THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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SC Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Circuit Court

The Honorable R. Lawton McIntosh, Circuit Court Judge

Appellant Case No. 2018-001444

Encore Technology Group, LLC, ...Respondent/Appellant,

v.

Keone Trask and Clear Touch Interactive, Inc.
f/k/a Clear Touch Interactive, LLC, ...Appellants/Respondents.

AND

Clear Touch Interactive, Inc. f/k/a Clear Touch
Interactive, LLC, ...Appellants/Respondent,

v.

Encore Technology Group, LLC, ...Respondent/Appellant.

RECORD ON APPEAL - VOLUME IV

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1 Secondly, any penalty imposed should take
2 into account as a mitigating circumstances any
3 other penalty that may have been imposed or
4 which may be imposed for the conduct involved,
5 including a criminal or civil or other punitive
6 damages award arising out of the same conduct.
7 Next, you should consider whether the award
8 of and the amount of the punitive damage award
9 may deprive the defendant of any profits
10 derived from the improper conduct and whether
11 the ill-gotten profits should be properly
12 awarded to the plaintiff.
13 And finally, Ladies and Gentlemen, an award
14 of punitive damages must be limited to
15 punishment and thus may not affect economic
16 bankruptcy. To this end, the defendant's
17 ability to pay any punitive damages award
18 should be considered. However, economic
19 bankruptcy factor is not an absolute bar to an
20 award of punitive damages.
21 That leaves me to conclude the substantive
22 law. Let's take a quick break and I'm going to
23 give you some thoughts about your deliberation.
24 Please take a -- we are on the downside of
25 this. Okay? (Pause.)

1 All right. Let's finish up. We're about to
2 break. Let me just say this: you're lucky. I
3 had one that was three and a half hours once,
4 and that was terrible.
5 All right. Ladies and Gentlemen, before
6 you're in deliberations, first, let me point
7 out to you that you don't -- you weren't
8 selected by either side of this case to be
9 partisans or advocates for one side or the
10 other. In fact, when you went through the
11 qualification process, you represented that you
12 could be fair and impartial to both sides and
13 apply the law and find the facts from the
14 testimony and evidence. When you begin your
15 deliberations, I'm going to ask and also charge
16 that you use your experiences in life, your
17 good common sense and your experiences to come
18 to a conclusion and a verdict.
19 Deliberation is defined as this: it is a
20 careful consideration of weighing up with a
21 view to a decision. These are these parties
22 only view -- only day in court. They don't get
23 a second bite at the apple. This case is very
24 important to both the plaintiff and to the
25 defendants in this matter.

1 Now, regardless to what any of you may
2 think about our judicial system, I will submit
3 to you that the genius of the system is that it
4 allows 12 men and women such as yourselves, who
5 come from different walks of life, who have
6 different experiences, who have different
7 backgrounds to listen to the testimony, to
8 listen to the evidence, to go back and walk
9 through and discuss the evidence and then
10 ultimately reach a conclusion in this case.
11 Now, remember you are the sole -- you are
12 the judges of the facts. When you go through
13 and begin your deliberations, I'm going to ask
14 and also instruct that you listen to
15 everybody's points and their points of view,
16 let your fellow jurors describe to you why they
17 feel the way they do about a particular issue
18 or point; they will do the same back to you.
19 Don't be in a hurry because this is their only
20 day in court.
21 Now, Mr. Foreman, if, at any time, the jury
22 has a question, write it down and send it back
23 to me. Never let us know where the jury stands
24 numerically on any of the causes of action.
25 That's solely up to y'all.

1 Now, Ladies and Gentlemen, in order for
2 your verdict to stand, it has to be unanimous.
3 But with that being said, you have to make your
4 decision on your own. Don't be afraid to change
5 your opinion if the deliberations with your
6 fellow jurors convince you that the weight of
7 the evidence should make you change your
8 opinion.
9 On the other hand, don't change a firmly
10 held belief about a fact in this case solely to
11 appease your fellow jurors. Now, once you reach
12 your verdict and it's unanimous as to all eight
13 causes of action, you will sign it; you will
14 forward it; you will knock on the door. And we
15 will receive it here in the courtroom. Okay,
16 sir?
17 Now, as to the verdict form itself, it's
18 fairly self-explanatory. I have to put the
19 options and the causes of actions in some order
20 so that the options that you have and the
21 various cause of actions. The order in which
22 they appear is of no meaning. Okay, sir?
23 But the first one that you -- you can
24 consider them in any order you want to. But
25 first on your verdict form is as to the

1 plaintiff's breach of loyalty claim. As I told
2 you, in that claim, you will have to find some
3 amount that the defendant has to return to the
4 plaintiff. And if you consider actual damages,
5 you may consider punitive damages.
6 So what you'll do, once you reach your
7 actual damages amount, you will write both the
8 word out, like you do a check, and you will put
9 the number down. Okay, sir? So we'll have no
10 doubt of what you had in your mind. If the jury
11 unanimously feels that a punitive damage award
12 is appropriate, then you will write that amount
13 and do it the same way. Okay, sir? If you leave
14 it blank, that means the jury does not give
15 punitive damages for that cause of action.
16 The next would be as to breach of fiduciary
17 duty. Again, in this case, the plaintiff admits
18 that he admits his fiduciary duty. But that
19 doesn't mean that there's automatically an
20 award for him. You have to decide whether or
21 not the defendant's breach proximately caused
22 any damages to the plaintiff, and if so, in
23 what amount. If you award actual damages, and
24 only if you award actual damages for this cause
25 of action, then you can consider whether or not

1 punitive damage is appropriate. If you do,
2 you'll fill them out as I've told you to. If
3 not, or if you don't think the plaintiff
4 suffered any actual damages, your third option
5 will be find for the defendant. Okay?
6 The next would be the breach of contract.
7 And it would be for the plaintiff in the amount
8 of actual damages. There's no punitive damages
9 in that cause of action. Or if you don't feel
10 like the plaintiff has been damaged for breach
11 of contract or there was a breach of contract,
12 then you'll find for the defendant. You will
13 check the option that you choose. Okay, sir?
14 For violation of the Unfair Trade Practices
15 Act, your consideration will be for actual
16 damages or for the defendant. If, however, you
17 find that the defendant did violation the South
18 Carolina Unfair Trade Practices Act and the
19 plaintiff has been damaged as a result of that,
20 you'll fill out the amount like I've told you.
21 Then the jury will go and answer the following
22 question, but only if you make an actual
23 damages award. Your question is was the
24 defendant's conduct in violation the South
25 Carolina Trade -- excuse me, the Trade Secrets

1 Act, committed in a willful, wanton or reckless
2 disregard of the plaintiff's rights, you will
3 check yes or no. Okay, sir? Excuse me, that was
4 for trade secrets.
5 Next is tortious interference with a
6 contract. These tell you which defendant or
7 defendants the claims are against. Your option
8 would be for actual damages. If you award
9 actual damages for punitive damages and also an
10 option for the defendant. Third would be the
11 breach of contract accompanied by fraudulent
12 act against Mr. Trask. The actual damages -- if
13 you award actual damages, you may award
14 punitive damages. And then, if not, if you
15 don't think that actual or punitive damages is
16 appropriate, you would check for the defendant.
17 Defamation claim, actual damages are for the
18 defendant.
19 Finally, under unfair trade practices, if
20 you find that there's actual damages, you'll do
21 as I told you all along. Do the writing. Then
22 you'll answer this question, and it's written
23 down for you, it says: Were the defendant's
24 unfair trade practices committed willfully? You
25 will check yes or no.

1 Once you have all of your causes of action
2 decided, you will sign it, forward it, then
3 knock on the door and we will receive it here
4 in the courtroom.
5 Now, Ladies and Gentlemen and Mr. Foreman,
6 each one of these causes of actions are
7 independent of the other. You may not and shall
8 not concern yourself of whether or not there's
9 any type of double recovery if you determine
10 that an award is appropriate. That will be
11 dealt by me at the end of this case. So you
12 will look at each cause of action. You will
13 debate it. You will come up to a decision. You
14 will fill in as the jury unanimously decides,
15 unaffected by your decision on any other causes
16 of action in this case.
17 With that being said, I'm going to ask you
18 to go back to your jury room. I need to talk to
19 these lawyers and find out whether I need to
20 correct something I said or didn't say. Then,
21 if not, we'll send word for you to begin your
22 deliberations.
23 (Jury exits at approximately 2:25 p.m.)
24 **THE COURT:** Any additions or exceptions
25 from the plaintiff?

1 **MR. ENGLISH:** No, Your Honor.
2 **THE COURT:** From the defense?
3 **MR. SMITH:** No, Your Honor.
4 **THE COURT:** All right. Guys, if you would,
5 leave your numbers with my clerk if y'all go
6 anywhere so she can get to you. Don't go too
7 far away. Again, thank you for your preparation
8 and performance in this case.
9 Do we have a stapler down there?
10 **THE CLERK:** Sir?
11 **THE COURT:** Stapler?
12 **THE CLERK:** Stapler?
13 **THE COURT:** Yeah.
14 **THE CLERK:** Yeah.
15 **THE COURT:** If y'all would just confirm
16 the exhibits. And Mr. Bailiff, if you would
17 just take those exhibits in there and tell them
18 to begin their deliberation once you bring the
19 alternates back out.
20 **THE BAILIFF:** And you want the alternates
21 where?
22 **THE COURT:** You could just bring them back
23 in here. Is their lunch in there?
24 **THE BAILIFF:** Well, I think it's out there
25 in the hallway.

1 **THE COURT:** Let's let them -- just take
2 them some -- is there another room where they
3 can eat their lunch?
4 **THE BAILIFF:** They can go back --
5 **THE CLERK:** They can eat with us.
6 **THE COURT:** Okay.
7 **THE BAILIFF:** We can eat in the same room.
8 **THE COURT:** All right. Great.
9 (The Court goes off the record at approximately 2:27
10 p.m.)
11 (Deliberation of the jury begins at approximately
12 2:45 p.m.)
13 (The Court goes on the record at approximately
14 4:01 p.m.)
15 **THE COURT:** The jury wants to be charged
16 again on tortious interference. Okay. So...
17 Could you bring the jury in please?
18 **MR. ENGLISH:** Before we bring them in --
19 this is obviously subject to what you think of
20 Mr. Smith, but...
21 **THE COURT:** Think about what please?
22 **MR. ENGLISH:** What you think about this,
23 but we probably should have had a charge
24 explaining the eyes of the law on Clear Touch
25 and Mr. Trask are separate individuals.

1 **THE COURT:** Do what?
2 **MR. ENGLISH:** In the eyes of the law,
3 Clear Touch and Mr. Trask are separate
4 individuals. That may be -- I'm guessing that
5 maybe the hang up on this.
6 **THE COURT:** Well, I'll find out.
7 (Jury enters at approximately 4:02 p.m.)
8 **THE COURT:** All right, Mr. Foreman, Ladies
9 and Gentlemen, my understanding from the jury
10 is you want me to charge you on the law of
11 tortious interference again. This will be that
12 -- and is there any other questions you have
13 other than just for the charge? That's it?
14 **UNIDENTIFIED FEMALE JUROR #1:** We just
15 don't really understand what it's for. We just
16 need more definition of the charge.
17 **UNIDENTIFIED FEMALE JUROR #2:** Yeah, but
18 just on that one.
19 **UNIDENTIFIED FEMALE JUROR #1:** Yeah.
20 **THE COURT:** Just on that one?
21 **UNIDENTIFIED FEMALE JUROR #2:** Uh-huh.
22 **UNIDENTIFIED FEMALE JUROR #2:** Uh-huh.
23 **THE COURT:** Okay. Well, let me give it to
24 you. I'll try to do it slowly so you can get
25 it. It is a little confusing between the first

1 and third and second person. This is against
2 Clear Touch only. And Ladies and Gentlemen,
3 Clear Touch and the plaintiff -- excuse me
4 Clear Touch and Mr. Trask are separate, but
5 freestanding individuals.
6 One who intentionally and improperly
7 interferes with the performance of a contract
8 between another and a third person by inducing
9 or otherwise causing the third person not to
10 perform the contract is subject to liability to
11 the other for the pecuniary loss resulting to
12 the other from the failure of the third person
13 to perform the contract.
14 The theory of this doctrine is that the
15 parties to a contract have a property right in
16 the contract which a third person has no right
17 to deprive them of or to injure them in than he
18 would have to injure their property. Such an
19 injury without sufficient justification,
20 amounts to a tort for which the injured party
21 may seek damages.
22 To establish an action for intentional
23 interference with an existing contractual
24 relationship, sometimes referred to as tortious
25 interference with an existing contractual

1 relationship, the plaintiff must prove five
2 elements: first, the existence of the contract;
3 second, the wrongdoer's knowledge of the
4 contract; third, the intentional procurement of
5 the contract's breach; fourth, the absence of
6 justification; and fifth, resulting damages.
7 The rule presupposed the existence of a
8 valid contract. That is, there must be a valid
9 contract and -- a valid and enforceable
10 contract for a cause of action for tortious
11 interference with an existing contractual
12 relationship to exist. The particular agreement
13 must be in force and effect at the time of the
14 breach that defendant has caused. If, for any
15 reason, it is entirely void, there is no
16 liability for causing its breach.
17 Knowledge of the existence of a contract is
18 a condition of liability for interference with
19 it. Therefore, a defendant cannot be liable for
20 interfering with a contract of which the
21 defendant was unaware. There is no liability
22 where the party charged with procuring a breach
23 of contract has acted in ignorance of the
24 existence of the contract. It is not necessary
25 to prove actual knowledge. It is enough to show

1 that the defendant had knowledge of facts
2 which, if followed by reasonable inquiry, would
3 have led to complete disclosure of the
4 contractual relations and the rights of the
5 parties.
6 For a cause of action to arise, a breach
7 must be intentionally procured. The plaintiff
8 must prove that the outsider intentionally
9 induced the third person not to perform his
10 contract with the plaintiff. The essential
11 element is the intent to because -- excuse me,
12 the essential element is the intent to cause
13 the result. If the defendant does not have this
14 intent, his conduct is not subject him to
15 liability.
16 The tort of intentional interference with
17 contractual relationship requires that the
18 third party's interference in fact procures the
19 breach of the -- procured -- do that one more
20 time -- the fact of intentional interference
21 with contractual relationship requires that the
22 third parties interference in fact procured the
23 breach complained of. The alleged act of
24 interference must influence, induce or coerce
25 one of the parties to the contract to abandon

1 the relationship or breach the contract.
2 The plaintiff must show that but for the
3 interference, the contractual relationship
4 would have continued. Regardless of the
5 defendant's behavior, there must actually be a
6 breach of the underlying contract before there
7 can be an interference with an existing
8 contractual relationship. The absence of
9 justification may be inferred.
10 Interference with a contract is justified
11 when it is motivated by a legitimate business
12 purpose. The exercise in good faith of a legal
13 right by a party to a contract affords no basis
14 for an action by the second party for
15 intentional interference with a contract --
16 with a contract, even though the consequence of
17 the legal right by the first party is to cause
18 a third party not to perform another contract
19 with the second party. The fact that one is a
20 competitor of another for the business of a
21 third person does not prevent his causing an
22 existing contract with the other from being an
23 improper interference if the contract is not
24 terminable at-will.
25 An essential element of the tort of

1 interference with the contractual relationship
2 is that damages resulted from the breach. In an
3 action for interference with a contract, the
4 plaintiff may recover such damages sustained by
5 him as part of the natural and proximate
6 consequence of the interference.
7 The measure of damages includes unforeseen
8 expenses, damage to reputation, damage for loss
9 of employees, damage for loss of customers,
10 damage for loss of goodwill. Where the damages
11 alleged are lost profits, the plaintiff must
12 prove that it is reasonably certain that
13 profits would've been realized but for the tort
14 and that such profits can be ascertained and
15 measured from the evidence produced with
16 reasonable certainty. Aggravated unjustified
17 interference -- interference with contractual
18 rights in reckless disregard of the contracting
19 parties, justifies the award of punitive
20 damages.
21 Now, Mr. Foreman, does that answer the
22 jury's question you think? Does that answer
23 your question? Okay. If you would, would you go
24 back to your jury room. Don't resume yet until
25 we send word back. It will be shortly. Okay.

1 (Jury exits at approximately 4:10 p.m.)
2 **THE COURT:** Any additions or exceptions
3 from the plaintiff?
4 **MR. ENGLISH:** No, Your Honor.
5 **THE COURT:** Any from the defense?
6 **MR. SMITH:** None.
7 **THE COURT:** All right, guys. We're back at
8 ease.
9 Will you tell them to begin their -- resume
10 their deliberations?
11 **THE BAILIFF:** Yes, sir.
12 (The Court goes off the record at approximately
13 4:11 p.m.)
14 (The Court goes on the record at approximately
15 5:09 p.m.)
16 **THE COURT:** We have a verdict. If we
17 would, regardless of whatever the verdict is,
18 act accordingly. All right.
19 Would you bring the jury in?
20 (Jury enters at approximately 5:10 p.m.)
21 **THE COURT:** Mr. Foreman, I am advised that
22 the jury has reached a verdict; is that
23 correct?
24 **THE FOREPERSON:** Yes.
25 **THE COURT:** As to each cause of action?

1 **THE FOREPERSON:** Yes.
2 **THE COURT:** Would you pass that verdict
3 form forward, please, sir?
4 (Verdict form is handed to the Court.)
5 **THE COURT:** Would you publish the verdict
6 for me, please, ma'am?
7 **THE CLERK:** Your Honor, this is case
8 number 2015-CP-23-5757, Encore Technology
9 Group, LLC, versus Keone Trask and Clear Touch
10 Interactive, Inc., formerly known as Clear
11 Touch Interactive, LLC.
12 Number 1, as to Plaintiff Encore Technology
13 Group, LLC's, breach of loyalty claim against
14 Defendant Keone Trask, we, the jury,
15 unanimously find for the plaintiff in the
16 amount of $375,733.40 actual damages; punitive
17 damages, the plaintiff -- finds for the
18 plaintiff in the amount of $170,000, punitive
19 damages.
20 Number 2, as to Plaintiff Encore Technology
21 Group, LLC's, breach of fiduciary duty claim
22 against Defendant Keone Trask, we, the jury,
23 unanimously find for the plaintiff in the
24 amount of $675,361 actual damages; for the
25 plaintiff in the amount of $1,500,000 punitive

1 damages.
2 Number 3, as to Plaintiff Encore Technology
3 Group, LLC's, breach of contract claim against
4 Defendant Keone Trask, we, the jury,
5 unanimously find for the plaintiff in the
6 amount of $424,945 actual damages.
7 Number 4, as to Plaintiff Encore Technology
8 Group, LLC's, violation of the South Carolina
9 Trade Secrets Act claim against Defendants
10 Keone Trask and Clear Touch, Inc., we, the
11 jury, unanimously find for the plaintiff in the
12 amount of $424,945 actual damages. D: Was the
13 defendant's conduct in violating the South
14 Carolina Trade Secrets Act committed by the
15 defendant -- defendants in a willful, wanton
16 and reckless disregard of plaintiff's rights?
17 Yes.
18 Number 5, as Plaintiff Encore Technology
19 Group, LLC's, tortious interference claim
20 against Clear Touch Interactive, we, the jury,
21 unanimously find for the plaintiff in the
22 amount of $424,945 actual damages; for the
23 plaintiff in the amount of $500,000 punitive
24 damages.
25 Number 6, as to Plaintiff Encore Technology

1 Group, LLC's, breach of contract accompanied by
2 fraudulent act claim against Defendant Keone
3 Trask, we, the jury, unanimously find the
4 plaintiff in the amount of $1,476,039.40 actual
5 damages; for the plaintiff in the amount of $2
6 million punitive damages.
7 Number 7, as to Plaintiff Encore Technology
8 Group, LLC's, defamation claim against
9 Defendant Keone Trask, we, the jury,
10 unanimously find for the defendant.
11 Number 8, as to Plaintiff Encore Technology
12 Group, LLC's, Unfair Trade Practices Act claim
13 against Defendants Keone Trask and Clear Touch,
14 Inc., we, the jury, unanimously find for the
15 defendants. Awarded this 29th day of September
16 2017, signed Mykel Fisher, foreperson.
17 This is your verdict, so say you all?
18 Please signify by raising your right hand, if
19 so.
20 (Each juror responds.)
21 **THE CLERK:** Thank you.
22 **THE COURT:** Let the record reflect that
23 all responded in the positive.
24 All right. Ladies and Gentlemen, I want to
25 thank you for your service this week. The Court

1 is never concerned with your verdict, but it is
2 concerned that you are engaged throughout this
3 trial. I watched you, even through that
4 lengthy, dull charge of mine. You stayed
5 engaged. You listened to everybody. You
6 listened to the charge. And you performed your
7 civic duty. For that, we thank you.
8 The good thing is you can't be required to
9 be brought back here for three years in state
10 court. I have no authority in federal court or
11 magistrate's court. But we do appreciate your
12 service. I really mean it when I say, without
13 folks like yourselves, we don't have a system;
14 we don't have a rule of law; and you don't have
15 a way to resolve your differences when you are
16 in civil court or criminal court on a civilized
17 basis. You can look on the TV every night and
18 see people who don't have this system. As
19 imperfect as it is, it's the best that we have.
20 For that being said, thank you for your
21 service. Before you go, I would like to step in
22 and just say something to you and then I will
23 excuse you. I will be very brief, if you don't
24 mind. Thank you.
25 (Jury exits at approximately 5:16 p.m.)

1 **THE COURT:** 10 days?
2 **MR. SMITH:** Yes, Your Honor.
3 **THE COURT:** All right. Posttrial motions
4 to include election of remedy issues. Just for
5 everybody's edification, for the time being,
6 I'm going to put on the Form 4 the total
7 actual, total punitive, and put pending further
8 orders, because it's got to be registered
9 somehow. Okay. So my clerk just asked me that.
10 I'm really quite frankly wasn't sure. But
11 that's what I'm going to do.
12 It certainly -- there are certainly some
13 election issues going on in this case, I feel
14 like. If you need to make your posttrial
15 motions, if you would -- when you file them,
16 just copy them to my clerk and myself and we'll
17 schedule them. Thank you, everyone, again.
18 (Proceedings are concluded at approximately
19 5:18 p.m.)
20 (Court's Exhibits 1 and 2 are marked for
21 identification.)
22
23
24
25

STATE OF SOUTH CAROLINA)
) COURT OF COMMON PLEAS
COUNTY OF GREENVILLE)

ENCORE TECHNOLOGY GROUP)
)
PLAINTIFF,)
vs.) TRANSCRIPT OF RECORD
) 2015-CP-23-05757
KEONE TRASK AND CLEAR TOUCH)
INTERACTIVE, LLC,)
)
DEFENDANTS.)

NOVEMBER 17, 2017
ANDERSON, SOUTH CAROLINA

B E F O R E:

THE HONORABLE R. LAWTON MCINTOSH, JUDGE.

A P P E A R A N C E S:

GREGORY ENGLISH, ESQ.
Attorney for the Plaintiff

JOSEPH O. SMITH, ESQ.
Attorney for the Defendants

Vivian Cross
Official Court Reporter

PLAINTIFF EXHIBITS

NO	DESCRIPTION	ID	EV
1	Post-trial package of materials	61	61

DEFENDANT EXHIBITS

NO	DESCRIPTION	ID	EV
1	Post-trial notebook	61	61

1 November 17, 2017

2 (Whereupon, court convened with all parties

3 present, when the following proceedings were had:)

4 THE COURT: Good afternoon. Let me thank everyone

5 for coming to Anderson. I appreciate you-all traveling.

6 Let me make sure I'm clear on what's before me.

7 Have you-all given the court reporter the caption?

8 MR. ENGLISH: Yes, Your Honor.

9 THE COURT: All right. Great. The plaintiff has

10 a motion for equitable relief, attorney's fees, and

11 damages under some equitable theory.

12 The plaintiff [sic] filed a motion for election of

13 remedies, new trial absolute, motion for relief from

14 judgment under Rule 60, motion for new trial under 59.

15 Motion for new trial nisi remittitur, JNOV, and 13th

16 juror, motion to stay execution of judgment and deny

17 equitable relief. Is that correct?

18 MR. SMITH: Defendant's filed those. Yes, Your

19 Honor.

20 THE COURT: I don't particularly have any feeling

21 one way or the other. I probably -- let's look at your

22 motions quick first.

23 You're seeking restitution. You also brought a

24 contractual claim which the jury granted you damages

25 for. And the cases seem to be clear, you can't get

1 both. So tell me why you can.
2 MR. ENGLISH: All right, Your Honor. Under the
3 Frank and Associates versus Russell case, which I would
4 like to hand up.
5 THE COURT: Okay.
6 MR. ENGLISH: The Court in this case made clear
7 that breach of contract claims and quantum meruit are
8 alternative rather than inconsistent remedies.
9 THE COURT: Say that again.
10 MR. ENGLISH: I'm reading from Page 3, the column
11 on the right, at the top.
12 THE COURT: Have you seen Williams Carpet
13 Contractors versus Skelly, which is a 2012 Court of
14 Appeals case? That is 400 SC 320; 734 S.E. 2d, 177,
15 2012; and basically in that case it says that the task
16 the plaintiff's are seeking compensation for under
17 quantum meruit theory, quantum meruit restitution
18 basically in the same genre; and they're encompassed
19 within the terms of an express contract, which has not
20 been abandoned. You may not recover under quantum
21 meruit. So it seems to me that's what you're trying to
22 do.
23 MR. ENGLISH: I would agree that we cannot recover
24 the same damages for both. But I think the Court could
25 have it's own view under the theory of unjust enrichment

1 as to what is the amount that would make the
2 plaintiff -- that the defendant should have to give up,
3 a different view than the jury. And so the plaintiff
4 could elect that over one, or maybe, you know, some of
5 the other.
6 THE COURT: Well, you know, the defense brings up
7 a good point. You have adequate remedy of law because
8 the jury gave you a very good remedy, quite frankly. So
9 I just don't see you being entitled to any equitable
10 relief in this case. I'll be honest with you.
11 MR. ENGLISH: What I would say to that argument is
12 that the elements for unjust enrichment are different
13 than the elements for the causes of action submitted to
14 the jury. And that's why think I think the Court could
15 come up with a different --
16 THE COURT: I hear you. I'm going to deny your
17 prayer for equitable relief.
18 As to attorney's fees, I have not broken them
19 down. I'm going to hold that issue in abeyance in the
20 hearing; and if you want to cross examine him about his
21 fees, you have a right to. I'm just saying you claim
22 too much and file frivolous motions, et cetera, et
23 cetera; but, you know, had a pretty good result from the
24 jury, as you well know.
25 MR. SMITH: Yes, Your Honor. I appreciate holding

1 it in abeyance. We were going to ask for more time
2 depending on what the Court wanted to do with the
3 attorney's fees because, as we pointed out, the initial
4 submission by the plaintiff was 80 percent incomplete.
5 THE COURT: Sir?
6 MR. SMITH: I said I appreciate you holding in
7 abeyance. We were going to ask for more time, depending
8 on what the Court wanted to do with the attorneys fees.
9 Because, as we pointed out, the initial submission by
10 the plaintiff was 80 percent incomplete. So, I haven't
11 had an opportunity -- Mr. English filed something
12 yesterday, which I believe has the full breakdown. And
13 that was yesterday. We haven't had an opportunity to
14 look at it. So I think it makes sense to --
15 THE COURT: I tell you what. I'll continue that.
16 I'll give you a chance -- I was in a murder trial last
17 night until after 6:00.
18 MR. SMITH: I saw you on the news this morning,
19 Your Honor.
20 THE COURT: That's a little scary. Anyway, I
21 haven't looked it up either. So let's continue that.
22 If you want to have -- just put you on notice -- if you
23 want to cross examine Mr. English, you have a right to
24 I believe -- I've rarely seen anybody do that; and
25 turnabout is fair play in life. But if you do, you

1 know, that's --
2 MR. SMITH: Well, I appreciate that. Also one
3 more thing if you don't mind, Your Honor.
4 THE COURT: Sure.
5 MR. SMITH: I don't know if you want to take it up
6 or not, because it was a motion for attorney's fees and
7 costs. And we have it on our submissions that we don't
8 think they're entitled to costs at all, based on the
9 contract language is not -- it didn't allow the costs.
10 THE COURT: I'll tell you what, do this.
11 MR. SMITH: Sure.
12 THE COURT: Look at what he submitted, send me a
13 letter. If you want a hearing, we'll give you a
14 hearing. Let's just continue. You have a problem with
15 that, Mr. English?
16 MR. ENGLISH: No, Your Honor.
17 THE COURT: Let's do it that way. If you want to
18 have a hearing, we'll have one. If not, you can just
19 send me any kind of format you want, it doesn't have to
20 be particularly pretty, and then that we'll continue.
21 And I know certain costs are recoverable, certain costs
22 aren't recoverable. So just address that for me if you
23 would.
24 MR. SMITH: No problem. It may be a copy based on
25 our memo taking that argument. No problem doing that,

1 Your Honor.
2 THE COURT: Sorry?
3 MR. ENGLISH: Plaintiff had one more request for
4 relief.
5 THE COURT: Let me -- I'm glad you said that.
6 Under the trade secrets --
7 MR. ENGLISH: Yes, Your Honor.
8 THE COURT: The Court is supposed to set punitive
9 damages. But I just looked under 39-8-40, the
10 limitation is double the amount which I would probably
11 award. I'll be glad to hear you. I think double the
12 amount of those actuals would be appropriate under this
13 case.
14 MR. SMITH: Sure. Did you not hear me on that
15 point? You are right, about the statute. It is not
16 treble. That's unfair trade practices.
17 THE COURT: I think it's at 39-8-40 --
18 MR. SMITH: Yes, Your Honor.
19 THE COURT: -- it says that I can't do it more
20 than double the amount of actuals.
21 MR. SMITH: Right. It's in the Court's discretion
22 if you find willful appropriation.
23 THE COURT: Well, the jury -- that's the reason I
24 wanted to do that special verdict form. The jury found
25 willful, wanton and --

1 MR. SMITH: Reckless.
2 THE COURT: Let me see, willful conduct on the
3 part of Mr. Trask. And I guess that -- was that Clear
4 Touch as well on that?
5 MR. ENGLISH: Yes, Your Honor.
6 MR. SMITH: Yes.
7 THE COURT: That was?
8 MR. SMITH: Trade secrets acts against both
9 parties.
10 THE COURT: I thought so.
11 MR. SMITH: That puts it in the Court's
12 discretion. It's not a shall.
13 THE COURT: Okay. Yeah, I do understand that.
14 MR. SMITH: We think the -- you know, we put it in
15 our briefs, and will say it briefly now, the actuals are
16 substantial, punitives are substantial. We didn't
17 actually -- in our briefs we say that it's either
18 punitives under the cause of actions alleged and awarded
19 by the jury or the exemplary damages under the trade
20 secrets act because we cite law within the -- in our
21 filings it says it's also punitive damages. So you
22 can't recover punitive damages twice, just like you
23 can't recover actuals twice. So if punitive damages are
24 awarded under the --
25 THE COURT: Hang on. And I don't know the answer

1 so educate me, Josh, if you would. But you're saying
2 that only a single award of punitive damages under any
3 theory, regardless of election issues, as opposed to
4 getting a separate award of attorney's fees. Is that
5 what you're trying to say?
6 MR. SMITH: No. I don't think I'm saying that,
7 Your Honor.
8 THE COURT: Okay.
9 MR. SMITH: What I'm saying is, as with actual
10 damages, the same concept with election of remedies
11 applies to punitive damages. So depending on what we do
12 and what the Court does with the election of remedies,
13 the wording exemplary damages may be foreclosed by the
14 election.
15 THE COURT: All right. Let me tell you -- let's
16 do this right quick. Of your motions, 13th juror
17 doctrine is denied. I've read it. I think there's
18 sufficient facts in evidence in which relief can be
19 granted. So that would not be an appropriate remedy.
20 JNOV, taking the matters in the light most favorable to
21 the plaintiff, I deny that as well.
22 To me, quite frankly, the big issue we need to
23 argue today is election of remedies. Under the facts of
24 the case, I didn't think -- it is a big verdict, no
25 question -- but they weren't so excessive as to seem to

1 be a result of caprice or passion or any type of
2 corruption or improper motive. These were bad facts in
3 this case, probably some of the worst I have seen, ever.
4 So I think it is within the realm of the jury and within
5 the realm of actual damages put up by the plaintiff.
6 I know you dispute my damages, allowing those
7 damages going in; but since they were there, that's what
8 the jury had. I don't think that -- I would not grant a
9 new trial based upon absolute. So that's denied. Same
10 with relief from judgment.
11 MR. SMITH: Sorry, Your Honor, I have a little
12 trouble hearing you.
13 THE COURT: I am so sorry. This courtroom has
14 terrible acoustics. I will deny your 13th juror
15 motion.
16 MR. SMITH: I heard that one.
17 THE COURT: Deny your JNOV, deny your new trial
18 absolute, deny your motion for relief from judgment.
19 That would leave us with your motion to stay execution,
20 election of remedies, and nisi remittitur.
21 MR. SMITH: Yes. And then just to point out -- I
22 appreciate the Court's ruling on that -- I kind of
23 anticipated something of that likeness today. Just on
24 the new trial absolute, though, I would point out that
25 that's not --

1 THE COURT: Sure.
2 MR. SMITH: The main crux of that is certainly not
3 the amount of the verdict. It's the amount of testimony
4 and what we went through. We laid it out there.
5 THE COURT: Well, the standard -- let me ask you
6 this -- the standard for a new trial absolute, and
7 I'm going to -- well, based on what you're -- so you're
8 saying that the sneak attack for this computer, right?
9 MR. SMITH: Yes, sir.
10 THE COURT: Any other grounds other than that?
11 And I've read your brief, and I can't -- thinking about
12 it, I can't remember, quite frankly.
13 MR. SMITH: It's okay. It's the collective way in
14 which it was done. I would ask the Court, I understand
15 that we have submitted a lot. If you read through
16 there, it's going to lay it out better than the way I'm
17 going to just off the off the top of my head.
18 THE COURT: Sure.
19 MR. SMITH: Even looking at my notes here. It's
20 all the actions leading up to that mistrust. And we
21 felt like that needed to be put in front of the Court.
22 See what happened, have it in your discretion to decide
23 whether or not that you think that rises to the level.
24 And I put a footnote in there. And I want to make it
25 clear --

1 THE COURT: Right.
2 MR. SMITH: -- to the court and opposing counsel,
3 Your Honor. But the rules use the term "fraud" and
4 "extrinsic fraud," and "intrinsic fraud." That's why
5 those words are in there.
6 THE COURT: I hear. And, I don't -- you know, let
7 me tell you what. The idea that -- let me go back and
8 clarify something in my mind. Your motion for new trial
9 is based on the fact that allegedly they sprung on you
10 the last minute this computer check by McKnight or
11 whoever it was.
12 MR. SMITH: Yes, Your Honor. And the way it came
13 out and was done, element we laid out leading up to
14 it was troublesome. And we got it in front of the jury
15 and --
16 THE COURT: You know there was so much before the
17 jury, the misconduct in this case. You have wife poses
18 as somebody, mother poses as somebody. Mother's maiden
19 name being used as managing officer. Monies be shipped
20 out to Nevada and shipped back to Anderson, or wherever
21 it was, Greenville; you had this gentleman working for a
22 corporation, the undisclosed corporation doing business
23 with his own corporation. I mean, it's so much stuff.
24 The emails were basically de-minimus to me. I thought
25 that they didn't have much impact at all. But it

1 certainly doesn't raise to the level of granting a new
2 trial based upon all this plethora of other bad acts, so
3 to speak.
4 MR. SMITH: And I understand that, Your Honor.
5 And I think our point was because of all that it
6 actually is impactful and because of the effect of it in
7 that those things were out there. But then there were
8 evidentiary gaps which we think were substantial that
9 got explained away by saying, well, yeah, the
10 implication, very much unlike live testimony in front of
11 the jury, was, hey, jury, he destroyed it. But there's
12 no evidence of that. Because they wanted spoliation
13 charge, and the Court rightfully denied that saying they
14 hadn't proven anything were destroyed. So I understand
15 the Court's take on that in light of the other evidence
16 that was put out there. But that's why I think it's
17 different and impactful and that's why we made the
18 motion we did.
19 THE COURT: I hear you. But I'm going to deny
20 that motion.
21 MR. SMITH: Okay. Thank you.
22 THE COURT: So that leaves us -- let's go to the
23 election of remedies. Because that's probably going to
24 knock out a lot.
25 MR. SMITH: Sure.

1 THE COURT: Let me see.
2 MR. SMITH: You mind if I approach?
3 THE COURT: No, sir. You can do whatever you
4 like.
5 MR. SMITH: Illustrates the same stuff here.
6 MR. ENGLISH: I have a hand-up too.
7 THE COURT: Okay. So the total in this case --
8 MR. ENGLISH: Is on our chart there, Judge.
9 THE COURT: I've got it. We broke it down too.
10 Clear Touch is 929,000, 945 and 995, against Mr. Trask
11 $7,047,023.80. Now, let me stop for one second.
12 Mr. English, quite frankly, when I see three different
13 awards of the exact same amount, you're not going to be
14 able to recover all those.
15 MR. ENGLISH: And we concede the 424,945 awards
16 are the Leon County school's profits, and we agree we
17 can't recover that number multiple times.
18 THE COURT: So just to see if we can get to the
19 chase on that, I'm looking at breach of contract being
20 424,945, trade secrets being 424,945, I thought it
21 was -- is that the only two times?
22 MR. ENGLISH: And the tortuous interference.
23 THE COURT: Yeah. I thought it was three times.
24 Okay. So, it seems to me, under these three, you need
25 to make an election. Do you agree or disagree?

