section 4 and charges made under any other provision of this Lease Agreement and payable by Lessee shall be paid to Lessor at Lessor's address specified on the Lease Schedule(s) on the date specified in invoices delivered to Lessee. Lessee agrees that if payment as specified above is not received by Lessor on the due date, Lessee shall, to the extent permitted by law, pay on demand, as a late charge, an amount equal to one and one-half percent (1 1/2%) or the maximum percentage allowed by law, whichever is less, of the amount then due for each thirty (30) days or portions thereof that said overdue payments are not made.

### 4. Taxes

In addition to the Charges set forth in Section 3, Lessee shall be responsible for the timely payment and discharge of all license or registration fees, assessments, sales and use taxes, rental taxes, gross receipts taxes, personal property taxes and other taxes now or hereafter imposed by any

federal, state or local government upon the Equipment, the Charges or upon the ownership, leasing, renting, purchase, possession or use of the Equipment (whether the same be assessed to Lessor or Lessee). Lessee shall be responsible for the negotiating and filing of property taxes on the Equipment and shall indemnify Lessor to the extent of any such unpaid property taxes (including penalties and interest) and costs of Lessor associated therewith. Except as otherwise required by law or except as otherwise directed from time to time by Lessor, Lessee shall pay and discharge at least ten days before delinquency any and all such fees, assessments and taxes directly to the proper levying authority. Nothing herein shall be deemed to prevent Lessor from itself paying and discharging any such taxes, fees or assessments and Lessee shall pay to Lessor the amount of any such taxes, fees, or assessments remitted by Lessor within ten days of notice thereof. Lessee, upon notice to Lessor, may, in Lessee's own name, contest or protest any such taxes, except when in Lessor's sole opinion such contest is futile or will cause a levy or lien to arise on the Equipment or cloud Lessor's title thereto. Lessee shall, in addition, be responsible to Lessor for the payment and discharge of any penalties or interest. Nothing herein shall be construed to require Lessee to be responsible for any federal or state taxes or payments in lieu thereof, imposed upon or measured by the net income of Lessor, or state franchise taxes of Lessor.

### 5. Return to Lessor

Upon the termination of this Lease Agreement as to the Equipment on any Lease Schedule, Lessee shall prepare the Equipment for shipping and deliver and pay for such delivery of the Equipment to Lessor's Edina, Minnesota location. Lessee will bear the risk of loss until delivery of the Equipment to Lessor.

### 6. Maintenance

Lessee will keep the Equipment in good working order in accordance with the provision of the manufacturer's maintenance agreement and make all necessary adjustments and repairs to the Equipment so that upon the termination of this Lease Agreement, the Equipment shall be eligible for the manufacturer's standard maintenance agreement.

### 7. Location, Ownership and Use

Lessee acknowledges and agrees that (a) it does not have any title, property right or interest in the Equipment, except solely in the capacity of Lessee hereunder, (b) Lessor or its agents shall have the right to inspect the Equipment from time to time during reasonable business hours at its then-current location, (c) Lessee shall keep the Equipment at all times free and clear from all claims, levies, liens, encumbrances and process, (d) Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment, and (e) Lessee shall not pledge, lend, create a security interest in, sublet or part with possession of the Equipment or any part thereof, or attempt in any manner to dispose thereof, or remove the Equipment or any part thereof, from the Location of Installation as specified in the appropriate Lease Schedule(s) without Lessor's written permission.

### 8. Financing Statement

Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's

interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

#### 9. Loss and Damage

Lessee assumes and shall bear the entire risk of loss, theft, destruction or damage of or to the Equipment (herein "loss or damage") from any cause, whether or not covered by insurance, and no such loss shall release Lessee of its obligation hereunder. In the event of loss or damage, Lessee shall restore the Equipment to, or, at the option of Lessor, replace it with like equipment in good condition and repair with clear title to Lessor, reasonable wear and tear excepted. Lessee shall give Lessor prompt notice of any damage to, or loss of, the Equipment or any part thereof.

#### 10. Insurance

Commencing upon delivery of the Equipment to Lessee and continuing thereafter, until Lessee has delivered possession of the Equipment to Lessor, Lessee, at its expense, shall keep the Equipment adequately insured with responsible insurers satisfactory to Lessor, and said insurance shall protect all interests of Lessor and be for such risks including the liability of Lessor for public liability and property damage and be in such amounts as Lessor may require. Said insurance shall be primary insurance and shall cover the interest of both the Lessor and Lessee in the Equipment, and shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use or operation of the Equipment. All such insurance shall provide for thirty (30) days prior written notice to Lessor of cancellation, restriction or reduction of coverage. Copies of all policies or certificates of insurance shall be delivered to Lessor by Lessee. In no event shall loss or damage insurance on the Equipment be in an amount less than (i) the then fair market value of the Equipment, (ii) replacement value of the Equipment or (iii) Lessor's Unrecovered Investment in the Equipment which ever is greater. For purposes of this Agreement, "Unrecovered Investment" shall mean those values which shall be assigned to an item or items of Equipment upon the disposition, loss, theft or destruction thereof, and shall be that value which, as of the date for its calculation and payment, will result (after provision for the recapture and payment of all applicable taxes) in no loss to the Lessor. Unrecovered Investment shall include, but is not limited to, rent, unearned income, residuals, and any costs, expenses and attorneys fees incurred to collect any amounts due and owing by Lessee hereunder.

#### 11. Warranties, Disclaimers and Indemnity

THE EXPRESS WARRANTIES HEREIN CONTAINED ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES WHICH ARE NOT CONTAINED IN THIS LEASE AGREEMENT. LESSOR SHALL NOT BE LIABLE FOR DAMAGES, INCLUDING SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE EQUIPMENT OR ITS USE BY LESSEE. Lessee shall be entitled to the benefit of any warranties provided by the manufacturer of the Equipment or additional warranties or service as defined on any Lease Schedule.

Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and hold Lessor harmless with respect to, any claim from a third party for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by: (1) the inadequacy of any Equipment for any purpose; (2) any deficiency or defect in any Equipment; (3) the use or performance of any Equipment; (4) any interruption or loss of service, use or performance of any Equipment; or (5) any loss of business or other special incidental or consequential damages whether or not resulting from any of the foregoing.

#### 12. Event of Default

The occurrences of any of the following events shall constitute an event of default under this Lease Agreement and/or any Lease Schedule:

- (a) Lessee fails to perform or observe any condition, covenant, representation or warranty under this Lease Agreement and fails to cure such default within fifteen (15) days after Lessor has sent Lessee notice of such default;
- (b) A receiver is appointed for Lessee, Lessee makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against Lessee;
- (c) Lessee becomes insolvent or fails generally to pay its debts as they become due, or any items of Equipment are levied against or seized, or a bulk sale of Lessee's inventory or assets is about to take place;

- (d) Lessee fails to make any payment owed to Lessor hereunder within fifteen (15) days after its due date;
- (e) Any representation or warranty made by Lessee hereunder or in any other document provided to Lessor proves to have been incorrect in any material respect when made; or
- (f) Lessee voluntarily dissolves or is dissolved or its existence is otherwise terminated.

#### 13. Remedies

Should any default occur and be continuing, Lessor may, in order to protect the interests and reasonably expected profits and bargain of Lessor, and with or without notice or demand upon, Lessee, pursue and enforce, successively and/or concurrently, any one or more of the following remedies:

- (a) Without retaking the Equipment
  - (1) recover from Lessee all accrued and unpaid Charges and other amounts then due and owing under the terms hereof,
  - (2) recover from Lessee from time to time all Charges and other amounts as and when becoming due hereunder,
  - (3) accelerate and cause to become immediately due and payable all Charges and other amounts due and/or likely to be come due hereunder and recover from Lessee the then worth to Lessor of such amounts,
  - (4) cause to become immediately due and payable and recover from Lessee (i) the then applicable Unrecovered Investment in the Equipment, plus (ii) the then worth to Lessor of its anticipated remaining loss of bargain;
- (b) Retake possession of the Equipment without liability to Lessee therefore which is hereby expressly waived, and
  - (1) terminate the term of this Lease Agreement as to the Equipment,
  - (2) recover from Lessee all accrued and unpaid Charges and other amounts owing under the terms hereof,
  - (3) sell the Equipment at public or private sale, and recover from Lessee the difference, if any, by which the Net Proceeds of sale shall be less than (i) the Lessor's then applicable Unrecovered Investment in the Equipment, plus (ii) the then worth to Lessor of its anticipated remaining loss of bargain,
  - (4) re-lease the Equipment to a third party for the account of Lessee and recover from Lessee when becoming due any deficiency between the Charges provided herein and those received from such third party,
  - (5) re-lease the Equipment to a third party for the account of Lessee and recover from Lessee the then worth to Lessor of any deficiency between the Charges provided herein and those receivable from such third party over the re-leased term,
  - (6) recover from Lessee the then worth to Lessor of the excess of the Charges reserved herein for the balance of the whole term (or any remaining term not covered by any re-lease) over the then reasonable rental value of the Equipment; and
- (c) Pursue any other remedy Lessor may otherwise have, at law, in equity or under any statute and recover such other actual damages as may be incurred by Lessor.

"Net Proceeds" shall mean the amount received in cash upon the sale of the Equipment, less all expenses incurred by or for Lessor in connection with such sale, including reconditioning and removal expenses, repair costs, commissions, reasonable attorney's fees and less all sums accrued and unpaid to Lessor pursuant to this Lease Agreement to the date of such sale. Lessor's pursuit and enforcement of any one or more remedies shall not be deemed an election or waiver by Lessor of any other remedy. Lessor shall attempt in good faith to mitigate its damages, but Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or re-lease may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease, may be at wholesale or retail, in bulk or in parcels. For purposes of determining the worth to Lessor of any amounts, said amounts shall be discounted at a rate of five percent (5%) per annum. Time and exactitude at each of the terms and conditions of the Lease Agreement are hereby declared to be of the essence. Lessor may accept past due payments without modifying the terms of this Lease Agreement and without waiving any further rights of Lessor hereunder. Except as expressly provided herein, neither Lessee nor Lessor shall be liable to the other for any consequential or incidental damages.

#### 14. Costs and Attorneys' Fees

In addition to all other sums which Lessee may be called upon to pay under the provisions of this Lease Agreement, Lessee will pay to Lessor its reasonable costs of collection or other out-of-pocket costs and expenses and attorney's fees on account of this Lease Agreement.

#### 15. Assignments

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign this Lease Agreement or sublet any of the Equipment without first obtaining the prior written consent of Lessor. Lessee acknowledges that the terms and conditions of this Lease Agreement have been fixed in anticipation of the possible assignment of Lessor's rights under this Lease Agreement and in and to the Equipment as collateral security to a third party ("Assignee") which will rely upon and be entitled to the benefit of this Lease Agreement. Lessee agrees with Lessor and such Assignee to recognize in writing any such assignment within fifteen (15) days after receipt of written notice thereof and to pay thereafter all sums due to Lessor hereunder directly to such Assignee as directed by it, notwithstanding any defense, set-off or counterclaim whatsoever (whether arising from a breach of this Lease Agreement or not) that Lessee may from time to time have against Lessor. Upon such assignment, the Lessor shall remain obligated to perform any obligations it may have under the Lease Agreement and the Assignee shall (unless otherwise expressly agreed to in writing by the Assignee) have no obligation to perform such obligations. Any such assignment shall be subject to Lessee's rights to the use and possession of the Equipment so long as Lessee is not in default hereunder.