1 MR. ENGLISH: I agree with you. That's on this
2 chart we just handed up, we added up and we made the way
3 we think the judgments ought to be entered.
4 THE COURT: So basically you would elect trade
5 secrets in lieu of breach of contract and tortuous
6 interference. Is that what you're telling me?
7 MR. ENGLISH: Assuming Your Honor doubles the
8 exemplary -- awards exemplary damages of the 849,890,
9 yes.
10 THE COURT: Well, I'll tell you -- and, Josh, I'm
11 inclined to do that, quite frankly. I know you don't
12 want to hear that, but I am. In fact, that's what I'm
13 going to order right now. Under the trade secrets I'm
14 going to double it pursuant to 39-8-40.
15 So, that brings us back to you, Josh. And that
16 is, based on what he turned in as to Mr. Trask,
17 basically dropping out the breach of contract and the
18 tortuous interference claims, which would leave breach
19 of loyalty, breach of fiduciary duty, trade secrets,
20 breach of contract accompanied by fraudulent act.
21 But, let me ask -- stop right there right quick.
22 Attorney's fees, under which of these causes of action
23 are you getting attorney's fees?
24 MR. ENGLISH: I think we get attorney's fees for
25 trade secrets and breach of contract, and breach of

1 contract accompanied by a fraudulent act.
2 THE COURT: Trade secrets? What code section is
3 that under the trade secrets act?
4 MR. ENGLISH: Which section?
5 THE COURT: Yes, sir.
6 MR. ENGLISH: I also handed up our motion and we
7 cited in there. I'll get you that cite.
8 THE COURT: Okay. You guys, you know, in candor
9 I haven't read every single thing because it's a bunch
10 of --
11 MR. SMITH: It's either 39-8-80 or 39-8-90 -- or
12 40, from my memory.
13 THE COURT: Do you agree the attorney fees is
14 under there? Is that the only cause of action against
15 Trask for which you're entitled to fees.
16 MR. ENGLISH: Trade secrets and contract.
17 THE COURT: Well, you have elected out of
18 contract. If you elect out of contract, you can't get
19 attorney's fees under it. Right?
20 MR. ENGLISH: That is true. And so I guess the
21 election, elect whatever results in the highest
22 judgment.
23 THE COURT: Well, it's not funny to Mr. Trask up
24 here, but I understand what you're saying.
25 MR. ENGLISH: So it's hard to make the election

1 without knowing what you're going to award on attorney's
2 fees and costs.
3 THE COURT: Here's my thought, Mr. English, quite
4 frankly, if you are only getting it for one cause of
5 action, you shouldn't be entitled to an award of all
6 your attorney's fees and costs in this case. I don't
7 think that's appropriate. I think cases say that too,
8 don't they? I may be wrong on that, but I think
9 that's -- you got to pare it down to reasonably incurred
10 as a result of that. I know you can't do it all the
11 way.
12 MR. ENGLISH: I think if you don't prevail on
13 certain causes of action -- I think the Court has the
14 discretion to cut it back based on others; but I will
15 also say breach of contract accompanied by a fraudulent
16 act I think would also support an award of attorney's
17 fees, because the contract included an attorney's fees
18 provision.
19 THE COURT: What's your take on that?
20 MR. SMITH: My take on that, it's in the brief.
21 We think the way the contract language is written. It's
22 written poorly and it doesn't include what happened. It
23 includes -- it gives attorney's fees.
24 THE COURT: Read the language to me.
25 MR. SMITH: Sure. Let me find the right page,

1 Judge, then I can explain this better.
2 THE COURT: Sure.
3 MR. SMITH: And the contract is in -- here we go.
4 In the notebook we handed up to you --
5 THE COURT: Okay.
6 MR. SMITH: -- one of the exhibits. It's Exhibit
7 F. tab F, 1-F, if you want to look at that. The
8 attorney's fees provision I believe on Page 2 under the
9 general provisions section. Let me know when you're
10 there. It's the language at the top.
11 THE COURT: All right, sir.
12 MR. SMITH: Okay. My point is this, the way this
13 reads and I'm not going to read the whole -- I am going
14 to read most of it to explain my position here.
15 THE COURT: Yes, sir.
16 MR. SMITH: It says, "The parties, therefore,
17 agree that the company shall be entitled, in addition to
18 any other remedies or damages available to it under the
19 South Carolina trade secrets act or other statutory or
20 common law to obtain injunctive relief without bond in
21 order to restrain the violation of such covenants by
22 employee. In the event the company prevails in whole or
23 in part in any such action, employee shall be liable to
24 the company for its costs, expenses, including
25 computation of reasonable attorney's fees and expert

1 witness fees."
2 And "any such action," the way that reads, that's
3 not referring to an action for breach of contract.
4 Normally -- I think it's referring to obtaining
5 injunctive relief, the previous sentence.
6 THE COURT: The problem with your analysis,
7 though, you're overlooking where it says "Under the
8 trade secrets act or other statutory or common law." In
9 other words, they opened it wide open. If they win,
10 they prevail, they get their fees and expert fees. And
11 that's what you're coming in agreeing to?
12 MR. SMITH: I would respectfully disagree with the
13 Court's analysis. Because preceding that portion you
14 just read, it's "In addition to any other remedies or
15 damages available to it under South Carolina trade
16 secrets act, statutory or common law" -- common law --
17 "to obtain injunctive relief."
18 And that's what that "any such" means.
19 THE COURT: Let me read it again right quick.
20 MR. SMITH: Sure.
21 THE COURT: So your argument is that they're only
22 entitled to attorney's fees and costs if they're granted
23 injunction?
24 MR. SMITH: Yes.
25 THE COURT: Okay. Is that what you're saying?

1 MR. SMITH: Yes, sir.
2 THE COURT: See, that would be an interpretation
3 of it.
4 Mr. English?
5 MR. ENGLISH: I don't think that that's a
6 reasonable interpretation at all because the sentence
7 says, "In the event the company prevails in whole or in
8 part in any such action." Such action refers to an
9 action for all of those things, the breach of contract
10 or any other remedies or damages available. And if --
11 to read it Mr. Smith's way, that "in whole or in part"
12 would be superfluous. In other words, he's saying it
13 only applies to injunction. Well, you either get an
14 injunction or you don't. And so to adopt that
15 interpretation you would have to strike that in whole or
16 in part out and limit such action to an injunction. And
17 I don't think that's a fair reading.
18 MR. SMITH: That's an ambiguity created by the
19 drafter, Encore, and it should be construed against
20 them.
21 THE COURT: Well, that's the statutory
22 construction, I mean, contractual construction that you
23 make. Any ambiguity is construed against your client.
24 MR. ENGLISH: Only if it --
25 THE COURT: If it's ambiguous, then it's against

1 your client because he drafted it.
2 MR. ENGLISH: Yeah. But I don't think its
3 ambiguous because it includes everything, and if the
4 company -- any such action, if the company prevails in
5 whole or in part. And I'll say the complaint in this
6 action did seek an injunction. It's just when we got
7 into discovery we found out it had all been done. And
8 so --
9 THE COURT: Well, I mean, obviously that wasn't
10 before the Court or the jury. Of course, it couldn't
11 have been the jury but --
12 MR. ENGLISH: I also note that Plaintiff's
13 Exhibit 6, the severance agreement which incorporated
14 this contract, had a separate breach of
15 contract/attorney's-fees provision. And that's section
16 16. So that I think would also --
17 THE COURT: That would be your breach of contract
18 claim, I guess accompanied by a fraudulent act.
19 MR. SMITH: And that severance agreement I don't
20 believe is --
21 THE COURT: I thought, and I'm trying to remember,
22 but I thought at trial you were specifically limited to
23 one contract only that you were seeking relief under.
24 MR. ENGLISH: We were not seeking damages under
25 that severance agreement. But it was entered in

1 evidence.
2 THE COURT: You can't get relief under it if
3 you're not seeking anything under it, can you?
4 MR. ENGLISH: We weren't seeking damages from the
5 jury on that contract. But in terms of a Court award of
6 attorney's fees, I think it would provide independent
7 support.
8 THE COURT: I disagree with that. So the question
9 is whether or not that provision is narrowly drafted as
10 Josh says or as you -- I don't -- I'll keep that under
11 advisement. Okay? I just need to look at that.
12 Because when I read it the second time, I could see
13 where he would say that. I'm sure that was not the
14 intent of the drafters to do it that way. But, going
15 back then, would you agree with me, that breach of
16 loyalty and breach of fiduciary duty are two separate
17 and distinct claims with two different remedies?
18 If you don't, then I disagree with you, because
19 the breach of loyalty has discourse monies paid, but the
20 breach of fiduciary duty is a different set of damages
21 and were presented as such during the trial.
22 MR. ENGLISH: I think it's -- I'll agree with you
23 it's a different set of damages. And you see it's
24 pled like this. I mean, we do these kind of cases and
25 it is pled in the alternative because there is that

1 different set of damages under -- and I think it's the
2 same action as this.
3 THE COURT: Sir?
4 MR. ENGLISH: I think it's the same action that
5 led to the liability finding here for both. They
6 awarded different damages, but it's both, for not
7 disclosing. Mr. Trask for not disclosing his interest
8 in Clear Touch when he was an employee of Encore.
9 THE COURT: Refresh me on the election rules. If
10 you have common elements or common damages, isn't it
11 both? But if you have different elements but common
12 damages you have to elect or if you have different
13 elements and different damages, you don't have to elect
14 even though it's based on the same conduct? I'm trying
15 to -- go ahead.
16 MR. SMITH: Sure. We put the law and everything
17 in our filings. The purpose of it is to prevent double
18 recovery.
19 THE COURT: Oh, I'm sure. Sure.
20 MR. SMITH: So, I mean, if you have the same facts
21 that can lead to liability under alternative elements,
22 you can plead in the alternate; but if it's the same
23 damages at the end of the day on the same action, then
24 you have to elect.
25 THE COURT: I went back and looked at my trial

1 notes. And even in his opening statement Mr. English
2 said, "We're seeking four categories of damages: One
3 being salary, bonuses, and benefits; two, inflated cost
4 of panels; three, Leon County School profits or lost
5 profits; and four, business opportunities." Those are
6 four separate and distinct categories of damages. And
7 they presented that way at trial if I recall.
8 MR. SMITH: Well, they relied on -- if you look on
9 tab 1-B in front of you, it has that --
10 THE COURT: All right, 1-B?
11 MR. SMITH: 1-B. And this was Plaintiff's
12 Exhibit 10-H at trial. This is the damages they
13 submitted.
14 THE COURT: Right.
15 MR. SMITH: So we have three categories in here.
16 THE COURT: Okay.
17 MR. SMITH: Three tables for the different parts
18 of each. And this is how it was submitted through Mr.
19 Meilinger's testimony as their expert witness who did
20 the damages calculation. That's a big point in our
21 election of remedies argument.
22 THE COURT: Okay.
23 MR. SMITH: I know, again, a lot of the Court --
24 a huge point that we make as far as an election in this
25 case, which is rather unique I think, the way the

1 plaintiff chose to present these damages and the way
2 their expert testified at trial, the way they worked was
3 if you award damages in Table 2, then you don't get
4 Table 1. Because Table 1 is the pay to those men, to
5 Mr. Trask, Higginbotham, and Gallant, that generated the
6 profits from the sales to Encore and Leon County.
7 THE COURT: Say that again, please.
8 MR. SMITH: Sure. Mr. Meilinger at trial, and
9 again we lay this out in the motion filed with the
10 Court, we think they are prevented from getting the
11 damages from Table 1. These are the compensation paid
12 to Mr. Trask, Gallant, and Higginbotham.
13 THE COURT: Trask showed wages, et cetera.
14 MR. SMITH: Yes, Your Honor. Because
15 Mr. Meilinger said, okay, well, if you award the damages
16 in Table 2, which are direct damages from products sold
17 from Clear Touch to Encore and these other sales in
18 Table 2, you can't award Table 1 because Table 1 was the
19 pay for those people that generated those sales. So if
20 you get those sales, you're benefited. Now, the
21 plaintiff disagrees with their own expert's testimony;
22 but the transcript will resolve that issue.
23 THE COURT: Have you ordered a transcript?
24 MR. SMITH: And I'm happy to -- we haven't ordered
25 it yet because it will be substantial. Obviously, we're

1 dealing with a lot here. But we'll have to order it and
2 get that portion to submit it to the Court. It will
3 clear that issue right up.
4 THE COURT: Yeah. If he said that, Mr. English,
5 then --
6 MR. ENGLISH: No.
7 THE COURT: He didn't say that?
8 MR. ENGLISH: No, Your Honor. What happened, and
9 you may remember, we had a different exhibit, it was
10 10-A where we were trying to recover all the wages of
11 Mr. Trask, Mr. Higginbotham, and --
12 THE COURT: 400 and some for Mr. Trask, 29
13 something thousand for Higginbotham?
14 MR. ENGLISH: It originally totaled 712,000. And
15 Your Honor wouldn't let us claim all of that. So we had
16 to come up with this new exhibit. And so in his
17 deposition when he was talking about the one the Court
18 excluded, he talked about in his own view if you awarded
19 all the wages of all the employees who generated the
20 sales, then they would be alternatives. But what the
21 jury was presented was something much smaller. So
22 Mr. Meilinger wasn't talking about that. And then what
23 the jury actually did, they didn't award all of Table 1.
24 They just awarded a portion, Mr. Trask wages. And so it
25 was appropriate for the jury and they could choose to

1 award both. And the law is clear, even if our expert
2 testified the way he said, the jury doesn't have to
3 accept that. They can do whatever the evidence supports
4 and we say it does.
5 THE COURT: Well, yeah. I mean, I don't disagree
6 with that. However, if the evidence you presented was
7 mutually exclusive by your own testimony, then you can't
8 come back later and get both.
9 MR. ENGLISH: We don't think it was. And, again,
10 because the jury didn't award us all of the wages we
11 were seeking.
12 MR. SMITH: We're happy to order that transcript
13 portion, Mr. Meilinger testified and --
14 THE COURT: Okay.
15 MR. SMITH: -- clear it up, submit it to the
16 Court, provide a copy to plaintiff's counsel.
17 THE COURT: All right. So going back to my first
18 question to you, Josh, and that is this: You disagree
19 with me that breach of loyalty and breach of fiduciary
20 duty are not -- they can't -- you think they cannot
21 collect on both of those?
22 MR. SMITH: I don't, Your Honor.
23 THE COURT: I deny your motion on those. I think
24 they can. Quite frankly, the breakdown that I saw, that
25 I'm looking at -- basically the way I was looking at it,

1 I thought the double recovery was coming in under the
2 actual damages that were duplicated three times. And I
3 thought the election had to come there. Let me, out of
4 fairness to everybody, let me read all your stuff.
5 Okay? But I -- if that's -- I'll tell you right now,
6 that's kind of the way I'm going with it, because I
7 think that's appropriate.
8 MR. SMITH: Sure. And I tell you, sitting in --
9 when they read the verdict, of course I think everyone's
10 light went off on those three. That's obvious.
11 THE COURT: Say that again.
12 MR. SMITH: I think everyone -- I'm sorry. I'm
13 speaking too fast. Everyone's alarm went off on that
14 one when they read the verdict. That's obvious. I
15 agree with the Court. It's a bit unique in this
16 situation. And, again, I'd appreciate, very much
17 encourage you to take the time you need because it's a
18 very, very big deal to my client.
19 THE COURT: Oh, I understand. It is a big deal.
20 MR. SMITH: Because we're talking about
21 bankruptcy-type money here.
22 THE COURT: Yes, sir.
23 MR. SMITH: We lay out -- I gave you the more
24 simplistic breakdown of damages. There's a -- I think
25 in the pocket of that binder I handed up to you.

1 THE COURT: Side pocket?
2 MR. SMITH: Yes, sir. I think it's in the front
3 with some law and whatnot. If it's not for some reason,
4 I'll hand you this copy, Let Mr. English and Ms. Barker
5 have a copy. It's just a one-pager, like this. It's
6 loose. Here you go.
7 THE COURT: Give me one. I don't see it in here.
8 MR. SMITH: I have it. I have an extra copy right
9 here. It's the same thing. Mr. English has it right in
10 front of him.
11 THE COURT: Okay.
12 MR. SMITH: What we lay out in our filing is what
13 the jury did here, once you get down to the breach of
14 contract with fraud, they added everything. If you add
15 up these numbers, take out -- once you take out -- I
16 think we all agree they got to pick one. The 424 --
17 they got to pick one. So here you have the 424, you add
18 all these up, 375 plus the 675, take one of the 424's
19 because you have to take one. That issue, that 1.4 and
20 change for breach of contract and fraud, it's our
21 contention that that's all the damages at most they can
22 get. Again, they added that up. I mean, down to 40
23 cents.
24 THE COURT: Well, let me ask you this -- let me
25 ask Mr. English. What was the amount of actual damages

1 that you put before the jury on your breach of contract
2 or breach of contract accompanied by fraud?
3 MR. ENGLISH: We asked for the $5.5 million
4 business opportunity.
5 THE COURT: That's what I was thinking. It's more
6 than what was awarded?
7 MR. ENGLISH: A lot more. Yes.
8 THE COURT: You know --
9 MR. SMITH: And our point -- and it's laid out in
10 there. You can see where each category of these damages
11 come from. If you'll look at the Plaintiff's 10-H in
12 conjunction with the summary, it's very obvious.
13 They -- due to loyalty, they did an apportionment on the
14 wages, which is completely appropriate to do that, take
15 a percentage. It's more than -- it's all Mr. Trask, and
16 then a portion of Higginbothan's and Gallant's.
17 Breach of fiduciary duty, and I have this broken
18 down in that breakdown in front of you, that's from
19 Table 2 of damages on 10-H, and that's all the product
20 sold from Clear Touch to Encore. That's the first three
21 parts of Table 2.
22 THE COURT: Say that again please, sir.
23 MR. SMITH: Sure. I'm looking at breach of
24 fiduciary duty vs. Trask. They awarded 675,361.
25 THE COURT: Right.

1 MR. SMITH: That is from Table 2 on 10-H. Table 2
2 has 5 components within it -- or five different line
3 items, I wouldn't say components -- it's five different
4 line items. The first three are all about damages and
5 products sold to Encore from Clear Touch. If you add
6 those three together, that's the exact number you get,
7 675,361.
8 THE COURT: So what is inappropriate about that?
9 MR. SMITH: It's not. You look at all this about
10 where they come from. And the way that -- it all goes
11 back to the way that Mr. Meilinger testified. And then
12 it shows they added all those up to get the 1.47. So
13 it's the same damages repeated in that breach of
14 contract with fraud. It's all of the actuals they found
15 in previous causes of action dropped down. So it's
16 double recovery. Because they have already awarded
17 those damages under the other causes of action. Then
18 they add them all up, drop it down, breach of contract
19 with fraud. That's our point.
20 THE COURT: Well, so basically you just saying
21 they doubled the fiduciary -- is that what it is?
22 MR. SMITH: Yes, Your Honor. If you were to
23 award -- and again this is not -- I think everybody
24 understands we all agree they got to pay one of the
25 424's.

1 THE COURT: They got to do what?
2 MR. SMITH: Pick one of the 424. We all agree on
3 that.
4 THE COURT: Okay. Yeah, everybody agrees with
5 that.
6 MR. SMITH: So if you take all the actual damages
7 they awarded under the first five causes of action, they
8 add up to 1.4 they awarded under the sixth cause of
9 action, the breach of contract with fraud. So to award
10 all of those previous damages plus the breach of
11 contract with fraud is duplicative recovery.
12 THE COURT: Well, you know, I hear what you're
13 saying, and you may be right. I don't think that's the
14 analysis though. I mean, to me the analysis is,
15 firstly, we don't know what the jury did. It may just
16 be coincidental. It may not be. But I thought the
17 analysis was you look at your elements and you look at
18 your damages, that's your recovery. And the award --
19 the damages they put up for the breach of contract was
20 the 5.5, right?
21 MR. SMITH: That was one of the -- you know, this
22 case -- this is tough and it's a hard discussion because
23 the breach of contract could come in under -- definitely
24 under Table 2 damages too. It just depends on what
25 we're talking about. Yes, they relied on the business

1 opportunity provision in that contract for Table 3.
2 Right? Based on the way these damages are awarded, you
3 break down like I just tried to do, to say where all
4 these actuals come from. The jury did not award damages
5 from Table 3. So the breach of contract --
6 THE COURT: You and I and Mr. English, nor anybody
7 in this courtroom knows what they really did. I mean,
8 we know what the amounts they did, but we don't have a
9 clue. We don't have to look at how they arrived at
10 those figures. We can surmise. I still say, and I
11 think that the analysis -- instead of us trying to get
12 into the mind of the jury, is looking at, like we've
13 always done, at the elements and the damages that were
14 presented, and whether they were for the same thing or
15 not.
16 MR. SMITH: I guess I'm struggling because breach
17 of contract has different parts. It had the breach of
18 business opportunity clause, it had the breach of the
19 non-solicitation or non-compete provisions.
20 THE COURT: Right.
21 MR. SMITH: It had the breach of the
22 confidentiality provisions. And the way it was
23 presented to the jury, none of that was ever
24 specifically tied to damage elements that were presented
25 except for business opportunity from Table 3. So that's

1 why it's a difficult discussion.
2 THE COURT: I recall, and you know granted this
3 has been what, six weeks or so now? When mr. English
4 went through in his closing argument, he went through
5 each cause of action and spelled it out to the jury in
6 your closing argument, did you not?
7 MR. ENGLISH: Yes, Your Honor.
8 THE COURT: Separately?
9 MR. ENGLISH: And I asked for 5.5 million.
10 THE COURT: Let me ask you this. Breach of
11 loyalty clearly was the return of the monies. Breach of
12 fiduciary duty, whatever those -- I can't remember what
13 your elements of damages for that was and what amount
14 you were claiming.
15 MR. ENGLISH: Well, the breach of fiduciary duties
16 includes -- the fiduciary duties include the duty to
17 disclose. And so we --
18 THE COURT: No, no, no, no. That's not what I'm
19 asking you.
20 MR. ENGLISH: Okay.
21 THE COURT: The damages that you put up -- am I
22 not right? And you tell me if I'm wrong. If you put up
23 the same damages, although there may be totally
24 different causes of action, you can't get relief for
25 every single cause of action if you use the same damages

1 over and over and over again. It's the same damages.
2 MR. ENGLISH: Right. If the jury had given us
3 $5.5 million for each cause of action, we would have to
4 elect. We'd only get that once.
5 THE COURT: Right. So the question I'm asking,
6 and I do remember the discouragement of monies paid or
7 benefits under the loyalty. What were your damages that
8 you put before the jury for breach of fiduciary duty?
9 MR. ENGLISH: I think those are the profits that
10 Encore lost by not being able to purchase directly from
11 the suppliers.
12 THE COURT: So that is Table 2?
13 MR. ENGLISH: I think it comes from Table 2.
14 THE COURT: $1.1 million, plus 306?
15 MR. ENGLISH: Right.
16 THE COURT: Then when you went to the jury, on
17 breach of contract, what were your damages you were
18 seeking?
19 MR. ENGLISH: Well, they awarded the 424,945,
20 which that was the number that we asked for the Leon
21 County School that --
22 THE COURT: I mean, excuse me, breach of contract
23 accompanied by fraud.
24 MR. ENGLISH: We were asking for the 5.5 million
25 for the business, under the business opportunity clause.

1 That's what we asked for.
2 THE COURT: Okay. And those are the elements
3 you went -- what I'm trying to say is, when you were
4 asking for different elements of damages before the
5 jury --
6 MR. ENGLISH: Yes, sir.
7 THE COURT: -- for each of these?
8 MR. ENGLISH: Yes, sir.
9 THE COURT: Now, going back over trade secrets,
10 what are they?
11 MR. ENGLISH: The trade secrets --
12 THE COURT: What are your elements of damages in
13 those?
14 MR. ENGLISH: The Leon County School profits. The
15 same as the breach of contract. And that's why -- or
16 that's what the jury awarded.
17 THE COURT: That's not Table 10-H?
18 MR. ENGLISH: That is -- well, it's a part of
19 Table 2.
20 THE COURT: Oh, yeah. The 309 and 115?
21 MR. ENGLISH: Yes. Those are the Leon County
22 School profits.
23 THE COURT: And that comes up to 424?
24 MR. ENGLISH: Yes, sir.
25 THE COURT: It does?

1 MR. SMITH: Yes, Your Honor. That's where the
2 424.
3 THE COURT: Josh, part of your argument relies
4 upon what you're saying; that is this, you're saying
5 that the jury added up under Table 2 items one, two, and
6 three to come up with 675,361? Then they added up four
7 and five to come up with a different -- those are
8 different elements of damages, different causes of
9 action, right?
10 MR. SMITH: Talking about lost profits on Leon
11 County?
12 THE COURT: Yes, sir.
13 MR. SMITH: Well, they're saying --
14 THE COURT: See, you know, I thought I heard you
15 say they're getting the same damages over and over and
16 over. But it's not. You know, I can't speculate what
17 the jury did. They came up with partial full for sure.
18 But when they were presented to the jury, they were
19 under different elements of damages that they put up for
20 the jury, said, this is what we're asking for under this
21 one. This is what we're asking for on this cause of
22 action. And they were the same amount of money. Then
23 trying to put actions in different hats on the same
24 amount of money. Am I being just totally vague?
25 MR. SMITH: I'm not quite following you. I think

1 I know why you're struggling, why it's hard. There's a
2 lot of facts and a ton of causes of action, very morphos
3 theories of liability.
4 THE COURT: In other words, they put up actual
5 damages of a hundred thousand dollars total then try to
6 get that amount awarded under five different causes of
7 action?
8 MR. SMITH: Sure.
9 THE COURT: We have breach of loyalty, monies
10 paid, benefits clear. Breach of fiduciary duty, and
11 that came under items one, two, and three under Table 2.
12 MR. SMITH: Yes.
13 THE COURT: All right. Then trade secrets comes
14 under four and five, under Table 2.
15 MR. SMITH: Let me take a step back on that, Your
16 Honor. Because the trade -- four and five -- five would
17 have had to be the trade secrets because that's after
18 the non-compete expires, that timeframe. Now, four
19 could have been under the breach of contract because
20 there's that non-compete provision. And during that
21 timeframe they have on that Leon County sales, that's
22 the duration of the non-compete. So that's also a
23 breach of contract. And to simplify a little bit, take
24 a little wider view out here, what we're saying, if you
25 take the 1-1 from the total there from Table 2. Take

1 the 1-1 from Table 2, the bottom line number.
2 THE COURT: Yes, sir.
3 MR. SMITH: And you add the first duty of loyalty
4 verdict, $375,733.40, that's where the verdict for cause
5 of action number six comes from. That's the math.
6 That's what's clear.
7 THE COURT: Now, say that again, please.
8 MR. SMITH: Sure.
9 THE COURT: 375,733 multiplied by --
10 MR. SMITH: Not multiplied. We're adding the
11 $375,733.40 in cause of action number one --
12 THE COURT: Right.
13 MR. SMITH: You add that to the one million, one
14 hundred, 306, the total of Table 2, that gets you to the
15 1,476,039.40 and -- and, that's cause of action number
16 six. And all the numbers, all the other numbers
17 there -- it's all coming from Table 2.
18 THE COURT: Well, again, that's just -- may be
19 right, may not be right. I don't know. But I still, in
20 fairness to everybody, I'm going to look at it. But I
21 don't think that's the analysis. I think the analysis
22 what were the damages put before the jury, what are the
23 elements of damages. And are they duplicative or are
24 they not duplicative. And my thing, quite frankly,
25 is that -- let me ask you another way.

1 MR. SMITH: Sure.
2 THE COURT: Forget what you think the jury did for
3 just a second. I know what you're saying. But do you
4 not agree with me, as presented by the plaintiff in this
5 case, the damages for breach of loyalty, damages for
6 breach of fiduciary duty, trade secrets, and breach of
7 contract were all separate and distinct damages put up
8 before the jury?
9 MR. SMITH: I don't, Your Honor. I think we have
10 different theories of liability.
11 THE COURT: Show me of all those where there is a
12 duplication of any of these.
13 MR. SMITH: Sure.
14 THE COURT: As presented by the plaintiff, not
15 what you think the jury did.
16 MR. SMITH: I got you. We can go back to the lost
17 profits on sales made to Leon County for April 26, 2014,
18 to April 25, 2015, as far as I got from Table 2.
19 THE COURT: Right.
20 MR. SMITH: That can come from either trade
21 secrets misappropriations. The theory was because Mr.
22 Trask knew they were going to upgrade, he
23 misappropriated that. Or it can come from breach of
24 contract because there was non-solicitation or
25 non-compete provision within it that was enforceable,

1 but it prevented that sale.
2 Then, the three, the first three items -- still
3 looking at Table 2 -- the direct damages on sales made,
4 those can come from breach of contract or business
5 opportunity and then didn't disclose it to them. Made
6 profits because he had his own company. It can come
7 from a breach of duty of loyalty because he's an
8 employee. He is not disclosing his interest and
9 supplier. It didn't come from breach of fiduciary duty,
10 because I think those are one in the same, breach of
11 duty, loyalty, and fiduciary duty.
12 THE COURT: I disagree with you on that. But if
13 I'm wrong, I'm wrong. But I just disagree with you.
14 MR. SMITH: Different damages, that's fine. Then,
15 you know, breach of contract with fraud, the difference
16 in elements there, is just a fraudulent act. But the
17 liability, I think the damages, the actual damages from
18 that should be the same as breach of contract. Because
19 it's the damages that are proximately caused by the
20 breach of the contract. As with -- so that's
21 troublesome too for us because breach of contract they
22 award 424,945. But then they go to breach of contract
23 for fraud and go 1.4.
24 THE COURT: I'm looking up something right quick.
25 MR. SMITH: Sure.

1 THE COURT: And I hear your argument but the way
2 it presented by the plaintiff at trial where -- I have
3 yet, as broken down by Mr. English in his breakdown, I
4 have not seen any duplication of the damages at all.
5 Okay? And I'm -- on his -- look at his, you have his
6 breakdown, right?
7 MR. SMITH: Right. Yes, sir.
8 THE COURT: So, well, one second -- one second.
9 What are the actual damages recovered under breach of
10 contract accompanied by fraud? Is it the contractual
11 damages?
12 MR. SMITH: The breach of contract is 424,945.
13 And then the breach of contract with fraud was the one
14 million 476.
15 THE COURT: No, no, no, no. Under -- just
16 generically, any time you have a breach of contract
17 accompanied by fraud, is it your contractual damages
18 plus punitive damages, that capability? Or is it some
19 other actual damages?
20 MR. SMITH: I don't think there's any difference
21 than actual damages. That's where we're going there.
22 MR. ENGLISH: Right. I think it's the damages
23 that would put the party in the same position it would
24 have been if the contract had been performed.
25 THE COURT: So then, even on your breakdown, Mr.

1 English, if you look at trade secrets, you put same as
2 breach of contract?
3 MR. ENGLISH: Yes.
4 THE COURT: So you should not be allowed to get
5 your same damages for trade secrets that you got in the
6 breach of contract accompanied by fraud. Can you?
7 MR. ENGLISH: And I don't think we are.
8 THE COURT: Yeah, you are. You have it broken
9 down right here.
10 MR. ENGLISH: Well, no, sir. The jury awarded --
11 this is just a summary of what the jury awarded. And
12 the number for violation of trade secrets was the same
13 number they awarded for breach of contract. But the
14 jury awarded the $1.4 million for breach of contract
15 accompanied by a fraudulent act, which they could do
16 because we were asking for the 5.5 million for violation
17 of the business opportunity.
18 THE COURT: Right.
19 MR. ENGLISH: And let me say that the test is not
20 what we assume the jury did or how they added it up, is
21 there any evidence at all or inferences from the
22 evidence to support that verdict? And the answer is
23 yes, the jury could have awarded 5.5.
24 THE COURT: I got you. And I think you're
25 probably right on that too.

1 All right. Josh, I'm going to read through
2 everything. Let me make sure we got everything covered.
3 Let me just tell you my thoughts right now. Okay?
4 The breakdown except for attorney's fees is
5 appropriate election? Okay. And that is what
6 Mr. English gave me today. That would be breach of --
7 that plaintiff is entitled to recover breach of loyalty,
8 breach of fiduciary duty, trade secrets, breach of
9 contract accompanied by fraud, each separately. I don't
10 think there's a limitation on punitive damages on one
11 award. I think each one stands on it's own, actual and
12 punitive. I'm not ruling that. Just that's what I'm
13 thinking. Okay?
14 But, in addition, Mr. English, I don't think -- if
15 you're only going under two causes of action where you
16 get attorney's fees, I know it's hard to break it out.
17 But I don't think you get your full plethora of fees
18 either. But, by your own agreement, you do have the
19 expert fees included into it, which normally you may not
20 even be able to recover.
21 MR. SMITH: Sure. And on that little note on
22 cost, that goes back to our discussion earlier on the
23 contract. And if you agree with our position on the
24 contract --
25 THE COURT: They don't get it. Yeah.

1 MR. SMITH: They don't get costs at all, because
2 the trade secrets act is not provided.
3 THE COURT: Right. Right. And your argument is
4 simply if they've got an injunction they get fees; if
5 they don't -- any other cause of action, they don't get
6 it.
7 MR. SMITH: Sure. And there's one other item that
8 we didn't get to.
9 THE COURT: Sure. You need to make a good record.
10 MR. SMITH: Yes, sir. The stay of the execution
11 of judgment --
12 THE COURT: Well, let me ask you this. Because I
13 have got your motion front of me, I was going to get to
14 that and the remittitur. Okay?
15 MR. SMITH: Yes.
16 THE COURT: I'm going to deny your motion for
17 remittitur. I don't think it was excessive. And I
18 think the standard is if I find it merely excessive. I
19 know Mr. Trask feels like it's excessive, but based on
20 the testimony and evidence presented in the case, I do
21 not find it was excessive. So I deny your motion for
22 remittitur.
23 Now, normally -- and we have two issues here, I
24 think. And on your stay from execution, one you got
25 post-judgment interest running, and I think the rules

1 say that you got to post money to keep that from
2 happening.
3 MR. SMITH: Yes, Your Honor. I want to hand up --
4 it's in your binder, it's cited in our brief too, the
5 applicable South Carolina statute.
6 THE COURT: Okay. I got it. I got it.
7 MR. SMITH: Is 18-9-130. And I have highlighted
8 the portion that matters. The plaintiff submitted a
9 bunch of stuff, federal cases and whatnot. It's not
10 applicable. This statute is right on point. It limits
11 the bond. It puts the Court's discretion on whether or
12 not to have a bond issued. And then under our
13 circumstances, because we got a corporate entity with
14 less than 50 employees, and an individual. The way it
15 reads is the amount of bond or other surety may not
16 exceed the amount of judgment, or -- going down to B --
17 $1 million, whichever is less, for all their entities.
18 There's another entity because it doesn't fit the
19 criteria of Sub (a) there.
20 THE COURT: Let me look at that real quick.
21 MR. SMITH: Sure.
22 THE COURT: All right. Mr. English, it appears
23 under that statute that he puts up a million dollars in
24 my discretion, which I think, quite frankly, is
25 inadequate in this case -- I wasn't aware of that

1 provision. That's what it seems to read to me.
2 MR. ENGLISH: Well, keep in mind we're seeking two
3 judgments or against two. We got an individual and a
4 corporate entity.
5 THE COURT: Right. So it would be a million a
6 piece.
7 MR. ENGLISH: Well, no, it's $25 million for --
8 THE COURT: He doesn't have 50 or more employees,
9 does he?
10 MR. ENGLISH: Or -- well, I don't think there's
11 evidence on that.
12 THE COURT: Let me ask you, Mr. English, and you
13 read the sentence. "The amount of bond or other surety
14 may not exceed the amount of the judgment or"?
15 MR. ENGLISH: Right.
16 THE COURT: Then it has "$25 million, whichever is
17 less for a business entity that employ's 50 or more
18 people and has gross remedies exceeding 5 million."
19 Well, Clear Touch has revenues exceeding that, but it
20 doesn't have that many employees if I'm not mistaken; is
21 that right?
22 MR. ENGLISH: That is right.
23 THE COURT: Is that right?
24 MR. SMITH: Right.
25 MR. ENGLISH: I would submit an affidavit to that

1 effect so surety --
2 MR. SMITH: And we have asked that the Court
3 deny --
4 THE COURT: Execution.
5 MR. ENGLISH: And part of the reason is there was
6 overwhelming evidence of fraud and cover up.
7 THE COURT: I agree with you, there was.
8 MR. ENGLISH: So we just don't think there ought
9 to be a stay at all. Because we don't have any
10 assurance that the defendants are going to pay us.
11 THE COURT: All right. That's true.
12 MR. SMITH: I will say that due to the bankruptcy
13 track --
14 THE COURT: I know.
15 MR. SMITH: And to getting paid, we're going to
16 need to do business again. That's, I think, a very,
17 very important point.
18 THE COURT: Well, I mean, it is. If Mr. Trask or
19 Clear Touch or both declare bankruptcy, then nobody is
20 going to win in this situation.
21 MR. ENGLISH: Right. That's why we think it's
22 very important a substantial bond surety as well. And
23 that's just the reality of the circumstances.
24 THE COURT: Yeah. I -- the way I read that
25 statute, Mr. English, is that it's amount of the

1 judgment or whichever is less. So basically 25 million,
2 it can be category A or 1 million category B. So is it
3 saying the amount of judgment, whatever is less. Is
4 that the way you read it?
5 MR. SMITH: Absolutely. That's very clear.
6 THE COURT: Is that not a bad reading of that?
7 MR. ENGLISH: Well, it's kind of ambiguous to me.
8 And I will say, again, you got two judgments of two
9 individuals so.
10 THE COURT: Would be 2 million.
11 MR. ENGLISH: One million and one million.
12 THE COURT: Right.
13 MR. ENGLISH: I don't know if the less is a
14 judgment or 25 million or one.
15 THE COURT: That may stay execution, but it would
16 not stop the running of your post-judgment interest.
17 MR. SMITH: Wouldn't the posting of bond stop
18 that?
19 THE COURT: Isn't there a Court rule that has to
20 do with cost? I'm pretty sure -- I mean, the
21 post-judgment interest?
22 MR. SMITH: I don't know, Your Honor. I'm happy
23 to look into that and submit it to the Court.
24 THE COURT: Hang on for a second. Look at
25 Rule 67.

1 MR. SMITH: Say that again?
2 THE COURT: In an action which the relief sought
3 is a judgment for a sum of money or....
4 All right. It appears that you got to post the
5 amount of the judgment in the Court in order to avoid
6 the running of post-judgment interest. I think that's
7 right. I'll let you brief it; but I'm telling you I
8 think that's right. And I think it's separate and apart
9 from the staying of execution.
10 MR. SMITH: What was the last?
11 THE COURT: If you look under the case notes to
12 Rule 67, it seems to say that. Okay? So then you kind
13 of got of a catch 22 situation again. Your client is
14 going to try to pursue execution of this judgment
15 pending appeal?
16 MR. ENGLISH: Well, unless we can work something
17 out with the defendants, yes. I mean, that would be our
18 only option. And, you know, we weren't given any
19 financial information for the year end 2016 or this
20 year. So we would have been in the dark about it
21 financially. We definitely would want the opportunity
22 to explore that for 7 1/2 million dollar judgment
23 against the individual and a $2 million judgment against
24 the corporation, we don't think a million dollars would
25 be adequate, especially --

1 THE COURT: I don't necessarily disagree with you.
2 But the legislature has spoken under this statute. And
3 I think it's clear the intent and the wording of the
4 statute is it's the lesser of judgment or category A,
5 category B.
6 MR. ENGLISH: But Your Honor still has the
7 discretion to deny a stay and let us explore what assets
8 they have.
9 THE COURT: I do have that. Has there been any
10 talks between you-all about -- I assume there's not been
11 any talks at all?
12 MR. ENGLISH: I mean --
13 THE COURT: Quite frankly, the way I understood
14 this case, when I walked out of there I said, "The
15 plaintiff is not going to be happy unless he's out of
16 business." I told that to my law clerk. And I think
17 you said that in fact.
18 MR. ENGLISH: That's not true, Your Honor. We'd
19 be happy --
20 THE COURT: That's not true? Okay. I'm wrong.
21 Sometimes I think I'm right, most times I'm not.
22 MR. ENGLISH: There will be talks, you know.
23 Because I -- it depends on what the Court does, I think
24 that's going to dictate a lot of what we talk about.
25 THE COURT: Have you looked at -- Ms. Barker, have

1 you looked at Rule 67?
2 MS. BARKER: I'm looking that up now, Your Honor.
3 THE COURT: Look at it right quick. See if
4 you-all agree that's the rule that you have to put the
5 judgment in.
6 MR. ENGLISH: That's my recollection of it.
7 THE COURT: Yeah. I have had that before as a
8 lawyer.
9 MR. SMITH: And I guess I'm lucky not to have had
10 it too much, Your Honor.
11 THE COURT: I was one scrambling myself. So
12 I understand.
13 MR. SMITH: I knew about the bond issue, honestly,
14 because I --
15 THE COURT: No, you're right about the bond.
16 You're right about the bond.
17 MR. SMITH: I addressed that before I actually
18 pulled out all this. Sixty-seven I don't have in front
19 of me. I don't read it quite like the Court but I need
20 to research it more to make a representation on our
21 position, whether it affects post-judgment interest.
22 THE COURT: I think that is right though. Okay.
23 So -- let me think about the execution.
24 Quite frankly, I don't think -- this case, I don't
25 have a problem stopping them from going after Mr. Trask

1 or the corporation while this is pending because I know
2 it's going up and there's an issue of the amount of
3 damages I let in. And I think that's the issue that
4 they're probably going to look at, myself.
5 And, quite frankly, I was of the opinion I wasn't
6 going to let it in. And then I heard that Clear Touch
7 grossed over $22 million in one year. You know, that's
8 not appropriate for them to go out there taking their
9 business and making that kind of money. So I let it
10 come in, rightfully or wrongfully. But I don't think
11 it's adequate to put $2 million up in the face of what I
12 anticipate being roughly a seven- or eight-million
13 dollar award by the time I get through with it.
14 And I'm not ruling that, Josh. Please understand.
15 But I do think these are separate, free-standing causes
16 of action. But, you know, again, the -- you know, the
17 trade secrets, that's not additional amounts. That's
18 just the same amount. Right? I mean, you're not trying
19 to say you get -- okay. In the face of that, I just
20 don't think $2 million is enough. Okay?
21 So I'm going to hold execution under advisement,
22 attorney's fees under advisement, election of the
23 remedies under advisement. I told you my thoughts.
24 That's probably where I'm going; but I'm going to look
25 at your information and read it thoroughly. I promise

1 you I will. I not will not rule unless I -- and I'm in
2 chambers next week, so I will dedicate time to go over
3 this stuff. Okay?
4 MR. SMITH: I appreciate that, Your Honor.
5 THE COURT: So to make sure we're clear on the
6 record, I'm denying plaintiff's motion for equitable
7 remedy. Attorneys fees. On the award of attorney fees,
8 the amount of which needs to be determined, he's only
9 got two causes of action he gets fees under, if any,
10 based on your interpretation of the contract. I think
11 that's probably not a correct interpretation either.
12 But all being said and done, you don't get everything
13 because you only got two causes of action that you had
14 fees under. You're going to have to pare it down. That
15 will take care of your relief or partially take care of
16 the relief you sought.
17 Election of the remedies, I told you. New trial
18 is denied. Relief from motion -- motion for relief from
19 judgment under Rule 60, is denied. Remittitur is
20 denied. JNOV is denied, and so is 13th juror. So
21 election, execution, attorney fees under advisement,
22 right? Everybody agree with that?
23 Make sure you got notes on that. I'll forget it
24 by next week, I swear. Anyway -- all right.
25 Josh, do you feel like you have made a sufficient

1 amount of record? I think you need to make your brief a
2 part of the court record.
3 MR. SMITH: Yes, Your Honor. It's already been
4 filed.
5 THE COURT: It has? Okay. To the extent I kept
6 interrupting you, you got it laid out pretty well in
7 your brief. I haven't read it all. Did you submit your
8 notebook as an exhibit?
9 MR. SMITH: Absolutely.
10 THE COURT: Mr. English, did you do the same
11 thing?
12 MR. ENGLISH: Yes. We gave it to the court
13 reporter.
14 THE COURT: Okay. Great. At least you got that
15 as part of the record. Anything further from the
16 plaintiff before we break?
17 MR. ENGLISH: No, Your Honor.
18 THE COURT: Anything further from the defense?
19 MR. SMITH: No, Your Honor. Thank you.
20 THE COURT: If any resolution occurs, you-all let
21 me know so I don't read all this stuff. I don't
22 anticipate that's going to happen. But, anyway. All
23 right. Thank you. Appreciate you-all being here.
24 Thank you-all for coming to Anderson.
25 THE COURT REPORTER: Your Honor, how do I get

1 these exhibits submitted to the Court?
2 THE COURT: Ma'am?
3 THE COURT REPORTER: How do I get these exhibits
4 submitted to the Court?
5 THE COURT: This is over in Greenville. Let me
6 ask, would -- don't we need to get those over to
7 Greenville?
8 THE COURT REPORTER: We do.
9 THE COURT: And if so, do you -- I mean, you guys
10 try cases against each other. One or the other --
11 Mrs. Barker is the most honest person in here.
12 MR. SMITH: I'll agree with you on that.
13 THE COURT: You want to let them take the file
14 over to Greenville so they're part of the record in this
15 case?
16 MR. SMITH: Sure.
17 THE COURT: You have a problem doing that?
18 MR. ENGLISH: No. No problem.
19 THE COURT: She's got a good point. Otherwise,
20 they'll be parked over in here in Anderson County and
21 they'll be lost forever.
22 THE CLERK: I can always mail them to them.
23 THE COURT: They can take them. Any problem doing
24 that?
25 MR. SMITH: No, Your Honor.