16. Miscellaneous

This Lease Agreement, the Lease Schedule(s), attached riders, and any documents or instruments issued or executed pursuant hereto shall be governed by the laws of the State of Minnesota and constitute the entire Lease Agreement between Lessor and Lessee with respect to the Equipment superseding all prior correspondence between the parties. No provision of this Lease Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by each of the parties hereto.

Upon request, Lessee agrees to provide Lessor, and any assignee or potential assignee of Lessor, Lessee's most recent annual financial statement (audited, if available) and its most current interim financial statements.

The parties hereto submit to the jurisdiction of the courts of the State of Minnesota and Lessee hereby waives local venue with respect to claims arising out of this Lease Agreement.

Any notice provided for herein shall be in writing and sent by certified or registered mail to the parties at the addresses stated on page 1 of the Lease Agreement.

This Lease Agreement shall not become effective until delivered to Lessor at its offices at Edina, Minnesota and there executed by Lessor.

Accepted by:

FIRST PREMIER CAPITAL LLC

By: [Signature]  
(Signature)

Name: Stephen V. Alpeter  
(please type or print)

Title: Partner

Date: 6/13/05

Lease Agreement No: EQU051605

This Lease Agreement is made subject to the terms and conditions included herein and Lessee's acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance which contains terms and conditions which are in addition or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor.

The parties hereto covenant and warrant that the persons executing this Lease Agreement and each Lease Schedule on their behalf have been duly authorized to so execute this Agreement, and this Agreement constitutes a valid and binding obligation of the parties hereto.

The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s).

THE LESSEE AND ANY GUARANTORS OF THE LESSEE'S OBLIGATIONS UNDER THIS LEASE AGREEMENT HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNEXED WITH THIS LEASE AGREEMENT AND THE LEASE SCHEDULES OR THE RELATIONSHIPS ESTABLISHED HEREUNDER.

17. Net Lease Agreement

This Lease Agreement is a net Lease Agreement and Lessee's obligation to pay all Charges and other amounts payable hereunder shall be absolute and unconditional and, except as expressly provided herein, shall not be subject to any abatement, reduction, defense, counterclaim, set-off, or recoupment, including any present or future claim against Lessor or the manufacturer of the Equipment. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor's title thereto or any destruction or loss of use of any item of Equipment. LESSEE ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF LESSOR'S CONTRACT, IF ANY, FOR PURCHASE OF ALL EQUIPMENT EXISTING ON THE DATE OF THIS LEASE AGREEMENT AND THAT IT HAS THE RIGHT TO RECEIVE A COPY OF THE CONTRACT OF PURCHASE FOR ALL FUTURE EQUIPMENT UNDER THIS LEASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed by their respective duly authorized representative.

Accepted by:

EQUIPMENT ACQUISITION RESOURCES, INC.

By: [Signature]  
(Signature)

Name: SHELDON PLAYER  
(please type or print)

Title: President

Date: 5-27-05

**LEASE SCHEDULE NO. 013R**

Lease Schedule No. 013R Replaces Lease Schedule No. 013

This Lease Schedule is issued pursuant to the Lease Agreement No. EQU051605 and dated as of May 16, 2005 by and between the undersigned.

**LESSOR**  
First Premier Capital LLC  
5201 Eden Ave., Suite 180  
Edina, MN 55436

**LESSEE**  
Equipment Acquisition Resources, Inc.  
555 South Vermont Street  
Palatine, IL 60067

All terms and conditions of the above described Lease Agreement are incorporated herein and made part hereof as if such terms and conditions were set forth in this Lease Schedule. The Lessee and Lessor reaffirm all of the terms and conditions of the Lease Agreement except as modified hereby.

Equipment Location: Same as above.

Term of Lease from Commencement Date: 60 months      Commencement Date: 11/01/2007

Monthly Lease Charge:      \$65,272.00

Security Deposit: Lessee shall deliver upon execution of this Lease Schedule by Lessee, a Security Deposit in the amount of \$65,272.00.

Equipment Description:

<u>Manufacturer</u>	<u>Qty</u>	<u>Machine/Model</u>	<u>Equipment Description</u>
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See Attached Exhibit A

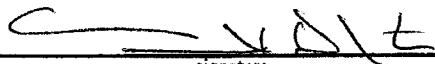
Provided that no Default shall have occurred and be continuing, Lessee shall be entitled, at its option, upon written notice to Lessor at least 120 days prior to the end of the Initial Term, to purchase all but not less than all of the above described Equipment, on an AS-IS WHERE-IS basis, at a purchase price equal to one dollar (\$1.00).


Accepted By:

Accepted By:

FIRST PREMIER CAPITAL LLC  
"LESSOR"

EQUIPMENT ACQUISITION RESOURCES, INC.  
"LESSEE"

By:   
signature  
Name: Stephen V. Alpeter  
please print or type  
Title: Partner  
Date: 10/10/07

By:   
signature  
Name: Sheldon Player  
please print or type  
Title: President  
Date: 10/10/07

**Exhibit A**  
**to**  
**Lease Agreement No. EQU051605**  
**Lease Schedule No. 0013R**  
**Equipment Description**

<u>Mfg</u>	<u>Qty</u>	<u>Mach/Mod</u>	<u>Equipment Description</u>	<u>Serial Number</u>
K&S	1	984/982	DICING SAWS	600397
DISCO	2	DFD 651	DICING SAWS	1249
				1441
SPEEDFAM	1	96 BAW	SINGLE-SIDED LAPPER	SNF-96BAW-844
STRASBAUGH	1	6EC CMP	POLISHER	0530200
SPEEDFAM	1	64 BAW	SINGLE-SIDED LAPPER	SNF-64BAW-901
STC	12	22 ID	SAWS, REFURBISHED WITH UPGRADED SPINDLES	444810
				444811
				444812
				444813
				444814
				444815
				444816
				444817
				444818
				444819
				444820
				444821
SPEEDFAM	1	EPD 300X	NEW/DEMO SPEEDFAM WAFER EDGE POLISHER WITH ROBOTICS - INCLUDES TOUCH SCREEN CONTROLLER, WET CLEANING STATION 300MM CAPABILITY AND SPECIAL 300MM EDGE GRIND/POLISH PROGRAMMABLE HEADS	SP10071

**Exhibit B**

**LEASE SCHEDULE NO. 013R**

Lease Schedule No. 013R Replaces Lease Schedule No. 013

This Lease Schedule is issued pursuant to the Lease Agreement No. EQU051605 and dated as of May 16, 2005 by and between the undersigned.

**LESSOR**  
First Premier Capital LLC  
5201 Eden Ave., Suite 180  
Edina, MN 55436

**LESSEE**  
Equipment Acquisition Resources, Inc.  
555 South Vermont Street  
Palatine, IL 60067

All terms and conditions of the above described Lease Agreement are incorporated herein and made part hereof as if such terms and conditions were set forth in this Lease Schedule. The Lessee and Lessor reaffirm all of the terms and conditions of the Lease Agreement except as modified hereby.

Equipment Location: Same as above.

Term of Lease from Commencement Date: 60 months      Commencement Date: 11/01/2007

Monthly Lease Charge:      \$65,272.00

Security Deposit: Lessee shall deliver upon execution of this Lease Schedule by Lessee, a Security Deposit in the amount of \$65,272.00.

Equipment Description:

<u>Manufacturer</u>	<u>Qty</u>	<u>Machine/Model</u>	<u>Equipment Description</u>
---------------------	------------	----------------------	------------------------------

See Attached Exhibit A

Provided that no Default shall have occurred and be continuing, Lessee shall be entitled, at its option, upon written notice to Lessor at least 120 days prior to the end of the Initial Term, to purchase all but not less than all of the above described Equipment, on an AS-IS WHERE-IS basis, at a purchase price equal to one dollar (\$1.00).

Accepted By:

Accepted By:

FIRST PREMIER CAPITAL LLC  
"LESSOR"

EQUIPMENT ACQUISITION RESOURCES, INC.  
"LESSEE"

By:   
signature

By:   
signature

Name: Stephen V. Alpeter  
please print or type

Name: Sheldon Player  
please print or type

Title: Partner

Title: President

Date: 10/10/07

Date: 10/10/07



**Exhibit A**  
**to**  
**Lease Agreement No. EQU051605**  
**Lease Schedule No. 0013R**  
**Equipment Description**

<u>Mfg</u>	<u>Qty</u>	<u>Mach/Mod</u>	<u>Equipment Description</u>	<u>Serial Number</u>
K&S	1	984/982	DICING SAWS	600397
DISCO	2	DFD 651	DICING SAWS	1249
				1441
SPEEDFAM	1	96 BAW	SINGLE-SIDED LAPPER	SNF-96BAW-844
STRASBAUGH	1	6EC CMP	POLISHER	0530200
SPEEDFAM	1	64 BAW	SINGLE-SIDED LAPPER	SNF-64BAW-901
STC	12	22 ID	SAWS, REFURBISHED WITH UPGRADED SPINDLES	444810
				444811
				444812
				444813
				444814
				444815
				444816
				444817
				444818
				444819
				444820
				444821
SPEEDFAM	1	EPD 300X	NEW/DEMO SPEEDFAM WAFER EDGE POLISHER WITH ROBOTICS - INCLUDES TOUCH SCREEN CONTROLLER, WET CLEANING STATION 300MM CAPABILITY AND SPECIAL 300MM EDGE GRIND/POLISH PROGRAMMABLE HEADS	SP10071

COFA-01

## Accounts

### Account History

#### Search Details

<b>For Account:</b> WCB Business : *338	<b>Account Name:</b> First Premier Capital LLC	<b>Transaction Type:</b> Debits only
<b>Amount:</b> from \$659000.00 to \$659000.00		

Transactions - from 07/29/2007 to 08/29/2007

Date	Ref/ Check	Description/ Memo (Category)	Debit/ Withdrawal	Credit/ Deposit
08/21/2007		Telephone Trf W/D	\$659,000.00	

No more history for the selected range

### Account History




#### Quick Search

**Date Range:** 07/29/2007 to 08/29/2007

**Sort By:** Date Descending

**Items Per Page:** 100

**Download Format:** Select Download Format

**Report:** Select Report

#### Advanced Options

Complete only the "From" field to search for one specific check # or amount.