1 THE COURT: I have done it before. It's not a big
2 deal.
3 THE COURT REPORTER: The only problem for me is I
4 can't give them to them. They have to go to a clerk.
5 THE COURT: Do what? You can if I say you've got
6 to give them to them. I'll do you an order.
7 THE COURT REPORTER: You don't even have to do
8 that.
9 THE COURT: Let's do an order. I'm going to do a
10 Form 4 saying the exhibits are taken by plaintiff's
11 counsel to be deposited at the Greenville County
12 courthouse over the objection of the court reporter.
13 MR. ENGLISH: I'll make sure that this --
14 THE COURT: Yeah. Check to make sure.
15 MR. ENGLISH: This is in the pocket.
16 MR. SMITH: And I guess these will just go with
17 the trial judge, I assume.
18 THE COURT: Yeah, maybe it will be post-trial
19 filings. Yeah. But let's make sure, let's put them on
20 the record so when this gets reviewed, somebody is not
21 looking at it in a vacuum and not understanding what
22 we're saying. So outline -- did you mark the exhibits?
23 THE COURT REPORTER: I haven't yet, but I will.
24 THE COURT: All right. Let's do that, number them
25 and identify them for the record.

1 THE COURT REPORTER: They're all one. They're in
2 a grouping. That's one exhibit and that's one exhibit.
3 THE COURT: Okay. Defense has -- just put in the
4 record what your exhibit number one is, a group exhibit
5 consisting of what?
6 MR. ENGLISH: Yeah, sure.
7 MR. SMITH: Happy to do that.
8 THE COURT: I'm going to let plaintiff do first
9 and let defense go second.
10 MR. SMITH: Plaintiff --
11 THE COURT: Hang on. Hang on. Plaintiff goes
12 first.
13 MR. ENGLISH: Plaintiff's Exhibit 1 is a summary
14 of the requested judgments in favor of Encore Technology
15 Group.
16 THE COURT: That's your election?
17 MR. ENGLISH: Yes. Against the Defendant Keone
18 Trask and against defendant Clear Touch with attachments
19 including the jury verdict and the plaintiff's
20 post-trial motions.
21 THE COURT: And we're going to mark that as
22 Plaintiff's Exhibit No. 1 to post-trial motions?
23 MR. ENGLISH: Yes.
24 THE COURT: Okay. Now, Josh, go ahead and do
25 yours, please, sir.

1 MR. SMITH: Sure. Defendants 1 is defendant's
2 post-trial motions with all the attached exhibits and
3 deposition excerpts. Attached is applicable case law
4 with several cases in it, the original affidavit of
5 Mr. English submitted with the exhibits to that;
6 defendant's response to the plaintiff's post-trial
7 motions; and also plaintiff's responsive filings to one
8 of ours.
9 There's also the case of Fay v. Total Logistics,
10 LLC, 419 SC 622. There is South Carolina Code 18-9-130.
11 And then a one-page document entitled verdict breakdown,
12 breaking down the verdict all in the pocket of this
13 notebook.
14 THE COURT: All right. And for the record
15 plaintiff's counsel is going to take Plaintiff's Exhibit
16 No. 1 and Defense Exhibit No. 1 and submit them to the
17 Court in Greenville County with agreement by the defense
18 counsel, correct?
19 MR. SMITH: Yes, Your Honor. I took out and
20 showed Mr. English. I took this out. This is our
21 internal notes breakdown, our argument. I gave the
22 notebook that Mr. Hudson has. This is our work product
23 that came out of there.
24 THE COURT: Gotcha.
25 MR. SMITH: Mr. English saw it and agreed that it

1 should come out.
2 THE COURT: Okay. Great.
3 (WHEREUPON, Plaintiff's Exhibit No. 1 is marked for
4 identification and received in evidence.)
5 (WHEREUPON, Defendant's Exhibit No. 1 is marked for
6 identification and received in evidence.)
7 THE COURT: All right. Anything further from the
8 plaintiff before we close?
9 MR. ENGLISH: Just for clarification, when should
10 we take those exhibits? After the court reporter is
11 done with the transcript?
12 THE COURT: I would go ahead and file them today
13 or next week. I mean, I don't think today -- it's
14 already 4:00 -- oh, 2. I am so blind. Just need to do
15 it post haste. I'd take them with you today, that way
16 it's done. And if there is any question, I can
17 talk with -- who would it be, Linda? Or
18 Mr. Pickensimer?
19 MR. SMITH: Yeah, Mr. Wickensimer or Linda.
20 THE COURT: Wickensimer. Okay. All right. Thank
21 you guys. Anything from the defense before we break?
22 MR. SMITH: We're good, Your Honor.
23 THE COURT: All right. Thank you guys.
24 * * * * * END OF REQUESTED TRANSCRIPT OF RECORD * * * *
25

1 CERTIFICATE OF REPORTER

2

3 STATE OF SOUTH CAROLINA)
4 COUNTY OF ANDERSON)

5

6

7 I, Donna M. Brady, Registered Professional
8 Reporter, do hereby certify that the foregoing is a
9 true, accurate, and complete Transcript of Record of the
10 proceedings had and evidence introduced in the trial of
11 the captioned case, relative to appeal, in the Court of
12 Common Pleas for Anderson County, South Carolina, on the
13 17th day of November, 2017. Such transcript was
14 reported by Vivian Cross and transcribed by me to the
15 best of my ability.
16 I do further certify that I am neither of kin,
17 counsel nor interest to any party hereto.

18

19 February 14, 2018

20

21

22 Donna M. Brady, RPR
23 Donna M. Brady, RPR
Family Court Reporter

24

25

1 State of South Carolina
2 County of Greenville

In the Court of Common Pleas

3

4 Encore Technology Group, LLC,)
5 Plaintiff,) 2015-CP-23-05757
6 -vs-) June 12, 2018
7 Keone Trask and Clear Touch)
Interactive, Inc. F/k/a Clear)
8 Touch Interactive, LLC,)
9 Defendants.)
10 _____) Transcript of Record

11

12 B E F O R E:
13 The Honorable R. Lawton McIntosh, Judge
14

15 A P P E A R A N C E S:
16 Gregory J. English, Esquire
Attorney for Plaintiff
17
Joseph O. Smith, Esquire
18 Attorney for Defendants

19

20

21

22 Diane L. Marcengill, RPR, CRR, CRC
Circuit Court Reporter
23

24

25

1 (WHEREUPON, court convened with all parties
2 present and the following proceedings were had
3 commencing at 9:05 a.m.)
4 THE COURT: This first case, Anderson County
5 versus Craft.
6 THE CLERK: This is Encore.
7 THE COURT: Encore. All right.
8 Gentlemen, I'm sorry, and ladies. We have several
9 motions. Tell me about them.
10 Who wants to stand up and do the honors? Josh?
11 MR. SMITH: I think we have four outstanding,
12 three from the defendant on our side here. I'm Josh
13 Smith for the defendants, by the way.
14 We've got our motion to reconsider and then two
15 separate motions to quash, and then Encore has a motion
16 for appointment of receiver.
17 I think that's all that's before the court. I'm
18 sure Mr. English will tell me if I'm wrong on that.
19 THE COURT: Let's do your reconsider first.
20 MR. SMITH: Sure. And I will try to be as time
21 conscious as I can on this. There is a lot to deal
22 with here.
23 THE COURT: I know. Go ahead.
24 MR. SMITH: And I don't know how much time the
25 court has based on your jury obligations today.

1 THE COURT: Just keep going, and we'll stop you or
2 reign you in if we have to. How about that?
3 MR. SMITH: Sounds good.
4 Again, I'll try not to replow some of the same
5 ground we have gone over because there are some
6 arguments that we have, obviously, put before the court
7 before on these issues. Anyway, we're going to break
8 it up in sections here, and I believe you have the
9 motion before you.
10 I'm actually going to start a little out of order
11 because I think there's some low-hanging fruit here
12 that I think really needs to be addressed here first
13 and foremost, so I'm going to kind of go to the back.
14 THE COURT: What page am I going to?
15 MR. SMITH: Sure. That's what I was going to try
16 to find for you.
17 I'll start with the fees, and that is subsection
18 7, which let me find the page in the motion for Your
19 Honor.
20 That's starting on page 26.
21 THE COURT: Okay.
22 MR. SMITH: And this should be fairly simple, I
23 believe. The total fees that Encore sought and put
24 before the court -- I'm just going to make the number
25 even -- 345,000 and change. 345,601.

1 And we had a post-trial motion hearing before the
2 court in mid November. And let me hand everybody
3 little snippets of the transcript we're talking about
4 for different things.
5 Do you mind if I approach?
6 THE COURT: No, sir.
7 MR. SMITH: And during that hearing, we talked
8 about the fees, obviously, and the costs that Encore
9 sought. And if you look in here, on page 18 of the
10 transcript I just handed to you -- and everybody's is
11 highlighted with the same exact highlights, obviously.
12 On page 18 and on page 55, there is a recognition
13 that fees were only obtainable under some of the causes
14 of action alleged in this case, and, therefore, they
15 need to be pared down proportionately. And everyone
16 recognized that. The court recognized that during the
17 hearing.
18 Again, it's on page 18 here and on page 55 where
19 the court says, "It is my thought if you're only
20 getting it" -- talking about attorneys' fees -- "for
21 one cause of action, you shouldn't be entitled to an
22 award of all your attorneys' fees and costs in this
23 case." I don't think it's appropriate. I think the
24 cases say that, too. You've got to pare it down to
25 reasonably incurred as a result of that.

1 And then we kind of did a wrap-up on page 55,
2 which is good because that was a long hearing, of the
3 rulings that were made to put up several
4 post-judgment -- excuse me, post-trial motions.
5 And on page 55, in summarizing, you say, "An award
6 of attorneys' fees, an amount of which needs to be
7 determined. He has only got two causes of action to
8 get under, if any. With all that being said, you don't
9 get everything because you only got two causes of
10 action that you can get fees under. You're going to
11 have to pare it down."
12 But the order submitted to the court, adopted by
13 the court, gave all the fees. So we think that's
14 low-hanging fruit. That absolutely needs to be pared
15 down proportionately to the causes of action.
16 THE COURT: Let me stop you right there.
17 Mr. English, are you going to argue this?
18 MR. ENGLISH: Yes, Your Honor.
19 THE COURT: All right, sir.
20 MR. ENGLISH: Your Honor, and I would point out in
21 the court's -- the court's order addressed this on
22 pages 8 through 10 of the final order and judgment.
23 And the court noted that the *Uhlig* case that the
24 defendants cite points out the first step in the
25 analysis is to determine, are the plaintiffs entitled

1 to attorneys' fees under any scheme, number one. And
2 they were under multiple causes of action. And then,
3 number two, what is a reasonable amount of attorneys'
4 fees.
5 And the court cited in its order from the *Hensley*
6 U.S. Supreme Court case saying that, "In determining
7 what is" -- I'm quoting now. "In determining what is
8 proportional, the court should not employ a strict
9 mathematical approach; rather, courts should look at
10 the degree of plaintiff's overall success in
11 determining reasonableness."
12 So what the defendants would have you do is tally
13 the causes of action that we prevailed on, the ones we
14 didn't, and employ a fraction against our fees. And
15 that's been expressly rejected.
16 The court noted in its orders that the costs of
17 presenting the two causes of action that we didn't
18 prevail on, and that would be the unfair trade
19 practices and conspiracy claims, the additional costs
20 of presenting those or pursuing those claim was
21 minimal. And the court also noted that we were not
22 getting fees for all the post-trial work that we've
23 done in briefing and responding to the numerous
24 motions.
25 I think the defendants had ten post-trial motions,

1 and we didn't get any sort of award of fees for that.
2 And then the court noted that in the *Uhlig* case, which
3 was a very similar case to the Encore case, the court
4 there ordered $1.8 million in fees compared to 345,000
5 in our case.
6 And I will finally point out the Supreme Court of
7 South Carolina just issued a decision in *Horton versus*
8 *Jasper County*. It was filed May 30, 2018. In that
9 case the judge cut back fees, for it was a simple
10 Freedom of Information Act case to get records.
11 THE COURT: Is that the one that dropped it to
12 $100 an hour?
13 MR. ENGLISH: Yes. And the court said no. And
14 they awarded $35,000 in fees just for that simple
15 thing. So I think the approach on the law that the
16 defendants are asking for is wrong, and I think the
17 court's order does the correct thing in determining
18 that we didn't get a whole loaf and what we asked for
19 was reasonable.
20 THE COURT: Thank you.
21 Any brief reply to that?
22 MR. SMITH: Yes, briefly. And Mr. English and I,
23 obviously, did the same research because I have that
24 same recent case which lays out the six factors the
25 court has to consider under South Carolina law. And

1 I've got a copy of that if the court would like it.
2 I'm sure you have seen it and are familiar.
3 The plaintiffs focus a lot on the result, and,
4 obviously, that's a factor that goes into the analysis,
5 but that's not the only one. And post-trial work
6 doesn't make -- you know, it's part of this, especially
7 a complicated, long case. They said they're not going
8 for fees, whether or not fees are reasonable for the
9 work done for which they're sought. Because you do
10 more work on the seeking fees doesn't make those fees
11 reasonable in the first place.
12 And then, lastly, the portion of the order
13 Mr. English pointed to saying that -- where it finds
14 that the fees incurred -- let's see. Here we go. Page
15 9 of the order: "Although Encore did not prevail upon
16 two causes of action, any additional fees and costs to
17 present each additional cause of action would only be
18 minimal," period. There's no basis for that finding.
19 There simply isn't. It was put in the order, and I
20 understand the court adopted it, but there's no basis
21 for that finding.
22 THE COURT: Thank you, sir.
23 What's your next aspect of your motion to
24 reconsider?
25 MR. SMITH: Sure. Again, I'm working a little

1 backwards. Let me find the right page for you.
2 This is still towards the back of the motion, Your
3 Honor. I think it's the last heading I have here,
4 Roman numeral VIII, page 28 to 29. This is, again,
5 low-hanging fruit. That's why I want to address this,
6 too, upfront, but it's very important to my client.
7 This is talking about the basis for the court
8 denying our request to post a bond. And, again, I
9 don't know if you remember talking about that issue
10 during the post-trial hearing -- again, it was several
11 months ago -- but what we had asked the court to do is,
12 under the statute, excuse me, that provides for, the
13 18-9-130, to post a bond to secure the judgments
14 pending an appeal, right?
15 And if you remember, we had a long discussion
16 because that statute caps the amount of the bond
17 depending on if it's an individual, if it's a
18 corporation with less than 50 people.
19 So in this one, we had individual, obviously, and
20 we had the corporation with less than 50 people with
21 Clear Touch. And if you recall, the bond statute, the
22 one very on point here, gave the court the discretion
23 to deny the bond but also said it's a million-dollar
24 cap. It was 25 million if the company was over 50
25 people, or a million dollars cap, whichever, I think,

1 is less. Or more. I can't remember the language.
2 The point was, under the applicable language of
3 that statute, it was the most that could be put up for
4 Mr. Trask was a million dollars and the same for the
5 company.
6 So in the order, the basis put out for denying
7 that request for the bond is not the basis the court
8 said in the hearing. If you look again on the
9 reference of the transcript I handed to you, Your
10 Honor, if you flip over starting on page 47, it's this
11 last little collection of pages I have here. It's
12 where we're having this discussion in the post-trial
13 hearing. And we are talking about the limits of that
14 statute, like I just went through, kind of gave a
15 rundown of our back-and-forth during that hearing.
16 And what the court says and what this transcript
17 reflects, that the court denied my request, denying
18 defendant's request for the bond because, saying, look,
19 the amount of the judgment is too much in comparison to
20 how much you can put up for the bond under the statute,
21 because you can only put up two million tops, and we're
22 looking at, potentially, an 8-, $9 million verdict.
23 So the court said, "I don't think that's adequate
24 to secure the bond." That was your basis for the
25 ruling. And understandable. Reasonable based on the

1 strict math and numbers. But the order is problematic.
2 I'm looking at page 54 where you say, quote, "But
3 I don't think it's adequate to put up $2 million in the
4 face of what I anticipate being roughly a 7- or
5 $8 million award, by the time I get through with it
6 anyway." That was your basis.
7 Well, looking at the order, there's all kinds of
8 stuff in there that's problematic, and it doesn't
9 reflect the basis --
10 THE COURT: Where in the order is that?
11 MR. SMITH: Yes. Yes, Your Honor. I'm flipping.
12 MR. ENGLISH: Page 33, Your Honor.
13 MR. SMITH: Thank you. On page 33 there is a
14 whole bullet point list talking about alleged
15 destruction of evidence, saying Mr. Trask admitted he
16 destroyed evidence and doing all these bad things, and
17 this is the basis for you denying that bond.
18 Well, it's not. And the problem with all this
19 language, all these bullet points, is some of them
20 flatly aren't true. We submitted a redline that
21 highlighted all those. It said over and over again --
22 you're going to hear me talk about this a fair amount
23 today -- over and over again in this order that
24 Mr. Trask admitted to destroying evidence. That didn't
25 happen. He didn't do that. And talking about e-mail

1 migration, things like that, that he get the details --
2 THE COURT: Let me ask you this about that: Are
3 we talking about the e-mails that were discovered
4 through the other former employees? If I recall,
5 wasn't that along the lines -- is that what the
6 evidence was that allegedly was destroyed?
7 MR. ENGLISH: That was one of the things, yes.
8 THE COURT: I mean, I think to make a carte
9 blanche statement that it didn't happen is probably not
10 accurate characterization either. I think that the
11 evidence -- he denied it, clearly, but I think that
12 there is an inference that could be drawn from the
13 testimony presented that that is what happened.
14 MR. SMITH: I understand Your Honor's position.
15 And I agree with you that an inference can be drawn by
16 some of the evidence.
17 THE COURT: Let me stop you there.
18 MR. SMITH: Sure.
19 THE COURT: Why is it not sufficient for purposes
20 of denying the bond, just say the amount is
21 insufficient, bar none, and stop?
22 MR. ENGLISH: Well, the General Assembly has said
23 that if a defendant is entitled to a bond, then the
24 amount is one million. And so what the defendants
25 would like Your Honor to say is you're just comparing

1 the amount of the bond to -- it's almost like you're
2 rejecting the General Assembly setting of the amount,
3 and that's not what the court was doing.
4 What the court was comparing this request for a
5 stay to was the conduct of the defendants that resulted
6 in a multimillion-dollar verdict by the jury for
7 punitive damages. And it's that conduct that means
8 that we should be able to be allowed to pursue
9 discovery and --
10 THE COURT: That's beside the point.
11 MR. ENGLISH: Right.
12 THE COURT: And the point I'm making, and I think
13 that Josh is correct -- excuse me for saying Josh. My
14 memory of this, of that hearing, was that we're looking
15 at a cap of around two million, if that's what it is,
16 in the face of a verdict that's around 8-plus,
17 somewhere in there, is insufficient to protect the
18 plaintiff's judgment in the event that you are
19 successful on appeal. And so all the other flowery
20 language may be -- because that's why you have punitive
21 damages in the first place -- may be inherent in the
22 order itself. But in the denial of the motion for
23 bond, why again is it not sufficient to say it's not a
24 sufficient amount to protect the judgment that you
25 received in this case?

1 MR. ENGLISH: Well --
2 THE COURT: I don't see any harm or foul one way
3 or the other.
4 MR. ENGLISH: I think the defendants will argue on
5 appeal that if you're limiting the adequacy to just
6 comparing the amount of the verdict to the amount set
7 by the General Assembly, they will say that you're
8 trying to overrule the General Assembly. And our point
9 is there is --
10 THE COURT: I thought the statute gave me
11 discretion in the first place.
12 MR. SMITH: It does, Your Honor, and I will
13 represent right now --
14 THE COURT: How can I be overruling the General
15 Assembly in any form or fashion? And I wouldn't do
16 that.
17 MR. ENGLISH: I don't think you would be. I'm
18 just anticipating what I think they will argue on
19 appeal, and I'm trying to say there's also, in addition
20 to a quantitative inadequacy, there is a qualitative
21 inadequacy that supports the amount of the bond.
22 THE COURT: What's the next point?
23 MR. SMITH: Sure. I hate to -- our concern
24 just -- I wouldn't argue that on appeal. It's a novel
25 and interesting theory.

1 THE COURT: Well, what if I put language in the
2 order that says nothing contained in this order shall
3 be deemed fact.
4 MR. SMITH: I think that would be great, Your
5 Honor, because that's exactly my concern. I think
6 you're seeing my concern because we will see later in
7 the receiver motion -- that's what I'm holding -- they
8 translate that, the exact bullet points I have a
9 problem with, into the receiver order, trying to say
10 these things enough to where it's utilizing it against
11 my client to get other things. And that's on page 3 of
12 the receiver motion. But we'll get to that. I mean,
13 but that's my concern, so I appreciate Your Honor
14 listening to that.
15 All right. So those are the two low-hanging fruit
16 items, I think, in the motion to reconsider I wanted to
17 address up front.
18 Now, I'm going to start working top to bottom
19 here, so starting on the first page and the first item,
20 this election of remedies. And the order found that
21 Encore only needed to elect its remedies between the
22 breach of contract and tortious interference cause of
23 action, it said because the jury awarded the same
24 actual damages of 424 and change under those claims.
25 So they said, okay, the three awards, they were the

1 same, you got to elect into those, and that's that.
2 Those -- the issues, and we went through in detail
3 here in the filings, were there is some specific
4 factual findings about the basis for the jury's awards
5 of damages all throughout this order saying, you know,
6 on page 25, said those damages, according to the order,
7 were to compensate Encore for the lost sales on account
8 of --
9 THE COURT: For what? I'm sorry.
10 MR. SMITH: Excuse me. That was actually
11 inaccurate. I read my note wrong.
12 You note in the order that the 424 is to
13 compensate for the damages to Leon County's sales.
14 That does line up, and there is a basis for that.
15 There is a couple issues we have with the
16 conclusion on the election. One, there is -- we'll go
17 through. There's several erroneous and inappropriate
18 factual findings, we think, in the order that make --
19 the court making factual findings as to what the jury
20 did and why, without any evidence supporting that and
21 invading the province of the jury's factual finding
22 function. And I'll go through those.
23 We believe there is a conclusion there that the
24 damages are distinct is inaccurate, and there is an
25 overly narrow application of the election doctrine.

1 So, first, there is numerous factual findings that
2 were relied upon, that, as I said, the jury relied upon
3 and define Encore's breach of duty. What was the
4 breach of fiduciary duty? Breach of contract, fraud,
5 and trade secret claims. Those are all the ones under
6 which they are seeking recovery and which the court
7 ordered recovery.
8 And looking on 26 and 27 of the order --
9 THE COURT: 27?
10 MR. SMITH: 26 to 27, Your Honor. So here is what
11 the order determines that the jury found. It said,
12 one: "The court determines Trask breached its
13 fiduciary duties by failing to disclose the identity of
14 Clear Touch suppliers to Encore so they can purchase
15 direct. Two, that Trask violated the Trade Secrets Act
16 by using Encore's trade secrets information regarding
17 Leon County schools' needs for and purchase price of
18 panels. Three, the jury found Trask liable for breach
19 of contract by fraud based upon violation of
20 non-disclosure, non-solicitation agreements, business
21 opportunity clause; and, four, Clear Touch violated the
22 Trade Secrets Act by using Encore's trade secret
23 information regarding Leon County Schools' need for and
24 purchase price for panels." And that's 26 to 27.
25 Well, as I said, these are all factual findings

1 that would be made by a jury. And I just don't see,
2 defendants don't see how the court can say, okay, the
3 jury found liability based on these specific facts when
4 there is overlapping facts that could have given
5 liability to Encore -- excuse me, to the defendants
6 based on the various causes of action.
7 I mean, for example, Leon County, we're all
8 familiar with Leon County now, right? So let's say
9 that the fact Leon County wanted to purchase more
10 panels and the prices and preferences was a trade
11 secret. Well, if Mr. Trask and Clear Touch utilized it
12 to make the sales to Leon County, that would violate
13 the Trade Secrets Act so they could be liable for trade
14 secret misappropriation.
15 In the same vein, Mr. Trask doing that same thing
16 would violate his employment agreement, non-disclosure
17 non-solicitation agreement, so it would be a breach of
18 contract. So it's the same facts overlapping different
19 liabilities under different causes of action.
20 The problem we have with the order is it segments
21 the facts to each cause of action under which they're
22 recovering in order to avoid the election and says it
23 distinctly and definitively as if the jury said, "We
24 found Mr. Trask was liable for Trade Secrets Act
25 because he used the trade secrets regarding Leon

1 County. We found that he was liable for the breach of
2 contract fraud claim because he violated the business
3 opportunity provision of the contract."
4 I just don't think the court can make that
5 definitive call, and that's how the order is written,
6 in order to avoid the election issue.
7 THE COURT: Okay.
8 MR. SMITH: And --
9 THE COURT: Let me ask you this. My memory of the
10 evidence presented and Mr. English's closing arguments
11 was that he went through each separate cause of action,
12 and this is what we're asking for here and this is why
13 we're asking for this, and these are the things that we
14 think they did, and he went through that in his
15 presentation of the case and in closing argument in
16 this case. Is that not part -- isn't that not correct?
17 MR. SMITH: I think the way you're saying it, Your
18 Honor, yes.
19 THE COURT: And I don't necessarily disagree that
20 for me to say the jury found this and found this, but
21 that was the evidence and testimony presented and the
22 arguments made to the jury which, apparently, they
23 adopted.
24 And maybe I should qualify it by saying
25 "apparently," but showing that there are different

1 elements that were pursued and followed and different
2 evidence and damages associated with each, which falls
3 into the election of remedies issue. All right?
4 MR. SMITH: Yes, Your Honor.
5 THE COURT: How else would you do it? I'm not
6 sure how I should do it any other way. And I don't
7 pretend to have any crystal ball here. So, I mean, you
8 can say what you want. It doesn't hurt my feelings.
9 Okay?
10 MR. SMITH: Okay. I get what you're saying, and,
11 yes, I see what you're saying. I think our main issue
12 with this -- we have argued the other issues we have
13 with this remedies thing to death. And I don't feel
14 like we need to do it again today.
15 THE COURT: Let's not.
16 MR. SMITH: Good. We're all in agreement.
17 Our main issue with the order on this is what I
18 just said, is there is distinct factual findings. It
19 says the court has found that the jury determined
20 liability based on this specific fact with this
21 specific cause of action. That's the defendant's
22 problem. I just don't think the court can do that
23 unless the jury returned even a more specialized form
24 than we gave them and said, hey, we found liability
25 under the Trade Secrets Act because of this. We just

1 can't do that. Especially -- and there's nothing wrong
2 with pleading alternative theories. That's
3 something -- we get to do that. I don't have a problem
4 with that.
5 But the fact is the court can't -- I don't believe
6 the court can definitively say what the jury based each
7 cause of action on and segment out all those different
8 facts. That's the issue.
9 THE COURT: I gotcha.
10 Mr. English, briefly.
11 MR. ENGLISH: Yes. Your Honor, that's not what
12 the court did in the order. On page 2, the court set
13 forth the standard that was raised when the defendants
14 moved for election of remedies and also when they moved
15 for a new trial under the 13th juror doctrine. They're
16 asking the court to see: Does the evidence support the
17 jury's verdict? And on page 2 we cite the *Davis versus*
18 *Cleary* case that says it's the duty of the court to
19 sustain verdicts when a logical reason for reconciling
20 them can be found.
21 That's what the court is doing, is saying: Was
22 there evidence that supported the verdict? And
23 specifically on page 26, the court said specifically:
24 "The evidence including but not limited to one of the
25 exhibits supported the jury's findings." So it's not

1 that the court is making its own findings, it's just
2 responding to the motion by the defendants saying that
3 the evidence dictated the result that they wanted, and
4 the court's saying no, under the law, I can reconcile
5 these verdicts, and that reconciliation was supported
6 by evidence.
7 THE COURT: Thank you.
8 Next aspect of your motion.
9 MR. SMITH: Sure, Your Honor. I'm looking
10 through. I don't want to replow the same grounds we
11 argued on the remedies issue.
12 One more thing on the remedies issue here is the
13 treatment of it seems a little bit overly narrow and
14 simplistic. The way the order reads, it says -- it
15 misconstrues our argument, but to make it very, very
16 simplistic, and I don't think in accord with the
17 purpose and import of the rule on page 25 of the order,
18 it says our argument was Encore should have had to
19 elect one, other than breach of duty or loyalty,
20 because they committed, quote, a single wrong, and that
21 Encore, quote, sought the exact same damages for the
22 same injury.
23 Well, our argument wasn't that narrow. Again, we
24 argued that they relied on the same facts to establish
25 different liabilities, but they sought the same

1 damages. So we've gone over that.
2 THE COURT: All right.
3 MR. SMITH: That's where that ends up on that
4 issue.
5 So move on to the next one.
6 THE COURT: Yes, sir.
7 MR. SMITH: This is starting on page 9, I believe,
8 Your Honor, Roman numeral II. Again, I'm moving best I
9 can here not to replow the ground of the other motion.
10 THE COURT: You said page 9?
11 MR. SMITH: Yes, Your Honor, starting on Roman
12 numeral II.
13 THE COURT: Page 9 of your motion?
14 MR. SMITH: Yes. Sorry. This is talking about
15 the new trial. This is, again, the presentation of the
16 Michael Knight testimony about the computer search, and
17 we have discussed the lead-up to that, and the court
18 heard all that in the original post-trial motion.
19 One additional thing to point out, one thing to
20 point out, if you flip over, starting on page 11 going
21 to 12, it's the final point here. And we cite Rule
22 26(c). And the reason we cite that is because our
23 contention was Encore is obligated to tell us about
24 this evidence that Michael Knight has done a computer
25 search prior to trial. And Rule 26(c), I have the law

1 quoted there on page 12, says, A party who's responded
2 to a request for discovery with the response that was
3 complete when made is under no duty to supplement his
4 response to include information thereafter required
5 except in a request for discovery under Rules 31, 33,
6 34, 36 shall be deemed to continue from the time of
7 service until the time of trial of the action so the
8 information sought which comes to the knowledge of a
9 party or its representative or attorney after original
10 answers have been submitted shall be promptly
11 transmitted to the other party.
12 Well, if you look, we've got -- I've quoted, so
13 you don't have to look at the exhibit. It's Exhibit A,
14 Encore responses to our interrogatories, one of which
15 asked, quote, "Set forth with specificity all facts and
16 evidence plaintiff has to support the allegations of
17 paragraph 33 of the complaint which allege Trask
18 accessed Encore's computer system with or in excess of
19 authorization and destroyed Encore property, software,
20 and files. Specifically identify each and every item
21 of Encore property, software, and files plaintiff
22 claims Trask destroyed." That interrogatory covered
23 Michael Knight Computer Service, and we weren't told
24 about it before trial, and we think under Rule 26(e),
25 they were obligated to do it.

1 THE COURT: All right, Mr. English.
2 MR. ENGLISH: Your Honor, first of all, that's a
3 new argument that was not made in the initial motion
4 for a new trial complaining about the degree of
5 specificity in the interrogatory answers.
6 I will say that throughout the case -- and we did
7 cite in response to the argument in the motion for new
8 trial that Mr. Newnam specifically testified in his
9 deposition about the deletion of these e-mails and also
10 Mr. Viola, who produced some of Mr. Trask's evidence
11 that Mr. Trask himself had not produced, gave a
12 deposition before trial where he testified about it, so
13 they were on notice that this was going to come up, and
14 they weren't surprised by this issue.
15 THE COURT: All right. One thing that I have to
16 say that strikes me about Mr. Trask's argument at this
17 stage, quite frankly, I felt like he did destroy
18 evidence from what I -- I know you disagree, and that's
19 okay. And I'm not the fact finder. But from what I
20 saw and what I heard, it looked like he, in fact, did.
21 That's up to the jury to make a determination about
22 that.
23 However, for Mr. Trask to come back and say this
24 happened or this didn't happen but they should have
25 told me anyway is kind of confirming his own bad

1 conduct, and I think that played into my allowing that
2 into evidence as well as the fact that that issue was
3 you were on notice of it from the deposition. So with
4 that being said, let's go to the next issue, please.
5 MR. SMITH: In the new trial stuff, we can rely on
6 the briefs for that and the previous motion --
7 THE COURT: Right.
8 MR. SMITH: -- and the discussions we had on that.
9 Give me a moment, Your Honor. I'm trying to make
10 this shorter.
11 THE COURT: I'm going to read all this, I promise
12 you.
13 MR. SMITH: I appreciate that because it works
14 better for everybody to make a point.
15 We can go to the next Roman numeral V that starts
16 on page 19, I think.
17 THE COURT: Let me ask you this right quick, make
18 sure you have your issue preservation and your record.
19 Have you filed your motion, your memorandum?
20 MR. SMITH: Yes, Your Honor. This is filed. And
21 if the court is going to read it --
22 THE COURT: I am going to read it. I wanted to
23 make sure in the event it's not discussed on the
24 record, it's part of the record.
25 MR. SMITH: Yes, Your Honor. I would be much more

1 lengthy if I had not filed it, but I do appreciate
2 that.
3 You know, I think this lays out well our points
4 and our issues, and I think the more practical motions
5 that were on here today probably deserve a little more
6 time than this. I mean, I understand it's a motion to
7 reconsider, I'm asking you to reconsider decisions you
8 have already made. We have pointed out a lot of the
9 issues with the order in here. I do want to highlight
10 real briefly the main ones we have gone over on this.
11 There is a considerable amount of factual findings
12 in here on the court. The court is saying
13 specifically -- now, Mr. English has pointed out there
14 is a couple that hedge, that say "apparently this,"
15 "apparently that," but there is several distinct
16 factual findings, including in the breakdown of the
17 damages which really matters under the election.
18 Remember the charts we all did because we all had
19 to, to keep this straight. There's brackets beside
20 those numbers that say what they're based in.
21 THE COURT: Say that again, please.
22 MR. SMITH: If you look at the chart in the order
23 where it breaks down the damages, there is brackets
24 beside the verdict numbers saying the specific factual
25 basis upon which the jury based those numbers. And I

1 think you have got to have it one way or the other.
2 You have got to say there was sufficient evidence for
3 the jury to arrive at these numbers based on these
4 things, but I think it's a step too far when an order
5 puts a specific factual basis for a particular number
6 because -- and we're talking about not invading the
7 province of the jury on one hand and then going into it
8 on the other. So it's problematic. I think the court
9 understands my point on that.
10 There are many -- I don't know how many. I
11 counted at one point. I don't remember the number --
12 times in this order that says "Trask admitted he
13 destroyed e-mail evidence." My client -- I understand
14 the court's position. You might not believe him. He
15 never admitted to destroying evidence.
16 THE COURT: Let me stop you right there.
17 Mr. English, do you disagree with that because I
18 seem to recall that he is one hundred percent correct
19 that he did not admit to destroying evidence?
20 MR. ENGLISH: I recall -- Ms. Barker and I looked
21 back at our notes on this, and on our notes --
22 THE COURT: I assume you had the transcript of the
23 trial.
24 MR. ENGLISH: We don't have the trial transcript,
25 but both of our notes reflect I asked Mr. Trask, "So

1 isn't it true you destroyed e-mails?" And he said
2 something like, "E-mails were destroyed." So he didn't
3 deny he did it, and his answer was such that he
4 essentially admitted.
5 And I think the way we characterize it in the
6 order -- I'm not sure what specific provision Mr. Smith
7 is complaining about, but I think the way we
8 characterized this was consistent with Ms. Barker and
9 my notes of what was said at trial.
10 THE COURT: Thank you, sir.
11 MR. SMITH: I just want to be consistent with what
12 actually happened at trial, which is my client didn't
13 admit he destroyed things, and it's throughout here. I
14 submitted the redline. It's Exhibit D to my filed
15 motion, which you have. So it notes each instance in
16 which it's a blank statement, he admitted this
17 happened. And it's utilized to justify some
18 conclusions and some rulings and that didn't happen.
19 I understand you can couch it differently, but it
20 does matter. And, again, because we will see in the
21 receiver motion, because it will again be used as an
22 attempt to get a receiver when it didn't happen.
23 THE COURT: All right, sir.
24 MR. SMITH: That's all we have on that. I mean, I
25 appreciate the court taking the time to read the motion

1 and the filing we have. I know it's going to take some
2 time. And we're happy to submit, if you come upon an
3 issue that needs further briefing, I'm happy to submit
4 that to the court.
5 THE COURT: Say that one more time.
6 MR. SMITH: If you read through this and something
7 comes up and you would like further briefing --
8 probably won't -- but I'd be happy to submit something
9 quick-like.
10 THE COURT: What's the next motion?
11 MR. SMITH: All right. Simpler. I've got two
12 motions to quash. And if the court recalls, it denied
13 the motion of stay of execution by issuance of a bond,
14 but you did, thankfully, and I think rightfully, allow
15 us to pay the judgments in the court under Rule 67. So
16 the judgment --
17 THE COURT: The total amount is to be paid into
18 the court?
19 MR. SMITH: Yes, Your Honor. Clear Touch has paid
20 the entirety of the judgment against it into court, the
21 1.7. That's inclusive of all the fees and costs and
22 the entirety of the judgment against the corporation.
23 So it was -- if you look at, you have --
24 THE COURT: That leaves how much remaining against
25 Mr. Trask?