**Transaction Type:** Debits only

**Check # Range:** to

**Amount Range:** \$ 659000.00 to \$ 659000.00

**Transaction Categories:** [Unassigned] Bonus Dividend Gift Received Interest

Hold Ctrl to select multiple categories



**MACHINE TOOLS DIRECT, INC.**

1521 Commerce Ave., Carlisle, Pa. 17015  
 Ph. 717-240-0557 24Hr. Fax 717-240-0558  
 E-Mail sales@mtdinc.com

**INVOICE**

<b>SOLD TO:</b>	<b>SHIP TO:</b>
First Premier Capital 5201 Eden Ave., Suite 180  Edina, MN 55436 Attn: Craig Hallett	Equipment Acquisition Resources, Inc. 555 So. Vermont St. Palatine IL. 60067  Attn: Mark Anstett

Customer P.O. # Verbal M. Anstett	Invoice Date 8/16/2007	Invoice Number 07 - 760
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<b>SALESMAN</b>	<b>FOB</b>	<b>SHIP VIA</b>	<b>TERMS</b>
George Ferguson	EAR Palatine, IL. Plant	Air Ride Truck	Net

QTY	Stock #	DESCRIPTION	AMOUNT
1ea		K&S 984/982 Dicing Saws, S/N 600397	\$69,000.00
2ea		Disco DFD 651 Dicing Saws, S/N's 1249,1441 Price \$295,000.00 Each	\$590,000.00

Delivery 8/20/07

Please forward completed tax exemption form

<b>Sub Total</b>	\$659,000.00
<b>Tax</b>	\$0.00
<b>Freight</b>	\$0.00
<b>Misc.</b>	\$0.00
<b>Balance Due</b>	\$659,000.00

**CERTIFICATE OF ACCEPTANCE-01**  
**To Lease Schedule No. 013**

The Lessee certifies that the Equipment as described in the Exhibit A attached hereto, which incorporates the terms and conditions of the Lease Agreement No. EQU051605 dated and effective May 16, 2005, by and between Lessee and First Premier Capital LLC, the Lessor, is accepted by the Lessee as of the 17 day of August, 2007.

**LESSEE: EQUIPMENT ACQUISITION RESOURCES, INC.**

By: Sheldon Player

Name: Sheldon Player

Title: President

Date: 8-17-07

*CGA-02*

## Accounts

### Account History

#### Search Details

<b>For Account:</b> WCB Business : *338	<b>Account Name:</b> First Premier Capital LLC	<b>Transaction Type:</b> Debits only
<b>Amount:</b> from \$439500.00 to \$439500.00		

Transactions - from 07/29/2007 to 08/29/2007

Date	Ref/ Check	Description/ Memo (Category)	Debit/ Withdrawal	Credit/ Deposit
08/24/2007		Telephone Trf W/D Equipment Acquisition	\$439,500.00	

No more history for the selected range

### Account History




#### Quick Search

**Date Range:** 07/29/2007 to 08/29/2007

**Sort By:** Date Descending

**Items Per Page:** 100

**Download Format:** Select Download Format

**Report:** Select Report

#### Advanced Options

Complete only the "From" field to search for one specific check # or amount.

**Transaction Type:** Debits only

**Check # Range:** to

**Amount Range:** \$ 439500.00 to \$ 439500.00

**Transaction Categories:** [Unassigned] Bonus Dividend Gift Received Interest

Hold Ctrl to select multiple categories



**MACHINE TOOLS DIRECT, INC.**

1521 Commerce Ave., Carlisle, Pa. 17015  
 Ph. 717-240-0557 24Hr. Fax 717-240-0558  
 E-Mail sales@mtdinc.com

**INVOICE**

<b>SOLD TO:</b>	<b>SHIP TO:</b>
First Premier Capital 5201 Eden Ave., Suite 180  Edina, MN 55436 Attn: Craig Hallett	Equipment Acquisition Resources, Inc. 555 So. Vermont St. Palatine, IL 60067  Attn: Mark Anstett

<b>Customer P.O. #</b> Verbal M. Anstett	<b>Invoice Date</b> 8/22/2007	<b>Invoice Number</b> 07 - 761
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<b>SALESMAN</b>	<b>FOB</b>	<b>SHIP VIA</b>	<b>TERMS</b>
George Ferguson	EAR Palatine, IL. Plant	Air Ride Truck	Net

QTY	Stock #	DESCRIPTION	AMOUNT
1ea		Speedfam Model 96 BAW Single-Sided Lapper, SNF-96BAW-844	\$150,000.00
1ea		New Strasbaugh Model 6EC CMP Polisher S/N 0530200	\$195,000.00
1ea		Speedfam Model 64BAW Single Sided Lapper, SNF-64BAW-901	\$94,500.00

Delivery Scheduled: 8/23/07

Please forward completed tax exemption form

<b>Sub Total</b>	\$439,500.00
<b>Tax</b>	\$0.00
<b>Freight</b>	\$0.00
<b>Misc.</b>	\$0.00
<b>Balance Due</b>	\$439,500.00

**CERTIFICATE OF ACCEPTANCE-02**  
**To Lease Schedule No. 013**

The Lessee certifies that the Equipment as described in the Exhibit A attached hereto, which incorporates the terms and conditions of the Lease Agreement No. EQU051605 dated and effective May 16, 2005, by and between Lessee and First Premier Capital LLC, the Lessor, is accepted by the Lessee as of the 24 day of August, 2007.

**LESSEE: EQUIPMENT ACQUISITION RESOURCES, INC.**

By: Sheldon Player  
Name: Sheldon Player  
Title: President  
Date: 8-24-07

**Exhibit A**  
**to**  
**Certificate of Acceptance-02**  
**Lease Agreement No. EQU051605**  
**Lease Schedule No. 013**  
**Equipment Description**

<u>Mfg</u>	<u>Qty</u>	<u>Mach/Mod</u>	<u>Equipment Description</u>	<u>Serial Number</u>	<u>Invoice #</u>	<u>Cost</u>
SPEEDFAM	1	96 BAW	SINGLE-SIDED LAPPER	SNF-96BAW-844	07-761	\$150,000.00
STRASBAUGH	1	6EC CMP	POLISHER	0530200	07-761	\$195,000.00
SPEEDFAM	1	64 BAW	SINGLE-SIDED LAPPER	SNF-64BAW-901	07-761	\$94,500.00

**CofA-02 Total:                   \$439,500.00**

**Location: 555 South Vermont Street**  
**Palatine, IL 60067**



FX : Account: Generate History

Page 1 of 1

COA-03

## Accounts

### Account History

#### Search Details

For Account: WCB Business : \*338      Account Name: First Premier Capital LLC

#### Transactions - from 08/30/2007 to 08/31/2007

Date	Ref/Check	Description/ Memo(Category)	Debit/Withdrawal	Credit/Deposit	Xpress Balance	Ledger Balance
08/31/2007		Telephone Trf W/D Wire out Equipment Acquisition	\$954,000.00		\$138,703.34	
08/31/2007		Loan Advance Aurora Dairy Corporation		\$138,703.34	\$1,092,703.34	
08/31/2007		Loan Advance Equipment Acquisition		\$870,000.00	\$954,000.00	
08/31/2007		IB Transfer Deposit INTERNET TRANSFER FROM ACCOUNT 191346		\$84,000.00	\$84,000.00	
08/30/2007		Daily Ledger Balance			\$0.00	\$0.00

No more history for the selected range



**MACHINE TOOLS DIRECT, INC.**

1521 Commerce Ave., Carlisle, Pa. 17015  
 Ph. 717-240-0557 24Hr. Fax 717-240-0558  
 E-Mail sales@mtdinc.com

**INVOICE**

<b>SOLD TO:</b>	<b>SHIP TO:</b>
First Premier Capital 5201 Eden Ave., Suite 180  Edina, MN 55436 Attn: Craig Hallett	Equipment Acquisition Resources, Inc 555 So. Vermont St Palatine IL. 60067  Attn: Mark Anstett

<b>Customer P.O. #</b> Verbal M. Anstett	<b>Invoice Date</b> 8/29/2007	<b>Invoice Number</b> 07 - 763
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<b>SALESMAN</b>	<b>FOB</b>	<b>SHIP VIA</b>	<b>TERMS</b>
George Ferguson	EAR Palatine, IL. Plant	Air Ride Truck	Net

QTY	Stock #	DESCRIPTION	AMOUNT
12ea		STC Model 22 ID saws, refurbished with upgraded spindles S/N's 444810, 444811, 444812, 444813, 444814, 444815, 444816, 444817, 444818, 444819, 444820, 444821	\$954,000.00

Price: \$79,500.00 each

Delivery Scheduled: 9/1/ 2007

Please forward completed tax exemption form

<b>Sub Total</b>	\$954,000.00
<b>Tax</b>	\$0.00
<b>Freight</b>	\$0.00
<b>Misc.</b>	\$0.00
<b>Balance Due</b>	\$954,000.00

**CERTIFICATE OF ACCEPTANCE-03**  
**To Lease Schedule No. 013**

The Lessee certifies that the Equipment as described in the Exhibit A attached hereto, which incorporates the terms and conditions of the Lease Agreement No. EQU051605 dated and effective May 16, 2005, by and between Lessee and First Premier Capital LLC, the Lessor, is accepted by the Lessee as of the 30 day of August, 2007.

**LESSEE: EQUIPMENT ACQUISITION RESOURCES, INC.**

By: Sheldon Player

Name: Sheldon Player

Title: President

Date: 8-30-07

Machine Tools Direct, Inc.

Date	Type	Reference
10/11/2007	Bill	07-1776

Original Amt.	895,000.00
---------------	------------

Balance Due	895,000.00
-------------	------------

10/11/2007

Discount

Check Amount

Payment	895,000.00
	895,000.00

**PAYMENT  
RECORD**

*CJA-04*

Washington County B

895,000.00



**Mac Tools Direct, Inc.**  
 1521 East Commerce Avenue  
 Carlisle, PA 17013 USA  
 Ph: 717-240-0557 Fax: 717-240-0558  
 Email: sales@mtdinc.com

**Invoice**

<b>Account Name:</b> First Premier Capital	<b>Invoice Date</b> 10-09-2007	<b>Due Date</b> 10-09-2007	<b>MTD Invoice #</b> 07-1776
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<b>Account Contact:</b> Craig Hallett	<b>SHIP TO NAME:</b> Equipment Acquisition Resources IOnc	<b>MTD Salesman:</b> Geo
<b>Account Billing Address:</b> 5201 Eden Ave., Suite 180 Edina, MN 55436	<b>SHIP TO ADDRESS:</b> 555 So vermont St Palatine, IL 650067	<b>FOB:</b> EAR Palatine IL Plant
<b>Customer P.O. #:</b> Verbal Mark Anstett	<b>Attention Shipping:</b>	<b>Ship Via:</b> Air Ride Truck

Product Name	Description	Qty	Price	Total
Speedfam EPD 300X Wafer Edge Polisher	New/Demo Speedfam Model EPD 300X Wafer Edge Polisher with robotics S/N SP 10071 Machine Includes: Touch Screen Controller Wet cleaning station 300 mm capability Special 300 mm edge grind/polish programmable heads  Delivery 10/19/07	1	895,000.00	895,000.00
<b>Net Total:</b>				895,000.00
<b>Freight Charges:</b>				0.00
<b>Tax: (0.00%)</b>				0.00
<b>Deposit:</b>				0.00
<b>Total Due: (\$)</b>				895,000.00

**Terms & Conditions**  
 FOB Palatine IL  
 Delivery 10/19/07

**CERTIFICATE OF ACCEPTANCE-04**  
**To Lease Schedule No. 013**

The Lessee certifies that the Equipment as described in the Exhibit A attached hereto, which incorporates the terms and conditions of the Lease Agreement No. EQU051605 dated and effective May 16, 2005, by and between Lessee and First Premier Capital LLC, the Lessor, is accepted by the Lessee as of the 10 day of OCTOBER, 2007.

**LESSEE: EQUIPMENT ACQUISITION RESOURCES, INC.**

By: Sheldon Player

Name: Sheldon Player

Title: President

Date: 10/10/07

**Exhibit A**  
**to**  
**Certificate of Acceptance-04**  
**Lease Agreement No. EQU051605**  
**Lease Schedule No. 013**  
**Equipment Description**

<u>Mfg</u>	<u>Qty</u>	<u>Mach/Mod</u>	<u>Equipment Description</u>	<u>Serial Number</u>	<u>Invoice #</u>	<u>Cost</u>
SPEEDFAM	1	EPD 300X	NEW/DEMO SPEEDFAM WAFER EDGE POLISHER WITH ROBOTICS - INCLUDES TOUCH SCREEN CONTROLLER, WET CLEANING STATION 300MM CAPABILITY AND SPECIAL 300MM EDGE GRIND/POLISH PROGRAMMABLE HEADS	SP10071	07-1776	\$895,000.00

**CofA-04 Total:                   \$895,000.00**

**Location: 555 South Vermont Street**  
**Palatine, IL 60067**

RECEIVED  
 SECRETARY OF STATE  
 UNIFORM COMM. CODE DIV.

**UCC FINANCING STATEMENT AMENDMENT 2007 OCT 18 PM 4:30**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
 MARY - 952-224-2450

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

First Premier Capital LLC  
 5201 Eden Avenue  
 Suite 180  
 Edina, MN 55436

UCU110/18/07:01:9877:  
 20.00 CK01  
 SOSIL 12:42 8893/34 AM

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #  
 12424620

1b This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.
3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.
4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignees in item 7c, and also give name of assignor in item 9.

5.  AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address. Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name. Give record name to be deleted in item 6a or 6b.  ADD name. Complete item 7a or 7b, and also item 7c; also, complete items 7d-7g (if applicable)

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME  
 EQUIPMENT ACQUISITION RESOURCES, INC.

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
 USA

7d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any  NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
 Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

All equipment leased, or to be leased, to the Debtor by the Secured Party under the terms of Lease Agreement No. EQU051605, Schedule No. 013R, as noted below, including without limitation, the equipment described below and all equipment, products, proceeds, accessions, renewals, revisions, and substitutions of any of the foregoing. The equipment described herein is the property of the Secured Party leased to the Debtor in a transaction not constituting a financing transaction. It is the intent of the parties for all purposes that the Lease Agreement, together with all Schedules, now or hereafter, attached thereto constitutes a TRUE lease. This filing is made for informational purposes.

Equipment: See Attached Exhibit A

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME  
 FIRST PREMIER CAPITAL LLC

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA



Exhibit A  
to  
UCC-3

Lease Agreement No. EQU051605  
Lease Schedule No. 013R  
Equipment Description

<u>Mfg</u>	<u>Qty</u>	<u>Mach/Mod</u>	<u>Equipment Description</u>	<u>Serial Number</u>
K&S	1	984/982	DICING SAWS	600397
DISCO	2	DFD 651	DICING SAWS	1249
				1441
SPEEDFAM	1	96 BAW	SINGLE-SIDED LAPPER	SNF-96BAW-844
STRASBAUGH	1	6EC CMP	POLISHER	0530200
SPEEDFAM	1	64 BAW	SINGLE-SIDED LAPPER	SNF-64BAW-901
STC	12	22 ID	SAWS, REFURBISHED WITH UPGRADED SPINDLES	444810
				444811
				444812
				444813
				444814
				444815
				444816
				444817
				444818
				444819
				444820
				444821
SPEEDFAM	1	EPD 300X	NEW/DEMO SPEEDFAM WAFER EDGE POLISHER WITH ROBOTICS - INCLUDES TOUCH SCREEN CONTROLLER, WET CLEANING STATION 300MM CAPABILITY AND SPECIAL 300MM EDGE GRIND/POLISH PROGRAMMABLE HEADS	SP10071

RECEIVED  
 SECRETARY OF STATE  
 UNIFORM COMM CODE DIV.

2007 AUG 23 PM 4:30

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**A. NAME & PHONE OF CONTACT AT FILER (optional)**  
**Mary - 952-224-2450**

**B. SEND ACKNOWLEDGMENT TO: (Name and Address)**

First Premier Capital LLC  
 5201 Eden Avenue  
 Suite 180  
 Edina, MN 55436

UCU108/23/07:02:6045:  
 20.00 CK01

SOSIL 13:04 12424620 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME  
**EQUIPMENT ACQUISITION RESOURCES, INC.**

OR  
 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**555 SOUTH VERMONT STREET PALATINE IL 60067 USA**

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**CORP. IL 59311069**  NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

OR  
 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
 NONE

**3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME  
**FIRST PREMIER CAPITAL LLC**

OR  
 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**5201 EDEN AVENUE, SUITE 180 EDINA MN 55436 USA**

4. This FINANCING STATEMENT covers the following collateral:  
**All equipment leased, or to be leased, to the Debtor by the Secured Party under the terms of Lease Agreement No. EQU051605, Schedule No. 013, as noted below, including without limitation, the equipment described below and all equipment, products, proceeds, accessions, renewals, revisions, and substitutions of any of the foregoing. The equipment described herein is the property of the Secured Party leased to the Debtor in a transaction not constituting a financing transaction. It is the intent of the parties for all purposes that the Lease Agreement, together with all Schedules, now or hereafter, attached thereto constitutes a TRUE lease. This filing is made for informational purposes.**

Equipment:

Mfg	Qty	Mach/Mod	Equipment Description	Serial Number
K&S	1	984/982	DICING SAWS	600397
DISCO	2	DFD 651	DICING SAWS	1249 & 1441

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
First Premier Capital LLC 5201 Eden Avenue Suite 180 Edina, MN 55436

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # <b>12424620</b>	1b This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS <input type="checkbox"/>
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2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignees in item 7c, and also give name of assignor in item 9.

5.  AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.  
 CHANGE name and/or address. Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  
 DELETE name. Give record name to be deleted in item 6a or 6b.  
 ADD name. Complete item 7a or 7b, and also item 7c; also, complete items 7d-7g (if applicable)

6. CURRENT RECORD INFORMATION:			
6a. ORGANIZATION'S NAME <b>EQUIPMENT ACQUISITION RESOURCES, INC.</b>			
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:			
7a. ORGANIZATION'S NAME <b>THE NATIONAL BANK</b>			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

7c. MAILING ADDRESS <b>7101 WASHINGTON AVENUE SOUTH</b>		CITY <b>EDINA</b>	STATE <b>MN</b>	POSTAL CODE <b>55436</b>	COUNTRY <b>USA</b>
--	--	----------------------	--------------------	-----------------------------	-----------------------

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e TYPE OF ORGANIZATION	2f JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.  
 Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME <b>FIRST PREMIER CAPITAL LLC</b>			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

THIS IS A CERTIFIED COPY OF THE ORIGINAL.

*12/1/07*

### CERTIFICATE OF AUTHORITY

I, Jennifer Podraza, do hereby certify that I am a qualified and acting attesting Secretary of Equipment Acquisition Resources, Inc., that the individuals whose names, titles, and signatures appear below are authorized to execute, on behalf of Equipment Acquisition Resources, Inc., Lease Agreements, supporting Lease Schedules, and all other documentation, including, estoppel letters, notices of assignments and any amendments to any of the foregoing, in connection with the lease of equipment and that the signature appearing on the said documents, and below, is his or her signature.

Name	Title	Signature
<u>SHELDON PRAYEN</u>	<u>President</u>	<u>Sheldon Prayen</u>

IN WITNESS WHEREOF, I have set my hand and affixed the Seal of said Corporation this 24 day of may, 20 2005.

By: *Jennifer Podraza*

Name: Jennifer Podraza

Title: SECRETARY



<b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>		OP ID MD EQUIP-3	DATE (MM/DD/YYYY) 07/20/07
PRODUCER Insurance Resource Consultants 620 Academy Drive Northbrook IL 60062-2421 Phone: 847-498-6600 Fax: 847-498-0629		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW	
INSURED Equip. Acquisition Resources, Inc. Attn: Bob Langford 555 S. Vermont St. Palatine IL 60067		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: Great American E & S Insurance	
		INSURER B: Hartford Insurance Company	
		INSURER C:	
		INSURER D:	
		INSURER E:	

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	PL5574860 03	12/18/06	12/18/07	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
			AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
			GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
			EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
B			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	83WEPA1590	04/01/07	04/01/08	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
B			Equipment Floater All Risk	83MSRY4378 EXCL MECH BREAKDOWN	10/16/06	10/16/07	SCHEDULE \$96,416,426 DEDCTBLE \$5,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS LEASE AGREEMENT #EQU051605 First Premier Capital, LLC and or assigns are included as additional insured and loss payee for: SEE EXCEL SPREADSHEET DATED 7/20/07							

**CERTIFICATE HOLDER**

FIRST-4

First Premier Capital, LLC  
 and or assigns  
 ATTN: Mary Blum  
 5201 Eden Ave., Ste 180  
 Edina MN 55436