1 MR. SMITH: Mr. Trask?
2 THE COURT: I mean --
3 MR. SMITH: Yes, it's Mr. Trask. But they're
4 separate and apart, obviously.
5 THE COURT: Sure.
6 MR. SMITH: So the one against Mr. Trask I think
7 is 7 and change with punitives and all that stuff. And
8 I think that's adding in the fees and costs as well.
9 THE COURT: So what is it you're trying to quash?
10 They're trying to get to the corporation assets?
11 MR. SMITH: Yes, sir. There's two different
12 motions to quash because there's two different
13 subpoenas.
14 So the first one I have here is issued to Smith
15 and Shin CPAs. That's my client's accounting firm.
16 And you've got the subpoena right there. It is
17 Exhibit A to the motion. And if you -- there are
18 several problems with it.
19 I mean, first and foremost, anything that deals
20 with a corporation we think is off limits. I mean, the
21 corporation has paid the judgment against them into
22 court. The plaintiff's fully secure with that
23 judgment.
24 THE COURT: Didn't the evidence presented at trial
25 show that this was a single-member LLC with Mr. Trask

1 being the sole member of the LLC, mother being
2 registered agent in her former maiden name; isn't that
3 what the evidence presented showed?
4 MR. SMITH: It did for one point, but that has
5 changed since Kathy Cruz came in.
6 THE COURT: Well, that might be a whole different
7 issue.
8 MR. SMITH: It has not changed since trial.
9 Nothing changed since trial. The way the corporate
10 makeup looks now -- that's the exact question and issue
11 I'm getting to -- is in 2014, when they transitioned,
12 if you remember, it was an LLC initially.
13 THE COURT: Right.
14 MR. SMITH: And then in 2014, January 2014, it did
15 a corporate conversion to an Inc. And the reason they
16 did that was because Mr. Trask's IRA money was the
17 capital money they needed to put into the business, and
18 there was some legal requirement which I'm not versed
19 enough in to explain, to where the IRA had to be a
20 hundred percent owner of the business in order to put
21 all of its funds into the business. That's the
22 corporate structure.
23 The IRA is a sole owner, hundred percent owner of
24 the business. Now, Mr. Trask is the beneficiary of
25 that IRA, but if you allow me to pass up some law here.

1 THE COURT: There is a rule that says you can't
2 get into IRAs.
3 MR. SMITH: There is a lot of highlighting on
4 this.
5 THE COURT: I don't think anybody disputes that,
6 but let me ask you this: I seem to recall, I do
7 remember that the corporation was funded with an IRA of
8 Mr. Trask, and that because it was his, it had to be
9 the single-member entity. But I also recall that the
10 corporation had some kind of gross proceeds of around
11 $21 million or so in the year leading up to the
12 litigation. Am I wrong?
13 MR. SMITH: I think there was a gross revenue
14 amount I put out there.
15 THE COURT: I don't know what the net was.
16 MR. SMITH: Yes, Your Honor. I think there was a
17 gross amount put out there at trial of one year, maybe
18 17, that was not the net value. But I don't think that
19 affects in any way and has no bearing upon whether or
20 not the property, to get into the business, just
21 because it does well and the structure of it prohibits
22 it, I think, I mean, the business paid the entirety of
23 the judgment against it in court.
24 THE COURT: Well, let me ask you this. Assume,
25 and I know, I mean, the IRA, it's off limits or

1 retirement or pensions are off limits for collection or
2 garnishment, things of that nature, but why shouldn't
3 the plaintiff be allowed to look in there and see
4 what's out there and see if there is any assets of the
5 corporation that are attributable to Mr. Trask to help
6 satisfy the verdict against him? I don't see any harm
7 or foul. If they can't get it, they can't get it. But
8 if they don't get a chance to look, there's a chance
9 that they won't be able to be compensated for this
10 verdict in the event that it's upheld on appeal.
11 MR. SMITH: I understand the company makes a lot
12 of money. I see the concern you're putting out there,
13 but I think it's doing it in reverse. I think they get
14 to look at Mr. Trask's stuff. I'm not here saying they
15 don't, and we're gathering those things up. The
16 judgment out there is against him. If they see things
17 in there, I think, that show, okay, you're doing
18 something with the corporation; it's funneling money to
19 you or you're doing something funny with this asset
20 that he doesn't own and that his IRA owns and is not
21 collectible, I think a competitor digging into it and
22 getting all their financials.
23 And if you look at the breadth of this, this
24 subpoena is massive. I mean, they want stuff on the
25 Trask Family Trust, on Tamara Trask. I mean, you know,

1 it's too much, too far. Tamara Trask isn't a part of
2 this.
3 THE COURT: Let me look at this subpoena right
4 quick.
5 MR. SMITH: There are two subpoenas. I'm looking
6 at the one to the accountant, Your Honor.
7 THE COURT: You're looking at which one?
8 MR. SMITH: The one to the accountant, Brandon K.
9 Smith, Smith and Shin CPAs.
10 THE COURT: Exhibit A has CatchFire Funding.
11 MR. SMITH: That is a different motion. I had two
12 separate motions to quash.
13 THE COURT: I am sorry.
14 MR. SMITH: That's fine. They look very similar.
15 LAW CLERK: Josh, did you give us a copy of the
16 second one?
17 MR. SMITH: Yes. They look almost identical.
18 THE COURT: Let me see your motion, please.
19 I want to hear -- I mean, first, when you're going
20 into Clear Touch Interactive, regardless of whether or
21 not it may have paid the total judgment against itself,
22 I think that the plaintiffs have a right to look into
23 the workings, maybe under a protective order, maybe
24 under some kind of confidentiality order, but have a
25 right to look in there to see what's going on with the

1 assets of the corporation to see if any property
2 attributable to the individual plaintiff or individual
3 defendant in this action, because there is such a large
4 number -- even if there wasn't such a large number,
5 because it may be assets or things that they can seek
6 to obtain to help satisfy their verdict.
7 Now, I don't disagree with you that this issue of
8 the Trask Family Trust, I have a hard time seeing how
9 you can get into that, quite frankly. They're not a
10 party. That's a separate entity in and of itself.
11 That may be something later that you pursue in
12 collections after the remittitur comes back, assuming
13 you uphold the judgment. But right now, I don't see
14 that.
15 So tell me -- I'm going to give you a chance --
16 what are the particular -- I know you don't want any of
17 the corporate stuff. I am going to disagree with you
18 on that.
19 But I am, Mr. English, going to make you do it
20 under a confidentiality order.
21 MR. ENGLISH: We have one that applies even during
22 an appeal.
23 THE COURT: Okay. Now, other areas outside Clear
24 Touch Interactive?
25 MR. SMITH: Tamara Trask, Trask Family Trust.

1 THE COURT: Trask Family Trust, okay.
2 MR. SMITH: I think Tamara, Ms. Trask, is off
3 limits. I think the Trask Family Trust is off limits.
4 THE COURT: What was the other one? I don't
5 disagree with you on the Trask Family Trust.
6 MR. SMITH: Tamara, the wife, Tamara Trask.
7 THE COURT: Her personal assets?
8 MR. SMITH: Yes, they're asking for
9 Ms. Trask's personal -- I mean, this accountant does
10 their personal tax returns as well.
11 THE COURT: Well, I don't think I agree with you
12 on that one. She was a participant as far as the
13 conduct in this case. She was sending these e-mails
14 back and forth as if she were a seller or whatever,
15 somebody who's doing business with the plaintiff.
16 She's also named, I believe, as the registered
17 agent, after the defendant's mother, in her maiden
18 name, no longer was the registered agent. So I think
19 the plaintiff should have a right to determine whether
20 there is any fraudulent transfers going on
21 post-judgment to see if the conduct continues. And if
22 there's not, again, there is a confidentiality order
23 that you can put in place that you can't use against
24 her. But I think they have a right, based on their
25 history in this case and the facts that have been

1 presented, to go uncover that, quite frankly.
2 MR. SMITH: I respectfully disagree.
3 THE COURT: The Trask Family Trust, I think, is an
4 entirely different instrument.
5 MR. SMITH: I appreciate the court's -- I
6 appreciate being frank with that. I respectfully
7 disagree with the individual.
8 THE COURT: Well, you won't be the first nor the
9 last, I promise you.
10 MR. SMITH: I know. And thank you, Your Honor. I
11 think you would have to actually get to a piercing-type
12 standard there to get into the corporation and then
13 reverse, trying to get out to the individual who wasn't
14 named and all that, but --
15 THE COURT: Piercing was not alleged.
16 MR. SMITH: It was not. And that's another reason
17 I have a problem with getting so deep into the
18 corporate books, because I think it's -- well, it's
19 intrusive and invasive, one; and, two, you're
20 looking -- you're spending time and effort and money on
21 both sides looking at something you can't get.
22 THE COURT: Well, I think the distinction would
23 be, in my mind, at least, if their money is being
24 distributed or attributable to the individual as
25 opposed to taking the corporate asset and applying it

1 to the individual, and I think that's the difference.
2 Okay? But, all right.
3 All said and done, I'm going to hear -- any other
4 things about this subpoena other than the wife, the
5 corporation, and I know the Trask Family Trust. I want
6 Mr. English to talk to me about that. Any other issues
7 about particular areas being requested?
8 MR. SMITH: I am looking to make sure. It' very
9 broad. Real estate holdings. I understand the court's
10 position on Ms. Trask and the corporation, so contact
11 information, financial accounts, and other advisors, I
12 don't really care. I don't think there's really
13 anybody besides Mr. Smith of Smith and Shin.
14 THE COURT: Say that again.
15 MR. SMITH: I highlighted the last contact
16 information of financial accounting, other advisors,
17 but that doesn't really bother me.
18 THE COURT: So tell me why you should be able to
19 get into some trust at this point.
20 MR. ENGLISH: Well, keep in mind, Judge, this is
21 just discovery of what assets either Mr. Trask has
22 which could be -- and we don't know anything -- I'll
23 tell you what we know about the Trask Family Trust.
24 The only thing we know is during the pendency of
25 the lawsuit, the Trasks transferred property from their

1 individual names into this trust. And so we're
2 entitled to discovery about, what is this trust? Is it
3 a revocable or irrevocable trust? Was this a
4 fraudulent conveyance? And by trying to prevent us
5 from having any discovery about that, they're trying to
6 prevent us from being able to bring a fraudulent
7 conveyance action, if that's what happened, but it
8 looks like that's what happened.
9 THE COURT: Let me ask you this. When I heard the
10 Trask Family Trust, I'm thinking in terms of a trust
11 that's been in existence for a long time, it's a family
12 situation that they set up. He may be a beneficiary of
13 the trust. But if it's like Mr. English has described,
14 it was created during the pendency of this suit and
15 created by Mr. Trask and his wife, then why should that
16 be off limits?
17 MR. SMITH: That's different. I haven't seen this
18 evidence. I don't know it. So this is news to me. If
19 that happened, okay, we have a different discussion.
20 THE COURT: Right.
21 MR. SMITH: So I think the discussion would be
22 different. So they have some --
23 THE COURT: Tell you what. Let's do this. I need
24 to take a quick break.
25 Mr. English, show him what you're talking about

1 and give him a minute to look at it, and I'll be right
2 back.
3 Thank you, guys.
4 (WHEREUPON, a recess was taken from 9:56 a.m. to
5 10:01 a.m.)
6 THE COURT: Have you had a chance to look at the
7 plaintiff's information?
8 MR. SMITH: Yes. It was part of the motion for
9 receiver. It was in there, so I assume we're going to
10 talk about this more. So it looks like there was a
11 transfer in May 2017 to the trust.
12 THE COURT: That being Mr. Trask and his wife?
13 MR. SMITH: I'm going to be honest with you, Your
14 Honor, I cannot speak intelligently on it because I
15 don't know the inner workings of it.
16 THE COURT: Let me do this. I'm going to deny
17 your motion to quash this subpoena to the CPA.
18 MR. SMITH: Okay.
19 THE COURT: I'm going to require there be a
20 protective order that, if you guys can't agree on, come
21 to me. I'll make sure it's right, but I'm going to
22 deny that motion.
23 MR. SMITH: In the protective order that
24 Mr. English said, rightfully, there's one place. Could
25 I ask for some attorneys' eyes only incorporation in

1 that? Because we don't have an attorneys' eyes only
2 provision.
3 THE COURT: You don't have a what, please?
4 MR. SMITH: Attorneys' eyes only provision in the
5 order that we have.
6 THE COURT: Do you have a problem with that?
7 MR. ENGLISH: Well, it depends on what specific
8 documents he wants to mark attorneys' eyes only.
9 THE COURT: Well, normally, there is a
10 confidentiality order, you put that it's subject to
11 contempt, and anybody who is given the information will
12 have to sign acknowledgement that a violation of this
13 order will subject them to contempt. I think that
14 would protect you, what you're concerned about.
15 Is that kind of provision in that order,
16 Mr. English?
17 MR. ENGLISH: I think it is. It's a standard
18 federal order.
19 THE COURT: If it's not, it needs to be put in
20 there.
21 MR. SMITH: Yes, Your Honor. Standard federal
22 order. I was just asking for it for the corporate
23 stuff just because -- based on we've got a
24 competitor --
25 THE COURT: Yeah, trade secrets, things of that

1 nature, Mr. English, as you know, might have you back
2 in court if you start using them.
3 MR. ENGLISH: Absolutely. My client knows that,
4 too. They want to keep everything clean.
5 THE COURT: If you have, again, a problem with the
6 wording in the order, let me know.
7 Second motion to quash.
8 MR. SMITH: Yes. This one was issued to CatchFire
9 Funding. And both the CPA and CatchFire were actually
10 subpoenaed in the action before trial. This is a
11 mirror image subpoena of the one issued at trial with
12 an updated time. The CatchFire is an entity through
13 which Clear Touch did that corporate conversion I
14 mentioned, the LLC to Inc., in January of 2014. And,
15 again, this is the same -- and I think I probably know
16 where the court is going on this, but that, I mean, the
17 corporate conversion documents --
18 THE COURT: When did the corporate conversion take
19 place?
20 MR. SMITH: January 2014. Again, this is a mirror
21 image.
22 THE COURT: When was this case filed?
23 MR. SMITH: Late '15. I want to say December of
24 2015.
25 MR. ENGLISH: September.

1 MR. SMITH: September 2015, right. So, I mean, I
2 just think this thing is just irrelevant. There's no
3 reason to bother CatchFire Funding in trying to get
4 more stuff. I think it's going to be the exact same.
5 THE COURT: Who is CatchFire Funding?
6 MR. SMITH: It's an entity out in Colorado.
7 THE COURT: Are they a factoring group or
8 something?
9 MR. SMITH: No, I don't believe so. They may
10 factor, but they were part of doing the corporate
11 conversion stuff for my client. This is before --
12 before they were my client.
13 THE COURT: Sure, sure, sure.
14 MR. SMITH: And Mr. English, obviously, has
15 something here. They may do some factoring. But I
16 just don't think getting into the corporate assets --
17 again, it's the same argument I had before. They paid
18 in the judgment before.
19 THE COURT: All right. Mr. English.
20 MR. ENGLISH: Again, we're talking about discovery
21 of CatchFire which we already got some documents from
22 prior to trial, and now we're trying to update that
23 concerning the assets which may be used to satisfy the
24 $8 million award of the jury.
25 I want to hand up a CatchFire document.

1 You will recall, even though we're just in the
2 discovery phase, we're not trying to collect or sell
3 anything, Mr. Smith has got up and said, "Oh, well,
4 this company is in Mr. Trask's retirement account."
5 And the law does not allow you to just put assets in
6 something you call your retirement account. If you
7 look at those exemptions, it has to be qualified under
8 the IRS regulations.
9 And what this letter dated November of 2016 says
10 is that they're delinquent and they're out of
11 compliance with the law, and they could lose that
12 exemption. And we don't know what's happened
13 subsequent to this, and we're just trying to conduct
14 discovery to find out.
15 THE COURT: I'm going to deny the motion subject
16 to the same protective order.
17 What's next on our agenda today?
18 MR. SMITH: I think it's plaintiff's motion to
19 appoint a receiver for Mr. Trask.
20 THE COURT: I have a real problem with that,
21 Mr. English, quite frankly. I think it's premature. I
22 think you need to be complete with your appellate
23 process. I think you have a right to go out and
24 collect, but to appoint a receiver at this juncture,
25 tell me why that would be appropriate, because this

1 case is clearly going up on appeal. There's no
2 question.
3 MR. ENGLISH: I'll tell you, there's several
4 reasons, Your Honor. First of all, this case -- and we
5 have, just like these motions, in the trial, we served,
6 I think, six to eight third-party subpoenas. There was
7 a motion to quash all of them. We served these two
8 subpoenas. There was a motion to quash.
9 We served request for production of documents
10 about the assets back on April 13th. We got no
11 response whatsoever until after it was due. Mr. Smith
12 wanted more time. I said, look, we'll give you until
13 June 4th to give us any documents you've got handy.
14 And if you need more time to get them from third
15 parties, get them to us by the 11th so when we come in
16 here, we'll have an idea of what's going on. So we
17 have gotten no response and no documents from a
18 defendant who owes $8 million. And, frankly, he
19 doesn't respect us. He's going to make us come back to
20 court and file a motion to compel again and again and
21 again.
22 THE COURT: You don't really expect that he's just
23 going to lay down and give you this money right quick?
24 MR. ENGLISH: No, but he should at least give us
25 documents, and he's not.

1 THE COURT: I don't disagree with that.
2 MR. ENGLISH: And I'll say, also, another
3 important thing that the motion for receiver outlines
4 is there has been a lot of transactions that have gone
5 on during the pendency of the trial and afterwards
6 that, you know, this guy is moving stuff around. He
7 owns about 15 different rental properties. That rental
8 income is coming in. There's nobody to collect it
9 other than him.
10 THE COURT: What's the standard -- and I don't
11 know the answer -- for me to consider at this juncture
12 in the proceedings pending appeal to appoint a receiver
13 in this matter?
14 MR. ENGLISH: Yes. And the standard is very
15 different after judgment has been entered, and that's
16 under the statute -- and this is on page 2 of our
17 motion. Under the statute, South Carolina Code Section
18 15-65-10, there are three different grounds where
19 receivers can be appointed. One, after judgment to
20 carry the judgment into effect; two, after judgment
21 according to the judgment or to preserve it during the
22 pendency of an appeal. So there's specific
23 authorization by the statute to preserve assets while
24 an appeal is pending, and then in other cases as
25 provided by law.

1 THE COURT: Do you have to make a showing that
2 there is secreting or hiding of assets or anything
3 along those lines?
4 MR. ENGLISH: No, sir, just the need to preserve
5 assets, just that there's some need. And I would like
6 to hand up to the court the *Jeffcoat* case, which
7 touches on the function of a receiver.
8 On page 2, court of appeals -- this is a 1989
9 decision -- the court of appeals notes that a receiver
10 represents the court. He's an officer of the court and
11 is the agency through which the court acts. A receiver
12 stands in the shoes of the debtor with respect to the
13 property of the latter, and appointment will not change
14 any existing contractual rights or create any new
15 contractual relations. He holds property coming into
16 the hands by the same right and title as the person for
17 whom the property he is the receiver.
18 So his goal is, with all these rental properties,
19 they can't be transferred without the receiver's
20 involvement. The money, the net income that's coming
21 in from all these properties, is to be held by
22 receiver.
23 And I'll say that this proposed order that we gave
24 to Mr. Smith three weeks ago as part of our motion is
25 virtually identical to the one the business court

1 entered for us in another case, Judge Miller entered in
2 the Andrew Ballard shareholder case where he got a big
3 judgment and the defendants were not cooperating in
4 paying anything. They were not cooperating in
5 providing discovery. They were -- they had lots of
6 property. It was a very complicated asset situation,
7 and a receiver was sort of the solution to, basically,
8 be the court's representative and not require us to
9 file motion after motion after motion when we don't get
10 cooperation from the defendant. And I think it's
11 specifically authorized by the statute, and the
12 circumstances of this case which, as Your Honor notes,
13 included multiple actions to hide the identities of
14 people.
15 We have seen and we have cited in this memo that
16 there have been -- for example, there was a transfer of
17 property in Oconee County, like, within days after the
18 jury verdicts came down, like, ten different properties
19 were transferred. And the buyer, then, turned around
20 and mortgaged them for double the amount of the
21 consideration that was set forth. And maybe that was
22 legitimate, but we don't know, and that's something a
23 receiver can officially get to the bottom of because
24 the defendant would have to answer to the receiver just
25 like the defendant's answering to the court. It's in

1 this context where there is a big judgment, this is not
2 an unusual request.
3 THE COURT: All right.
4 MR. SMITH: Get to a couple points. I think Your
5 Honor is absolutely right, this is premature. It's not
6 necessary at this point. And it may become necessary
7 if they -- and we are going to cooperate, and we are
8 cooperating in discovery.
9 THE COURT: Well, Mr. English says you're not.
10 MR. SMITH: I know Mr. English says not. We owe
11 him discovery. I've told him we're getting it
12 together, I'm getting it from my client. I asked for a
13 30-day extension.
14 THE COURT: Do you disagree that your client has
15 done all these post-judgment transfers, moves, liens,
16 or things along that nature, with the inference being
17 they're trying to avoid paying this big judgment?
18 MR. SMITH: I was going to get to the one in --
19 can I approach and hand you something?
20 THE COURT: Yes, sir.
21 MR. SMITH: This is the last one that Mr. English
22 just mentioned having to deal with the transfer of
23 property in Oconee. And, you know, it's presented in
24 the motion it's this nefarious thing. Well, this is a
25 letter that Mr. Stokely Holder provided. He's another

1 attorney in Greenville. He represented Gilreath --
2 THE COURT: Is this Jim Gilreath?
3 MR. SMITH: Yes.
4 THE COURT: Well, let me just disclose on the
5 record, I know Jim Gilreath. I have gone to Hatteras
6 with him for 25 years, fished with him, I own property
7 with him. If there's anything about Mr. Gilreath -- I
8 know nothing about this Gilreath Investments, LLC. But
9 if you want me not to consider anything about this, I
10 won't. I don't Know what else to tell you. I'll let
11 y'all talk for a second. I have to step out and let
12 y'all converse. I'll be right back.
13 (Recess taken from 10:13 a.m. to 10:15 a.m.)
14 THE COURT: Have you had a chance to speak?
15 MR. ENGLISH: Yes. Judge, we're not alleging
16 Mr. Gilreath did anything wrong or anything like that.
17 THE COURT: I just wanted to stop you before we
18 got there.
19 MR. ENGLISH: But, for example, on that
20 transaction, you know, we asked over two months ago or
21 two months ago for the contract that would have
22 included this. This letter is the first document we
23 have -- that's been produced to us by the defendants
24 since the, you know, we got the verdicts.
25 And, you know, we don't know, was it an

1 installment contract? Was there more money due? And
2 that's something that a receiver is going to be much
3 more able to look into than we are. And I'll note that
4 Mr. Newnam filed an affidavit that is Exhibit B to the
5 motion to appoint a receiver, and we have attached some
6 of the transfer documents that we have been able to
7 find.
8 And, for example, this transfer from Keone Trask
9 and Tamara Trask into the Keone Trask and Tamara Trask
10 Trask Family Trust dated May 12, 2017, that was right
11 on the eve when we were first scheduled to go to trial,
12 and there was a continuance of that until September,
13 but this is a very complicated situation.
14 THE COURT: I don't disagree with that.
15 MR. ENGLISH: And I think that's why the statute
16 allows a receiver after judgment to be appointed during
17 the pendency of appeal, not to sell anything, but just
18 to collect whatever rent, hold it in account the same
19 way Clear Touch has deposited money into an account.
20 MR. SMITH: Your Honor, I understand the concern.
21 I'm not deaf to it. I'll tell you, and I just told
22 Ms. Barker again, we're discussing collectively whether
23 or not we all can agree to some receiver. I have a
24 problem with the extent of this order, so I do ask if
25 the court is inclined to appoint one on this motion,

1 that we have an opportunity to redline the order,
2 submit some -- or at least address the proposed order
3 in writing, I think would be the most effective way to
4 do it.
5 THE COURT: I'll tell you what. In the meantime,
6 I'm not going to grant the order at this juncture.
7 Just go ahead and submit to me your redline version so
8 I can be considering that and whether or not I'm going
9 to grant it.
10 MR. SMITH: Thank you, Your Honor. And I just
11 point out the letter I handed you, it talks about the
12 Gilreath transaction, shows it's legitimate.
13 THE COURT: Gentlemen, I appreciate it. Any other
14 matters in this case?
15 MR. ENGLISH: No, Your Honor.
16 MR. SMITH: Nothing.
17 THE COURT: I appreciate your preparation. I'll
18 let you know what my decision is going to be.
19 MR. SMITH: Thanks, Your Honor.
20 (WHEREUPON, proceedings concluded at 10:17 a.m.)
21 ***END OF REQUESTED TRANSCRIPT OF RECORD***
22
23
24
25

1 Certificate of Reporter
2
3 I, Diane L. Marcengill, Official Court Reporter
4 for the Tenth Judicial Circuit of the State of South
5 Carolina, do hereby certify that the foregoing is a
6 true, accurate, and complete transcript of record of a
7 portion of the proceedings had and evidence introduced
8 in the trial of the captioned case, relative to appeal,
9 in the Circuit Court for Anderson County, South
10 Carolina, on the 12th day of June 2018.
11 This transcript may contain quoted material. Such
12 material is reproduced as read by the speaker.
13 I do further certify that I am neither of kin, counsel,
14 nor interest to any party hereto.
15 September 25, 2018
16
17 Diane L. Marcengill
18 Diane L. Marcengill, RPR, CRR, CRC
Circuit Court Reporter
19
20
21
22
23
24
25

State of South Carolina

Court of Common Pleas

County of Greenville

Clear Touch Interactive, Inc. f/k/a)
Clear Touch Interactive, LLC)
Plaintiff,) Transcript of Record
v.) 2017-CP-23-05862
)
Encore Technology Group, LLC,)
)
Defendant.)

July 30, 2018
Anderson, South Carolina

B E F O R E:

The Honorable R. Lawton McIntosh, Judge.

A P P E A R A N C E S:

Joseph Smith, Esquire
Attorney for the Plaintiff

Greg English, Esquire
Attorney for the Defendant

Rita Barker, Esquire
Attorney for the Defendant

Lisa Scott
Circuit Court Reporter

I N D E X

WITNESS	PAGE

No Witnesses.

E X H I B I T S

NO.	DESCRIPTION	ID.	EVD.

No Exhibits.

- - -

1 P R O C E E D I N G S

2 - - -

3 THE COURT: We had cross motions in this case,
4 right?
5 MR. SMITH: Yes, sir.
6 THE COURT: A motion for summary judgement, a
7 motion to dismiss -- two motions to dismiss, right?
8 MR. SMITH: And it's two motions for summary
9 judgment, correct.
10 THE COURT: Two motions for summary judgement.
11 Okay. I read your stuff. Who wants to go first?
12 MR. ENGLISH: Well, I believe the defendant in
13 this case has filed the first motion to dismiss, so
14 we're happy to go.
15 THE COURT: That'll be fine. Go ahead.
16 MR. ENGLISH: Judge, for the record, I'm Greg
17 English. With me is Rita Barker. We represent the
18 defendant, Encore Technology Group, in the second
19 lawsuit that was initiated by Clear Touch.
20 And as we mentioned, we're here on four
21 motions; cross motions to dismiss; the claims and
22 counterclaims. Primarily, the motion to dismiss are
23 both grounded on res judicata, and then cross
24 motions for summary judgment.
25 I referred to this case as the second lawsuit

1 because as Your Honor knows, the first lawsuit was
2 Case No. 2015-CP-23-5757. That resulted in a jury
3 verdict and judgment in favor of Encore against
4 Clear Touch for about $1.7 million.
5 On the eve of the trial of that case, while the
6 parties were discussing a potential resolution,
7 Clear Touch on September 12th of 2017 filed this
8 lawsuit. And this is the three important things
9 about this lawsuit.
10 Number one, it's based on the same contracts
11 that were at issue in the first suit.
12 Number two, the same witnesses who were deposed
13 in the first suit presented the same facts for both
14 cases.
15 And third, this suit is premised on the same
16 arguments that Clear Touch made in the first
17 lawsuit. And in particular in that first lawsuit,
18 Clear Touch argued to the Court that Encore had
19 unclean hands and, therefore, was not entitled to
20 unjust enrichment based on the same facts that
21 they've raised in this lawsuit.
22 I'd like to hand up to the Court a copy of the
23 affidavit of Mr. Newnam that was filed in support of
24 summary judgment and a couple of ---
25 THE COURT: I've read it, but go ahead and pass

1 it up, please.

2 MR. ENGLISH: We also have a couple of cases.

3 THE COURT: All right.

4 MR. ENGLISH: And, Judge, in the -- the *Roddey*
5 *v. Wal-Mart* case that the Supreme Court decided in
6 March of this year, on page 3 the Supreme Court
7 upheld a Circuit Court's decision striking negligent
8 hiring action on the basis of res -- res judicata
9 and noted that res judicata barred subsequent
10 actions by the same parties when the claims arise
11 out of a transaction of occurrence that was the
12 subject of the prior action between the parties.

13 And also noted that under the doctrine of res
14 judicata, a litigant is barred from raising any
15 issues which were adjudicated in the former suit and
16 any issues which might have been raised in the
17 former suit, so it's -- it includes both.

18 And then I've also -- I've handed up the *Jaynes*
19 *v. County of Fairfield* case by the Court of Appeals.
20 And it notes that on page 2 and that under the
21 doctrine of res judicata, final judgment on merits
22 in a prior action will bar the parties in the second
23 action as to matters litigated and matters to which
24 might have been litigated.

25 And in the footnote, one, it notes that the

1 test of whether there's a logical relationship
2 between the claim and the counterclaim in the first
3 suit, so is there a logical relationship?
4 Here that test is met because as we note in
5 Mr. Newnam's affidavit and as Your Honor has
6 judicial notice, the very contracts that form the
7 basis of Clear Touch's claim were exhibits in the --
8 the first trial. They were Clear Touch's Exhibit 20
9 and Encore's Exhibit 3.
10 So we think on either a motion to dismiss or a
11 summary judgment, the plaintiff's lawsuit should be
12 dismissed on grounds of res judicata.
13 THE COURT: All right. Thank you. Yes, sir.
14 MR. SMITH: Thank you, Your Honor. I'll pass
15 you up a few things. It could be a little bit
16 longer because I think you need a lot more context
17 here.
18 THE COURT: Okay.
19 MR. SMITH: Those are copies of the stuff
20 that's been filed here, Your Honor. If you don't
21 mind me approaching.
22 THE COURT: I don't mind you approaching. I
23 assume you're submitting this submission under your
24 motion for summary judgment ---
25 MR. SMITH: Yes, Your Honor.

1 THE COURT: --- and your motion to dismiss?
2 MR. SMITH: Yes, Your Honor. What we can do
3 potentially, I understand submitting things outside
4 the -- the four corners of the pleadings came into
5 the summary judgment motion. I believe the
6 defendant just did that by submitting things
7 pertaining to affidavits in support of their
8 argument on a motion to dismiss. I think we're here
9 talking about a summary judgment motion.
10 THE COURT: Okay.
11 MR. SMITH: I think that's pretty fair. I want
12 to address a couple of things in their argument, but
13 I wanted to really go through and -- and take the
14 time to illustrate to the Court why this is a
15 separate action and why res judicata does not apply
16 to it. And even if the Court believes that res
17 judicata would apply, why it shouldn't.
18 THE COURT: Okay.
19 MR. SMITH: So what I've given you up front
20 here, this first document if you open your notebook,
21 Your Honor. And it's a little thing I call an issue
22 sheet that I learned from one of my mentors that was
23 a very big advocate of these things and I think he
24 learned from a judge in Greenville. And it breaks
25 down kind of the argument.

1 And the first thing I want to walk through here
2 is the timeline of events leading up to filing this
3 lawsuit on September 12, 2017, and why it wasn't
4 filed as a counterclaim or within the -- the
5 confines of the previous suit.
6 Before I get to that really, really quickly,
7 just to address Mr. -- or Encore's arguments.
8 One, it says based on the same contracts at
9 issue. That's not completely accurate, and we'll
10 get to that.
11 Two, same witnesses. Again, not -- not
12 additional witnesses for this case, and you'll see
13 why.
14 And then the footnote here in the case
15 Mr. English passed up, the County of Fairfield,
16 that's -- that's a test of whether or not a claim is
17 a compulsory counterclaim, not res judicata.
18 So looking here, Your Honor, it's got all of
19 our causes of action in this case. There's four:
20 Breach of contract and mutual -- mutual
21 confidentiality agreement.
22 That's a contract when Clear Touch, a business
23 of Encore, said, "Here, we're going to get to share
24 with you confidential trade secret information,
25 mainly in the form of pricing list. And you're

1 going to utilize those as our resell. And you're
2 going to keep them confidential because they are a
3 confidential proprietary and it's got price info."
4 Then have resell agreement; three, violation of
5 South Carolina Trade Secrets Act; and, four,
6 conversion.
7 Now, violation of trade secrets act, the breach
8 of the mutual confidentiality agreement, and its
9 conversion, all of those are based on Encore taking
10 our trade secrets, and at a time when they decide
11 they're not going to do business with Clear Touch
12 anymore, utilizing them to unfairly compete with --
13 with us in the marketplace. And we'll get to an
14 exhibit that we submitted.
15 THE COURT: From a temporal standpoint, you're
16 alleging that the facts have occurred at the time
17 the prior lawsuit was -- was brought and was known
18 to your client at the time, based on Encore's, them
19 basically saying, we're not doing business with you
20 anymore. We want to do business with other
21 providers. No?
22 MR. SMITH: No, Your Honor. Number one, at
23 this time, I'll illustrate why that's -- that's not
24 at all what we're saying. We're saying we didn't
25 learn about it until May 31, 2017, when we got

1 another 10,000 pages of documents and 4,000
2 different files that we had to go through.
3 And in -- and in June of that year, and we're
4 talking a couple of months prior to trial at this
5 point, that's the first time ---
6 THE COURT: Well, that was my question.
7 MR. SMITH: Yes, sir.
8 THE COURT: At the time of trial, the facts
9 litigated in the trial were known to your client at
10 that time. In other words, the facts that
11 constitute the basis for your cause of action in
12 this suit were known to your client at the time that
13 the parties had the first trial, correct?
14 MR. SMITH: Not all the facts. The basis for
15 some of these claims. We looked at it and said, "We
16 may -- we may have a trade secret claim, conversion
17 claim, excuse me, and breach of that mutual
18 confidentiality claim on -- on all those facts right
19 prior to trial. So that's not as high -- and,
20 again, I'm going to go through those so that it
21 makes our ---
22 THE COURT: Sure.
23 MR. SMITH: --- argument clearer because it's
24 all about the full and fair opportunity to litigate
25 the claim.

1 Let me walk through. You can follow along so
2 you can see what we're doing here. It's just that
3 first page or the first document, Your Honor.
4 So they -- Encore files their original action
5 September 18, 2015. The basis of that, according to
6 the complaint, and as you're very familiar with that
7 case, was Mr. Trask now discloses his relationship
8 to Clear Touch while he's an employee of Encore, in
9 violation of various common law contractual
10 obligations, misappropriation of company trade
11 secrets, and malicious court statements.
12 All those actions that were taking place prior
13 to and led to Encore terminating its relationship
14 with Clear Touch in the summer of 2015. The final
15 termination letter was September 10, 2015. So I'm
16 going to walk through the first part of this fairly
17 quickly and then slow down to where -- where the key
18 actions happened.
19 THE COURT: Okay.
20 MR. SMITH: So April 2016, we issued our first
21 set of discovery requests. June of that year, we
22 get back some written responses to their documents.
23 July, you know, we do some deficiency letters, all
24 that good stuff, right, with some supplementation.
25 We file cross motions for motions to compel. The

1 Court issues a November 11, 2016, order. Now I'm on
2 to page 2 here.
3 So the series of supplemental productions by
4 Encore. As you know, Your Honor, this is a
5 complicated case. As you might expect, there's a
6 lot of documents going back and forth.
7 THE COURT: Sure.
8 MR. SMITH: So November 21, 2016, we get about
9 26,000 pages of documents. And all these -- all
10 these supplemental productions from November of 2016
11 up until April 13th of '17, they total about 200,000
12 pages of documents producing over 32,000 separate
13 PDF files.
14 If you go down, you know, looking at page 2
15 here, Your Honor. I'm not going to read all this to
16 you. I mean, you can see it. There's a lot of
17 supplementation. There were problems with the
18 production that it wasn't reviewable in any kind
19 of -- any kind of legitimate way. You try to
20 combine things that crash, so we worked through that
21 back and forth.
22 And then on the 29th of December, the very end
23 of 2016, we get a supplemental production. It's
24 total -- it's got over 175,000 new pages of
25 documents.

1 THE COURT: That's in addition to the 200?
2 MR. SMITH: The 200 is a collective November to
3 April.
4 THE COURT: Okay.
5 MR. SMITH: But there's -- if you look, you
6 know, the November one's about 68,000 pages. A lot
7 of it didn't have any attachments and a lot of it's
8 e-mail. As you -- as you saw at the trial, a lot of
9 it's e-mail. So there are no attachments.
10 So you get in December of 2000 -- 2016, the
11 29th of December, Encore attempts to rectify that
12 issue. Sends a flash drive and it's got, you know,
13 175,000 new pages of documents in 32,000 individual
14 files.
15 So we attempted to deal with this, to get it in
16 some kind of reviewable format. It was a nightmare
17 to say the least. The sheer volume, the lack of
18 organization, it was -- it was documented up and it
19 was extremely difficult to deal with. We tried to
20 deal with them.
21 What we end up having to do is say, look, we're
22 going to go and pay $5,000 just to have the stuff
23 uploaded to a specialized review software so we can
24 get in there, eliminate duplication maybe to some --
25 put it somewhere where you can actually look at this

1 stuff in some kind of deliberate and methodical way,
2 right?
3 So we ask for the native format of the files,
4 and we got that. Now, in all this -- and I'm going
5 to -- I know it's discovery. I don't like to talk
6 about this, but it's real important here, Your
7 Honor.
8 THE COURT: Sure.
9 MR. SMITH: In all of this, we had a date
10 certain set. I believe it was for -- I'm sure
11 Mr. English remembers the date better than I do on
12 this one. It was set initially for the beginning of
13 2017. We were going to go to trial at that point.
14 All of this is going on. And we had asked --
15 Clear Touch asked Encore, "Can you consent to
16 continuing the trial? We have to deal with all this
17 stuff and take depositions. You know, we have to
18 prepare our case. We've been working on that, but
19 this has made it so incredibly difficult and it's
20 time consuming."
21 So Encore said, "No. We're going to push to
22 trial." And I believe at that time it was then set
23 for early May.
24 So we file a motion for continuance. That
25 motion was fiercely opposed, and the Court ended up

1 granting it. Set it for trial the week of
2 August 28th.
3 I'm on page 3, Your Honor. This will speed up.
4 I promise you.
5 In April -- and this is where I'm going to slow
6 down. In April 13, 2017, was one of the
7 supplemental productions.
8 And if Your Honor flips back in your notebook
9 in front of you. If you would like to look at this,
10 it's Tab 7. If you go back to 7(B), there's an
11 Exhibit A which is April 13, 2017, letter. And I'm
12 looking at here is this paragraph labelled one.
13 And this was a supplemental production. We've
14 been trying to get privilege law the whole time.
15 This is -- had a document labelled privilege law
16 with four objections to it, but this is what's
17 really important, I think, to the issue of res
18 judicata here is one of the things.
19 September 10, 2015, documents regarding
20 Mr. Trask and Clear Touch. Encore terminated its
21 resell agreement with Clear Touch on September 10,
22 2015, because of the defendant's breach to the
23 contractual fiduciary duties to Encore. Those
24 breaches formed the basis of the lawsuit filed on
25 September 18, 2015.