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*H. S. Acorn*

First Premier Capital, LLC is Additional Insured/Loss Payee

Qty	Mach/Mod	Equipment Description	Serial Number	Total Equipment Cost	Cost Each
2	FM300DT	1999 Tropel Flatmaster Interferometer	224960 & 224969	\$414,000.00	\$207,000.00
2	DFD 6360	Automatic Dicing Saws - with 300 mm Capability, Dual Precision High Speed Air Bearing Spindles, Auto Cassette-to Cassette Load/Unload Filter Dryers, and Dual Chucks	JK 1055 & JK 1080	\$559,090.00	\$279,545.00
4	7AA	Strasbaugh Fully Automatic Backgrinders 150 mm Capable	30306, 31006, 31106, 31206	\$718,220.00	\$ 179,555.00
1	416-B	New (Demo Unit) Okamoto Model VG 502 MK II, Fully Automatic Backgrinder with Cassette-to-Cassette Load/Unload, 200mm capacity	VG2006-303	\$495,000.00	\$ 495,000.00
10	Lot 418-B	Refurbished STC Model 22/27 ID Saws	444690, 444691, 444692, 444693 444694, 444695, 444696, 444697 444698, 444699	\$430,000.00	\$ 43,000.00
1	438-B	Speedfam Model CMP V Special Planerization Polishing System with Upgrades Software - Includes: Robotics Load/Unload Wafer Chucks for 8" Diameter Wafers Peristolic Pump System - Slurry Separator - (5) Head Machine	AA2010A4-0098	\$495,000.00	\$ 495,000.00
1	439-B	Speedfam Model CMP V Special Planerization Polishing System with Upgrades Software - Includes: Robotics Load/Unload Wafer Chucks for 8" Diameter Wafers Peristolic Pump System - Slurry Separator - (5) Head Machine	AA2010A4-0099	\$495,000.00	\$495,000.00
1		System Seiko Model GH 1250/430-50 Double-Sided Fine Grinder, 52" upper and lower platens, sensitive down force, in process gauging, ball screw drive dovetail down rails, complete coolant system	3802	\$479,000.00	\$479,000.00
1		Speedfam Model CMP V Special Planerization Polishing System (5) Polishing Heads System Includes: Robotics with Load/Unload Wafer Chucks for 8" Diameter Wafers Peristolic Pump System Slurry System	AA2010A4-0071	\$495,000.00	\$ 495,000.00
5		K&S Model 7100 Automatic Dicing Saws	550090, 550098, 550315, 550016 550314	\$445,000.00	\$ 89,000.00
5	7100	K&S Model 7100 Automatic Dicing Saws	550121, 550126, 550303, 550304 550313	\$425,000.00	\$ 85,000.00
6	7100	K&S MODEL 7100 AUTOMATIC DICING SAWS	550092, 550093, 550095, 550097, 550117, 550118	\$510,000.00	\$ 85,000.00
4	7100	K&S MODEL 7100 AUTOMATIC DICING SAWS	550317, 550319, 550311, 550312	\$340,000.00	\$ 85,000.00
1	9B	SPEEDFAM DOUBLE-SIDED LAPPER INCLUDING SIZE CONTROL	9B-20077-SSG	\$159,600.00	\$ 159,600.00
1	Speedfam	CMP V Chemical Mechanical Planerization Polisher Set up for 8" Wafers	AA2011A5-0018	\$395,000.00	\$ 395,000.00
1	Speedfam/lpec	Planar CMP 676 Planerizer	3014	\$445,000.00	\$ 445,000.00
1	Fuji	WMI Wafer Mounter for Final Polish	E200701	\$35,000.00	\$ 35,000.00
1	Speedfam	Model 96 BAW, 96" Single-Sided Lapper Including:	F-96BGW-1826	\$135,000.00	\$ 135,000.00

First Premier Capital, LLC is Additional Insured/Loss Payee

Qty	Mach/Mod	Equipment Description	Serial Number	Total Equipment Cost	Cost Each
		(4) Pneumatic Hold Downs with pressure plates			
		(4) Conditioning rings			
		(1) Slurry tank and pump			
		(1) Set segmented lapping plates			
		Timer set			
1	Peter Wolters	Peter Wolters Model AC 1200 Double-Sided Lapper...48"	22209...179	\$175,000.00	\$ 175,000.00
1	Peter Wolters	Peter Wolters Model AC 1000 Double-Sided Lapper...40"	140	\$150,000.00	\$ 150,000.00
2	Speedfam	Speedfam Model 9B-5 Double-Sided Lapper/Polishers	DSL 799-2005-PB 5P DSL 789-2005-PB 5L	\$189,000.00	\$ 94,500.00
7	K&S	984/982 Dicing Saws	600222, 600223, 600224, 600225 600226, 600227, 600228	\$483,000.00	\$ 69,000.00
5	DFD 651	DISCO DICING SAWS	HM1126, HM1191, HM1243 HM1242, HM1244	\$1,125,000.00	\$ 225,000.00
1	FL 12	PETER WOLTERS 52" SINGLE-SIDED POLISHER	061	\$199,000.00	\$ 199,000.00
1	MSS 816	MTI PRECISION OD SLICER	1142	\$189,000.00	\$ 189,000.00
1	NSX 250DS	MTI DUAL SPINDLE DICING SAW	9006	\$169,000.00	\$ 169,000.00
1	Ipec/Novellus	MODEL 676 CMP PLANERIZER TOOL	9959-2005	\$440,500.00	\$ 440,500.00
10	K&S	984/982 Dicing Saws	600229, 600230, 600231, 600232 600233, 600234, 600235, 600236 600237, 600238	\$690,000.00	\$ 69,000.00
3	MSS 816	MTI PRECISION OD SLICERS, CNC CONTROLLED W/MTI VISION SYS	1030, 1047, 1122	\$567,000.00	\$ 189,000.00
1	DSS 822	PRECISION OD SLICER, CNC CONTROLLED W/MTI VISION SYS	5006	\$191,000.00	\$ 191,000.00
3	DAD321	DISCO AUTOMATIC DICING SAWS	HE1841, HE1807, HE1918	\$225,000.00	\$ 75,000.00
1	472 CMP	WESTECH/IPEC SPEEDFAM CMP PLANERIZER POLISHER W/AUTO CASSETTE LOAD/UNLOAD	472-097	\$195,000.00	\$ 195,000.00
1	MPS 940	GMN NANOGRINDER W/CASSETTE-TO-CASSETTE WAFER LOAD/UNLOAD 8" CONFIG 12" CAPABLE	10998	\$319,000.00	\$ 319,000.00
3	Speedfam	Speedfam/Westech Model 472 CMP Fully Automatic Polishers - Machines Include: Cassette-to-Cassette load/unloaders - Cleaning stations - Peristolic slurry pumps and stations - Touch screen controllers - Pad conditioners - Dual platens...22" in diameter	472-068, 472-079, & 472-089	\$989,010.00	\$ 329,670.00
				\$13,765,420.00	

**ABSOLUTE, UNCONDITIONAL  
AND  
CONTINUING GUARANTY AGREEMENT**

**THIS IS A CERTIFIED  
COPY OF THE ORIGINAL.**

10/11/07

**THIS AGREEMENT**, made and entered into by and between **First Premier Capital LLC** ("Lessor") and **Sheldon Player** ("Guarantor").

**RECITALS:**

Equipment Acquisition Resources, Inc. ("Lessee") has requested that Lessor and Lessee enter into a Lease Agreement No. EQU051605 dated the 16<sup>th</sup> day of May, 2005 under and by virtue of which Lessor will purchase and may from time to time in the future purchase, at the request of the Lessee, personal property (the "Equipment") to be leased by Lessor to Lessee pursuant to the terms of such Lease Agreement, together with all Lease Schedules, attachments and riders attached or to be attached thereto (the "Lease"); and

**WHEREAS**, Lessor as a condition precedent to entering into said Lease has requested Guarantor provide security, by unconditionally guaranteeing payment to Lessor of all rental and moneys due and to become due to Lessor from Lessee together with all of the obligations and liabilities of Lessee under the Lease (the "Obligations"); and

**WHEREAS**, Guarantor, in furtherance of his business and/or investment objectives is willing to provide such security hereinafter set forth;

**NOW, THEREFORE**, in order to induce Lessor to enter into the Lease and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Guarantor agrees as follows:

1. **Guaranty.** Guarantor absolutely, unconditionally and irrevocably guarantees to Lessor the due and punctual payment, observance and performance by Lessee of all of the obligations and liabilities of Lessee under the Lease, both present and future, and any and all subsequent renewals, continuations, modifications, supplements and amendments. If Lessee fails duly and punctually to pay, observe and perform any or all of the Obligations, Guarantor shall, upon demand by Lessor, immediately pay, perform and observe such Obligations strictly in accordance with the terms of the Lease. This Guaranty shall be effective immediately and shall remain in full force and effect until all of the Obligations are paid, performed and observed in full.

2. **Strict Observance.** Guarantor agrees that the Obligations will be paid, performed, and observed strictly in accordance with their terms, regardless of any rights of Lessee against Lessor. The obligations of Guarantor hereunder are without regard to the obligations of any other person or entity, and shall not be affected by any circumstances, including without limitation: (i) any act or omission by Lessor, which act or omission is hereby agreed to; (ii) any lack of enforcement or retention of rights against Lessee, Guarantor or any other person or entity or any property; (iii) partial or complete illegality, unenforceability or invalidity of the Obligations, or any other guaranty, surety, pledge, assignment or other security for any Obligations; (iv) any termination or amendment of or change in the Lease or any other instrument, or the Equipment or any part thereof, or any leasing, assignment, mortgage or transfer of any thereof or of any interest therein, or any furnishing, acceptance, failure or release of any interest in any such security; (v) any failure, omission or delay on the part of Lessee or any other person or entity to comply with any term of the Lease (vi) any waiver of the payment, performance or observance of any of the Obligations, or any other waiver, consent, extension, indulgence, compromise, settlement or release in respect of the Lease or any obligation or liability of Lessee or Lessor or any exercise or non-exercise of any right, remedy, power or privilege in respect of the Lease or any Obligation; (vii) any voluntary or involuntary bankruptcy, insolvency, reorganization, composition, receivership or similar proceedings with respect to Lessee, Guarantor, or any other person or entity or any properties or creditors, or any taken by any court, trustee or receiver in any such proceeding; (viii) any limitation on the liability or obligations of Lessee or any other person or entity under the Lease or any discharge termination, cancellation or frustration, in whole or in part, of the Lease; (ix) any defect in the title or condition of, or any damage to or loss or destruction of the Equipment, or any portion thereof; (x) any merger or consolidation of Lessee or Guarantor into or with any other corporation or entity, or any sale, lease or transfer of any of the assets of Lessee or Guarantor to any other person or entity; (xi) any change in the ownership of Lessee, or any change in or termination of any relationship between Lessee and Guarantor; or (xii), any other condition circumstances which might otherwise constitute a legal or equitable discharge, release or defense of a surety or Guarantor. No delay in making demand on Guarantor for satisfaction of the obligations of Guarantor hereunder shall prejudice the right of Lessor to enforce the obligations of Guarantor hereunder.



3. Waivers of Notice, Etc. Guarantor waives diligence, presentment, demand, protest or notice of any kind whatsoever with respect to this Guaranty or the Obligations, including without limitation (i) notice of acceptance of this Guaranty, notice of nonpayment or nonperformance of any of the Obligations, notice of an Event of Default (as defined in the Lease) or other default and notice of any of the matters described in Paragraph 2 hereof, (ii) any right to the enforcement, assertion or exercise of any right, power, privilege or remedy conferred in the Lease or otherwise, (iii) any requirement to exhaust any remedies or to mitigate damages resulting from a default under the Lease; (iv) any notice of any sale, transfer or other disposition of any right, title to or interest in the Lease, the equipment or any collateral security, or any part thereof, or (v) any requirement of promptness in commencing suit, action or other proceeding and the giving to or making any claim or demand on Guarantor, Lessee or any other person or entity. Guarantor agrees that it shall not be required or have the right to consent to, or to receive any notice of, any supplement to or amendment of, or waiver or modification of, the terms of this Lease. No notice to or demand on Guarantor shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstances.

4. Extensions, Etc. Lessor may in its sole discretion, at any time or from time to time, (i) renew, extend, change or modify the time, manner, place or terms of payment, performance or observance of any or all of the Obligations, (ii) apply payments by Lessee or Guarantor to any Obligations or any other Obligations or liability of Lessee or Guarantor to Lessor, (iii) exchange, release or surrender any security or property which may at any time be held by it, (iv) release any surety or guarantor for or of any of the Obligations (v) settle or compromise any or all of the Obligations with Lessee or any other person or entity liable thereon or (vi) subordinate the payment, performance or observance of any other debts or obligations which may be due or owing to Lessor or any other person or entity, all in such manner and upon such terms as Lessor may deem proper, without notice to or further assent from Guarantor.

5. No Waiver. No failure by Lessor to exercise, and no delay in exercising, this Guaranty shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy, of Lessor.

6. Guaranty of Performance, Etc. This Guaranty is a guaranty of payment and performance and not of collection. Guarantor shall pay to Lessor all reasonable attorneys' fees and other reasonable expenses incurred by Lessor in protecting its interests hereunder or in exercising its rights and remedies provided hereunder, together with interest on such sums at the lesser of .05% per day or the maximum rate permitted by law, from the date which such expenses are incurred.

7. Bankruptcy Etc. If at any time all or any part of any payment or performance theretofore applied by Lessor to any of the obligations is or must be rescinded or returned by Lessor for any reason whatsoever (including without limitation the insolvency, bankruptcy or reorganization of Lessee), such Obligations shall, for the purposes of this Guaranty, be deemed to have continued to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by Lessor had not been made. If an event permitting the declaration of default under the Lease occurs and such declaration of default is prevented by reason of any case or proceeding under a bankruptcy or insolvency law, for purposes of this Guaranty and its Obligations hereunder, the Lease shall be deemed to have been declared in default; and Guarantor shall pay the amounts specified by Lessor to be paid thereunder without further notice or demand.

8. Assignment. Lessor may at any time sell, assign, transfer or otherwise dispose of all or any part of its interest in this Guaranty and, in such event, this Guaranty shall inure to the benefit of, and be enforceable by, the successors and assigns of Lessor, assign any interest hereunder or related hereto (including without limitation any claim arising by subrogation).

9. Guarantor's Obligation; No Set-off. Guarantor's obligation hereunder shall be absolute and unconditional and shall not be subject to any right of set-off, recoupment, deduction or other defense which Guarantor or any other person or entity may now or hereafter have against Lessor. All such payments made shall be final, and Guarantor will not seek to recover for any reason whatsoever any such payments made.

10. Limitations on Subrogation. Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, and no right of recourse to or with respect to any assets or property of Lessee and waives any right to enforce any remedy which Lessor now has or may hereinafter have against Lessee until all of the Obligations have been paid in full, performed and observed. Any subrogation right to which Guarantor becomes entitled and any other obligation of any kind owing from Lessee to Guarantor shall be subject and subordinate to the rights of Lessor against Lessee under the Lease. No payment or performance hereunder by Guarantor shall give rise to any claim of Guarantor against Lessor.

11. Arbitration. All controversies, claims and disputes arising out of or relating to this Guaranty, the Lease, or the breach of either thereof, except as otherwise provided in this Guaranty or in the Lease, shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect; provided, however, this agreement to arbitrate shall not apply to (i) any claim in excess of \$25,000.00, (ii) any claim by Lessor for

provisional remedies to obtain or recover possession of the Equipment, or (iii) any disputes if Lessee is a debtor in a proceeding under the Federal Bankruptcy Laws.

12. Acceleration. Guarantor agrees that if any Event of Default as defined in the Lease occurs, then any and all Obligations of the undersigned under this Guaranty or otherwise shall, at the Lessor's option and without notice, forthwith become due and payable by Guarantor.

13. Miscellaneous. This Guaranty shall be governed by the laws of the State of Minnesota. The Guarantor and Lessor hereby consent to the jurisdiction of any Federal or State Court located in Hennepin County for a determination of any dispute, outside of those that are resolved in arbitration, as to any matters whatsoever arising out of or in any way connected with this Guaranty and authorize service of process on the Guarantor by certified mail sent to the Guarantor at the address for the Guarantor as set forth herein below.

14. Severability. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceable, provision without invalidating the remaining provisions hereof, Guarantor and Lessor hereby waive any provisions of law which renders any provision hereof prohibited or unenforceable in any respect.

15. Entire Agreement. This Guaranty constitutes the entire agreement of Guarantor and Lessor with respect to the subject matter hereof. All prior or contemporaneous understanding or agreements, written or oral, between Guarantor and Lessor with respect to the subject matter hereof are hereby entirely superseded.

IN WITNESS WHEREOF, the Guarantor, intending to be legally bound hereby, has duly executed this Guaranty Agreement to be duly executed this 27 day of May, 20  .

INDIVIDUAL GUARANTOR: By: \_\_\_\_\_

Name: Sheldon Player

SS: 528-70-3766

Home Address: 3401 North Carriage Way  
Arlington Heights, IL 60004

ABSOLUTE, UNCONDITIONAL  
AND  
CONTINUING GUARANTY AGREEMENT

THIS IS A CERTIFIED  
COPY OF THE ORIGINAL.

10/11/07

THIS AGREEMENT, made and entered into by and between First Premier Capital LLC ("Lessor") and Donna Malone ("Guarantor").

RECITALS:

Equipment Acquisition Resources, Inc. ("Lessee") has requested that Lessor and Lessee enter into a Lease Agreement No. EQU051605 dated the 16<sup>th</sup> day of May, 2005 under and by virtue of which Lessor will purchase and may from time to time in the future purchase, at the request of the Lessee, personal property (the "Equipment") to be leased by Lessor to Lessee pursuant to the terms of such Lease Agreement, together with all Lease Schedules, attachments and riders attached or to be attached thereto (the "Lease"); and

WHEREAS, Lessor as a condition precedent to entering into said Lease has requested Guarantor provide security by unconditionally guaranteeing payment to Lessor of all rental and moneys due and to become due to Lessor from Lessee together with all of the obligations and liabilities of Lessee under the Lease (the "Obligations"); and

WHEREAS, Guarantor, in furtherance of his business and/or investment objectives is willing to provide such security hereinafter set forth;

NOW, THEREFORE, in order to induce Lessor to enter into the Lease and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor absolutely, unconditionally and irrevocably guarantees to Lessor the due and punctual payment, observance and performance by Lessee of all of the obligations and liabilities of Lessee under the Lease, both present and future, and any and all subsequent renewals, continuations, modifications, supplements and amendments. If Lessee fails duly and punctually to pay, observe and perform any or all of the Obligations, Guarantor shall, upon demand by Lessor, immediately pay, perform and observe such Obligations strictly in accordance with the terms of the Lease. This Guaranty shall be effective immediately and shall remain in full force and effect until all of the Obligations are paid, performed and observed in full.

2. Strict Observance. Guarantor agrees that the Obligations will be paid, performed, and observed strictly in accordance with their terms, regardless of any rights of Lessee against Lessor. The obligations of Guarantor hereunder are without regard to the obligations of any other person or entity, and shall not be affected by any circumstances, including without limitation: (i) any act or omission by Lessor, which act or omission is hereby agreed to; (ii) any lack of enforcement or retention of rights against Lessee, Guarantor or any other person or entity or any property; (iii) partial or complete illegality, unenforceability or invalidity of the Obligations, or any other guaranty, surety, pledge, assignment or other security for any Obligations; (iv) any termination or amendment of or change in the Lease or any other instrument, or the Equipment or any part thereof, or any leasing, assignment, mortgage or transfer of any thereof or of any interest therein, or any furnishing, acceptance, failure or release of any interest in any such security; (v) any failure, omission or delay on the part of Lessee or any other person or entity to comply with any term of the Lease (vi) any waiver of the payment, performance or observance of any of the Obligations, or any other waiver, consent, extension, indulgence, compromise, settlement or release in respect of the Lease or any obligation or liability of Lessee or Lessor or any exercise or non-exercise of any right, remedy, power or privilege in respect of the Lease or any Obligation; (vii) any voluntary or involuntary bankruptcy, insolvency, reorganization, composition, receivership or similar proceedings with respect to Lessee, Guarantor, or any other person or entity or any properties or creditors, or any taken by any court, trustee or receiver in any such proceeding; (viii) any limitation on the liability or obligations of Lessee or any other person or entity under the Lease or any discharge termination, cancellation or frustration, in whole or in part, of the Lease; (ix) any defect in the title or condition of, or any damage to or loss or destruction of the Equipment, or any portion thereof; (x) any merger or consolidation of Lessee or Guarantor into or with any other corporation or entity, or any sale, lease or transfer of any of the assets of Lessee or Guarantor to any other person or entity; (xi) any change in the ownership of Lessee, or any change in or termination of any relationship between Lessee and Guarantor; or (xii), any other condition circumstances which might otherwise constitute a legal or equitable discharge, release or defense of a surety or Guarantor. No delay in making demand on Guarantor for satisfaction of the obligations of Guarantor hereunder shall prejudice the right of Lessor to enforce the obligations of Guarantor hereunder.

3. Waivers of Notice, Etc. Guarantor waives diligence, presentment, demand, protest or notice of any kind whatsoever with respect to this Guaranty or the Obligations, including without limitation (i) notice of acceptance of this Guaranty, notice of nonpayment or nonperformance of any of the Obligations, notice of an Event of Default (as defined in the Lease) or other default and notice of any of the matters described in Paragraph 2 hereof, (ii) any right to the enforcement, assertion or exercise of any right, power, privilege or remedy conferred in the Lease or otherwise, (iii) any requirement to exhaust any remedies or to mitigate damages resulting from a default under the Lease; (iv) any notice of any sale, transfer or other disposition of any right, title to or interest in the Lease, the equipment or any collateral security, or any part thereof, or (v) any requirement of promptness in commencing suit, action or other proceeding and the giving to or making any claim or demand on Guarantor, Lessee or any other person or entity. Guarantor agrees that it shall not be required or have the right to consent to, or to receive any notice of, any supplement to or amendment of, or waiver or modification of, the terms of this Lease. No notice to or demand on Guarantor shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstances.

4. Extensions, Etc. Lessor may in its sole discretion, at any time or from time to time, (i) renew, extend, change or modify the time, manner, place or terms of payment, performance or observance of any or all of the Obligations, (ii) apply payments by Lessee or Guarantor to any Obligations or any other Obligations or liability of Lessee or Guarantor to Lessor, (iii) exchange, release or surrender any security or property which may at any time be held by it, (iv) release any surety or guarantor for or of any of the Obligations (v) settle or compromise any or all of the Obligations with Lessee or any other person or entity liable thereon or (vi) subordinate the payment, performance or observance of any other debts or obligations which may be due or owing to Lessor or any other person or entity, all in such manner and upon such terms as Lessor may deem proper, without notice to or further assent from Guarantor.

5. No Waiver. No failure by Lessor to exercise, and no delay in exercising, this Guaranty shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy, of Lessor.