1 Accordingly, we believed that all documents
2 regarding Mr. Trask and Clear Touch dated or created
3 on or after September 11, 2015, were created to
4 sufficient litigation and trial were work product.
5 Nevertheless, we've reviewed those documents,
6 producing them, get the base numbers. None of which
7 is relevant to this litigation.
8 I'm going to jump ahead of myself a little bit.
9 Just flip to Exhibit C here, Your Honor. It's a
10 collection of documents. Actually, take one step
11 back and we'll look at that.
12 THE COURT: We're in "C"?
13 MR. SMITH: Yes, Your Honor. And that goes to
14 what happened next and this is the seminal thing.
15 THE COURT: Under "C," I don't have anything.
16 I have "B" that has a number -- oh, "C" to Tab B.
17 Is that what it is?
18 MR. SMITH: This is not behind Tab C, Your
19 Honor. It's right behind -- just flip the page --
20 just flip the page over in your notebook. If you
21 just flip over in that April, you know, May 31st
22 letter right here. Do you see what I'm talking
23 about?
24 THE COURT: And then I go to Tab C?
25 MR. SMITH: Not tab.

1 THE COURT: Exhibit C -- Exhibit C which says
2 collection of documents from property?
3 MR. SMITH: Yes -- yes, Your Honor, but
4 let's ---
5 THE COURT: Okay. I'm sorry.
6 MR. SMITH: --- let's just go in order. I
7 mean, you picked Exhibit B, the one right before
8 that.
9 THE COURT: Okay.
10 MR. SMITH: It's May 31st. This is the seminal
11 date here, May 31, 2018. This is -- we have -- we
12 filed our motion to compel at this point. This is
13 weeks after going back and forth. And May 31, 2018,
14 we get an additional production. It's 10,000 plus
15 pages of documents and over 4,000 individual files.
16 There's several really important parts of this
17 letter that go to res judicata issue. It's again
18 very similar.
19 If you look at paragraph 3 on that first page,
20 very similar to the representation made in
21 April 13th letter that, hey, when we terminated the
22 resell agreement on September 10, 2015, that's ---
23 THE COURT: Now, what number are we looking at
24 right here?
25 MR. SMITH: Look -- looking at Exhibit B.

1 THE COURT: Right. What -- what paragraph?
2 MR. SMITH: Paragraph No. 3 on that first page.
3 Very similar to the paragraph I just went over in
4 the previous letter. It gives a basis for the
5 lawsuit saying that breaches -- the defendant
6 breaches the contractual fiduciary duties to Encore,
7 the basis for the lawsuit.
8 And they believe everything created after
9 September 11, 2015, was work product. And -- but
10 they were producing e-mails after that time to
11 resolve. Yo u know, we had a discovery issue.
12 So if you go -- if you go further. Flip over
13 one page, the second page of that same letter, two
14 important things are on here, another representation
15 that these items in Encore's position are not
16 relevant to the litigation.
17 They -- they discover -- if you look down at
18 paragraph 2, they discover that they had over a year
19 and a half at this point. And not searched for the
20 name of the company Clear, space, Touch when they
21 searched their e-mails. They searched for Clear
22 Touch as one word. So, you know, any time anyone
23 would refer to the company within the body of an
24 e-mail and typed in Clear, space, Touch, we hadn't
25 had it up to this point.

1 We're a couple of months away from trial. A
2 week-long complicated trial as you very well know,
3 and we're getting this for the first time on May 31,
4 2018. We get a little bit -- and, again, it closes
5 in that last paragraph on this letter.
6 Again, we do not believe that these additional
7 e-mails are relevant to this case. So it's saying,
8 hey, look, inadvertently it really doesn't matter at
9 all. This is overlooked. The mistake's made. And
10 this evidence was not given to us until May 31,
11 2018, a couple of months before we're supposed to go
12 to trial.
13 There is no way to review this stuff and get
14 together a case in a few months based on what we
15 were doing, but I want to show you what was part
16 of -- now that's Exhibit C that I mentioned before.
17 Just flip over a couple of pages. This is just a
18 collection of documents that was in that May 31st
19 production.
20 You can see the first is from February 3, 2016.
21 You can see down here. They're passing along my
22 client's pricing information to bid jobs. Passing
23 it along to ViewSonic, their competitor.
24 If you flip through here, Your Honor, you'll
25 see where -- look at the third page. They're

1 telling Jason Web -- Webster of ViewSonic on
2 September 16, 2015, hey, look, there's Spartanburg
3 District 7. We need you -- they are -- they are
4 putting my client's profit numbers in here and
5 saying, we need you to be less than this particular
6 price.
7 THE COURT: Well, wasn't that document or
8 something very similar to that document introduced
9 at trial in this matter?
10 MR. SMITH: Introduced at trial?
11 THE COURT: Uh-huh.
12 MR. SMITH: I don't think it was introduced in
13 the trial in front of a jury. Part of it and
14 Mr. English ---
15 THE COURT: Well, whether it was introduced,
16 that one equitable cause of action before me, wasn't
17 it introduced some time during that trial? And
18 that -- I mean, that rings a bell about the price
19 listing and the fact that that issue, I have a
20 memory of -- and I think I do -- of the fact that
21 Encore was allegedly telling the competitor, "This
22 is what the pricing is for Clear Touch," and that
23 kind of thing. Wasn't that some subject of
24 testimony during the course of this trial?
25 MR. SMITH: Not subject of any testimony during

1 the course of the trial. It is part of the
2 equitable ---
3 THE COURT: Claim?
4 MR. SMITH: --- equitable defense of unclean
5 hands that we submitted at trial.
6 THE COURT: Okay.
7 MR. SMITH: Because that's -- that's all we
8 could do with this based on the time frame we got.
9 And -- and we'll get to down here on the -- what the
10 case law is saying, look, it's about -- if we
11 could've brought -- I know it's easy to quote the
12 could've been brought, but you have to look at could
13 this have been brought?
14 It could not have been brought a full claim
15 because there's no way in the time frame we were
16 allowed based on withholding of evidence that we
17 could've put together an actual claim and shown our
18 damages and present it to a jury. There's no way.
19 And it wasn't based on anything that my client did
20 at all.
21 You know, something was overlooked and things
22 were withheld up to the very last minute and
23 presented in a way that made it impossible for our
24 client to -- for my client to put together a claim
25 and bring it to trial. It could not work.

1 And then it's very important that Encore said,
2 "Look, that stuff's not relevant. It has nothing to
3 do with this trial. It has nothing to do with this
4 case."
5 Everything that happened after September 10,
6 2015, in Encore's own words, irrelevant. So I think
7 their actions should be estopped from now saying the
8 stuff was relevant and should've been brought, but
9 I'm getting a little ahead of myself.
10 So that's -- that's what happens on May 31,
11 2018. Get all the stuff. We also got to review it.
12 That takes a while. And then we do that.
13 So first -- for the first time, I mean the
14 absolute earliest, being the most conservative I can
15 be, in June of 2017, we were alerted to the fact
16 that we may have a trade secret misappropriation
17 claim. And that -- that is -- those single actions
18 underline the conversion and the breach of mutual
19 confidentiality agreement claims. All based on
20 Encore utilizing our trade secrets here, but that's
21 why we filed this so we could -- we could do
22 discovery and develop that claim appropriately.
23 I mean, right now all we've got is this stuff.
24 We -- we issued a discovery request in February of
25 this year. The deadline passed. They filed a

1 motion to dismiss and asked, "Can we have 30 days
2 from the resolution of this motion to respond to
3 discovery?" You know, that makes sense to me. I'm
4 reasonable and professional. I said yes.
5 So right now this is all the evidence we have,
6 but we believe that, you know, this goes to deals in
7 2017. A very large game of a ticket in
8 Winston-Salem worth many millions of dollars.
9 That's not the kind of claim we could just
10 throw together without enough discovery and time to
11 conduct appropriate discovery and depose additional
12 witnesses that were not a part of the prior case,
13 have an economics expert look at it, and prove and
14 develop things that Your Honor knows you have to do
15 to get a claim ready for trial. That was
16 impossibile to do given when this evidence was
17 turned over in relation to when the trial happened.
18 So we actually -- on May 31st, a couple days
19 after, some time the very first week of June, we
20 went to Encore and said, "Guys, you know, there
21 maybe has to be an amendment to the pleading. You
22 know, this seems like something may have to be added
23 if we're going to go forward. Will you consent to a
24 continuance?"
25 No. They said no. So we had to file a second

1 motion for continuance. And opposing that, they
2 said again to Judge Stilwell, "This is not relevant
3 to this claim. It has nothing to do with it." That
4 representation was made to fight a continuance
5 motion. So now we've got that at least three times
6 saying this stuff is irrelevant. It had nothing to
7 do with the case.
8 So now I'm going to flip forward here now.
9 This goes through, again, when we filed the case.
10 Mr. English has already gone through that, but we
11 believe it's on different facts and occurrences.
12 It's not the same as those underlying in the
13 previous case.
14 Now, we all, you know, cite at the top of what
15 are called the headline cases. Well, okay. It's
16 about whether they brought or could've been brought
17 in the previous case. Well, I think you focus on
18 here, first of all, whether it is the same
19 transaction or occurrence. And if you look over, if
20 you flip to page 7 at the bottom ---
21 THE COURT: Page 7 where?
22 MR. SMITH: The bottom of this issue sheet.
23 This first document I gave, the summary outline.
24 THE COURT: Okay.
25 MR. SMITH: And I believe at the bottom there

1 under B(1) and it's a quote from the South Carolina
2 Public Interest Foundation in Greenville County.
3 It's talking about what factual groupings
4 constitutes a transaction and what grouping would
5 constitute a series.
6 And it says to be determined pragmatically,
7 giving the weight such considerations as whether the
8 facts related in time, space, origin, or motivation,
9 whether they form a convenient trial unit and
10 whether treatment as a unit conforms to the parties
11 expectations or business understanding and usage.
12 Well, here I think the facts underlining in our
13 claims -- and I will say, I'm carving out the
14 reseller agreement claim as far at this argument
15 goes. I think both sides here say, look, the
16 reseller agreement was at issue in the last case.
17 We've both filed motions for dismissal on res
18 judicata on that. I think we both conceded that
19 position, but ---
20 THE COURT: In other words, you're saying the
21 reseller is not appropriate for this case, or you're
22 saying it is a standalone claim in this case. I'm
23 not ---
24 MR. SMITH: Sure.
25 THE COURT: --- I'm not following.

1 MR. SMITH: I think the reseller agreement
2 reaches that on both sides. Could've been brought
3 in the prior case.
4 THE COURT: Okay.
5 MR. SMITH: I am saying that. I'm not carving
6 that out of this argument because that's undeniable.
7 THE COURT: Okay.
8 MR. SMITH: And that's one of our claims.
9 Encore has two contract claims based on that
10 agreement and should go away as well, because, I
11 mean, if you're bringing the same argument and the
12 same contract, I think per se is -- is out.
13 THE COURT: The reseller, and that's all that
14 we're saying, right?
15 MR. SMITH: Yes, sir, on both sides though.
16 That's what I'm saying. That go -- that goes two
17 ways to my point there.
18 So going back to the res judicata, that's
19 really, I think, where this agreement lies here. I
20 think the facts underline our claims. And when I
21 say "claim," we're talking about three trade secret
22 base claims, three remaining claims.
23 That's allowing Encore misappropriation of our
24 trade secrets and used to unfairly compete with us.
25 And all of those events occurring after time, they

1 say -- what they said was irrelevant to litigation
2 in the prior suit.
3 It all -- it's all occurring in 2000-, you
4 know, 2015. All the stuff in Exhibit C here in
5 front of you, Your Honor.
6 THE COURT: Which -- which one?
7 MR. SMITH: Exhibit C, the collection of
8 documents from the May 31st production.
9 THE COURT: And that's under ---
10 MR. SMITH: That's under ---
11 THE COURT: --- Seven?
12 MR. SMITH: --- 7(B). This is all stuff from
13 September 15th of 2015 on and 2016. So we think the
14 facts themselves underline our -- our claims here
15 are different from those adjudicated in the prior
16 suit.
17 And they have -- they occur in a time that is
18 after the relevant time frame, according to Encore
19 itself, as it relates to the previous suit. So we
20 think the claims issue based on the facts that are
21 distinct in time and all that, they should be
22 subject to res judicata.
23 Now, the second point we make here is, they're
24 really getting out -- outside of too much
25 technicality and fundamental unfairness to the whole

1 thing if the Court were to dismiss our claims on res
2 judicata.
3 We've been through and we got this evidence
4 that alerted us to the liability -- potential
5 liability with the claims we asserted. It was a few
6 months prior to a week-long complex trial. It
7 was -- it was evidence within our opposition's
8 possession. And things happen and it was overlooked
9 on their side. I'm not -- I am not saying they did
10 something intentionally in fairness because it
11 doesn't matter at this point.
12 The fact is they had control of this stuff and
13 didn't get it to us until May 31, 2017. So to allow
14 Encore to not have to answer for misappropriation
15 and misuse of our trade secrets by dismissing this
16 claim, all that does is encourages the withholding
17 of evidence. It encourages you're giving a bunch of
18 stuff to your opposition just before trial at a time
19 where you know there's no way to prepare a case
20 based on.
21 And our Supreme Court has said and I quoted --
22 I got it in here. Excuse me. Our Supreme Court has
23 said in a recent decision that you -- I can give you
24 the citation. I have it here and I've quoted it at
25 the bottom of the page on the issue sheet. And it

1 says, quote, Our Supreme Court's recent decision of
2 res judicata to acknowledge there are certain
3 circumstances in which policy underlining the
4 document of res judicata is outweighed by more
5 compelling policy. And it cites the restatement.
6 And go down. There's a footnote there. Where it
7 states -- it talks about the full and fair
8 opportunity to litigate a claim.
9 Well, here we arrive at the full and fair
10 opportunity to litigate our claim. We could not
11 have brought that claim appropriately, adequately
12 before that, Judge. It's too much and it's all
13 based on when we got this evidence and alertness to
14 it. And ---
15 THE COURT: Is your client -- and I don't -- I
16 don't know. I don't think so, but I don't have a
17 memory of your client saying, "Look, we just got
18 these documents showing that -- that Encore was
19 passing along our protected information at this
20 juncture. We need to amend. We need to fully
21 engage in more discovery and also we need to look at
22 potentially making other claims or counterclaims in
23 this case." Did you ever raise that to the Court?
24 MR. SMITH: We filed a second motion to compel
25 saying those things at the time. We got May 31st.

1 THE COURT: Say that again.
2 MR. SMITH: Sure. Sure. We got something on
3 May 31st. On June -- June 6th or 7th, something
4 like that, we filed a second motion to continue the
5 trial based -- saying those things, that, "Hey,
6 look, we just got this stuff. It looks like we're
7 going to have to potentially amend our -- our answer
8 to that in counterclaims," so on and so forth, just
9 like you just said, Your Honor.
10 And Judge Stilwell held a phone conference on
11 it because we were on such a tight time line. This
12 was June, and at the time we were looking at an
13 August 28th trial date. And Encore opposed that
14 motion saying, "This stuff has nothing to do with
15 this case. It doesn't."
16 So Judge Stilwell said, "Okay. I'll give you a
17 couple more weeks." So we got to -- it was -- it
18 was either August 28th or September 7th was where we
19 were before that motion was filed as far as the date
20 certain.
21 And then it got moved to the very end of
22 September. The 25th, I believe, is the day we
23 started in front of Your Honor, that last week of
24 September.
25 THE COURT: Okay.

1 MR. SMITH: So, yes, we brought that up. We
2 were -- and Encore's opposition to our motion to
3 continue based on those very things is an answer to
4 what they have conceded to amend. Of course not.
5 They don't want to concede to continue, much less
6 amend. They said, no, it has nothing to do with
7 this case.
8 So, yes, Your Honor, I think my shorter answer
9 than the one I just gave to your question, we filed
10 something with the Court based on it. And Encore
11 opposed it saying, "That stuff has nothing to do
12 with this case."
13 So I keep saying that because it really does
14 matter. I mean, the representation was made
15 multiple times. And then of the matter, this is not
16 relevant. It has nothing to do with what we're
17 talking about. And now ---
18 THE COURT: And you raised that, and I've got
19 that in my mind. And I understand your argument as
20 to whether or not they have the opportunity as to
21 estoppel, but that's really putting the burden on
22 somebody else to tell you about your case a little
23 bit.
24 I mean, once you have notice of these alleged
25 violations of the confidentiality, the trade

1 secrets, and various such things about the pricing
2 disclosure to third parties, doesn't that then put
3 upon your client the obligation to make a full
4 evaluation as to whether or not that should be
5 raised in this case?
6 MR. SMITH: Yes, it does, Your Honor.
7 THE COURT: And you're saying that two months
8 or three months is just insufficient time to do it?
9 MR. SMITH: I'm saying it's absolutely
10 insufficient time to do it. We evaluated whether or
11 not to bring it. If that's the course we should
12 do ---
13 THE COURT: What about dating back to the
14 letter from Encore to Clear Touch, Mr. Trask, or who
15 it was that says, "We're terminating your agreement,
16 the resell agreement. We're not going to do that"?
17 That -- that's notice of somebody else is going to
18 be being dealt with, is it not?
19 MR. SMITH: It certainly is, but it's not ---
20 THE COURT: But not notice of disclosure?
21 MR. SMITH: It's just not -- it's not notice at
22 all. They kept the trade secrets they were supposed
23 either destroy or turn back over and are utilizing
24 them and competing against us. We had no idea they
25 were doing this.

1 I wish we had known. I wish I could've put
2 this in front of a jury. It would've helped me out.
3 It would've -- it would've dinged the narrative a
4 bit of Encore that was very aptly put up of "we were
5 the victim here and we got hurt by Mr. Trask and
6 Clear Touch."
7 I would've loved to put up some of that on my
8 side that shows Encore isn't the white knight they
9 said they were. It would've been beneficial to my
10 case, but it would've been detrimental to my client
11 to include this -- this claim and the parties sue
12 because we did not have an adequate time to develop
13 the claim. We didn't.
14 And -- and -- and that's why I'm saying the
15 competing policy reason here and the Supreme Court
16 recognized can overcome in the application of the
17 doctrine of res judicata. When you have a situation
18 to where if you apply it, it had not only negative
19 consequences, but an over -- overriding negative
20 implication.
21 What -- what granting their motions to kick our
22 claims at this point does, it is -- it is licensed
23 to withhold evidence to a point to where you can
24 dump it on your opponent and say, "I gave it to you
25 before trial. Regardless of the circumstances, you

1 got to -- you got to bring that claim forward, even
2 though I sandbagged you and made it completely
3 unattainable to do it."
4 Again, deliberate or not, I'm not saying that's
5 what, but it happened based on the takeover side
6 according to the letter they sent us. Okay. But
7 once you do that, you got, you know, Clear Touch
8 comes to court and sues for the wrongs that Encore
9 has done to it.
10 And to allow Encore not to answer for that
11 based on what happened here, based on these
12 circumstances is just a really lack of -- it's a
13 very negative message to send out to Encore and to
14 the bar in general. It encourages the gamesmanship
15 and withholding of evidence. And I think -- I think
16 we can all agree, that doesn't serve the purpose of
17 this court.
18 So we think, one, res judicata doesn't apply
19 and we've shown the reasons why.
20 We think, two, they should actually be estopped
21 from them making the argument based on their
22 representations.
23 And, three, to the extent the Court believes
24 res judicata does apply, there is undeniably
25 fundamental fairness and compelling policy reasons

1 not to apply these circumstances.
2 I want to make sure I got everything.
3 Mr. English didn't address the last two
4 arguments, but they -- they put in their motion and
5 they're extremely brief. It's on page 10 here.
6 They said there's sufficient evidence to
7 proceed with claims. I'm showing you Exhibit C. I
8 think that's more than sufficient to overcome the
9 very differential summary judgment bar. We've got a
10 scintilla of evidence, more than that. I forgot how
11 many pages are in this exhibit, but there's many
12 examples of trade secret misappropriation that allow
13 us to go forward.
14 And then "D," I'm not sure if I understand this
15 one. It's in the motion. It said that our claims
16 barred the statute of limitations. I frankly don't
17 understand that one. You know, discovery rule of
18 three years. Your Honor is very familiar with it.
19 We got stuff on May 31, 2017. We filed suit a few
20 months later. And it's all actions and events
21 occurring in 2015, '16, and forward. So I don't see
22 how the statute of limitations can bar us here.
23 So that goes to res judicata stuff. The one
24 other portion, it's a separate issue, is -- or not
25 separate, but they have an abusive process

1 counterclaim.

2 THE COURT: Sorry. Say that again?

3 MR. SMITH: They have an abusive process

4 counterclaim against us for filing this action.

5 We -- we've been through it in detail now why this

6 is a separate case, why this action was filed, and

7 why we had to file it as a separate case.

8 Our summary judgment motion, and if you can

9 look, it's broken down very quickly here on page 11.

10 Starting on page 11 here through 14. Just there's

11 two elements they got to show for abusive process

12 they just absolutely cannot show.

13 One is, they have to show an ulterior purpose

14 and, two, a willful act in the use of the process

15 not proper in the conduct proceeding. And the most

16 obvious portion of that they can't show, it goes to

17 the second element. That second willful act element

18 has several parts.

19 And one of the things that the case law says,

20 and I'm quoting it in here, is you got to show --

21 you got to be able to show the sole or paramount

22 reason for utilizing a process was an unlawful

23 ulterior purpose. The whole abusive process

24 counterclaim is based on the broad accusation that,

25 hey, y'all filed this to get a -- to get a better

1 outcome of the prior action.
2 Well, we've been through my file. This is a
3 separate action, so that's just not sufficient to
4 maintain a claim. And if it were true, we would've
5 not proceeded this case all the way to trial till
6 after we got the judgement back in the other action.
7 Instead, we received discovery. We're here on
8 multiple substantive, very involved motions. This
9 case is absolutely 100 percent legitimate. And it
10 is to seek to address Encore's trade secret
11 misappropriation, my client's trade secrets
12 utilizing them to underbid them on jobs. And,
13 again, what we think would be a very substantial
14 claim here, Your Honor.
15 So the fact that we filed this, they don't like
16 it, but they can't show the two elements of abusive
17 process that are -- that are necessary to maintain
18 the claim. And, I mean, to be quite frank, it's --
19 it's ironic at best and definitely a bit
20 hypocritical that this counterclaim is alleged
21 against my client. Last week alone, Encore has
22 moved to intervene in another case, an appellate
23 matter, that's in front of Your Honor. Excuse me.
24 Cross ---
25 THE COURT: Is there a third Encore case?

1 MR. SMITH: Well, now there is.
2 THE COURT: Is that the one that Judge Young
3 sent up to me the other day? Is it a business case?
4 MR. SMITH: I'm not sure, Your Honor.
5 MR. ENGLISH: We moved to intervene, but that
6 hasn't been heard yet.
7 MR. SMITH: That's -- that's, yes, Your Honor.
8 It's a business court case.
9 THE COURT: Okay. I'm not familiar. I haven't
10 heard any ---
11 MR. SMITH: Oh, sure. I'm talking about the
12 amount of substance. I'm saying they moved to
13 intervene in that case. They've cross appealed on
14 appeal of the final order, and then filed a separate
15 lawsuit this past Thursday pursuing Keone Trask's
16 mother; Leo Gallant; the retirement plan; the
17 business.
18 I mean, we -- we are -- have a very
19 straightforward claim based on what they did. We
20 would've -- I would've loved to have it in the prior
21 case, but an abusive process counterclaim is -- it's
22 offensive. And they can't -- they can't show the
23 necessary elements to sustain it, and I'm very much
24 in support to get rid of this one summary judgment
25 here. Thank you, Your Honor, for listening.

1 THE COURT: Thank you, sir. Does everybody
2 agree -- does everybody agree at this juncture that
3 this should be reviewed under the standards for
4 summary judgment?
5 MR. SMITH: Yes, Your Honor, I do.
6 MR. ENGLISH: Yes, sir.
7 THE COURT: All right. Mr. English.
8 MR. ENGLISH: Thank you, Judge. Just briefly,
9 I'm a little confused because Mr. Smith said
10 initially right off the bat that he didn't think res
11 judicata applied. And he sort of said that at the
12 end, but his -- the plaintiff's own motion to
13 dismiss says that Encore's counterclaim should be
14 dismissed, quote, pursuant to the doctrine of res
15 judicata.
16 And during his argument, he admitted that their
17 second cause of action, the breach of the reseller
18 agreement, should be dismissed for under the
19 doctrine of res judicata, so that -- clearly, the
20 doctrine does apply to this case.
21 THE COURT: Wait a minute. The gist of what I
22 got, and I'm not looking at the abusive process
23 claim right now. I want you to speak about the gist
24 so far of what I've heard is that res judicata is
25 probably applicable, but under the doctrine of

1 fundamental fairness and overriding public policy,
2 they should be allowed because your client's conduct
3 in not bringing up or producing this information in
4 a timely manner enabled them to prepare an adequate
5 counterclaim based on this newly revealed
6 information. That's the way I'm looking at it,
7 right?
8 MR. ENGLISH: Okay. Yes, and I -- I agree. I
9 think -- I just want to note by agreeing that res
10 judicata applies to the reseller agreement. It also
11 applies to the confidentiality agreement which was a
12 preexisting agreement that was superseded by the
13 reseller agreement. And those agreements form the
14 basis for the trade secrets and the conversion.
15 The conversion claim involves confidential
16 information, so they're all intertwined and the
17 question is factually. All these claims that were
18 logically related to claims that were litigated and
19 that could've or should've been brought in the first
20 case.
21 Now, I'll note the ones in this policy argument
22 that they made that he admits that they learned the
23 facts that they formed the basis of these claims on
24 May 31 of 2017.
25 And I will say that Encore had as of February

1 of 2017, if you look through his document, you'll
2 see that Encore has produced about 200,500 e-mails
3 by February of 2017.
4 And Clear Touch kept saying, "Well, we think
5 there's more. We think there's more." And Encore
6 would go back and do additional searches. They
7 found maybe 5 percent more between February and May
8 of 2017, but, again, that was four months before
9 trial. And they used those same e-mails to argue
10 that Encore had unclean hands. So they were able to
11 formulate, take those facts, and use them in the --
12 that first case.
13 Encore did take the position that legally what
14 these e-mails that they were requesting were
15 irrelevant. And they were irrelevant because Clear
16 Touch never filed a counterclaim against Encore in
17 the first suit.
18 Not only did they not file a counterclaim, they
19 never moved to amend their answer to assert a
20 counterclaim. All they asked for was a continuance.
21 And if -- even though they had these same e-mails
22 four months before trial that they used to raise an
23 affirmative defense, they never asked to amend the
24 counterclaim to make them relevant.
25 And the argument that Encore is judicially

1 estopped is wrong because judicial estoppel has to
2 be based on facts, not based on legal arguments.
3 And what we said is that we believe the way
4 these pleadings are framed, what you're asking for
5 is not completely relevant, but we went ahead and
6 produced them anyway. So we've just noted in those
7 letters, we think this is irrelevant, but here you
8 go. We gave them all of these e-mails.
9 And what Clear Touch then did with those
10 e-mails is they didn't move to amend, but they asked
11 for continuances and they got continuances. So they
12 got what they asked for in response to receiving
13 those e-mails.
14 And, finally, with regard -- on the policy
15 argument, I will say that, you know, the first case
16 and everything is -- is now gone up to the Court of
17 Appeals. And I would say the policy here is a
18 matter of judicial economy. This case should go up
19 to the Court of Appeals too and let the Court of
20 Appeals decide all of this.
21 THE COURT: Say that again now.
22 MR. ENGLISH: I said the first case is already
23 at the Court of Appeals. I think this case, for
24 purposes of judicial resources and judicial economy,
25 this case should be dismissed on the grounds of res

1 judicata and let the Court of Appeals just deal with
2 everything at the same time. In other words, this
3 case can be consolidated with that and the Court of
4 Appeals can decide it all. I think that's the
5 policy that should prevail here.
6 And then, finally, on summary judgment, I will
7 not that we did submit the affidavit of Mr. Newnam
8 in support of our motion. Mr. Smith has handed up a
9 stack of e-mails, but he's got no affidavit or
10 anything to explain the context. So I don't think
11 that Clear Touch has met a standard under case law
12 to submit evidence that the Court can consider to
13 uphold their case.
14 And, finally, on abuse of process, Ms. Barker
15 is going to handle that.
16 THE COURT: Okay. Ms. Barker.
17 MS. BARKER: Thank you, Your Honor. On the
18 abuse of process claim, Mr. Smith argued that we are
19 unable to show the second element, willful acts, and
20 he relied on the Food Lion case. I'll note for the
21 Court that there are important distinctions between
22 our case and the Food Lion case.
23 The Court never said that a participation in a
24 lawsuit cannot constitute a basis for an abusive
25 process claim. There was a pleading deficiency in

1 the Food Lion case in which the abusive claim
2 process, the pleadings did not note that the primary
3 purpose in bringing the claim was the -- was the
4 basis for satisfying the willful act element.
5 Here that is -- that is not the case at all as
6 Your Honor likely has seen our counterclaim
7 specifically refers to the plaintiff's filing of
8 this action constituting an abusive process on the
9 basis that it was done for the primary purpose. The
10 ulterior purpose to gain objectives. It's not
11 legitimate, specifically attempting to settle the
12 prior action on terms stated by the plaintiff.
13 In fact, to date, Mr. Smith has not presented
14 any evidence to the contrary. He has argued that if
15 that had been true, we wouldn't have proceeded, but
16 failure to be able to settle has no bearing on
17 whether we properly state an abusive process claim.
18 Also, Mr. Smith has talked about our
19 participation, other litigation. That's irrelevant
20 to the abusive process claim, particularly in light
21 of the fact that our participation is to protect the
22 judgment in the original action between these two
23 parties.
24 THE COURT: Let me ask you this, I know, Mr. --
25 you -- English, excuse me, it was, you said 1.7. I

1 thought the judgment -- I know you didn't get
2 everything, but I thought it was closer to about
3 nine.
4 MR. ENGLISH: Well, if you add -- the judgment
5 against Mr. Trask was about 7.9 and Clear Touch was
6 1.7.
7 THE COURT: I see. Okay. All right.
8 MR. SMITH: And the company -- the company paid
9 that. We paid that to the Court, the company side.
10 Mr. Trask didn't.
11 THE COURT: I gotcha. Okay. All right. I'll
12 be glad to hear any responses to anything.
13 MR. SMITH: Very, very briefly, Your Honor.
14 Because we say res judicata applies, the resell
15 agreement applies, and everything, Your Honor did a
16 very great job of reciting the very law argument I
17 made, the summation, but I want to say it is not at
18 all what we're saying.
19 We're saying we recognize and I think they have
20 to as well that res judicata applies to the one
21 claim based on the resell agreement. That is based
22 on actions that between the two parties within the
23 basis of their -- their business relationship under
24 that agreement, all occurring prior to the time when
25 Encore terminated their relationship. That's one

1 set of facts.

2 We're saying another set of facts underlie in

3 those other three claims that we have here,

4 misappropriation of my client's trade secrets and

5 use of -- use of them to unfairly compete with them.

6 That underlies the breach of mutual confidentiality

7 agreement, obviously the trade secret

8 misappropriation, and the conversion of claims out

9 of the three claims we have here. So just because

10 it applies to one, we certainly are not saying that

11 that -- it applies to the other for the very reason,

12 et cetera.

13 Now, we first learned of a potential viable

14 counterclaim at best in June of 2017 because we got

15 the documents May 31st, 10,000 pages. I read fast,

16 but not that fast. So it had to at least be in June

17 when I finally figured out we might have something.

18 And as I noted in detail and the reason I put

19 that time line in front of you is so long, but I was

20 trying to do it for everyone's convenience,

21 especially Your Honor's because there's a lot going

22 on here, we got one continuance of a few weeks when

23 we brought the need to potentially amend the -- the

24 answer to the Court. And the opposition was, this

25 stuff doesn't matter. It's irrelevant.

1 So we think that is what matters here. It's
2 not -- and I think the -- if it's equitable estoppel
3 or judicial estoppel in some form, we all get
4 confused on what form applies as I do. So it may
5 just be me, but if you make -- if you take on the
6 position of a prior case, you cannot take one that's
7 contrary and subsequent and believe this a contrary
8 position and multiple representations made in the
9 prior litigation the stuff's irrelevant.
10 THE COURT: Well, how do you address the
11 argument from Mr. English that based on the state of
12 the pleadings, it was not relevant and that you
13 never -- or your client never made a motion to amend
14 to assert a counterclaim to this matter?
15 MR. SMITH: Sure. Based on the state of the
16 pleadings, it wasn't in there for them to know
17 about. So that -- that one goes off the table. Of
18 course, it's off the table because we had no idea
19 about it.
20 THE COURT: Okay.
21 MR. SMITH: Then -- and we brought to the Court
22 the need. And, I mean, I -- I hesitate because
23 there was a lot of internal discussion about what to
24 do with this, Your Honor. And we -- it's definitely
25 something that kept me up many nights thinking about

1 what -- what's the right thing to do here for the
2 best interest of Clear Touch.
3 And the decision had to be made, do you take a
4 major risk of putting potentially a multimillion
5 dollar claim on an extreme fast track that is
6 already attached to a week-long trial and other
7 stuff and this whole new theory? Or do you file a
8 separate action allowing -- allowing the courts to
9 do what they do and allow us to do discovery in a
10 manner and time that allows that claim to develop
11 and be ripely, fully, and fairly adjudicated?
12 And I had to choose the second option. And
13 I'm -- and I'm here today to really implore the
14 Court to let us do that. Put this up on appeal with
15 that other case.
16 THE COURT: I don't -- I don't think that's ---
17 MR. SMITH: Well, I just had to say it.
18 THE COURT: Well, who knows what they think
19 about it, but I don't know how that can be. If they
20 have issues framed, and that's what they got to
21 resolve.
22 MR. SMITH: Thank you, Your Honor. That's all
23 I have.
24 THE COURT: All right. Mr. English.
25 MR. ENGLISH: Just briefly. I'll note that,

1 you know, he talks about these e-mails. He had
2 95 percent of the e-mails back in by February of
3 2017. He got these remaining 5 percent four months
4 before trial.
5 THE COURT: Well, he had -- and, you know, when
6 y'all make those arguments to me, that somewhat kind
7 of goes over my head because I don't know what the
8 context of the 95 percent is. If the context or the
9 5 percent has to do with these alleged
10 misappropriation trade secret information, then the
11 95 percent doesn't matter at all.
12 Back in February and as of the discovery at
13 that point, to your knowledge, were any -- was there
14 anything in the discovery that you had given them
15 that would indicate or put somebody on notice that
16 they need to investigate a claim that you are
17 misappropriating our trade secrets?
18 MR. ENGLISH: You know, I don't -- I would say
19 there's probably, but I don't -- I can't think of
20 anything specific. I just don't know because, you
21 know, it's -- there's massive e-mails.
22 THE COURT: I understand.
23 MR. ENGLISH: The one thing -- the last thing
24 I'd say is, Mr. Smith candidly acknowledged that
25 they considered bringing a counterclaim. He just

1 said they considered bringing a counterclaim in this
2 trial and they made a strategic decision not to, and
3 I understand that res judicata doesn't let you do
4 that.
5 THE COURT: Okay. Anything further, guys?
6 MR. SMITH: No, Your Honor. Thank you for your
7 patience and time.
8 THE COURT: Oh, sure. All right. Lisa, we'll
9 go off the record.
10 THE REPORTER: Okay.
11 (The proceedings concluded at 9:59 a.m.)
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EMPLOYMENT AGREEMENT

This Agreement (the "Agreement"), dated as of February 14, 2013 (the "Effective Date"), is by and between Encore Technology Group, LLC, a South Carolina limited liability company (the "Company"), and Keone Trask (the "Executive").

WHEREAS, the Company desires to retain the services of the Executive pursuant to the terms and conditions set forth herein, and the Executive wishes to be employed by the Company on such terms and conditions;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Term.** Unless earlier terminated as provided herein, the Executive's employment under this Agreement shall be for a term of one year (the "Term") commencing on the Effective Date.

2. **Duties.** The Executive will serve as the Chief Business Development Officer of the Company and shall have such duties of an executive nature as the Manager of the Company (the "Manager") shall reasonably determine from time to time. The Executive will report to the Manager.

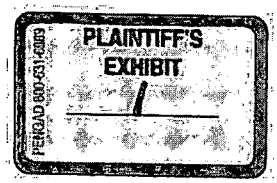
3. **Compensation and Benefits.** During the Term of Executive's employment with the Company under this Agreement, the Executive shall be entitled to compensation and benefits as follows:

(a) **Base Salary.** The Executive will receive an annual salary of One Hundred Seventy-Five Thousand Dollars ($175,000.00) (the "Base Salary"), payable in equal increments not less often than monthly in arrears.

(b) **Benefits.** In addition to the Base Salary, the Executive will be entitled to receive fringe benefits that are generally available to the Company's executive employees in accordance with the then existing plans and/or programs, if any.

(c) **Expense Reimbursement.** The Executive will be entitled to reimbursement of all reasonable expenses incurred by him in performing services under this Agreement and during his employment with the Company, in accordance with the policies and procedures established by the Company, provided that Executive properly accounts in writing for the expenses in accordance with Company policies.

(d) **Withholding.** The Company will withhold from compensation payable to the Executive all applicable federal, state, and local withholding taxes.



4. **Termination.**

(a) The Executive's employment with the Company may be terminated at any time by the Company with Cause or without Cause or in the event of the death or Disability of the Executive. The Executive's employment with the Company may be terminated by the Executive at any time for any reason by giving at least two weeks prior written notice to the Company.

(b) As used in this Agreement, the following terms shall have the following meanings:

(i) "Cause" means (i) fraud; (ii) embezzlement; (iii) the Executive's commission of a felony or a misdemeanor that involves fraud; (iv) any act of moral turpitude or willful misconduct by the Executive intended to result in personal enrichment of the Executive at the expense of the Company; (v) gross negligence or intentional misconduct resulting in damage to the property, reputation, or business of the Company; or (vi) the Executive's failure or refusal to substantially perform his material duties, responsibilities, and obligations, other than a failure resulting from Executive's death or Disability.

(ii) "Disability" means illness (mental or physical) or accident, which results in the Executive being unable to perform the Executive's material and essential duties as an employee of the Company for a period of more than two consecutive months.

(iii) "Good Reason" means that the Company reduces Executive's base salary or requires that the Executive live outside of Greenville County, South Carolina (excluding, however, reasonable travel related to his employment), and such condition is not cured within 30 days after written notice of such condition is given by the Executive to the Company.

(c) If the Executive's employment is terminated for Cause while this Agreement is in effect, or if Executive terminates his employment without Good Reason, the Company shall have no further obligation to make any payments or provide any benefits to the Executive under this Agreement after the date of termination except for payments of Base Salary and expense reimbursement that had accrued but had not been paid prior to the date of termination.

(d) If (1) the Executive's employment with the Company is terminated by the Company without Cause, (2) the Executive's employment is terminated as a result of Executive's death or Disability, or (3) the Executive's employment with the Company is terminated by the Executive for Good Reason, and such termination occurs prior to August 15, 2013, Executive (or his estate) shall be entitled to a lump sum payment of an amount equal to the Executive's base salary for a period of six months plus accrued vacation. If the Executive's employment is terminated for any of the above reasons and such termination occurs between August 15, 2013 and February 15, 2014, Executive (or his estate) shall be entitled to a lump sum payment of an amount equal to the Executive base salary for the period beginning on the termination date and ending on February 15, 2014 plus accrued vacation.

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(e) Notwithstanding any provision of this Agreement to the contrary, to receive any of the payments set forth in Section 4 upon a termination of employment, the Executive must first execute, enter into, and not revoke a reasonable release and hold harmless agreement (on a form provided by the Company), within the time period specified under the release and hold harmless agreement, whereby the Executive agrees to release and waive, in return for the payments specified in Section 4 of this Agreement, any claim or cause of action that the Executive may have against the Company and any of its affiliates, including, without limitation, for unlawful discrimination or retaliation; provided, however, that such agreement shall not release any claim by the Executive for any payment or benefit that is due under the express terms of this Agreement at the time the time the Executive executes the release agreement.

5. **Notices.** Any notice, demand, or other communication given pursuant to this Agreement shall be in writing and shall be personally delivered, sent by nationally recognized overnight courier or express mail, or mailed by first class certified or registered mail, postage prepaid, return receipt requested as follows:

(a) If to the Executive:

Keone Trask
15 Red Tip Court
Simpsonville, SC 29680

(b) If to the Company:

Encore Technology Group, LLC
900 East Main Street, Suite T
Easley, SC 29640
Attention: Todd Newnam
Telephone: 704-996-5034

or at such other address as may have been furnished by such party in writing to the other party.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of South Carolina, without regard to its choice of law provisions.

7. **Amendments and Waivers.** This Agreement may be amended or modified only by a written instrument signed by the Company and the Executive. No waiver of this Agreement or any provision of this Agreement shall be binding upon the party against whom enforcement of such waiver is sought unless it is made in writing and signed by or on behalf of such party. The waiver of a breach of any provision of this Agreement shall not be construed as a waiver or a continuing waiver of the same or any subsequent breach of any provision of this Agreement. No delay or omission in exercising any right under this Agreement shall operate as a waiver of that or any other right.

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8. **No Conflicting Agreements.** The Executive represents and warrants to the Company that the Executive is not a party to or bound by any confidentiality, noncompetition, nonsolicitation, employment, consulting, or other agreement or restriction that could conflict with, or be violated by, the performance of the Executive's duties to the Company or obligations under this Agreement.

9. **Review of Agreement.** The Executive acknowledges that the Executive (a) has carefully read and understands all of the provisions of this Agreement and has had the opportunity for this Agreement to be reviewed by counsel, (b) is voluntarily entering into this Agreement, and (c) has not relied upon any representation or statement made by the Company (or its affiliates, equity holders, agents, representatives, employees, or attorneys) with regard to the subject matter or effect of this Agreement.

10. **Miscellaneous.** The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit, or affect the scope or substance of any section of this Agreement. This Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement. This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns. This Agreement may not be assigned by either party without the written consent of the other party. This Agreement constitutes the final and entire agreement of the parties with respect to the matters covered by this Agreement and replaces and supersedes all other agreements and understandings relating to the matters covered by this Agreement. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or electronic transmission in portable document format (pdf) will constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by electronic transmission in pdf format will be deemed to be their original signatures for all purposes.

[Remainder of Page Intentionally Left Blank.]

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This Agreement has been executed and delivered as of the date first above written.

COMPANY:

Encore Technology Group, LLC
By its Manager:

TRN Capital Advisory, LLC

By: _____
Name: Todd R. Newnam
Title: Manager

EXECUTIVE:

_____
Keone Trask

[SIGNATURE PAGE TO EMPLOYMENT AGREEMENT]

encore
technology group

Non-Disclosure and Non-Solicitation Agreement

This Non-Disclosure and Non-Solicitation Agreement (the "Agreement") is made effective as of February 18, 2013 between Encore Technology Group, LLC (hereinafter referred to as "Encore" or the "Company") of 900 East Main St., Easley, South Carolina and KEVIN TRASK (hereinafter referred to as "Employee").

Pursuant to the Asset Purchase Agreement dated February 14, 2013, the Company has consummated the purchase from Computer Software Innovations, Inc. ("CSI") of certain of the assets pertaining to the Cloud Services Segment and the Technology Solutions Segment (the "Transaction"). Following the Transaction, Employee's employment with CSI will be terminated, and Company and Employee intend to enter into an at-will employment relationship.

It is understood and agreed that the Company has legitimate business interests in seeking the protections it seeks in this Agreement, including but not limited to the protection of its trade secrets, confidential information, substantial relationships with specific prospective or existing customers or clients, and the restrictions set forth herein are reasonably necessary to protect these legitimate business interests. The purpose of this Agreement is to make it known that Encore desires to protect the confidentiality of its own proprietary information as well as customer information that is, from time to time, made available to the employees of Encore. Therefore, in consideration of being employed and compensated by Encore and of these provisions herein contained, and other good and valuable consideration, the parties hereby covenant and agree as follows:

COMPANY DATA AND TRADE SECRETS: The Company has a proprietary interest in, and its business is one that requires secrecy concerning, "Trade Secrets" and "Company Data." Trade Secrets are limited to Company information including, but not limited to, a formula, pattern, compilation, program, device, method, technique, product, system, or process, design, prototype, procedure, or code that (I) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, the public or any other person who can obtain economic value from its disclosure or use, and (II) is the subject of Company efforts that are reasonable under the circumstances to maintain its secrecy, and any Company information that could otherwise come under the definition of Trade Secret under South Carolina Code § 39-8-20. Company Data is defined as Company information related to the services or other business of the Company that is not generally known by or readily ascertainable to the public that is not considered a Trade Secret. Trade Secrets and Company Data may include, without limitation (i) inventions, discoveries, copyrights, intellectual property improvements, know-how, methods, technical information, data, process technology, plans, drawings, blueprints, manufacturing processes, laboratory procedures, and methods employed or sold by the Company relating to the services of the Company; (ii) sales and customer data (whether or not reduced to writing), including but not limited to customer lists, customer preferences, customer requirements, customer contracts, customer contacts, pricing information, concessions and prior bids; (iii) marketing information, including but not limited to business strategy, plans, research, development, expansion or contraction plans; (iv) business plans, including but not limited to capital projects, departmental budgets and expenses; (v) financial information, including but not limited to revenue and billing projects; (vi) computer programs (or any portions or logic comprising such programs and/or source codes), internal security codes and passwords; (vii) manufacturing and vendor contacts, contracts and agreements; (viii) research and development efforts; (ix) product or service cost or pricing; (x) personnel allocation or organizational structure; and (xi) non-public information concerning the legal or financial affairs of Company. Trade Secrets and Company Data include, without limitation, documents, records, tapes, files, media, and any other medium of communicating information and information Employee acquired while employed with Company.

CONFIDENTIALITY: Except as may be necessary to perform Employee's duties for the Company, Employee shall hold Trade Secrets in confidence and shall not use, misappropriate, or divulge to any third party at any time Trade Secrets of the Company, during or after Employee's employment with the Company ends. For Company Data that is not considered a Trade Secret, Employee agrees to hold Company Data in confidence and shall not use, misappropriate, or divulge Company Data to any Person at any time during the course of Employee's employment with the Company (or its predecessors) and for a period of five (5) years after Employee's employment ends with the Company. Employee agrees to promptly inform Company of any breach of confidentiality of Trade Secrets or Company Data by any other person that comes to Employee's attention. Employee shall also endeavor to protect Trade Secrets or Company Data from being exposed inadvertently to any Person. For purposes of this Agreement, this Confidentiality provision shall not apply to information or Company Data that (I) is or was publicly known and made generally available to the public through no action or inaction of Employee; (II) is obtained from a third party not in violation of any agreement with, or duty of confidentiality to, the Company; or (III) involves general skills or knowledge independently developed by the Employee as shown by documents and other competent evidence in Employee's possession.

PLAINTIFF'S EXHIBIT 3

RETURN OF COMPANY PROPERTY: Upon termination of employment or written request of Encore, Employee shall return to Encore all Company property, including but not limited to Company Data, Trade Secrets, and all copies thereof, in Employee's possession or under Employee's control. Employee shall also deliver to Encore written statements signed by Employee certifying that all materials have been returned immediately upon termination of employment or within five (5) days of receipt of the request.

LIMITED LICENSE TO USE: Employee shall not acquire any intellectual property rights under this Agreement except the limited right to use as set out above. Employee acknowledges that, as between Encore and Employee, the confidential information and all related copyrights, and other intellectual property rights, are (and at all times will be) the property of Encore, even if suggestions, comments, and/or ideas presented by Employee are incorporated into the confidential information or related materials during the period of this Agreement.

NON-SOLICITATION OF CUSTOMERS: Employee covenants and agrees that during the period of Employee's employment with Company, and for a period of one (1) year thereafter (the "Restricted Period"), Employee will not, for Employee or on behalf of any Person, directly or indirectly solicit, influence, contact, sell to, service, or deal with ("Solicit") any Customer (as defined below) of the Company (or provide information or assistance to any third party that would enable or help such third party Solicit a Customer of the Company) for the purpose of:

(a) providing services or products to such Customer that are the same as or competitive with the services or products that are provided to such Customer in competition (directly or indirectly) with the Company; or

(b) diverting or attempting to divert from the Company the business of the Customer of the Company, including but not limited to any actions that cause such Customer to reduce the level or amount of services (or other business or products) provided by Company to such Customer.

"Customer" shall be limited to any actual or prospective customer of the Company:

(i) that Employee Solicited during Employee's employment with the Company; or

(ii) that employees of the Company supervised by Employee Solicited during Employee's employment with the Company;

(iii) about whom Employee had access to the pricing, advertising and/or marketing schemes developed by Employee or the Company for such customer.

NON-PIRACY OF EMPLOYEES: Employee covenants and agrees that during the Restricted Period, Employee will not, for Employee or on behalf of any Person, directly or indirectly:

(a) consult, attempt to hire, or encourage any present employee of the Company to end his/her employment with the Company to accept employment with any third party that competes, directly or indirectly, with the Company; or

(b) consult, attempt to hire, or encourage any former employee of the Company who has been away from the Company for less than three months to accept employment with any third party that competes, directly or indirectly, with the Company.

ASSIGNMENT: This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and shall be binding upon the Employee and Employee's executors, administrators, or representatives. The Company has permission to assign this Agreement at its discretion. Any assignment by Company of this Agreement shall not be considered a termination of this Agreement.

BUSINESS OPPORTUNITY: During the term of this Agreement, if Employee becomes aware of any project, investment, venture, business or other opportunity (any of the preceding, collectively referred to as an "Opportunity") that is similar to, competitive with, related to, or in the same field as Company, or any project, investment, venture, or business of Company, then Employee shall so notify Company immediately of such Opportunity and shall use Employee's good-faith efforts to cause Company to have the opportunity to explore, invest in, participate in, or otherwise become affiliated with such Opportunity.

GENERAL PROVISIONS: The parties hereto recognize that irreparable damage will result to the Company in the event of the breach of any of the covenants and assurances made by the Employee in this Agreement. The parties therefore agree that the Company shall be entitled, in addition to any other remedies or damages available to it under the South Carolina Trade Secrets Act or other statutory or common law, to obtain injunctive relief without bond in order to restrain the violation of such covenants by Employee. In the event that the Company prevails, in whole or in part, in any such action, Employee shall be liable to the Company for all of its costs and expenses, including, without limitation, reasonable attorney fees and expert witness fees.

encore
technology group

Non-Disclosure and Non-Solicitation Agreement

This Agreement may be enforced in a court of competent jurisdiction in Greenville County, South Carolina, and Employee agrees to submit to jurisdiction in Greenville County, South Carolina whether or not Employee is then residing in South Carolina. Employee submits to such jurisdiction and waives any defenses relative to the jurisdiction or venue of South Carolina courts, except that the Company, in its sole discretion, may institute a proceeding in the location of Employee's residence or where Employee is working to remedy a violation of this Agreement.

If any Court should construe any provision, or any clause or portion of these provisions, of this Agreement to be too broad to prevent enforcement to its fullest extent, then such restrictions shall be enforced to the maximum extent that the Court finds reasonable and enforceable. In the event that any of these provisions or any clause or portion of these provisions shall be held to be invalid or unenforceable, the remaining provisions, or any clause or portion of these provisions, hereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable provisions, or clauses or portions of these provisions, had not been included therein. The parties in no way intend to include a provision, or any clause or portion of these provisions, that contravenes public policy. Therefore, if any provision, or any clause or portion of these provisions, of this Agreement is unlawful, against public policy, or otherwise declared void or unenforceable, such provision, or clause or portion of these provisions, shall be deemed excluded from this Agreement, which shall in all other respects remain in effect.

REAFFIRMATION OF AT-WILL EMPLOYMENT/SURVIVAL: This Agreement does not constitute or create a contract of employment for a fixed term between Employee and the Company. Employee understands that as an employee-at-will, Employee is completely free to leave the Company at any time Employee chooses and the Company would have the same right to end the employment relationship at any time without prior notice and with or without cause. Employee acknowledges that the obligations of this Agreement survive the separation of employment (no matter how it is achieved) with the Company.

ENCORE TECHNOLOGY GROUP, LLC	KENNY TEASE EMPLOYEE
By: Tammy Summerell (name)	Signed: [signature] (name)
Its: HR (title)	

Clear Touch Interactive

RESELLER AGREEMENT

This Reseller Agreement (the "Agreement") is effective April 24, 2013.

BETWEEN: **Clear Touch Interactive** (the "Company"), a company organized and existing under the laws of the state of Nevada, with its head office located at:

561 Keystone Avenue
Suite 821
Reno, NV 89503

AND: **Encore Technology Group** (the "Reseller"), a company organized and existing under the laws of the state of South Carolina, with its head office located at:

900 East Main Street
Suite T
Easley, SC 29640

1. APPOINTMENT

1.1 Appointment

Company appoints Reseller and Reseller accepts appointment as an exclusive reseller to market, sell, lease and install Company products ("Products") within the Territory stated in Exhibit A to consumers.

1.2 Products Covered

Company Products means the products agreed to between the parties from time to time with any exclusions, additions or discounts Company may make.

1.3 Sub-Resellers

Reseller shall not, without Company's prior written approval, appoint sub-resellers, resellers or agents ("Sub-resellers") to market, sell, or lease Company Products. Reseller shall be liable for the acts and omissions of any such Sub-resellers. Should Reseller resell Products to any Sub-reseller, and Products are further resold, the final end-user may not receive manufacture warranty or technical support.

1.4 Sales Outside Territory

Reseller shall in no way market, distribute, export, sell, lease or install Company Products outside the Territory without Company's prior written approval. Company will not ship on any Purchase Orders ("P.O.s") issued by Reseller outside the Territory.

PLAINTIFF'S EXHIBIT 3

2. OBLIGATIONS OF RESELLER

2.1. Marketing and Product Support

Reseller shall use reasonable efforts to market and sell Company Products in the Territory and shall comply with the policies, programs, and requirements regarding marketing and product support as may be communicated by Company to Reseller from time to time; provided, however, that in order to avoid conflict among Company's distribution channels.. Reseller shall not, without prior written authorization from Company, resell Company Products in a retail environment that includes any type of store, shop, or other similar physical premises into which customers or potential customers are invited for the purpose of purchasing or potentially purchasing any product from Reseller.

2.2. Advertising

Reseller shall adhere to the reseller advertising policies and programs as may be communicated by Company to Reseller from time to time.

2.3. Customer Support and Service Reseller Shall:

a) Supply Company with such data as Company requests regarding Reseller's sales to customers for Company's own reporting purposes;

b) Participate fully in Company campaigns to notify customers of any retrofit or recall of Company Products;

c) Use only Company-approved spare parts for any repair, servicing and maintenance of Company Products it provides under warranty;

d) Comply with laws and regulations applicable to "used" or returned merchandise and never refurbish, place in inventory, or resell as "new" any Company Products returned to Reseller for post-sale repair; and

e) Instruct its customers on how to obtain replacement parts under warranty, including, when Reseller wants its customers to contact Company directly, the use of Company's Return Merchandise Authorization ("RMA") procedures.

2.4. Observance of Company Policies

Company will keep Reseller informed of Company's customer support policies and procedures, and Reseller agrees to follow such policies and procedures to resolve any customer support issues.

2.5. Reseller's Warehouse

All Products shipped to Reseller shall be maintained in Reseller's warehouse facility and shall be insured against any damage or loss.

2.6. Exclusive Marketing Arrangement

During the term of this Agreement, Company will be the exclusive provider of Integrated Interactive Displays ("IID") to Reseller. Reseller will not sell, offer for sale or solicit sales for products of any IID manufacturer other than Company. For the term of this Agreement, Company will be the sole supplier to Reseller.

CONFIDENTIAL ENC 000111

3. OBLIGATIONS OF COMPANY

3.1. Supply of Company Products

Company shall endeavor to manufacture, assemble and ship Company Products to Reseller in a timely manner. Should shortages occur, Company may allocate its production as it deems appropriate, may delay or stop shipments, and may send partial shipments with prior notice.

3.2. Marketing Assistance

Company will provide marketing support services and training programs to Reseller on a case-by-case basis.

4. ORDERING AND DELIVERY OF COMPANY PRODUCTS

4.1. Purchasing

This Agreement with its terms and conditions, and those provided under the Company Consumer Products Limited Warranty (available upon request) applies to all purchase orders and other documents of purchase ("Orders") which Reseller may place with Company for the Products during the term of this Agreement.

4.2. Media for Orders

Reseller may order from Company by telephone, facsimile, mail or electronic mail. Acceptance by Company of the Order shall occur (a) when the Order is entered into Company's system, (b) when an Order number is provided to Reseller by facsimile or electronic mail, if requested by Reseller, or (c) when assembly of the Products commences, whichever occurs first.

4.3. Lead Time for Orders

The Company indicates that the associated lead time for orders is between 4 and 6 weeks from the time of receipt of order. Lead times may vary from time to time dependent upon product supply and availability from Third Party manufactures. Lead times are provided as guidance and do not a provide an assumed guarantee of order availability.

CONFIDENTIAL ENC 000112

4.4. Orders

a) Reseller may deliver a P.O. to Company by facsimile or electronic mail provided a signed original is delivered to Company within 15 days of receipt of the P.O. by Company. Company shall accept all POs by (a) facsimile or electronic mail, with a signed original notice of acknowledgment.

b) Each P.O. shall be deemed an offer by Reseller to purchase the Company Products listed therein and when accepted by Company shall constitute a contract in accordance with the terms and conditions of the P.O. and this Agreement. If a conflict arises between the two, this Agreement shall take precedence.

c) P.O.s submitted by Reseller pursuant to this Agreement shall include the quantity and type of Product(s) ordered, Product descriptions, Product specifications, shipment and invoice information and shipping instructions (if allowed by Company), Reseller's order number, and the Agreement number.

d) Company will endeavor to fill all orders from Reseller insofar as it is practicable and consistent with Company's production schedules to do so, provided that in the event of its failure to fill all or part of any order, Company shall not be to any extent liable or responsible therefor.

4.5. Changes to Orders

a) No terms of any purchase orders (whether printed, stamped, typed, written, or sent by any electronic means), except those specifying the quantity and type of Product(s) ordered, shipment and invoice information and shipping instructions (if allowed by Company), shall be binding either on Company or Reseller if they contravene any term or condition of this Agreement, unless specifically accepted or approved in writing and signed by an appropriate senior manager or executive of Reseller and Company. A general or form acknowledgment of any such order or any communication with respect to such an order, or the making of deliveries with respect thereto, shall in no case be construed as an acceptance or approval of the type required by this paragraph.

b) Changes to orders will only be accepted prior to the order entering Company's manufacturing queue. Reseller may initiate such changes or additions to previously accepted Orders by submitting a modification of the Order to Company with appropriate reference to the original Order. Upon Company's written acceptance of the modification or addition, Company shall process the Order in accordance with the pricing terms and conditions of this Agreement.

4.6. Products

a) As an accommodation to Reseller and without Reseller's prior approval, Company may make Product substitutions when the Products ordered are unavailable, provided that the substituted Products are of equal or greater functionality than those contained on the original Order and that Company notifies Reseller of such substitution at the time of delivery.

b) Company reserves the right to make changes and modifications in specifications, construction, or design of the Products, or any of them, at any time, and any Products so modified shall be accepted by Reseller as standard construction in fulfillment of existing orders. Company shall not be required to retrofit any Product previously delivered to Reseller with any modifications.

c) Company reserves the right to discontinue any Products at any time.

CONFIDENTIAL ENC 000113

4.7. Shipping

Reseller is responsible for payment of all shipping and handling fees for delivery of Products. All deliveries of Products are FOB Company manufacturing facilities unless Company expressly states otherwise in its acceptance of the purchase order. Title and risk of loss shall pass from Gateway to Reseller or Reseller customer at the point of delivery.

5. PRICES AND PAYMENTS

5.1. Reseller's Purchase Price

Prices for Company Products purchased hereunder shall be agreed to from time to time. Such prices do not include any taxes, fees, duties, shipping costs, insurance or other levies. Any such items (except taxes on Company's income) will be added to the purchase price. Reseller shall pay all taxes and government imposts arising from Reseller's activities as a Company Reseller.

5.2. Price Changes

Company may at any time change Company Product pricing or the Reseller's purchase price with 30 days written notice, but any P.O accepted by Company before a price change takes effect shall be invoiced at the previous price.

5.3. Invoice and Payment Terms

For the Purchases of Products the Company will invoice Reseller as of order shipment date, for orders in excess of $50,000.00 a security deposit may be required with the acceptance of any order. Reseller shall pay for Company Products in United States Dollar's upon shipment to Reseller or customer.

For all purchases that are paid in full within 10 days of date of invoice a discount of 1% of the total purchase price will be applied; for all Purchase Orders that are received with at minimum a 50% security deposit, an additional discount of 1% of purchase price will be applied. These discounts can be combined when both criteria are met for any single order.

6. RETURNED MERCHANDISE

Company will accept returns for defective Products in accordance with the applicable Company Consumer Limited Warranties which are available upon request.

7. TRADEMARKS, TRADE NAMES

Reseller acknowledges that Company and/or its parent or affiliates are the sole and exclusive owners of the name "Company" and any abbreviations or variations thereof, and of any and all of Company's trademarks and trade names, service marks, trade logos and trade dress (collectively "Trademarks") as Company may unilaterally amend periodically (registered or not). Reseller agrees not to register or use any mark(s) that are similar enough to be construed as Company Trademarks. Reseller acquires no rights to the Trademarks, and Reseller hereby assigns and transfers to Company all rights that it may acquire in and to the Trademarks, whether by operation of law or otherwise. Any approval for Reseller's use of any Company Trademark shall be made pursuant to a Company Trademark License Agreement executed separately by and between the Parties hereto.

CONFIDENTIAL ENC 000114

8. SOFTWARE

8.1. Software as Component

Company Products include as components certain software programs (collectively "Programs") proprietary to Company or licensed by it from third-party vendors, which may be periodically updated and substituted. Company has all rights necessary for it to market and distribute the Programs as Company Product components, as well as the right and authority to conclude this Agreement and to grant rights hereunder regarding the Programs. Title to the Programs remains with the Company and/or their licensors, and Reseller has no rights to transfer them except as stated below.

8.2. Distribution Rights

Subject to the use license in Section 8.3 below, Company grants to Reseller during the Term a non-transferable right to transfer to end users within the Territory the copies of the Programs it obtains under this Agreement only as components of Company Products, subject to the following terms & conditions:

a) Reseller shall sell or lease Company Products with the Program packages as integral parts, and shall abide by all terms and conditions imposed by the Programs' licensors. It shall not open the Program packages or end user license packets or separate such Program packages (including documentation and end user licenses) from the Company Products. Reseller shall not copy or reproduce any Program (except as stated herein or in any Program's pre-packaged license agreement), or modify, reverse engineer, disassemble, or de-compile any Program in any way.

b) Reseller shall promptly notify Company of any unauthorized use or copying of any Program, and will take at Reseller's expense (but at Company 's option and under Company 's control and direction) legal action to prevent or stop any unauthorized use or copying of the Programs by anyone that has obtained the Programs due, in substantial part, to Reseller's fault.

c) Termination of this Agreement will automatically and immediately terminate Reseller's rights under this Section.

8.3. Use License

Reseller shall pass on to end users of each Company Product a license to use the Programs in the form of a "break-the-seal" end user license agreement contained in the Programs' packages.

8.4. Compliance with Import Regulations

Reseller shall comply with all United States export control regulations, licensing or other requirements applicable to the Programs.

8.5. Disclaimer of Warranties and Limitation of Liability

EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT OR IN ANY PRE-PACKAGED LICENSE AGREEMENT FOR A COMPANY PRODUCT COMPONENT, COMPANY (ON BEHALF OF ITSELF AND ITS LICENSORS) DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PROGRAMS, INCLUDING ALL IMPLIED CONDITIONS OR WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO DEFECTS IN DISKETTES, COMPACT DISKS OR OTHER PHYSICAL MEDIA AND DOCUMENTATION, OPERATION OF THE PROGRAMS AND ANY APPLICATION OR USE OF THE PROGRAMS. IN NO WAY SHALL COMPANY (OR ITS LICENSORS) BE LIABLE FOR ANY LOSS OF PROFIT OR ANY OTHER COMMERCIAL DAMAGE,

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INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES.

9. TERM

This Agreement's term ("Term") shall begin on the Effective Date and continue for 36 months, and shall be automatically renewed for 2 additional 12 month terms up to a maximum term of 5 years, provided that either party hereto may terminate this Agreement at any time with 30 days' advance written notice, and further provided that this Agreement shall terminate automatically if Reseller makes no purchases from Company hereunder for a period of 90 calendar days, such termination to be effective as of the next calendar day after such period elapses.

10. SECTION X: TERMINATION

10.1. Termination Without Cause

Either party can terminate this Agreement without cause by giving 90 days' written notice to the other.

10.2. Termination for Cause

This Agreement may be terminated for cause upon written notice:

a) By either party upon 30 days' written notice if the other commits a material breach of the Agreement and fails to cure it within the 10 days;

b) By Company immediately if Reseller files for or has instituted against it any proceedings as to its bankruptcy, insolvency, reorganization, liquidation, receivership, or dissolution or there is an assignment for the benefit of creditors;

c) By Company upon 30 days' written notice (i) if Reseller becomes ineligible to receive approval for any license or export documents necessary to buy or resell Company Products; (ii) if Reseller tries to register this Agreement with any government conferring any exclusivity upon Reseller; (iii) if Reseller assigns this Agreement without Company's prior written consent; (iv) upon substantial change in Reseller's ownership; or (v) if any change or enactment of law or regulation after the date of this Agreement interferes, in Company's opinion, with the parties' rights or obligations stated herein.

10.3. EFFECT OF TERMINATION

a) Upon termination of this Agreement, Company may terminate any or all unfilled orders.

b) Upon termination, Reseller shall immediately stop all marketing, promotion, advertising or reference to Company Products and shall have no further rights to use Company's marketing, promotion or advertising materials or other resources.

c) Termination will discharge and release Company from all obligations and liability under this Agreement, except as it expressly accepts for unfulfilled orders. The sole fact of this Agreement's termination shall not make either party liable to the other for any compensation, reimbursement, losses or damages whatsoever, though Reseller shall remain obligated to pay all outstanding balances on its Company Product purchases.

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11. CONFIDENTIALITY

11.1. Confidential Information

Prior to and during the Term hereof, Company may convey to Reseller proprietary and confidential information about Company Products, services, strategy and analysis. For the Term of this Agreement (including renewals) and for 2 years thereafter, Reseller shall not disclose to any third party any such information marked CONFIDENTIAL, PROPRIETARY, STRICTLY PRIVATE, or INTERNAL DATA, or which, though not so marked, could reasonably be construed as confidential or sensitive, such as the terms of this Agreement (all collectively "Confidential Information"), nor shall it use any such Confidential Information for its own benefit, except as provided herein. Any reliance on such Confidential Information is at Reseller's own risk. Nothing in this Section grants or implies any rights by license, estoppel, or otherwise. Confidential Information does not include information (i) in the public domain at the time of disclosure or which enters the public domain after such disclosure through no fault of Reseller, (ii) generally disclosed to third parties by Company without restriction, (iii) communicated to Reseller by a third party with the unrestricted right to do so, or (iv) approved for release by Company in writing.

11.2. Presentations and Planning

Company's oral and visual presentations describing Company Products and plans, business and product plans, and any inspections thereof by Reseller or its personnel shall all be deemed Confidential Information under this Agreement whether so marked or not.

12. EXPORT CONTROLS

12.1 Compliance with Laws

Reseller shall comply with all United States export laws and regulations applicable to Company Products, and shall obtain any licenses required for export.

12.2 Products of United States Origin Technology

Reseller may sell Company Products only to end-users within the Territory, and shall not export any Company Products, including Programs, or any direct products thereof without Company's advance written approval and, if required, United States Government permission. This requirement shall survive termination or expiration of this Agreement. Reseller shall not do business with any person or firm identified by the United States government as being denied the right to receive any United States product.

13. LIMITATION OF LIABILITY AND REMEDIES; INDEMNITY

13.1. Limitation of Liability; Sole Remedy

Any liability of Company under this Agreement is expressly limited to the price paid by Reseller for the Company Products involved. Reseller's sole remedy against Company in any dispute concerning this Agreement shall be to seek recovery of that amount, upon payment of which Company shall be released from all further obligations and liability to Reseller.

13.2. Indemnity

a) Except as otherwise stated herein, Reseller shall indemnify and hold harmless Company against any and all claims, legal actions, losses, damages, liabilities, costs and expenses asserted against, imposed upon or incurred by Company arising out of or relating to (i) any misrepresentation or breach of warranty or covenant by Reseller

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under this Agreement; (ii) any actual or alleged act or omission of Reseller in the course of its performance hereunder; (iii) death or injury to any person or damage to any property resulting from any product or part (a) not supplied by Company, (b) supplied by Company but changed, modified, adapted or refitted without Company's written authorization, (c) not in Company's standard inventory but purchased by Company at Reseller's direction, or (d) manufactured to Reseller's design, as well as any claim of infringement arising from the use of any Product with any other product as a combination not furnished by Company.

b) Company warrants and represents that the Products shall be delivered with good title free of any rightful third party claim of infringement of any patent, copyright, trademark, trade secret or other intellectual property right recognized or registered within the United States and its possessions. Company shall defend Reseller from all claims, suits, damages, costs, expenses or liabilities actually incurred by Reseller as a result of any such claim. If a Product or part thereof is held to constitute an infringement and its intended use is enjoined, Company shall at its option procure for Reseller the right to continue using the Product or part, replace it with a non-infringing Product or part, modify it to become non-infringing, or remove it and refund its purchase price (less depreciation and amortization). This Section does not apply to

i) any product or part not supplied by Company;

ii) any Product or part supplied by Company which is changed, modified, adapted or refitted without Company 's express written approval;

iii) any Product or part not in Company 's standard inventory but purchased by it at Reseller's direction;

iv) any Product or part manufactured to Reseller's design or

v) any claim of infringement arising from the use of any Product in combination with any other product not furnished by Company. THIS INDEMNITY IS COMPANY'S SOLE LIABILITY AND RESELLER'S SOLE REMEDY FOR INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

14. WARRANTIES AND REPRESENTATIONS

The Products are covered by the limited warranties in effect at the time the Products are delivered, on standard terms and conditions supplied with each product shipped and which are incorporated herein by this reference. Should Reseller resell Products to any entity other than an end-user, and Products are further resold, the final end-user may not receive any Company warranty or technical support.

15. BUSINESS STANDARDS; PRODUCT SERVICE PROVISION

15.1. Conflicts of Interest

Reseller confirms that it has revealed all information pertaining to possible conflicts of interest created by sale of competing products or services or arising from other positions or contracts held by Reseller and represents that no conflict of interest exists. Reseller shall disclose to Company any future circumstances which could create possible conflicts of interest as soon as they become known by Reseller.

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15.2. Ethical Standards

Directors, officers, or employees of Reseller shall not, directly or indirectly, offer, promise or pay any bribes or other improper payments for the purposes of promoting Company Product sales to any individual, corporation, government official or agency, or other entity. No gift, benefit or contribution in any way related to Company or the sale of Company Products shall be made to political or public officials or candidates for public office or to political organizations, regardless of whether such contributions are permitted by local laws. Reseller shall generally abide by all Company policies and standards regarding conflicts of interest and ethics as may be adopted by Company or otherwise communicated to Reseller from time to time, such policies and standards being incorporated herein by this reference.

15.3. Authorized Service Provider Program

In the event Reseller is approved by Company as an Authorized Service Provider for Company Products, Reseller shall at all times during the period of such designation adhere to the standard terms, conditions, rules and policies of the Company Authorized Service Provider Program as may be issued by Company from time to time, and shall be solely responsible for all its acts and omissions in the course of acting as an Authorized Service Provider for Company Products.

16. FORCE MAJEURE

Company shall not be liable for any failure to perform due to causes beyond its control, including but not limited to fire, flood, earthquake, explosion, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, labor disputes or shortages, transportation embargoes, failures or delays, inability to secure raw materials or machinery, acts of God or government (including denials of or onerous restrictions on export licenses), any such event of force majeure affecting Company 's third-party suppliers, or judicial action. Similar causes shall excuse Reseller for failure to take Company Products ordered by Reseller other than those already in transit or specially fabricated or not readily saleable to other buyers.

17. GENERAL PROVISIONS

17.1. Parties' Relationship

Company's and Reseller's relationship is solely that of independent seller and buyer with the right to resell. Reseller is authorized to resell Company Products (and, if applicable, to act as an Authorized Service Provider) in its own name but not to receive any commissions from Company. Reseller has no express or implied authority to assume or create any obligation on Company's behalf, and shall disclaim any such authority whenever necessary to avoid confusion. In no case shall Reseller or any of its sub-resellers, if any, be deemed Company's agents or representatives, nor shall Reseller or any of its Sub-resellers, if any, have the right to conclude any contract or commitment in Company's name, or to make any representation, guarantee or warranty on behalf of Company or any of its licensors to any third party, including end-users.

17.2. Governing Law; Venue

This Agreement and any controversy arising out of or in relation to it shall be governed by the law of the Nevada (conflicts of laws provisions excepted), and, subject to Section 17.6 below, the parties hereby submit to the jurisdiction of the state and federal courts of the Nevada, which shall have exclusive jurisdiction over all controversies in connection herewith. Reseller hereby waives any right to assert any rights or defenses within any other jurisdiction or to require that litigation regarding this Agreement take place elsewhere.

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17.3. Severability

If any provision of this Agreement shall be declared void, invalid, or illegal, the validity or legality of all other provisions of the Agreement shall not be affected thereby.

17.4. Notices

Except as otherwise provided in this Agreement, all notices, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by facsimile, other electronic means or nationally recognized overnight courier service addressed to the party to whom such notice or other communication is to be given or made at such party's address as set forth below, or to such other address as such party may designate in writing to the other party from time to time in accordance with the provisions hereof, and shall be deemed given when personally delivered, when sent electronically or 3 business day after being sent by overnight courier.

To Reseller:

Encore Technology Group
900 East Main Street
Suite T
Easley, SC 29640

Attention: Supplier Administration
Facsimile: (864) 422-0647

To Company:

Clear Touch Interactive
561 Keystone Avenue
Suite 821
Reno, NV 89503

Attention: Reseller Administration
Facsimile: (775) 473-9108

EITHER PARTY MAY CHANGE THE ADDRESS TO WHICH NOTICE MUST BE SENT BY GIVING WRITTEN NOTICE OF SUCH CHANGE TO THE OTHER PARTY IN THE MANNER PROVIDED HEREIN.

17.5. Assignability

Reseller shall not assign or transfer this Agreement without Company's prior written consent, upon which this Agreement shall bind and inure to the benefit of the assigns. Company may assign this Agreement to its affiliate upon written notice to Reseller.

17.6. Dispute Resolution

All material disputes between the parties arising from this Agreement shall be resolved by the following procedures.

a) A letter shall be sent from the party raising the dispute to the other party in accordance with the notice provisions of Section 17.4, identifying with particularity the nature of the dispute, the proposed resolution of the dispute ("Proposed Resolution"), and the executives from the party raising the dispute who are authorized to resolve the dispute ("Demand Letter"). The Demand Letter shall include the facts supporting such party's position on the dispute and include copies of any written materials.

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b) The party receiving the Demand Letter shall have 3 Business Days to send a written response ("Response Letter"), which shall be sent in accordance with Section 17.4. The Response Letter must accept the Proposed Resolution in the Demand Letter or offer some other resolution.

i) If the Response Letter accepts the proposed resolution in the Demand Letter or no Response Letter has been received within 3 Business Days, then the Proposed Resolution shall be promptly implemented by the parties and shall, where applicable, be considered an amendment of this Agreement.

ii) If the Response Letter offers some other resolution, it shall include all facts supporting the responding party's position on the dispute, include copies of any written materials, and identify the executives of the responding party who are authorized to resolve the dispute. The executives identified in the Demand Letter and Response Letter shall meet one or more times and exchange such additional written materials and proposals as needed to reach a resolution of the matter or for one of them to declare an impasse.

c) The party declaring an impasse shall obtain a list of 3 mediators from the United States Judicial Arbitration and Mediation Service ("JAMS") acceptable to that party and send such list to the other party. Within 10 Business Days, the other party shall select one of the 3 mediators. If the other party fails to select an arbitrator within 10 Business Days, then the party declaring the impasse shall ask JAMS to select a mediator. The Mediation shall be held in the State of Nevada.

d) The mediator shall immediately arrange a conference call with the mediator and the executives identified in the Demand Letter and Response Letter. In the initial conference, the mediator shall set a place and a time where the executives and mediator will resolve the dispute ("Mediation"). The Mediation must take place within 10 Business Days of the initial conference call. The parties shall each pay one half of the costs of the mediator unless directed otherwise by the mediator.

e) At least 24 hours prior to the Mediation, each party shall submit to the mediator the Demand Letter and Response Letter, any additional written materials exchanged prior to the declaration of an impasse, and the party's final proposal to resolve the dispute ("Final Proposal"). No other written materials may be submitted to the mediator or used in the Mediation.

f) The Mediation shall be attended only by the mediator and the executives identified in the Demand Letter and Response Letter. The Mediation shall take no more than 3 days. Each side shall have counsel available by telephone to draft any documents necessary to implement any resolution of the Mediation. If at the end of the Mediation the parties have not reached a mutual resolution, the mediator shall within 24 hours adopt one of the party's Final Proposals or set forth in writing a resolution of the matter that is between the parties' Final Proposals ("Mediator's Resolution").

g) The Mediator's Resolution shall be immediately implemented by the parties. The Mediator's Resolution shall be binding upon the parties and not subject to any further review except in the following limited circumstances:

h) The Mediator's Resolution requires either party to pay the other or incur expenses in excess of $10,000.00.

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i) The difference between the aggregate amount demanded in a party's Final Proposal exceeds $10,000.00,

j) The Mediator's Resolution is less favorable to a party than the other party's Final Proposal.

k) Any party dissatisfied with the Mediator's Resolution meeting the criteria in Section 17.6 above must initiate a proceeding within 10 days of receipt of the Mediator's Resolution ("Proceeding"). The Proceeding shall make a de novo review of the parties' dispute, except the Mediator's Resolution shall be admissible. The parties shall each pay one half of the costs of the retired judge unless directed otherwise by the retired judge.

17.7. No Waiver

Any failure of either party to enforce at any time, or for any period of time, any provision of this Agreement, shall not constitute a waiver of such provision or in any way affect the validity of this Agreement.

17.8. Complete Agreement

This Agreement with its Exhibits contains the parties' entire Agreement and supersedes all previous communications, representations or agreements, oral or written, regarding its subject matter. No addition to or modification hereof shall bind either party unless reduced to writing and duly executed by the parties as this Agreement was, subject, however, to revisions of Exhibits A, B and C, which Company may revise at any time pursuant to Section 17.9.

17.9. Exhibits

All Exhibits attached hereto are incorporated herein by this reference, and Company has the right to amend in writing any of those Exhibits in its sole discretion.

IN WITNESS WHEREOF, this Agreement has been executed by the parties' authorized representatives on the date first written above.

COMPANY	RESELLER
Kathy Cruse	Russell Young
Authorized Signature	Authorized Signature
Kathy Cruse Managing Member	Russell Young, CFO
Print Name and Title	Print Name and Title

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EXHIBIT A
COMPANY'S RESELLER TERRITORY LIST

Reseller's Territory/ies shall be defined as the localities identified in this exhibit. Prior to any termination of this agreement, Company will send written notice to the Reseller.

Localities identified herein:

The State of Alabama
The State of Georgia
The State of Florida
The State of North Carolina
The State of South Carolina
The State of Tennessee
The State of Virginia

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EXHIBIT B
COMPANY'S RESELLER PRICE LIST

Company's Reseller Price List applies to all product purchases, and will be updated from time to time.

Products descriptions identified herein:

Integrated Interactive Displays

Products discounts identified herein:

Quantity 1 to 2	**20.0% discount to MSRP**
Quantity 3 to 24	**25.0% discount to MSRP**
Quantity 25 to 49	**30.0% discount to MSRP**
Quantity 50 and above	**32.5% discount to MSRP**

Products descriptions identified herein:

Integrated Interactive Displays Warranties

Products discounts identified herein:

Quantity Any	**10.0% discount to MSRP**

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EXHIBIT C
COMPANY PURCHASE ORDER FORM

Reseller's standard purchase order will be sufficient to constitute an order, but no terms and conditions stated on Reseller's purchase order will have any effect on the terms of this Agreement and are superseded in their entirety by this Agreement.