6. Guaranty of Performance, Etc. This Guaranty is a guaranty of payment and performance and not of collection. Guarantor shall pay to Lessor all reasonable attorneys' fees and other reasonable expenses incurred by Lessor in protecting its interests hereunder or in exercising its rights and remedies provided hereunder, together with interest on such sums at the lesser of .05% per day or the maximum rate permitted by law, from the date which such expenses are incurred.

7. Bankruptcy Etc. If at any time all or any part of any payment or performance theretofore applied by Lessor to any of the obligations is or must be rescinded or returned by Lessor for any reason whatsoever (including without limitation the insolvency, bankruptcy or reorganization of Lessee), such Obligations shall, for the purposes of this Guaranty, be deemed to have continued to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by Lessor had not been made. If an event permitting the declaration of default under the Lease occurs and such declaration of default is prevented by reason of any case or proceeding under a bankruptcy or insolvency law, for purposes of this Guaranty and its Obligations hereunder, the Lease shall be deemed to have been declared in default; and Guarantor shall pay the amounts specified by Lessor to be paid thereunder without further notice or demand.

8. Assignment. Lessor may at any time sell, assign, transfer or otherwise dispose of all or any part of its interest in this Guaranty and, in such event, this Guaranty shall inure to the benefit of, and be enforceable by, the successors and assigns of Lessor, assign any interest hereunder or related hereto (including without limitation any claim arising by subrogation).

9. Guarantor's Obligation; No Set-off. Guarantor's obligation hereunder shall be absolute and unconditional and shall not be subject to any right of set-off, recoupment, deduction or other defense which Guarantor or any other person or entity may now or hereafter have against Lessor. All such payments made shall be final, and Guarantor will not seek to recover for any reason whatsoever any such payments made.

10. Limitations on Subrogation. Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, and no right of recourse to or with respect to any assets or property of Lessee and waives any right to enforce any remedy which Lessor now has or may hereinafter have against Lessee until all of the Obligations have been paid in full, performed and observed. Any subrogation right to which Guarantor becomes entitled and any other obligation of any kind owing from Lessee to Guarantor shall be subject and subordinate to the rights of Lessor against Lessee under the Lease. No payment or performance hereunder by Guarantor shall give rise to any claim of Guarantor against Lessor.

11. Arbitration. All controversies, claims and disputes arising out of or relating to this Guaranty, the Lease, or the breach of either thereof, except as otherwise provided in this Guaranty or in the Lease, shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect; provided, however, this agreement to arbitrate shall not apply to (i) any claim in excess of \$25,000.00, (ii) any claim by Lessor for

provisional remedies to obtain or recover possession of the Equipment, or (iii) any disputes if Lessee is a debtor in a proceeding under the Federal Bankruptcy Laws.

12. Acceleration. Guarantor agrees that if any Event of Default as defined in the Lease occurs, then any and all Obligations of the undersigned under this Guaranty or otherwise shall, at the Lessor's option and without notice, forthwith become due and payable by Guarantor.

13. Miscellaneous. This Guaranty shall be governed by the laws of the State of Minnesota. The Guarantor and Lessor hereby consent to the jurisdiction of any Federal or State Court located in Hennepin County for a determination of any dispute, outside of those that are resolved in arbitration, as to any matters whatsoever arising out of or in any way connected with this Guaranty and authorize service of process on the Guarantor by certified mail sent to the Guarantor at the address for the Guarantor as set forth herein below.

14. Severability. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceable, provision without invalidating the remaining provisions hereof, Guarantor and Lessor hereby waive any provisions of law which renders any provision hereof prohibited or unenforceable in any respect.

15. Entire Agreement. This Guaranty constitutes the entire agreement of Guarantor and Lessor with respect to the subject matter hereof. All prior or contemporaneous understanding or agreements, written or oral, between Guarantor and Lessor with respect to the subject matter hereof are hereby entirely superseded.

IN WITNESS WHEREOF, the Guarantor, intending to be legally bound hereby, has duly executed this Guaranty Agreement to be duly executed this 27 day of May, 20  .

INDIVIDUAL GUARANTOR: By: Donna Malone

Name: Donna Malone

SS: 332-50-5511

Home Address: 3401 North Carriage Way  
Arlington Heights, IL 60004



Illinois Department of Revenue  
**ST-587 Machinery and Equipment  
 Exemption Certificate**

**Identify the seller**

The seller must keep this certificate.

Name M.T.D., INC. Phone (717) 240-0687  
 Address 1521 E. Commerce AVE. IBT no. \_\_\_\_\_  
Number and street  
CARLISLE PA 17013  
City State ZIP

**Identify the purchaser (or lessee)**

Name E.A.R., INC. Phone (847) 705-7636  
 Address 555 S. Vermont ST. Date of purchase (or lease) 5 27 05  
Number and street  
PALATINE IL 60067  
City State ZIP  
Month Day Year

**Identify the equipment\* you are purchasing (or leasing)**

\* Equipment includes machinery and repair/replacement parts

Type of equipment \_\_\_\_\_

Serial no. \_\_\_\_\_

**Identify how you will use this equipment**

Check the appropriate box.

- I state that this equipment will be used primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease.
- I state that this equipment will be used primarily in agriculture production.
- I state that this equipment will be used primarily for coal exploration, and related mining, off highway hauling, processing, maintenance, or reclamation.
- I state that this equipment will be used primarily for oil field exploration, oil field drilling, or as oil-field production equipment.
- I state that this equipment will be used primarily in graphic arts production.

**Sign below**

Under penalties of perjury, I state that I have examined this certificate and that it is true and correct.

Sheldon Ployer, President 5-27-05  
Purchaser's signature Date

You may photocopy this form or you may request additional forms by writing us or calling our Springfield office weekdays between 8:00 a.m. and 5:00 p.m. Our address and telephone number are below.

ILLINOIS DEPARTMENT OF REVENUE  
 PO BOX 19010  
 SPRINGFIELD IL 62794-9010  
 217 785-3707

## Equipment Acquisition Resources, Inc. 013R - National Bank

Compound Period ..... Monthly

Nominal Annual Rate ... : 7.110 %  
 Effective Annual Rate .. : 7.346 %  
 Periodic Rate ..... : 0.5925 %  
 Daily Rate ..... : 0.01975 %

## CASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
1 Loan	10/12/2007	3,000,000.00	1		
2 Payment	12/01/2007	52,431.20	19	Monthly	06/01/2009
3 Payment	07/01/2009	65,272.00	40	Monthly	10/01/2012

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	10/12/2007				3,000,000.00
1	12/01/2007	52,431.20	29,695.21	22,735.99	2,977,264.01
2007 Totals		52,431.20	29,695.21	22,735.99	
2	01/01/2008	52,431.20	17,640.29	34,790.91	2,942,473.10
3	02/01/2008	52,431.20	17,434.15	34,997.05	2,907,476.05
4	03/01/2008	52,431.20	17,226.80	35,204.40	2,872,271.65
5	04/01/2008	52,431.20	17,018.21	35,412.99	2,836,858.66
6	05/01/2008	52,431.20	16,808.39	35,622.81	2,801,235.85
7	06/01/2008	52,431.20	16,597.32	35,833.88	2,765,401.97
8	07/01/2008	52,431.20	16,385.01	36,046.19	2,729,355.78
9	08/01/2008	52,431.20	16,171.43	36,259.77	2,693,096.01
10	09/01/2008	52,431.20	15,956.59	36,474.61	2,656,621.40
11	10/01/2008	52,431.20	15,740.48	36,690.72	2,619,930.68
12	11/01/2008	52,431.20	15,523.09	36,908.11	2,583,022.57
13	12/01/2008	52,431.20	15,304.41	37,126.79	2,545,895.78
2008 Totals		629,174.40	197,806.17	431,368.23	
14	01/01/2009	52,431.20	15,084.43	37,346.77	2,508,549.01
15	02/01/2009	52,431.20	14,863.15	37,568.05	2,470,980.96
16	03/01/2009	52,431.20	14,640.56	37,790.64	2,433,190.32
17	04/01/2009	52,431.20	14,416.65	38,014.55	2,395,175.77
18	05/01/2009	52,431.20	14,191.42	38,239.78	2,356,935.99
19	06/01/2009	52,431.20	13,964.85	38,466.35	2,318,469.64
20	07/01/2009	65,272.00	13,736.93	51,535.07	2,266,934.57
21	08/01/2009	65,272.00	13,431.59	51,840.41	2,215,094.16
22	09/01/2009	65,272.00	13,124.43	52,147.57	2,162,946.59
23	10/01/2009	65,272.00	12,815.46	52,456.54	2,110,490.05
24	11/01/2009	65,272.00	12,504.65	52,767.35	2,057,722.70
25	12/01/2009	65,272.00	12,192.01	53,079.99	2,004,642.71
2009 Totals		706,219.20	164,966.13	541,253.07	

## Equipment Acquisition Resources, Inc. 013R - National Bank

Date	Payment	Interest	Principal	Balance
26 01/01/2010	65,272.00	11,877.51	53,394.49	1,951,248.22
27 02/01/2010	65,272.00	11,561.15	53,710.85	1,897,537.37
28 03/01/2010	65,272.00	11,242.91	54,029.09	1,843,508.28
29 04/01/2010	65,272.00	10,922.79	54,349.21	1,789,159.07
30 05/01/2010	65,272.00	10,600.77	54,671.23	1,734,487.84
31 06/01/2010	65,272.00	10,276.84	54,995.16	1,679,492.68
32 07/01/2010	65,272.00	9,950.99	55,321.01	1,624,171.67
33 08/01/2010	65,272.00	9,623.22	55,648.78	1,568,522.89
34 09/01/2010	65,272.00	9,293.50	55,978.50	1,512,544.39
35 10/01/2010	65,272.00	8,961.83	56,310.17	1,456,234.22
36 11/01/2010	65,272.00	8,628.19	56,643.81	1,399,590.41
37 12/01/2010	65,272.00	8,292.57	56,979.43	1,342,610.98
2010 Totals	783,264.00	121,232.27	662,031.73	
38 01/01/2011	65,272.00	7,954.97	57,317.03	1,285,293.95
39 02/01/2011	65,272.00	7,615.37	57,656.63	1,227,637.32
40 03/01/2011	65,272.00	7,273.75	57,998.25	1,169,639.07
41 04/01/2011	65,272.00	6,930.11	58,341.89	1,111,297.18
42 05/01/2011	65,272.00	6,584.44	58,687.56	1,052,609.62
43 06/01/2011	65,272.00	6,236.71	59,035.29	993,574.33
44 07/01/2011	65,272.00	5,886.93	59,385.07	934,189.26
45 08/01/2011	65,272.00	5,535.07	59,736.93	874,452.33
46 09/01/2011	65,272.00	5,181.13	60,090.87	814,361.46
47 10/01/2011	65,272.00	4,825.09	60,446.91	753,914.55
48 11/01/2011	65,272.00	4,466.94	60,805.06	693,109.49
49 12/01/2011	65,272.00	4,106.67	61,165.33	631,944.16
2011 Totals	783,264.00	72,597.18	710,666.82	
50 01/01/2012	65,272.00	3,744.27	61,527.73	570,416.43
51 02/01/2012	65,272.00	3,379.72	61,892.28	508,524.15
52 03/01/2012	65,272.00	3,013.01	62,258.99	446,265.16
53 04/01/2012	65,272.00	2,644.12	62,627.88	383,637.28
54 05/01/2012	65,272.00	2,273.05	62,998.95	320,638.33
55 06/01/2012	65,272.00	1,899.78	63,372.22	257,266.11
56 07/01/2012	65,272.00	1,524.30	63,747.70	193,518.41
57 08/01/2012	65,272.00	1,146.60	64,125.40	129,393.01
58 09/01/2012	65,272.00	766.65	64,505.35	64,887.66
59 10/01/2012	65,272.00	384.34	64,887.66	0.00
2012 Totals	652,720.00	20,775.84	631,944.16	
Grand Totals	3,607,072.80	607,072.80	3,000,000.00	



**Exhibit C**

**COLLATERAL ASSIGNMENT OF LEASE PAYMENTS AND EQUIPMENT  
(Without Recourse)**

**BETWEEN: First Premier Capital LLC**  
5201 Eden Ave.  
Suite 180  
Edina, MN 55436

("Assignor")

**AND: The National Bank**  
7101 Washington Ave. S.  
Edina, MN 55439

("Assignee")

**RECITALS:**

A. Assignor is the Lessor under a lease executed by and between Assignor and Equipment Acquisition Resources, Inc. as Lessee, under a Lease Agreement No. EQU051605 dated May 16, 2005 and Lease Schedule No. 013R dated October 11, 2007 (the "Lease").