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EXHIBIT D
INITIAL PURCHASE PRODUCT LIST

The products and prices for demonstration products purchased by Reseller for an Initial Purchase are:

Item Identification	Item Description	MSRP	Price
CTI-4070L-06	Sharp 70" 70LE650U Display with 6 points of touch	$6,499.00	$5,849.10

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Russell Young

From: Amy Andrews <aa@cleartouchinteractive.com>
Sent: Wednesday, January 15, 2014 11:24 AM
To: Pam Dodd
Cc: Krissy Banister
Subject: New Introduction!

Pam and Krissy,

Hello! I just wanted to take a moment to introduce myself. My name is Amy Andrews and I am new with Clear Touch Interactive working with Kathy Cruse. Going forward, I will be the one handling purchase orders and invoicing and am here to help manage any questions or issues that may arise. I look forward to working with you!

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

PENGAD 800-631-6989
PLAINTIFF'S EXHIBIT
4

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	A	B	C	D	E	F	G
1	**Panel Comparison**	**Clear Touch**	**Promethean**	**SMART**	**Qomo**	**Sharp**	**BenQ**
2	**Sizes**	65, 70, 84	65, 70	70	55, 65, 70, 84	60, 70, 80	42, 55, 65
3	**Resolution**	1920x1080, 4K on 84"	1920x1080	1920x1080	1920x1080, 4K on 84"	1920x1080	1920x1080
4	**Low Glare Glass**	Yes	Yes	Yes	Yes	No	Yes
5	**Optional Integrated PC**	Yes	Yes, but customer must buy their own at 2x the price of Clear Touch	No	No	Yes, Win7 only	No
6	**Integrated Speakers**	Yes	Yes	Yes	Yes	No, but optional soundbar available	Yes
7	**HID Scattered IR**	Yes	Yes, IR but not HID compliant	Yes, but not HID compliant	Yes	No, uses optical cameras and mirrors	No, uses optical cameras and mirrors
8	**Points of Simultaneous Touch**	6	6	8	6		5
9	**Speed of Touch Response**	<4ms	8ms		4ms	6ms	8ms
10	**TV Remote Touch Enabled**	Yes	No	No	<	No	
11	**Sole-Source Opportunity**	Yes	No	No	No	No	No
12	**Inputs**	2xHDMI, 2xVGA, 2x USB(control), 1xUSB(media), 1xComponentVid, 1xCompositeVid	1xHDMI, 1xVGA, 1xComponentVid, 1xCompositeVid, 2xUSB(media), 1xUSB(control)	3xHDMI, 1xVGA, 1xComponentVid, 1xCompositeVid, 1xUSB(control), 1xUSB(media)	2xHDMI, 2xVGA, 2x USB(control), 1xUSB(media), 1xComponentVid, 1xCompositeVid	1xHDMI, 1xDVI, 1xVGA, 1xComponentVid, 1xCompositeVid, 1xUSB(control)	2xHDMI, 1xSVid, 1xUSB(control), 1xUSB(media)
13	**Power Consumption Running**	260W	340W	280W	260W	240W	265W
14	**Power Consumption Standby**	.5W	1W	.5W	.5W	1W	.5W
15	**Auto Shutoff**	Yes	Yes	Yes	Yes	Yes	Yes
16	**Life Expentancy**	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min
17	**Warranty**	1 Year Manufacture, 3 and 5 year options	3 Year	2 Year limited	Unknown	3 year limited	Unknown
18	**Special Note**	The response to these panels has always been overwhelmingly positive. A true walk-up experience, and we more or less have sole-source.	Still not shipping	In a side by side comparison; SMART districts have preferred our panel to run SMART software	This product is the most simialar to ours. At every conference, their reps have come to our booth fretting that we are beating them on price.	I've yet to hear anyone say they've had a positive experience with these units. They're slow and the glass is very reflective.	Again, using optical glass technology is slow and frustrating.
19	**Estimated Cost to Customer (based on 70")**	$5,295.00	$6,500.00	$5,495.00	$5,695.00	$5,395.00	$5,500.00

PLAINTIFF'S EXHIBIT 5

ENC 00000986

Date This Agreement Received by Employee: April 25, 2014 (the "Offer Date")

SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and General Release ("Agreement") is made by and between Encore Technology Group, LLC ("Company," which term includes all affiliated companies and all Released Parties as defined below, where appropriate) and Keone Trask ("Employee").

WHEREAS, Employee and Company mutually agree that Employee's employment with the Company will terminate, effective April 25, 2014 (the "Effective Date");

WHEREAS, the Company and Employee do not anticipate that there will be any disputes between them or legal claims arising out of Employee's separation from employment, but nevertheless, desire to ensure a completely amicable parting and to settle fully and finally any and all differences or claims that might arise out of Employee's employment;

THE PARTIES HEREBY AGREE, in consideration of the foregoing and the following terms, conditions and obligations, as follows:

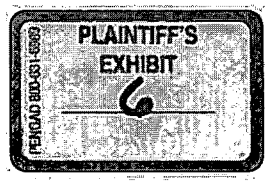
1. **Employment Ended.** The parties agree that Employee's employment with the Company (and any and all of its affiliates) will end on the Effective Date. Employee shall thereafter no longer be employed by Company in any capacity, and Employee shall not represent to any third party that Employee retains any employment or other relationship with Company.

2. **Severance Benefits.**

In exchange for the general release of claims and other good and valuable consideration and subject to the performance by Employee of the terms and provisions of this Agreement, the Company agrees to pay Employee $6,730.77 (2 weeks regular base salary as of the Effective Date) in a lump sum ("Severance Pay"), less all normal withholdings for federal and state income taxes and payroll taxes. The Severance Pay will be transmitted to Employee at the time such payments would otherwise have been made to Employee and paid to other employees, consistent with the Company's normal payroll practices, at the first normal pay period occurring immediately (i) after Company receives a fully-executed copy of this Agreement in unmodified form without deletions executed by Employee, and (ii) after the expiration of the seven-day revocation period as described below. Employee acknowledges that s/he is not entitled to receive the Severance Pay unless s/he executes and does not revoke this Agreement.

A. The Company also agrees to pay Employee $13,124.98 for Employee's accrued but unused paid time off as of the Effective Date.

B. Employee recognizes and agrees that Employee is solely responsible for any federal, state, or other tax obligations, including but not limited to all reporting and payment



obligations that could arise as a consequence of Employee's receipt of any payments or benefits pursuant to this Agreement.

C. Employee will be advised of her/his COBRA continuation rights through a separate communication sent by *The Employers Association*, the Company's COBRA administrator. Employee should notify Tammy Summerell, Director of Human Resources, at 864-770-2758 [phone] if s/he does not get this notice. If Employee elects COBRA continuation coverage, the making of timely premium payments is solely her/his obligation.

3. **Cooperation**. Employee agrees to cooperate with all reasonable requests from the Company or other delegated requests regarding the transition of Employee's position and/or for information regarding Employee's position with the Company during the Severance Period. The Severance Pay set forth in this Agreement is contingent and conditioned upon Employee's full cooperation and compliance with these requests.

4. **General Release of Claims**. Employee hereby releases and forever discharges the Company, its subsidiaries, business units, affiliates, and parent companies, past and present, its predecessors and successors and its respective officers, directors, employees, agents, legal counsel, successors and assigns, past and present (hereinafter referred to collectively as the "Released Parties") from any and all known and unknown claims of action that Employee may have against the Released Parties arising from or in connection with: (a) the terms and conditions of her/his employment with the Company; (b) the termination of her/his employment from the Company; and (c) any conduct, actions or omissions, known or unknown, by the Released Parties occurring on or before the date Employee executes this Agreement. This release, and the term "claim" or "claims" as used in this Agreement, includes all benefits, grievances, proceedings, investigations, hearings, charges, complaints, claims, demands, actions, causes of action, and suits of whatever nature, whether known or unknown, fixed, absolute or contingent, matured or unmatured, asserted or unasserted, however arising, and whether legal, equitable, or administrative. The released claims include Employee's attorneys' fees, court costs, wages, back pay, front pay, severance pay, compensatory damages, punitive damages, general damages, special damages, penalties, benefits of any sort, liquidated damages, costs and disbursements, expert fees, injunctive relief, equitable relief, declaratory relief, interest, reinstatement, future employment, and any other legally recoverable category of damages or relief that Employee has ever had, or now has, or may claim to have, against the Company. It is expressly intended, understood and agreed that the claims released by Employee shall include, by way of example and without limitation, all claims arising under federal, state, or local statute, ordinance, common law, regulation, equity or other sources, whether known or unknown, based upon:

A. Actual or alleged defamation, invasion of privacy, injury to credit, personal inconvenience, damage to Employee's personal reputation, outrage, distress, humiliation, loss of standing and prestige, personal injury, bodily injury, tort, loss of consortium, intentional or negligent infliction of emotional distress, abuse of process, retaliation, negligence, fraud, extortion, or other common law causes of action or other compensation for bodily injury;

B. Failure to provide benefits or pay wages or commissions, including actual or alleged violations of the South Carolina Human Affairs Law, the South Carolina Payment of Wages Act, common law and any and all other applicable state, county or local codes, statutes, ordinances or regulations;

C. Actual or alleged violations of discrimination, including but not limited to any and all claims of age, disability, race, color, sex, national origin, ancestry, religion, genetic information, or other discrimination, retaliation, or harassment;

D. Actual or alleged violations of the federal Age Discrimination in Employment Act, as amended, the Civil Rights Acts of 1866, 1871, and 1964, Section 1981 of Title 42 of the U.S. Code, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, all federal and state executive orders including Executive Order 11246, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Equal Pay Act, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Family and Medical Leave Act, the Fair Labor Standards Act, the Genetic Information Nondiscrimination Act of 2008, the Worker Adjustment and Retraining Notification Act, the Pregnancy Discrimination Act, state and local wage-hour laws and regulations, and the federal Employee Retirement Income Security Act, including but not limited to claims under Company-sponsored severance and termination pay plans, if any;

E. Actual or alleged violations of any other federal or state codes, laws, ordinances, regulations or case law which prohibit employment discrimination, retaliatory termination of employment, wrongful discharge, and employment termination in violation of public policy;

F. Actual or alleged breach of express and implied contract, breach of contract accompanied by a fraudulent act, breach of implied covenant of good faith and fair dealing, interference with contract, promissory estoppel, and claims under any employment agreement, handbook or policy; and

G. Actual or alleged violations of the National Labor Relations Act and the Labor Management Relations Act.

Employee agrees and understands that any claims s/he may have under the aforementioned statutes, or any other federal, state or local law ordinance, rule or regulation, are effectively waived and released by this Agreement. Employee represents that s/he knows of no claim that s/he has that has not been released by this paragraph. This release does not extend to claims which as a matter of law cannot be waived. Employee acknowledges and understands that this paragraph is intended to prevent her/him from making any claim against the Released Parties regarding any matter or incident relating to or arising from the employment relationship or its termination that occurs up to the date Employee executes this Agreement.

5. **Covenant Not to Sue.** Employee hereby covenants and agrees not to file, commence or initiate any suit, grievance, demand or cause of action against the Released Parties based upon or relating to any of the claims released and forever discharged pursuant to this Agreement. If Employee breaches this covenant not to sue, s/he hereby agrees to pay all of the reasonable costs and attorneys' fees actually incurred by the Released Parties in defending against such breaching conduct, together with such other and further damages as may result, directly or indirectly, from that breach. Moreover, Employee agrees that s/he will not persuade or instruct any person to file a suit, claim or complaint on her/his behalf based on a claim released in this Agreement with any state or federal court or administrative agency against the Released Parties. Employee expressly agrees not to commence or file any class action, including any class arbitration against Company, or serve in any representative capacity in any class action, including class arbitration, against or involving the Company. In accordance with 29 C.F.R. § 1625.23(b), nothing in this covenant not to sue is intended to preclude Employee from challenging the validity of this Agreement under the Older Workers Benefit Protection Act, 29 U.S.C. § 626(f), with respect to claims under the Age Discrimination in Employment Act, and the Company shall not be entitled to recover any consideration paid under this Agreement, damages or its attorneys' fees and costs resulting from such challenge.

6. **Non-Interference.** Nothing in this Agreement shall interfere with Employee's right to file a charge, cooperate or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, or other federal or state regulatory or law enforcement agency. However, the consideration provided to Employee in this Agreement shall be the sole relief provided to Employee for the claims that are released by her/him herein. To the maximum extent permitted by law, Employee agrees that Employee will not seek and waives any right to accept any relief or award from any charge or action against the Released Parties before any federal, state, or local administrative agency or federal, state or local court whether filed by Employee or on Employee's behalf with respect to any claim or right released in this Agreement.

7. **No Admission of Wrongdoing or Liability.** Nothing contained in this Agreement shall constitute, or be construed as or is intended to be, an admission or an acknowledgment by the Company or the Released Parties of any wrongdoing or liability, all such wrongdoing and liability being expressly denied.

8. **Confidentiality and Nondisclosure Provisions.** Employee agrees to maintain absolute confidentiality and secrecy concerning the terms of this Agreement and will not reveal or disseminate by publication in any manner whatsoever this document or any matters pertaining to it to any other person except as required by legal process. This confidentiality provision does not apply to communications necessary between Employee's immediate family members or legal and financial planners or tax preparers who are also bound by this confidentiality provision. Employee also agrees to honor and remains obligated under any confidentiality agreement(s) Employee entered into with the Company or the Released Parties, and nothing in this Agreement shall be deemed to limit, void, abrogate or lessen any otherwise existing obligation of the Employee to keep confidential any trade secret or confidential information belonging to the Company, including but not limited to any such contractual or common law confidentiality obligations Employee owes to the Company.

9. **Restrictive Covenants Obligations**. Nothing in this Agreement shall void, abrogate or lessen any otherwise existing obligation of Employee to the Company to keep confidential any trade secret or confidential information belonging to the Company or refrain from any competition with the Company or solicitation of the Company's employees or customers, including but not limited to the obligations contained in statutory or common law, or those contained in the Employee's Non-Disclosure and Non-Solicitation Agreement with the Company or referenced in other written agreements with the Company.

10. **Non-Disparagement**. Employee agrees not to make any statements, written or verbal, or cause or encourage others to make any statements, written or verbal, including but not limited to any statements made via social media, on websites or blogs, that defame, disparage or in any way criticize the personal or business reputation, practices, or conduct of the Company, or any of the Released Parties. Employee acknowledges and agrees that this prohibition extends to statements, written or verbal, made to anyone, including but not limited to the news media, competitors, vendors, employees (past and present), customers and clients. Employee further understands and agrees that this paragraph is a material provision of this Agreement and that any breach of this paragraph shall be a material breach of this Agreement, and that the Company would be irreparably harmed by violation of this provision.

11. **Disclosure**. Employee acknowledges and warrants that s/he is not aware of, or that s/he has fully disclosed to the Company, any matters for which Employee was responsible or which came to Employee's attention as an employee of the Company that might give rise to, evidence, or support any claim of illegal conduct, regulatory violation, unlawful discrimination, or other cause of action against the Company.

12. **Company Property**.

a. All records, files, lists, including computer generated lists, data, drawings, documents, equipment and similar items relating to the Company's business that Employee generated or received from the Company remain the Company's sole and exclusive property. Employee agrees to promptly return to the Company all property of the Company in her/his possession. Employee further represents that s/he has not copied or caused to be copied, printed out, or caused to be printed out any documents or other material originating with or belonging to the Company. Employee additionally represents that s/he will not retain in her/his possession any such documents or other materials. Employee agrees not to delete Company information or any other electronic information from Employee's computer or other devices belonging to the Company before or after the Effective Date. Employee further agrees not to access the Company's computer system or other electronic systems following the Effective Date.

b. Any and all social media and other online accounts and profiles created or used by Employee on behalf of Company or otherwise for the purpose of promoting or marketing Company or similar business purposes, including such profiles and accounts featuring or displaying Company's name and trademarks ("Company Social Media Accounts") belong solely to Company. As of the Effective Date,

Employee agrees to cease accessing, using, updating or modifying any and all Company Social Media Accounts.

c. Upon the separation of Employee's employment, Company will retain ownership and control of all Company Social Media Accounts created or used during the course of Employee's employment with the Company, including all related data and information. Prior to the Effective Date, Employee agrees to provide to Company the log-in information, including usernames and passwords, for each Company Social Media Account that Employee created, used or managed. Employee also agrees to assist Company, both prior to and after the Effective Date (as may be necessary), with the transition and maintenance of each Company Social Media Account created or used by Employee during the course her/his employment with the Company, including providing information that may be necessary to ensure that Company is able to access the Company Social Media Accounts.

13. **No Other Compensation Due.** Employee acknowledges and agrees that neither the Company nor any of the Released Parties owes Employee any wages, salary, stock options, bonus, accrued vacation or sick leave, benefits, paid time off, notice pay, severance pay, commissions, equity or ownership, incentive pay, salary, reimbursement, expenses, deferred compensation, or other compensation in any amount whatsoever other than as expressly agreed to herein. Employee agrees that to the extent that Employee is otherwise due any such amounts or compensation or expenses of any nature, the Company's obligation to pay these amounts is satisfied and subsumed in full by the Severance Pay. The parties shall each bear their own costs and their own attorneys' fees.

14. **No Other Consideration.** Employee affirms that the only consideration for the signing of this Agreement is that set forth in this Agreement and that no other promises or assurances of any kind have been made to Employee by the Company, the Company's attorneys, or any other person, as an inducement to sign this Agreement. The consideration for this Agreement tendered and herewith accepted is solely by way of settlement, compromise, and final disposition of disputed claims, and it is therefore specifically agreed that this Agreement shall forever be a final and complete bar to and full satisfaction of Employee's claims and suits for injuries or damages of whatsoever nature resulting from the aforesaid matters.

15. **No Assignment.** Employee hereby represents and warrants that Employee has not assigned, transferred, or conveyed to any individual or entity any alleged right, claim or cause of action of any kind which is included within the above releases. Employee further represents and warrants that Employee is aware of no lien or other encumbrance on Employee's rights, claims, and causes of action, and that Employee is entitled to receive from the Company payment of the full amount of the proceeds due to Employee under this Agreement.

16. **Breach of Agreement.** If either party brings a claim for breach of the terms of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and expenses incurred in prosecuting or defending such an action.

17. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of Employee and the Company, and their officers, directors, employees, agents, legal counsel, heirs, successors and assigns.

18. **Warranties/Representations**. Employee hereby warrants and represents that:

A. Throughout her/his employment, s/he was fully and appropriately compensated for all hours worked in accordance with the Fair Labor Standards Act and other applicable law, if any;

B. Employee has been provided with all leave to which s/he is entitled under the Company policy and applicable law, including but not limited to the Family and Medical Leave Act;

C. Employee has carefully read and fully understands the comprehensive terms and conditions of this Agreement and the releases set forth herein;

D. Employee is executing this Agreement knowingly and voluntarily, without any duress, coercion or undue influence by the Company, its representatives, or any other person;

E. Employee has consulted with legal counsel of her/his own choice before executing this Agreement;

F. Employee has pending no claim, complaint, grievance or any document with any federal or state agency or any court seeking money damages or relief against the Company;

G. The Severance Pay recited above constitutes good and valuable consideration;

H. Employee is fully satisfied with the terms and conditions of this Agreement including, without limitation, the consideration paid to her/him by the Company;

I. Employee has not made a claim for worker's compensation related to her/his employment with the Company, and that s/he is currently unaware of any injury or illness that would support such a claim; and

J. Employee is not waiving rights or claims that may arise after the date this Agreement is executed.

19. **Entire Agreement; Severability of Terms**. Except as expressly otherwise provided herein, this Agreement contains the complete, entire understanding of the parties. In executing this Agreement, neither party relies on any term, condition, promise or representation other than those expressed in this Agreement. This Agreement supersedes all prior and contemporaneous oral and written agreements and discussions with respect to the subject matter hereof. This Agreement may be amended or modified only by an agreement in writing. If any provision of

this Agreement is determined to be invalid or otherwise unenforceable, then that invalidity or unenforceability shall not affect any other provision of this Agreement, which shall continue and remain in full force and effect. Except as stated herein, all other agreements, written or verbal, between the parties shall be void and of no effect.

20. **Compliance with the Older Workers Benefit Protection Act.** To comply with the Older Workers Benefit Protection Act of 1990, the Company has advised Employee of the legal requirements of that Act and this Agreement fully incorporates those legal requirements by reference and as follows:

A. This Agreement is written in layman's terms, and Employee hereby represents to the Company that Employee understands and comprehends its terms;

B. Employee is hereby advised to, and has had an opportunity to, consult with an attorney to review this Agreement prior to executing it;

C. This Agreement specifically refers to rights and claims arising under the Age Discrimination in Employment Act;

D. Employee does not waive any rights or claims that result from events occurring after the date this Agreement is executed by Employee;

E. Employee hereby acknowledges that Employee is receiving consideration beyond anything of value to which Employee already is entitled;

F. Employee has twenty-one days from Employee's receipt hereof (the Offer Date) to consider this proposed Agreement. Employee's failure to accept this proposed Agreement by close of business on the twenty-first day following Employee's receipt of this Agreement may be deemed rejection of its terms; and

G. Employee has the right to revoke this Agreement for seven days following Employee's signing of this Agreement, and after the expiration of that seven days the executed Agreement shall be of full validity, force, and effect. To exercise this right, Employee is required to deliver written notice to the Company prior to expiration of this right to revoke, and such revocation is not valid or effective unless and until the written notice of same is received by the Company, at the address or facsimile number specified at the end of this Agreement, within the revocation period. Otherwise, such revocation shall be invalid and ineffective and this Agreement shall be deemed accepted.

21. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina, without regard to the choice of law principles. This Agreement may be enforced only in a court of competent jurisdiction in Greenville County, South Carolina, and the parties hereby consent and submit themselves to the exclusive venue and personal jurisdiction of said court with respect to all such disputes and controversies whether or not Employee is then residing in South Carolina.

22. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic means shall have the same force and effect as the delivery of an original executed counterpart of this Agreement.

(Execution Page follows.)

CONFIDENTIAL ENC 000029

THIS IS A LEGALLY ENFORCEABLE AGREEMENT.

Dated: 5/6/14

Witness: Wendy L Metcalf

EMPLOYEE – [name]

Dated: 5/6/14

ENCORE TECHNOLOGY GROUP, LLC

By: Tammy Summerell

Name: Tammy Summerell

Title: HR

Address: 2000 Wade Hampton Blvd Greville SC 29615

Facsimile:

ENCORE TECHNOLOGY GROUP
STATEMENT OF OPERATIONS

		Feb 13 - Apr 14
REVENUES		
Total revenues	$	53,716,315
COST OF GOODS SOLD		
Total COGS		47,734,509
GROSS PROFIT		5,981,806
OPERATING EXPENSES		
Sales cost		3,432,230
Other general and administrative expenses		3,622,209
Depreciation and amortization		172,266
Total operating expenses		7,226,705
Operating income		(1,244,899)
OTHER EXPENSES/(INCOME)		
Interest expense		65,365
Gain (loss) on disposal of fleet sales/fixed assets		(151,397)
Moving and other acquisition costs		324,497
Net other expenses/(income)		238,465
NET INCOME	$	(1,483,364)

encore
technology group

September 10, 2015

ClearTouch Interactive
561 Keystone Avenue
Suite 821
Reno, NV 89503
Attention: Reseller Administrator
Fax 775-473-9108

Re: Notice of Termination

To whom it may concern:

This letter serves as official notice that Encore is terminating the "Clear Touch Interactive Reseller Agreement" (the "Agreement") dated April 24, 2013 between Encore Technology Group, LLC ("Encore") and Clear Touch Interactive ("ClearTouch"), including any related revisions and amendments deemed to be in effect. Encore also hereby rescinds and terminates all outstanding purchase orders for which Encore has not yet received delivery of product.

Termination is effective 30 days from the date of this letter per Section 9 "Term" of the Agreement, which allows termination by either party at any time with 30 days' written notice.

Encore also notifies you of its termination of the Agreement for cause on grounds that the Agreement is invalid given the facts and circumstances surrounding its execution. Specifically, at the time of and subsequent to the execution of the Agreement, Keone Trask ("Keone") was employed by Encore as a senior executive, had non-disclosure and non-solicitation obligations to Encore, and was subject to a range of customary legal duties to Encore, including fiduciary duties and duties of loyalty and care.

Keone was the primary Encore employee responsible for developing the supplier relationship between Encore and ClearTouch. Keone is currently a senior executive and an owner of ClearTouch. We now understand and have evidence that Keone and his immediate family members were in fact owners, managing members, and managers of ClearTouch prior to and during the term of the agreement and during Keone's employment with Encore.

Neither Keone nor ClearTouch disclosed these facts and conflicts of interest to Todd Newnam, owner of Encore, or to Russell Young or David Masters, who were and are other senior executives of Encore and who were involved with the development of ClearTouch as a supplier to Encore. During his employment by Encore, we believe that Keone used Encore financial and other resources directly and indirectly to benefit ClearTouch and devoted a significant portion of his time to advance the business of his and his family's related interests in ClearTouch rather than the interests of Encore, his full-time employer.

Attached is an executed copy of Keone Trask's Non-Disclosure and Non-solicitation Agreement effective February 18, 2013. Among other provisions, we direct you to the section titled "Business Opportunity," which clearly obligated Keone to notify Encore of opportunities of which ClearTouch has taken advantage.

2000 wade hampton blvd • suite 210 • greenville, sc 29615 • (888)98-encore • www.enc

PLAINTIFF'S EXHIBIT 8

encore
technology group

We also understand that some group of Keone Trask and ClearTouch and its employees and/or affiliates have told directly or intimated to customers, potential customers and others in the market that either Todd Newnam or Encore have a financial interest or other stake in ClearTouch in an effort to generate credibility and alleviate questions regarding the financial stability of ClearTouch. Since neither Todd Newnam nor Encore have any such interest in ClearTouch, you are directed to communicate this fact to your employees and affiliates and to direct them to not communicate otherwise.

We also remind Keone Trask of his April 2014 severance agreement, which has several provisions applicable to this situation. We have not included a copy of this agreement with this communication, but he can contact Tammy Summerell at Encore directly if he needs another copy.

Sincerely,

Todd R. Newnam
Chairman, CEO and Owner
Encore Technology Group, LLC

Russell Young
CFO
Encore Technology Group, LLC

Copy to: Keone Trask
Tamara Trask

2000 wade hampton blvd. • suite 210 • greenville, sc 29615 • (888)98-encore • www.encoretg.com

Russell Young

From: Russell Young <ryoung@encoretg.com>
Sent: Friday, September 11, 2015 4:30 PM
To: kt@getcleartouch.com; tt@getcleartouch.com
Subject: Notice of Termination
Attachments: Clear Touch Notice of Termination.pdf

Keone,

Please see the attached notice of termination.

Russell Young

Russell Young
CFO
Encore Technology Group
Direct: (864) 326-3612
Fax: (864) 438-0263
Office: (888) 983-6267

Email Disclaimer

This message contains confidential information and is intended only for the individual(s) addressed in the message. If you are not the named addressee, you should not disseminate, distribute, or copy this e-mail. If you are not the intended recipient, you are notified that disclosing, distributing, or copying this e-mail is strictly prohibited.

Encore Technology Group

CONFIDENTIAL ENC 000185

10:29 AM
09/01/16
Accrual Basis

Clear Touch Interactive, Inc.
Sales by Customer Summary
February 13, 2013 through October 10, 2015

	Feb 13, '13 - Oct 10,...
Academic Technologies	481,531.69
Advanced Classroom Technologies	17,869.50
Audio Visual Excellence, Inc.	41,027.25
BridgeTek Solutions, LLC	107,351.00
Broward County School District	5,595.00
CIM Technology Solutions	80,257.49
Collaboration Solutions, Inc.	612,933.11
Columbia County School District	5,940.00
Conestoga Valley School District	5,629.20
ConnectView, LLC	8,640.75
Edmentum	7,000.00
Encore Technology Group, LLC	2,460,790.68
Enterprise City Schools	5,895.00
FileWave	8,500.00
Focus School Software	5,148.00
Galaxy Technology Distribution	984,660.00
Great Oaks Institute of Technology	9,972.35
Howard Industries, Inc.	30,754.99
Indian Springs School	113,672.10
Information Transport Solutions, Inc.	243,202.50
Katz Computer Service	92,620.53
LeCroy	1,269,455.10
Lee County Youth Development Ce...	6,499.00
Leon County School Board	934,917.00
Lorain County Joint Vocational Sch...	44,099.00
Ockers Company	127,837.48
Personal Computer Systems	253,761.81
Progressive Communications	16,163.50
Ronco Specialized	85,766.73
Russell County School District	15,830.00
Selma University	11,570.00
Social Circle City Schools	14,791.25
Summit Integration System	160,404.94
TriStar Digital Connections, LLC	469,286.78
Troxell Communications	10,029.36
Unified AV Systems	49,057.92
United Data Technologies	31,795.84
Vernon High School	5,805.00
Wake County Public School System	4,240.00
Washington County School Board	24,995.00
Worth County Schools	11,100.00
Write Brain World	4,750.00
TOTAL	8,881,146.85

PLAINTIFF'S EXHIBIT 9

CT 0767

SUMMARY OF DAMAGES

Direct Costs Incurred by Encore	
Wages, Benefits, and Expense Reimbursements to Clear Touch Employees	$ 644,396
Trade Show and Related Costs Paid by Encore for Clear Touch	67,689
Total Calculated Damages	***$ 712,085***

Lost Profit on Sales Made to Encore and Leon County Schools by Clear Touch	
Lost Profits on Products Sold to Encore from Clear Touch 2/13/13 – 4/25/14	*125,730*
Lost Profits on Products Sold to Encore from Clear Touch from 4/26/14 – 4/25/15	*344,201*
Lost Profits on Products Sold to Encore from Clear Touch from 4/25/15 – 10/10/2015	*205,430*
Lost Profits on Sales Made to Leon County Schools 4/26/2014 - 4/25/2015	*309,439*
Lost Profits on Sales Made to Leon County Schools 4/26/2015 - 10/10/2015	*115,506*
Total Calculated Damages	***$ 1,100,306***

Calculation of Value of Lost Clear Touch Business Opportunity	
Normalized Profit of Clear Touch from 2/13/2013 - 4/25/2014 (employed)	105,137
Normalized Profit of Clear Touch from 4/26/2014 - 4/25/2015 (non-compete)	36,179
Normalized Profit of Clear Touch from 4/26/2015 - 10/10/2015 (reseller agreement)	1,281,829
Normalized Profit of Clear Touch from 10/11/2015 - 12/31/2015	213,109
Fair Market Value of Clear Touch Opportunity as of 12/31/2015	3,900,000
Total Value of Lost Clear Touch Business Opportunity	**$ 5,536,254**

Trade Show and Other Related Costs Paid by Encore for ClearTouch

Year	Total*	Reimbursed Expenses	Not CT Related per Encore Mgmt	Net	Est. %	CT Trade Show Expense
2013	59,508	(10,242)	(3,890)	45,376	50%	22,688
2014	100,990	(14,963)	(13,000)	73,027	50%	36,514
2015	40,529	-	(23,554)	16,975	50%	8,488
Totals	201,027	(25,205)	(40,444)	135,378		67,689

** Figures from QuickBooks rounded to nearest dollar*

PLAINTIFF'S EXHIBIT 10-B

PENGAD 800-631-6989

Lost Profits from Clear Touch Sales to Encore

	2/13/2013 - 4/25/2014	4/26/2014 - 4/25/2015	4/26/2015 - 10/10/2015	Totals
Total Traced Revenue	603,057	990,355	-	1,593,412
Total Calculated Revenue	80,711	216,309	571,228	868,248
Subtotal Revenue	683,768	1,206,664	571,228	2,461,660
Total Traced Profit	130,602	319,855	-	450,457
Total Calculated Profit	9,099	62,590	228,256	299,945
Subtotal Profit	139,701	382,445	228,256	750,402
Net 10% Commission	125,731	344,201	205,430	675,362

** All figures rounded to nearest dollar*

Lost Profit on Sales made by Clear Touch to Leon County Schools

	4/26/2014 - 4/25/2015	4/26/2015 - 10/10/2015
Leon County Sales by Clear Touch	539,898	321,192
COGS Relate to Leon County Sales	196,077	192,852
Gross Margin on Leon County Sales	343,821	128,340
Net 10% Commission	309,439	115,506

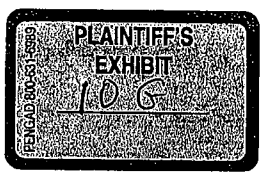
Calculation of Value of Lost Clear Touch Business Opportunity

Normalized Profit of Clear Touch from 2/13/2013 - 4/25/2014 (employed)	105,137
Normalized Profit of Clear Touch from 4/26/2014 - 4/25/2015 (non-compete)	36,179
Normalized Profit of Clear Touch from 4/26/2015 - 10/10/2015 (reseller agreement)	1,281,829
Normalized Profit of Clear Touch from 10/11/2015 - 12/31/2015	213,109
Fair Market Value of Clear Touch Opportunity as of 12/31/2015	3,900,000
Total Value of Lost Clear Touch Business Opportunity	**$ 5,536,254**

PLAINTIFF'S EXHIBIT 10-E

Wages and Compensation Paid by Encore to Trask

Employee and Type	2013	2014	2015	Total	at CT %
Trask	232,973	102,147	-	335,120	318,364
401K Match	5,515	1,997	-	7,512	7,136
Dental	279	127	-	406	386
Expenses	33,568	12,240	-	45,808	43,518
Medical	3,099	1,238	-	4,337	4,120
Gross Wages	190,512	86,545		277,057	263,204



SUMMARY OF DAMAGES

Table 1: Direct Costs Incurred by Encore	
Wages, Benefits, and Expense Reimbursements	$ 420,352
Trade Show and Related Costs Paid by Encore for Benefit of Clear Touch	67,689
Total Calculated Damages	***$ 488,041***

Table 2: Profit Lost on Sales Made to Encore and Encore Customers by Clear Touch	
Direct Damages on Products Sold to Encore from Clear Touch 2/13/13 – 4/25/14	*125,730*
Direct Damages on Products Sold to Encore from Clear Touch from 4/26/14 – 4/25/15	*344,201*
Direct Damages on Products Sold to Encore from Clear Touch from 4/25/15 – 10/10/2015	*205,430*
Lost Profit on Sales Made to Leon County Schools 4/26/2014 - 4/25/2015	*309,439*
Lost Profit on Sales Made to Leon County Schools 4/26/2015 - 10/10/2015	*115,506*
Total Calculated Damages	***$ 1,100,306***

Table 3: Damages Related to Loss of Business Opportunity	
Normalized Profit of Clear Touch from 2/13/2013 - 4/25/2014 (employed)	105,137
Normalized Profit of Clear Touch from 4/26/2014 - 4/25/2015 (non-compete)	36,179
Normalized Profit of Clear Touch from 4/26/2015 - 10/10/2015 (reseller agreement)	1,281,829
Normalized Profit of Clear Touch from 10/11/2015 - 12/31/2015	213,109
Fair Market Value of Clear Touch Opportunity as of 12/31/2015	3,900,000
Total Damages Related to Lost Business Opportunity	**$ 5,536,254**

EXHIBIT
Plaintiff's
10-H

Wages and Compensation Paid to Encore Employees

Employee and Type	2013	2014	2015	Total	at CT %
Trask	232,973	102,148	-	335,121	318,365
401K Match	5,515	1,997	-	7,512	7,137
Dental	279	127	-	406	385
Expenses	33,568	12,240	-	45,808	43,518
Medical	3,099	1,238	-	4,337	4,121
Gross Wages	190,512	86,545		277,057	263,204
Gallant*	-	76,337	6,342	82,678	74,411
401K Match		1,474	136	1,610	1,449
Dental		259	26	285	257
Expenses		19,932	1,324	21,256	19,130
Medical		2,535	325	2,860	2,574
Gross Wages		52,137	4,531	56,668	51,001
Higginbotham**	-	29,028	-	29,028	27,577
401K Match		433	-	433	411
Dental		99	-	99	94
Expenses		2,644	-	2,644	2,512
Medical		966	-	966	917
Gross Wages		24,888		24,888	23,643
Grand Total	232,973	207,513	6,342	446,827	420,352

* wages and related expenses for Gallant from 4/26/14 forward

** wages and related expenses for Higginbotham from 4/28/14 forward

EXHIBIT
Plaintiff's
10-I

IN THE COURT OF COMMON PLEAS
GREENVILLE COUNTY, SOUTH CAROLINA

Encore Technology Group, Plaintiffs vs.
Keone Trask and Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC, Defendants

C.A. No.: 2015-CP-23-05757
Amended Expert Report of:
Michael E Meilinger, CPA, ABV, CFE, CFF, MAFF, CMA
Dated September 26, 2017

I. Expert Report of Michael E. Meilinger

I, Michael E. Meilinger, am the President of Meilinger Consulting, P.C., a licensed CPA firm in the state of South Carolina that specializes in consulting, forensic accounting, business valuations, and litigation support. I hold a Bachelor of Science degree in Accounting. I am a Certified Public Accountant, Accredited in Business Valuation, a Certified Fraud Examiner, Certified in Financial Forensics, a Master Analyst in Financial Forensics, and a Certified Management Accountant. My curriculum vitae and history of prior testimony are attached as Appendix 1.

II. Documents

In preparing this expert report, I have considered the documents listed in Appendix 2.

III. Executive Summary

I have presented my calculations as three separate items to be evaluated by the court:

1. The first, shown in Table 1: Direct Costs Incurred by Encore below, represents only the direct costs incurred by Encore while the Defendants were allegedly working in the interest of Clear Touch while employed by Encore, including compensation paid to Encore employees working for Clear Touch as well as trade show and related expenses paid by Encore for Clear Touch's benefit. For these items, I have calculated **$488,041** in damages.

Table 1: Direct Costs Incurred by Encore	
Wages, Benefits, and Expense Reimbursements	$ 420,352
Trade Show and Related Costs Paid by Encore for Benefit of Clear Touch	67,689
Total Calculated Damages	***$ 488,041***

EXHIBIT
Plaintiff's
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2. The second, displayed in Table 2: Profit Lost on Sales Made to Encore and Encore Customers by Clear Touch on the following page, represents the profit diverted to Clear Touch by the Defendants' alleged breach of his fiduciary duties and duties of loyalty to Encore, the business opportunity provision of his agreement with Encore, and Trask's non-compete agreement with Encore.

Table 2: Profit Lost on Sales Made to Encore and Encore Customers by Clear Touch	
Direct Damages on Products Sold to Encore from Clear Touch 2/13/13 – 4/25/14	*125,730*
Direct Damages on Products Sold to Encore from Clear Touch from 4/26/14 – 4/25/15	*344,201*
Direct Damages on Products Sold to Encore from Clear Touch from 4/25/15 – 10/10/2015	*205,430*
Lost Profit on Sales Made to Leon County Schools 4/26/2014 - 4/25/2015	*309,439*
Lost Profit on Sales Made to Leon County Schools 4/26/2015 - 10/10/2015	*115,506*
Total Calculated Damages	***$ 1,100,306***

3. The third, presented in Table 3: Damages for Loss of Business Opportunity, shows Encore's lost business opportunity because of the Defendants' alleged taking of the Clear Touch business opportunity cultivated while Trask was employed by Encore. This loss is represented by Clear Touch's profit from 2/13/2013 – 12/31/2015, adjusted for expenses either required or not required by Encore to facilitate the same level of business, and the fair market value of the Clear Touch business opportunity as of 12/31/2015.

Table 3: Damages Related to Loss of Business Opportunity	
Normalized Profit of Clear Touch from 2/13/2013 - 4/25/2014 (employed)	105,137
Normalized Profit of Clear Touch from 4/26/2014 - 4/25/2015 (non-compete)	36,179
Normalized Profit of Clear Touch from 4/26/2015 - 10/10/2015 (reseller agreement)	1,281,829
Normalized Profit of Clear Touch from 10/11/2015 - 12/31/2015	213,109
Fair Market Value of Clear Touch Opportunity as of 12/31/2015	3,900,000
Total Damages Related to Lost Business Opportunity	**$ 5,536,254**

IV. Preliminary Anticipated Testimony

If called as a witness at trial, I will testify to a reasonable degree of accounting certainty concerning the amount of economic damages to which Encore Technology Group (Encore or Plaintiff) contends it is entitled as a result of the allegations against Mr. Keone Trask and Clear Touch Interactive (Trask, Clear Touch, or collectively as Defendants), which include breaches of various duties owed to Encore by Trask as an employee and breach of agreements between Trask and Encore that included, among others, a non-compete agreement, non-solicitation of customers agreement, non-piracy of employees agreement, and business opportunity agreement.