B. Assignor collaterally assigns to Assignee all payments due or to become due under the Lease on the terms and conditions set forth in this Assignment.

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants contained herein, the parties agree as follows:

1. Collateral Assignment of Lease Payments.

Assignor hereby collaterally assigns to Assignee, its successors, and assigns, without recourse as to the obligation or financial ability of the Lessee to pay, the rental payments due or to become due under the Lease as outlined on the attached amortization schedule. Upon payment to Assignee at any time of the "remaining balance" shown on the attached amortization schedule at the time of payment, all rights assigned hereunder shall revert to Assignor and this assignment shall be null and void and of no further force and effect. Assignor has and will continue to fulfill all obligations and responsibilities of the Lessor under the Lease. By its acceptance of this Assignment, Assignee does not accept or assume any of the obligations of Assignor, as the Lessor under the Lease.

2. Assignment of Equipment.

Assignor hereby collaterally assigns to Assignee an undivided One Hundred Percent (100%) interest in all of Assignor's rights, title and interest in and to the personal property subject to the Lease as outlined in the Lease Schedule or Exhibit "A" (the "Equipment"); provided, however, Assignor does not assign its right to receive any sale proceeds if Lessee exercises its right to buy the Equipment at the end of the Lease term.

3. Assignment Price.

Assignee shall pay the sum of Three Million and no/100 dollars (\$3,000,000) for the transfer and collateral assignment of all lease payments as outlined on the attached amortization schedule.

4. Representations, Warranties and Covenants of Assignor.

Assignor represents, warrants, and covenants to Assignee as follows:

4.1 Ownership of Equipment.

Assignor is the owner of the Equipment described in the Lease, free and clear of any and all liens, security interests, assessments, and encumbrances, except those created under the Lease.

4.2 Validity and Enforceability.

The Lease, an original of which will be delivered to Assignee contemporaneously with the execution of this Assignment and any accompanying guaranties, waivers, or other documents are the only documents or agreements executed between Assignor and the Lessee relating to the Equipment described in the Lease. The Lease and any accompanying guaranties, waivers, or other documents executed by or between Assignor, as Lessor, and the Lessee are genuine and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditor's rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought, and are to Assignor's best knowledge free from any defenses, set-off, and counterclaims of Lessee. The Lease and any accompanying guaranties, waivers, or other documents have been duly authorized, executed, and delivered by Assignor and the Lessee.

4.3 Acceptance of Equipment.

The Equipment under the Lease has been delivered to the Lessee in satisfactory condition and has been accepted by the Lessee on the date indicated on the Certificate of Acceptance(s). A true copy of the Certificate of Acceptance(s) executed by the Lessee for the Equipment under the Lease being assigned to Assignee shall be delivered to Assignee

contemporaneously with this Agreement. Assignor will comply with its warranties and other obligations with respect to the Equipment under the Lease.

4.4 Filing of Financing Statements.

Assignor has filed UCC-1 Financing Statements with the proper filing officers in the jurisdictions where the Lessee is located. Assignor shall assign to Assignee the UCC-1 Financing Statement that refers to the leased Equipment.

4.5 Amounts Due Under the Lease.

The aggregate unpaid lease payments due and to become due under the Lease as shown on the attached amortization schedule is true and correct as of the date of this Assignment. No lease payments or other monies due under the Lease have been prepaid and no deposit has been paid by the Lessee except as stated in the Lease or as approved in writing by the Assignee.

4.6 Execution of this Assignment.

This Assignment has been duly authorized, executed, and delivered by Assignor to Assignee and is a legal, valid, and binding agreement by Assignor and does not constitute a breach or violation of the Lease and any related documents.

5. Remedies Upon Breach or Default by Assignor.

If any warranty, covenant, or representation made by Assignor under this Assignment is breached or shall prove to have been incorrect or false in any material respect at the time the representation, warranty, or covenant was made or given, Assignor will, within ten (10) days after receipt of written notice from Assignee which conclusively proves the foregoing, pay to Assignee the remaining unpaid rentals and other monies due and which will become due under the Lease, including accrued interest, expenses of collection, repossession transportation, and storage incurred by Assignee, less any refund by Assignee of unearned charges.

6. Invoicing, Servicing, and Collection by Assignee.

After execution and acceptance of this Assignment, in the event Assignor is in default of its material obligations to Assignee, Assignee is authorized, for as long as such default is continuing, to notify the Lessee under the Lease to make payments directly to Assignee and payable to the order of Assignee. If payments are made payable to the order of Assignor, Assignee is hereby appointed as Assignor's attorney in fact to endorse any checks, orders, or other payment instruments made under the Lease. Assignee is also authorized to bill or invoice Lessee for all amounts due and to become due under the Lease, as outlined on the attached amortization schedule, and to compromise, adjust, and grant extension of time for payment by Lessee or any other persons obligated on the Lease or guaranty, without notice to Assignor and without affecting Assignor's obligation hereunder. If Lessee fails to make any payment to Assignee when due, Assignee may, in addition to any other rights it may have, take any collection action it deems appropriate against the Lessee at its sole expense.

7. Nonwaiver.

Failure or delay of Assignee in exercising any rights granted to it in this Agreement shall not constitute waiver of such right.

8. Further Acts.

Each of the parties to this Assignment shall execute and deliver to the other any further instruments and documents and shall take such further action as may reasonably be requested in order to carry out the intent and purpose of this Assignment, and to establish and protect the rights, interest, and remedies created or intended to be created in this Assignment.

9. Jurisdiction.

This Assignment shall be governed by and construed in accordance with the laws of the State of Minnesota.

10. Severability.

Any provisions of this Assignment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective and unenforceable to the extent of such prohibition or unenforceability without invalidating the remaining portion of this Assignment.

IN WITNESS WHEREOF, the parties have executed this instrument this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**ASSIGNOR:**

First Premier Capital LLC

By: 

Its: 

**ASSIGNEE:**

The National Bank

By: 

Its: 

JS 44 (Rev. 12/07)

### CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<p><b>I. (a) PLAINTIFFS</b></p> <p style="text-align: center;">THE National Bank</p> <p><b>(b)</b> County of Residence of First Listed Plaintiff <u>Scott County, Iowa</u> (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p><b>(c)</b> Attorney's (Firm Name, Address, and Telephone Number) <u>Winthrop &amp; Weinstine, Matthew R. McBride, 225 South 6th Street, Suite 3500, Minneapolis, MN 55402-4629 (612) 604-6426; Lane &amp; Waterman LLP, Robert V. P. Waterman, 220 North Main Street, Ste. 600, Davenport, IA 52801, (563) 324-3246</u></p>	<p><b>DEFENDANTS</b></p> <p style="text-align: center;">First Premier Capital LLC</p> <p>County of Residence of First Listed Defendant _____ (IN U.S. PLAINTIFF CASES ONLY)</p> <p style="text-align: center;">NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.</p> <p>Attorneys (If Known) <u>Askounis &amp; Darcy PC, D. Alexander Darcy, 401 North Michigan, Suite 550 Chicago, IL 60611, (213) 784-2400</u></p>
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<p><b>II. BASIS OF JURISDICTION</b> (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <p>(For Diversity Cases Only)</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;"><b>PTF</b></td> <td style="width:10%; text-align: center;"><b>DEF</b></td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;"><b>PTF</b></td> <td style="width:10%; text-align: center;"><b>DEF</b></td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input checked="" type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		<b>PTF</b>	<b>DEF</b>		<b>PTF</b>	<b>DEF</b>	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4	Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	<b>PTF</b>	<b>DEF</b>		<b>PTF</b>	<b>DEF</b>																				
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4																				
Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only)				
CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<p><b>PERSONAL INJURY</b></p> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<p><b>PERSONAL INJURY</b></p> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <p><b>PERSONAL PROPERTY</b></p> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <p style="text-align: center;"><b>PROPERTY RIGHTS</b></p> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <p style="text-align: center;"><b>LABOR</b></p> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <p style="text-align: center;"><b>IMMIGRATION</b></p> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions
<p><b>REAL PROPERTY</b></p> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<p><b>CIVIL RIGHTS</b></p> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<p><b>PRISONER PETITIONS</b></p> <input type="checkbox"/> 510 Motions to Vacate Sentence <p><b>Habeas Corpus:</b></p> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<p style="text-align: center;"><b>SOCIAL SECURITY</b></p> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <p style="text-align: center;"><b>FEDERAL TAX SUITS</b></p> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

**V. ORIGIN** (Place an "X" in One Box Only)

1 Original Proceeding     2 Removed from State Court     3 Remanded from Appellate Court     4 Reinstated or Reopened     5 Transferred from another district (specify)     6 Multidistrict Litigation     7 Appeal to District Judge from Magistrate Judgment

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
28 U.S.C. 1332

Brief description of cause: Breach of contract and fraud and negligence in inducement to enter contract involving ponzi scheme

**VII. REQUESTED IN COMPLAINT:**     CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23    **DEMAND \$** In excess of \$2,480,386    **CHECK YES only if demanded in complaint:**    **JURY DEMAND:**     Yes     No

**VIII. RELATED CASE(S) IF ANY** (See instructions):    JUDGE \_\_\_\_\_    DOCKET NUMBER \_\_\_\_\_

DATE 3/22/10    SIGNATURE OF ATTORNEY OF RECORD /s/ Matthew R. McBride

**FOR OFFICE USE ONLY**

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**

## Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I. (a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

**III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

**V. Origin.** Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

**VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553  
Brief Description: Unauthorized reception of cable service

**VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

**VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.