Specifically, as requested, I will testify to the amount of calculated damages related to

1. Wages and other forms of compensation paid to Trask and other Encore employees, including Mr. Leo Gallant and Mr. Jimmy Higginbotham, who are alleged to have been actively working for the benefit of Clear Touch while employed by Encore
2. Estimated marketing costs unknowingly paid by Encore for the alleged benefit of Clear Touch
3. Profit lost on products sold to Encore by Clear Touch during specific periods, including:
   a) Trask's employment with Encore from 2/13/2013 through 4/25/2014
   b) The period following Trask's termination during which the non-compete and non-solicit covenants were in force per the termination agreement between Encore and Trask, which was from 4/26/2014 –4/25/2015
   c) The period following the expiration of the covenants mentioned above through the end of the reseller agreement, 4/26/2015– 10/10/2015
4. Profit lost on sales made by Clear Touch to Leon County Schools during the periods of 4/26/2014 – 4/25/2015 and 4/26/2015 – 10/10/2015
5. The value of Encore's lost business opportunity, which encompasses the normalized earnings of Clear Touch during the same periods as in sections 3a – 3c above and the fair market value of the Clear Touch business opportunity as of 12/31/2015.

In order to perform these calculations, I was provided both internal information by Encore management and documentation provided by Clear Touch during discovery. As displayed in the Executive Summary above, I have calculated these damages to be between <u>$488,041– $5,536,254</u>, depending on the determination of the court.

Relevant theory, procedures, and further details of my findings are included below.

V. Background Information

Encore was formed in February 2013 from the Technology Solutions and Cloud Services division of Computer Software Innovations, Mr. Trask's employer. As such, he, along with several others, became an employee of Encore around the same time. Per discussions with Encore management, Mr. Trask was primarily tasked with business development and classroom technology strategy, sourcing, sales, and execution.

Trask formed Clear Touch Interactive, LLC as a Nevada LLC on August 24, 2012 and has maintained the benefits of ownership, direct or indirect, since. Per Clear Touch financial statements provided in discovery, no revenue was recorded until May 2013, which was a sale to Encore. It has been alleged that, during his employment with Encore, Trask used his position to 1) advance the interests of Clear Touch ahead of those of Encore by negotiating arrangements with terms favorable to Clear Touch, including a reseller agreement between Encore and Clear Touch as well as sourcing arrangements between Clear Touch and its suppliers with whom Encore could have transacted directly, 2) promote Clear Touch products to Encore clients without disclosing his interest in Clear Touch, 3) influence Encore employees to act in the interest of Clear Touch, and 4) intentionally dissuade Encore from pursuing options aside from Clear Touch.

Trask's employment with Encore was eventually terminated on April 25, 2014. Following his termination, Trask was bound by various covenants, including non-solicitation of customers, non-competition, and non-piracy of employees, all of which he has allegedly breached through direct contact with Encore customers and efforts to entice Encore employees to join Clear Touch.

VI. Basis for Opinions

I have read and analyzed the documents listed in Appendix 2 to understand the details and issues regarding this case. I have also met with Encore management and their counsel to discuss details of the case relevant to my procedures.

VII. Assumptions

My calculation of damages assumes that Encore will prevail on one or more of its theories of liability. Additionally, my calculations were performed to the standard of reasonable certainty as defined below:

> *"The law does not require absolute certainty of data upon which lost profits are to be estimated, but all that is required is such reasonable certainty that damages may not be based wholly upon speculation or conjecture, and it is sufficient if there is certain standard or fixed method by which profits sought to be recovered may be estimated and determined with a fair degree of accuracy."*
>
> *Collins Holding Corp. v. Landrum, 360 S.C. 346, 350 (S.C. 2004)*

VIII. Calculation of Damages

As stated above, all calculations of damages in this case have been based on the court ruling in Encore's favor on one or more issues of liability. Procedures and findings regarding each element of damage in my calculations are included in the sections below:

Calculation 1: Direct Costs Incurred by Encore

This calculation assumes that Encore is entitled to the expenses, in the forms of compensation and expenses, incurred that directly benefited of Clear Touch. This includes the wages and other forms of compensation paid to Trask, Mr. Leo Gallant, and Mr. Jimmy Higginbotham, all of whom are alleged to have worked for Clear Touch's benefit while employed and compensated by Encore, expenses reimbursed to those same individuals, and expenses paid by Encore for trade shows and related items which benefited Clear Touch. These items are detailed in the following sections:

1) Wages and Compensation Paid to Encore Employees

Certain employees, including Mr. Trask, are alleged to have spent considerable time and effort advancing the interest of Clear Touch while still employed by Encore. It is Encore's position that compensation, in various forms, paid to these employees during this period represents one element of damage. My calculation assumes that each respective individual spent certain percentages of time on Clear Touch during their employment with Encore. Encore's management has presented estimated allocation percentages to me for use in this calculation. Which at the direction of the attorneys, I have utilized for this report, as I understand detailed time activity was not kept at Encore. The allocation percentages provided to me are as follows:

Keone Trask	95%
Leo Gallant	90%
Jimmy Higginbotham	95%

I have examined the following documents and summarized the information therein to calculate the damages incurred by Encore resulting from this element.

- W-2s for Jimmy Higginbotham, Leo Gallant, and Keone Trask (collectively "CT Employees") for years 2013 – 2015 for the duration of their employment with Encore
- Expense reports itemizing expenses paid to Trask, Gallant, and Higginbotham for expenses alleged by Encore to be related to and/or beneficial to ClearTouch

- Encore management prepared schedules detailing dental, medical, and 401(k) expenses paid by Encore for each individual listed above.
- Leo Gallant costs have been calculated from 4/26/2014, the date he signed a non-disclosure agreement with Clear Touch
- Jimmy Higginbotham costs have been calculated from 4/28/2014, the date he signed a non-disclosure agreement with Clear Touch

Damages for this element, totaling **$644,396** have been calculated and displayed in the following table:

Employee and Type	2013	2014	2015	Total	at CT %
Trask	**232,973**	**102,148**	**-**	**335,121**	**318,365**
401K Match	5,515	1,997	-	7,512	7,137
Dental	279	127	-	406	385
Expenses	33,568	12,240	-	45,808	43,518
Medical	3,099	1,238	-	4,337	4,121
Gross Wages	190,512	86,545		277,057	263,204
Gallant*	**-**	**76,337**	**6,342**	**82,678**	**74,411**
401K Match		1,474	136	1,610	1,449
Dental		259	26	285	257
Expenses		19,932	1,324	21,256	19,130
Medical		2,535	325	2,860	2,574
Gross Wages		52,137	4,531	56,668	51,001
Higginbotham**	**-**	**29,028**	**-**	**29,028**	**27,577**
401K Match		433	-	433	411
Dental		99	-	99	94
Expenses		2,644	-	2,644	2,512
Medical		966	-	966	917
Gross Wages		24,888		24,888	23,643
Grand Total	**232,973**	**207,513**	**6,342**	**446,827**	**420,352**

* wages and related expenses for Gallant from 4/26/14 forward
** wages and related expenses for Higginbotham from 4/28/14 forward

2) Trade Show and Other Related Costs Paid by Encore for the Benefit of Clear Touch

Per Encore's management, Mr. Trask was primarily responsible for business development and classroom technology strategy, sourcing, sales, and execution during his employment with Encore. He was tasked with expanding the Encore customer base, particularly in the classroom technology end-market, and as

such, was given authority to select which trade shows to attend and to drive related activities. Because of the allegations against Mr. Trask and the other CT Employees, Encore claims that many trade show expenses paid by the company were in fact for the benefit of Clear Touch.

My analysis of the trade show expenses included examination of a schedule (generated from Encore QuickBooks) provided by Encore management detailing the trade show expenses at Encore from 2013 through 2015. This analysis required two primary steps. Both are discussed below:

1. **High Level Comparison of Trade Show and Related Expenses**

   When Encore assumed control in 2013, total trade show expenses for that partial year were $59,508. In 2014, they increased 70% to 100,990. This increase alone is a significant factor, but is especially so when considering that Mr. Trask was terminated in 2014 and trade show and related expenses declined to $40,529 in 2015. These figures do not represent damages, but instead indicate that Mr. Trask may have increased trade show expenses at Encore for the benefit of Clear Touch.

2. **Calculation of Estimated Marketing Costs Paid for Benefit of ClearTouch**

   To calculate the trade show costs paid by Encore, I relied upon spreadsheets provided by Encore management. Considering that certain expenses are incorporated in the reimbursed expenses included in the wages and compensation calculation above and other expenses have been clearly delineated by Encore management as not being related to Clear Touch, these amounts have been netted from the total. To calculate the amount of marketing expenses that benefited Clear Touch, I then applied Encore management's estimate of 50% to the remaining amount to estimate Encore's damages.

   Based on the procedures above, I have estimated trade show costs paid by Encore for the benefit of Clear Touch to be **$67,689**. This result is calculated in the table below, while a more detailed analysis is included as Appendix 3:

Year	Total*	Reimbursed Expenses	Not CT Related per Encore Mgmt	Net	Est. %	CT Trade Show Expense
2013	59,508	(10,242)	(3,890)	45,376	50%	22,688
2014	100,990	(14,963)	(13,000)	73,027	50%	36,514
2015	40,529	-	(23,554)	16,975	50%	8,488
Totals	201,027	(25,205)	(40,444)	135,378		67,689

** Figures from QuickBooks rounded to nearest dollar*

Calculation 2: Profit Lost on Sales Made to Encore and Encore Customers by Clear Touch

This calculation assumes that Trasks abided by his duties and agreements with Encore and brought the vendors and sourcing arrangements directly to Encore rather than taking the opportunity for himself. As such, the damages related to their compensation would not be included as a part of this scenario as those costs would not have been avoidable had Encore received those profits. This calculation assumes that Trask should have introduced Encore directly to Clear Touch's suppliers so that Encore could have derived additional gross profit by purchasing on the same terms as Clear Touch. In addition to his duties as a senior executive of Encore, Trask's employment contract required him to afford Encore with "any project, investment, venture, business, or other opportunity...that is competitive with, related to or in the same field as Company [Encore]."[1] Based on this, Encore would have had the same supplier agreements with Clear Touch's suppliers, and thus would have benefited from the profit that was instead passed through to Clear Touch. [2] Therefore, I have calculated the gross profit (Amount invoiced to Encore less the cost of the products to Clear Touch) that Clear Touch generated as an element of damage.

Additionally, the non-solicitation agreement states that Trask agrees not to "for Employee [Trask] or on behalf of any Person, directly or indirectly solicit, influence, contact, sell to, service or deal with any Customer of the Company [Encore]," during his employment and for one year following the end of his employment with Encore. I have been advised that Higginbotham had the same non-solicitation agreement that applied until the second half of 2015. I have been advised by Encore management and its counsel that Leon County Schools, a former customer of Encore's, was directly contacted and sold to by Clear Touch during the applicable period. As such, I have calculated the gross profit on those sales as an element of

[1] Encore Non-Disclosure and Non-Solicitation Agreement with Trask ENC 000001 – ENC 000003
[2] It is reasonable to assume that Encore could have negotiated superior terms and margins to that of Clear Touch given its greater scale and financial resources.

damage in this calculation.

1. Lost Profits Resulting from Sales to Encore from Clear Touch

Encore's position is that Mr. Trask used his position within Encore to sell Clear Touch products to Encore's customers, thus creating a middle layer of the transaction in which Clear Touch profited to Encore's detriment. Therefore, gross profit has been chosen as the damage because it represents the margin that Encore was not able to realize on the sales of products that Trask was selling through Clear Touch rather than notifying and allowing Encore to purchase the products from Clear Touch's suppliers at the same terms.

As such, I have calculated Encore's lost profits as a result of these actions by performing the following procedures:

1. I reviewed invoices provided to me by Encore management for all sales made to Encore by Clear Touch during the relevant periods discussed above
2. I then, in all instances in which it was possible, traced the transactions back to Clear Touch's suppliers to determine the cost of the products sold to Encore. Twenty invoices representing $1,593,411 in revenue to Clear Touch were traced in total.
3. In instances in which a Clear Touch invoice to Encore could not be traced back directly to a Clear Touch supplier, I have calculated average costs of items purchased by Clear Touch and sold to Encore to estimate the margin realized by Clear Touch.
4. **NOTE:** As referenced above, I have considered the necessity of deducting operating expenses from calculated lost profit; however, I understand that Encore still incurred these expenses in the normal course of business. Therefore, they did not avoid these costs as the sales were still made, only at a lower margin due to involvement of Clear Touch. Based on this, operating expenses have not been deducted as part of these calculations.
5. **NOTE:** Encore would, however, have paid commissions on the gross margins if it had been realized. Encore management has represented that they paid commissions between 8% - 12% on gross margin. Therefore, I have added 10% commission costs from these damages to account for this additional expense that would have been incurred.

Based on these procedures, I have calculated <u>$675,362</u> in damages related to sales made to Encore by Clear Touch. A summary of these calculations is included in the table below. Detail may be found in the attached

Appendix 4[3].

Summary of Direct Damages on Products Sold to Encore from Clear Touch

Relevant Dates	2/13/2013 - 4/25/2014	4/26/2014 - 4/25/2015	4/26/2015 - 10/10/2015	Lost Profit
Total Traced Revenue	603,057	990,355	-	1,593,412
Total Calculated Revenue	80,711	216,309	571,228	868,248
Subtotal Revenue	**683,768**	**1,206,664**	**571,228**	**2,461,660**
Total Traced Profit	130,602	319,855	-	450,457
Total Calculated Profit	9,099	62,590	228,256	299,945
Subtotal Profit	**139,701**	**382,445**	**228,256**	**750,402**
Net 10% Commission	**125,731**	**344,201**	**205,430**	**675,362**

** All figures rounded to nearest dollar*

As one may see in the table above, during the period from Clear Touch's inception to the end of Trask's non-compete, approximately 82% of revenue and 83% of profit is directly traceable back to Clear Touch's suppliers.

2. Lost Profit on Sales made by Clear Touch to Leon County Schools

Encore management has informed me that Leon County Schools was an Encore customer before being solicited by and subsequently moving its business directly to Clear Touch. As such, for all sales taking place during the non-compete period (4/26/2014 – 4/25/2015), I have calculated the gross profit earned on these sales by Clear Touch as an element of Encore's damages.

Additionally, I have calculated profit lost on sales to Leon County Schools during the period 4/26/2014 – 10/10/2015, during which time such sales were derived both Higginbotham's non-solicit and the re-seller agreement between Encore and Clear Touch were still was in effect.

A summary of these damages is included in the table below, with more detail included in the attached Appendix 5.

[3] Per my discussions with Encore management, while the calculation related to this item is based on the margins that Clear Touch could realize, it is reasonable to believe that Encore, considering its greater scale and resources, could potentially have negotiated even more favorable terms and realized higher margins. It should also be noted that, in this calculation, there is no addition for compensation for these individuals who were spending their time building the broader value of Clear Touch beyond the sales to Encore and Leon County Schools. Additionally, Encore's sales force is compensated largely on commission. Due to the low margins it had been receiving as a result of Clear Touch's involvement, the sales force was not fully motivated to sell those products. If Encore was afforded the opportunity, Encore sales representatives would have received approximately 300% more commission on each sale. Therefore, it is reasonable to believe that, if the margins were higher, Encore could have sold even greater volume at higher margins.

	Trask Non-Compete	Higginbotham Non-Solicit & Reseller Agreement
	4/26/2014 - 4/25/2015	4/26/2015 - 10/10/2015
Leon County Sales by Clear Touch	539,898	321,192
COGS Relate to Leon County Sales	196,077	192,852
Gross Margin on Leon County Sales	**343,821**	**128,340**
Net 10% Commission	**309,439**	**115,506**

Calculation 3: Loss of Business Opportunity

Pursuant to the Encore agreements with Trask, Trask was required to offer "any project, investment, venture, business or other opportunity...that is competitive with, related to or in the same field as Company [Encore],"[4] to Encore. This alternative accounts for the fact that Clear Touch had value beyond the sales with Encore and Leon County Schools in the preceding section. Rather, Clear Touch began generating cash flow that would have otherwise been Encore's had the opportunity been afforded to it. Therefore, in calculating the damages in this scenario, I have identified and calculated two separate elements, 1) the lost cash flow generated by Clear Touch, represented by the adjusted income of Clear Touch, from 2/13/2013 – 12/31/2015, and 2) the fair market value of Clear Touch as of 12/31/2015.

1. **Adjusted Income Generated by Clear Touch from 2/13/2013 – 12/31/2015**

In order to prepare this calculation, I used the following formula using information from QuickBooks income statements provided by Clear Touch's accountant in discovery:

Revenue – Cost of Goods Sold – Operating Expense + Adjustments = Adjusted Income

Adjustments

It is my understanding, based on review of financial and operational information provided to me in additional to my conversations with Encore management,that Encore was and is larger in scale than Clear Touch and financially healthy. Specifically, Encore had the capacity and capability to handle the Clear Touch sales without incurring the same costs as Clear Touch. Encore had access to funds, specifically a $5,000,000 credit line it could utilize to purchase inventory or sustain operations while awaiting payment of receivables. Additionally, during this period, Encore had between 75 – 85 employees who were available to offer the capacity necessary to service the Clear Touch business. Based on this, I have adjusted the income reported by Clear Touch in its accounting records to

[4] Encore Non-Disclosure and Non-Solicitation Agreement with Trask ENC 000001 – ENC 000003

encompass these factors and calculate the amount of income lost by Encore due to Trask's alleged breach of the business opportunity clause in his employment agreement with Encore. These adjustments included:

- **Cost of Goods Sold[5] adjustment** – The financial statements provided by Clear Touch appear to be mostly on the cash basis, meaning that revenue and expenses were recorded when cash was received or spent. As such, cost of goods sold appears to have been overstated early in the company's life cycle as inventory was being built. This expense has been adjusted to a 33% margin on gross sales based on the analysis performed in Calculation 2. Margins appear to have increased over the course of my analysis, to greater than 40% - 50% in some instances, but my calculation normalizes the margin to 33% to encompass the stability of Encore's operation[6]. This figure is further supported by the Clear Touch memo to potential investors in which Clear Touch management represents its margins to be 33% (CT01722 – CT0724).

- **Factoring fees** – Encore is a healthy company with a $5,000,000 credit line and can operate on extended collection periods. During this period from 6/30/2014 to 12/31/2015, the average amount drawn on the line was $1,067,143, leaving approximately $3,900,000 to finance this business. Factoring of receivables would not have been required. Therefore, factoring fees have been eliminated.

- **Margin Split** – Like the factoring fee adjustment above, Encore's size and resources allow it to operate without requiring a margin split arrangement with downstream distribution partners.

- **Professional fees** – Encore's expense structure already included these fees and expenses.

- **Warehousing expense** - Encore's expense structure already included this expense.

- **Rent expense** – Encore's expense structure already included this expense.

- **Mailbox rental** - Encore's expense structure already included this expense.

- **Bonuses** – Bonuses are considered discretionary; however, they have been included under the assumption that they were paid to critical employees.

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[5] Factoring fees were not included in any adjustment to Cost of Goods Sold as they were adjusted separately.
[6] Based on the characteristics of Encore discussed above, it is reasonable to believe that Encore could have used its scale and access to funds to increase this margin further. For the calculation, I have relied on the margin determined from the Clear Touch invoice and purchase order analysis.

- **Additional Employee Salary** – Encore is sufficiently staffed and would not have had to incur significant additional salary to service the Clear Touch business. However, it is understood that certain Encore employees (Gallant and Higginbotham) moved to Clear Touch over the course of this period. Additionally, Encore management has represented that one additional position may have been required. As such, I have adjusted additional salary downward by 25% to incorporate this adjustment.

- **Contract Labor** – It is assumed that Encore's employee base could have absorbed the activity represented by the contract labor expensed by Clear Touch.

- **Trask Salary for period during which he was not employed by Encore and not being paid by Clear Touch** – I have subtracted the amount of compensation that would have been paid to Trask by Encore during his employment for the months May – June 2014, which are understood to be the months during which he was no longer being compensated by Encore and was not yet being compensated by Clear Touch.

- **Payroll Taxes Adjustments on Compensation Related Adjustments** - In all instances involving wages, I have adjusted – either up or down – for payroll taxes estimated at 7.5% of wages.

This calculation is summarized in the following table. Additional information and detail is included in Appendix 6 attached with this report:

Dates	Revenue	COGS	Expenses	Unadjusted Income	Adj	Adjusted Income
2/13/2013 - 4/25/2014	408,647	593,101	54,964	(239,418)	344,555	105,137
4/26/2014 - 4/25/2015	2,507,066	1,713,612	784,832	8,622	27,557	36,179
4/25/2015 - 10/10/2015	4,932,856	3,428,763	367,738	1,136,355	145,474	1,281,829
10/11/2015 - 12/31/2015	1,882,820	1,207,983	449,669	225,168	(12,059)	213,109
Total	**9,731,389**	**6,943,459**	**1,657,203**	**1,130,727**	**505,527**	**1,636,254**

2. **Fair Market Value of Clear Touch Interactive as of 12/31/2015**

In addition to the damages related to the loss of the Clear Touch business opportunity from 2/13/2013 – 12/31/2015 calculated above, Encore has also lost the opportunity into the future as Clear Touch has further

established itself in the market. This loss is considered permanent, and as such:

> "...damages are to be measured by one of two alternative methods: (1) the going concern value; or (2) lost future profits."
>
> *Cooper Distributing Co v Amana Refrigeration, Inc 180 F.3d 542 (3rd Cir. 1999) cited by Thomas Burrage, CPA/ABV in The Comprehensive Guide to Lost Profit Damages, 2009*

The going concern value, in this instance the fair market value, of an enterprise is defined as "the price that a willing buyer would pay and a willing seller would accept in a free marketplace for the business in question" (Burrage, 2009). Damages are then valued as the difference between the value of the business (Clear Touch in this case) and the value received by the plaintiffs upon sale, which in this case is zero

Based on this, I have estimated the fair market value of Clear Touch as of 12/31/2015. I have considered three different approaches in my calculation of Clear Touch's value: 1) Asset, 2) Market, and 3) Income.

Asset Approach:

In considering the asset approach, otherwise known as book-value, net asset value, or liquidation value, I have calculated Clear Touch's equity per its filed 2015 tax return as $1,428,883, which has not been adjusted upward for potentially significant cash payments for inventory believed to be expensed at year end for tax purposes. This method does not incorporate any consideration for the ongoing and future potential earnings of Clear Touch, and therefore, has received no weight in my final estimate of value. Rather, it stands as a factor in my consideration of my final estimate's reasonableness.

Market Approach:

The market approach represents the application of pricing multiples derived from transactions of comparable companies in the same or similar lines of business. In my considering of the market approach, I have derived market multiples from the Pratts Stats database for NAICS codes 423430 – Computer and Computer Peripheral Equipment and Software Merchant Wholesalers and 443142 – Electronics Stores, which are believed to best represent the operations of Clear Touch. All multiples used are "asset sale" multiples which assume that the seller will keep all cash held by the business, all receivables, and pay all debt.

A summary of cash, accounts receivable, and debt are summarized in the table below:

Net Adjustment for Market Approach Values*

Cash	694,748
Accounts Receivable	261,159
Total Debt	(357,303)
Net Adjustment	**598,604**

** All values derived from Clear Touch 2015 tax return*

Income Approach:

Income approaches rely on the theory that the value of a business depends on the future benefits that will accrue to it, with the value of the future economic benefits discounted back to present value, at some appropriate discount rate. I have utilized and relied on the capitalization of earnings method in my calculations.

Relevant Business Valuation Factors Considered:

Please see Appendix 7 for additional exhibits regarding this analysis.

a. **Date of Valuation:** To estimate a value for Clear Touch, I have chosen 12/31/2015 as the valuation date. This date has been chosen for several reasons. The primary reason for choosing the 12/31/2015 valuation date is that it is the nearest tax year-end for Clear Touch. This represents a clear "cut-off" for the financial results of the company, as the books for small businesses are closed as of the end of the year, thus offering a clearer financial picture for analysis rather than a point occurring mid-year.

   Additionally, Encore and Clear Touch's re-seller agreement ran through 10/10/2015. This relationship leads me to again believe that year-end 2015 best represents the value of Clear Touch during the time it was affiliated with Encore.

   After considering all of the business and financial factors in this case, it is my opinion that 12/31/2015 is most appropriate valuate date for Clear Touch.

b. **Discount and Capitalization Rates (Income Approach):** I have determined discount and capitalization rates utilizing the build-up method. This is presented in the following table:

Build-Up of Discount and Capitalization Rates Used [7]

Normalized Risk Free	4.00%
Normalized Equity Risk Premium	5.00%
Size Premium	11.79%
Average Market Risk	**20.79%**
Specific Company Discount Rate	5.00%
Calculated Discount Rate	**25.79%**
Growth Rate Estimate	3.00%
Capitalization Rate	**22.79%**

[7] Normalized Risk Free Rate, Normalized Equity Premium, and Size Premium have all been taken from the Duff & Phelps 2016 Valuation Handbook. Other rates are my own estimates.

c. **Weighting of Income (Income Approach – Capitalization of Earnings Method):** The capitalization of earnings method requires determination of weighted earnings to which the capitalization rate must then be applied. I have weighted the earnings 15% for 2014 and 85% for 2015 considering the relative youth of the company, the relative maturation of the company in 2015, and the continued growth of the company in 2016.

d. **Adjustments to Income:** In valuing the business, I have made the same adjustments to income as shown in my normalization to Encore's lost profit in Calculation Two. These adjustments have been made to estimate the income stream and subsequent value of the Clear Touch business opportunity to Encore rather than the fair market value of a standalone Clear Touch entity as it is currently operated.

e. **Additional Considerations:** In addition to my analysis and calculations, I have also considered the values that have been represented by Clear Touch management in documents provide to me. These include the following: 1) a CatchFire Funding questionnaire completed by Clear Touch management representing the value of the company to be $2,269,818 as of 12/31/2015 (CT 000072 – CT000074), and 2) a memo prepared for potential investors in Clear Touch offering convertible equity in the amount of 1% interest for each $100,000 invested, which equates to a $10,000,000 fair market value (CT01722 – CT0724).

I have summarized the results of my calculations in the following table:

EBIT	1,178,067	4.5	5,301,302	598,604	5,899,906
EBITDA	1,273,081	4	5,092,324	598,604	5,690,928
Income Approach					
Capitalization of Earnings					3,876,156
Opinion of Value					**3,900,000**
Clear Touch Management Representations of Value Considered					
Book Value per Clear Touch 2015 tax return (not adjusted for inventory write-off)					1,428,883
Clear Touch Internally Prepared Catchfire 401(k) Valuation as of 12/31/2015					2,269,818
Investor Memo Prepared by Clear Touch Management in 2014					10,000,000

Alternative Calculation

As discussed above, lost profit theory allows for either the fair market value of the lost business or the calculation of anticipatory damages for a set period of time. I have considered this alternative which would

allow for Encore's recovery of known damages, which in this instance would be from 2/13/2013 – 12/31/2016, and anticipatory damages for a limited number of years in the future.

Considering this alternative, I have utilized the same procedures as calculation 2 to calculate the known losses through 2016, which have been estimated at $4,055,656. I then calculated three years of anticipatory damages assuming the same 2% growth estimate for revenue and operating expenses and a 33% gross margin. Total gross anticipatory damages were calculated at $6,010,943, the present value of which at 12/31/2016 are $3,742,976 utilizing the 27.79% discount rate from my capitalization rate build-up. Therefore, total damages utilizing this alternative are calculated as $7,798,632.

I have not utilized this calculation to derive any specific element of damage but rather as a test for reasonableness related to the lost business opportunity by Encore. Based on this figure, I believe that my calculation of **$5,536,254** is reasonable.

IX. Reservation of Right to Amend

In the event that additional documents and/or other discovered material is made available to me after the submission of this report, I respectfully reserve the right to amend this writing, as appropriate.

X. Rebuttal Testimony

In addition to the substance of the foregoing discussion, my testimony may also include rebuttal testimony, as required.

XI. Compensation:

Fees for my services are charged at my standard hourly rates currently $265 for my time, $175 for other accounting staff time, and $100 for admin staff. To date, I have charged $21,305 for my services.

XII. Prior Testimony

My prior testimony is detailed in my curriculum vitae which is attached to this report as Appendix 1.

Mike E. Meilinger, President CPA/ABV, CMA, CFFA, CFF, CFE

September 26, 2017

Michael E. Meilinger, CPA/ABV, CMA, MAFF, CFF, CFE

February 2017

351 Prado Way
Greenville, SC 29607

864-288-3049(o) 864-201-9077(c)
mike@meilingerconsulting.com

EDUCATIONAL BACKGROUND:

The University of South Carolina at Spartanburg, South Carolina: attained Bachelor of Science Degree in Business Administration with a Concentration in Accounting, May 1993, Cum Laude.

Recipient of the **O'Brien Accounting Scholarship**, Scored in top 1% of the Major Field Assessment Test for Business Majors.

The University of South Carolina School of Business Administration and Economics holds AACSB International Certification.

In 2009, Mike and his wife Penny received the 2009 distinguished Alumni Award from USC Upstate.

PROFESSIONAL CERTIFICATIONS:

- **Certified Public Accountant** since November 1995, passed CPA exam first sitting November of 1993.
- **Certified Management Accountant** since June 1996, passed CMA exam first sitting June of 1995. **Certified Financial Planner** from April 2000 to June 2010, passed CFP exam first sitting November of 2000.
- **Accredited in Business Valuation** since March 2008, passed ABV exam first sitting December of 2007.
- **Master Analyst in Financial Forensics**; passed both CFFA exams on first sitting October of 2008 and December of 2008.
- **Certified Financial Forensics -2009**
- **Certified Fraud Examiner -2012**

EMPLOYMENT INFORMATION:

2007 – Current: Meilinger Consulting, P.C., President CPA

- Practice that focuses on consulting, litigation support and transaction consulting including tax analysis, detection of fraud, divorce financial analysis, business valuations, property tax appeals, mediation, acquisitions, and mergers.

- Testified and been deposed in numerous cases and qualified as an expert in business valuation, accounting, forensic accounting, tax accounting, and pension plan valuation.

2002-2006: President and majority shareholder of Meilinger & Cohen, PC; Sold practice in 2006.

- Primarily consulted with clients on issues involving the purchase, sale, and value of businesses, tax planning, strategic growth opportunities and business operation.

- Responsible for growing the business revenue 350% in less than 4 years.

1999-2002: Shareholder Kent Evan Group

- In charge of consulting and litigation support services

- Developed expertise in real estate transactions, including developments accounting, and 1031 transactions; also engaged in work with numerous mergers, acquisitions, and business valuations.

1996-1999 Michael E Meilinger, CPA, CMA: Small business CPA and QuickBooks Consultant started up at residence and grew to over 100 clients and 3 employees.

1993-1995 Deloitte & Touché Staff Accountant: Conducted audits of financial statements under generally accepted accounting principles, and developed expertise in the textile industry.

MILITARY SERVICE:

Served from1986 to 1992 in the United States Marine Corps Reserve, achieved the rank of Corporal, and served in Operation Desert Storm and Operation Desert Shield.

PROFESSIONAL AFFILIATIONS:

American Institute of Certified Public Accountants, 2001 to present

Association of Certified Fraud Examiners, 2002 to present

Institute of Management Accountants, 1994 to present

Institute of Divorce Financial Analyst, 2007 to present

National Association of Certified Valuation Analysts, 2007 to present

Testified:	**Year**
1. P. J. Richardson vs. North American Rescue Products	2008
2. Colquhoun vs. Colquhoun	2009
3. Nestberg vs. Nestberg	2009
4. Assmussen vs. Assmussen	2009
5. Kunst vs. Debacco	2009
6. Coulter vs. Coulter	2010
7. McClure vs. McClure	2010
8. Hulsey vs. Hulsey	2010
9. Lyda vs. Lyda	2010
10. Hiller vs. Hiller	2010
11. O'Boyle vs. O'Boyle	2011
12. USA vs. Pearce	2012
13. Connits vs. Connits	2012
14. O'Boyle vs. O'Boyle	2012
15. McAdory vs. McAdory	2013
16. Bessette vs. Pietrazak	2013
17. Fredrickson vs. Schultz	2013
18. McMillan vs. McMillan	2013
19. Fleetwood Transportation Corporation and Transportation Consultants, Inc. vs. Packaging Corporation of America	2013
20. Sweeney vs. Sweeney	2013
21. McMillan vs. McMillan	2014
22. Childs vs. Childs	2015
23. Silvey vs. Silvey	2015
24. Laris vs. Laris	2015
25. Howey vs. Howey	2016
26. Short vs Short	2016
27. Collins vs Collins	2016

Deposition Taken:	
1. Nestberg vs. Nestberg	2008
2. Tracy vs. Tracy	2009
3. Kunst vs. Debacco	2009
4. Anastasia G. Livaditis vs. Louis Lignos of L & L of Greenwood, LLC vs. Gus Livaditis	2010
5. O'Boyle vs. O'Boyle	2011
6. Moore vs. Moore	2012
7. American National Property and Casualty Company, vs. Ernest W. Baker, III et al.	2013
8. McKelvey vs. McKelvey	2013
9. Sweeney vs Sweeney	2013
10. Fleetwood Transportation Corporation and Transportation Consultants, Inc. vs. Packaging Corporation of America	2013
11. HH Hunt Homes of Charleston, LLC vs. Allergycorp of America, LLC, et al	2015
12. Wilke vs. Wilke	2015
13. Fowler vs. CMA, et al	2015
14. Ashmore vs. Ashmore	2015
15. Travis R Holt and Tiffany Lariviere Holt vs. Scott W. Brown and Charles Vincent Brown	2015

Appendix 2: Documents Reviewed in Analysis

1. Clear Touch tax returns for years 2013 - 2015
2. Invoices and purchase orders contained in CT 0829-1049, ENC 00202346 – ENC 00202522,
3. Margin Comparison Spreadsheet - ENC 00202345
4. Catchfire funding document CF 000072
5. Trask and Clear Touch agreements with Encore ENC 00001 – ENC 000020
6. Clear Touch memo to investors CT 01722 - 01724
7. Excel 2013 – 2015 CTI financials prepared from Clear Touch QuickBooks records
8. Monthly Clear Touch financial statements – CT 0768 – CT 0828, CT 022909 – CT 022928
9. Clear Touch's account discovery product - S&S 000001 – S&S 000320
10. Encore W2s for years 2013 – 2015 for Keone Trask, Leo Gallant, and Jimmy Higginbotham
11. Encore internally generated expense reimbursement reports for Keone Trask, Leo, Gallant, and Jimmy Higginbotham
12. Excel spreadsheet of Encore marketing expenses generated from Encore QuickBooks
13. Encore management representations of percentage of time expended by Trask, Gallant, and Higginbotham on Clear Touch business
14. Encore management spreadsheet of 401k, medical, and dental benefits for Trask, Gallant, and Higginbotham
15. The Comprehensive Guide to Lost Profits Damages, Fannon (2009)
16. The Pratt's Stats Database

Appendix 3:
Marketing Costs Incurred by Encore for the Alleged Benefit of Clear Touch

Transaction Detail by Account

January through December 2013

Type	Date	Num	Name	Memo	Debit	Already provided in KT and LG Expenses	Clearly not ClearTouch related
6888202 · Mrkt Sales Conferences/Events							
Bill	02/28/2013	Spring Conference	SCASCD		250.00		250.00
General Journal	02/28/2013	2		AMEX Feb 2013 - June AL Conference	1,779.66		
General Journal	02/28/2013	26		Feb 2013 Prepaid Misc Exp	2,930.00		2,930.00
General Journal	02/28/2013	26		Feb 2013 Prepaid Misc Exp - Amex - June	1,675.00		
General Journal	03/27/2013	39		March 27, 2013 Expenses	734.61	524.63	209.98
Bill	04/02/2013	Gen Sponsor	MAC	Cisco Live Local - Carolinas	500.00		500.00
General Journal	04/30/2013	75		April 2013 Amex - June 2013 GMIS Intern	2,500.00		
Bill	05/09/2013	Upstate Tech Conf	Greenville County Schools	Tables/Exhibit Spaces	700.00		
Bill	05/21/2013	1040	Gameis	Sales Conference/Events	1,350.00		
Bill	05/21/2013	31770	SCSBA		1,075.00		
Bill	05/23/2013	Sponsorship	FAEDS	Exhibit Space at FAEDS Conference	3,000.00		
Bill	05/23/2013	1040-B	Gameis	Registration	300.00		
Bill	05/28/2013	Silver Sponsor	Madison Co Career Tech Center		300.00		
Bill	05/28/2013	Exhibit-Gold Sponso	School District of Pickens County	Exhibit Space/Gold Sponsor	500.00		
Bill	05/29/2013	Exhibit/Presentation	VSTE	Exhibit Booths	1,800.00		
Bill	05/29/2013	Exhibit/Presentation	VSTE	Presentation Slot	600.00		
General Journal	05/31/2013	100		May 2013 Amex - AETC, NC IIPS, GMIS,	5,766.00		
Bill	06/11/2013	Golf-Sponsor	Gameis	Gameis Golf Tournament Sponsor	50.00		
Bill	07/01/2013	1138	Alabama Ed Tech Association		4,250.00		
Bill	07/11/2013	Booth Fee	SCAET/SC EDTECH	Booth Fee	3,100.00		
Bill	07/22/2013	MAEDS Registration	MAEDS	Exhibit & 4 Admission	1,195.00		
Bill	08/23/2013	Fall Symposium	NCLGISA Treasurer	Leo Gallant	4,000.00		
General Journal	09/11/2013	211		Sep 11, 2013 Expenses	245.35		
Bill	09/16/2013	4878323	SCATA	Level II Gold	2,500.00		
Bill	09/24/2013	2031018415	FedEx Freight		384.58		
Bill	09/25/2013	e-102	DL Fruit Designs		357.22		
General Journal	09/25/2013	239		Sep 25, 2013 Expenses - NC IIPS	750.00	750.00	
General Journal	09/30/2013	268		Sep 2013 Amex - Freight for conference	531.47		
Bill	10/01/2013	INV313162	Boxlight, Inc.	Demo	1,174.00		
Check	10/08/2013	5030	ABF	Shipment from sales conference - AETA	387.73		
General Journal	10/23/2013	303		Oct 23, 2013 Expenses	910.28	910.28	
Bill	10/23/2013	2240	MarketLink, Inc		750.00		
General Journal	10/31/2013	313		October 2013 Amex - Conference supplies	12.78		
Bill	11/01/2013	055367404	ABF	Additional Charges	310.11		
Bill	11/01/2013	316169325	ABF	Additional Charges	225.07		
General Journal	11/06/2013	308		Nov 6, 2013 Expenses	1,152.29	1,152.29	
Bill	11/15/2013	2251	MarketLink, Inc	Pre-Event Mkt for Office365 Events	814.38		
General Journal	11/20/2013	338		Nov 20, 2013 Expenses	704.60	704.60	
General Journal	12/04/2013	350		Dec 4, 2013 Expenses - FETC	6,200.00	6,200.00	
Bill	12/04/2013	2258	MarketLink, Inc		274.37		
Bill	12/10/2013	2261	MarketLink, Inc		816.55		
Bill	12/17/2013	2873	MarCat Links	2014 SCITDA Sponsorship	2,500.00		
Bill	12/24/2013	2031018463	FedEx Freight		151.66		
Total 6888202 · Mrkt Sales Conferences/Events				**Total 2013 Marketing Expense**	**59,507.71**	**10,241.80**	**3,889.98**
				Less LG and KT Expenses	(10,241.80)		
				Less Non-CT Related	(3,889.98)		
				Net 2013 Expenses	**45,375.93**		

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Encore
Transaction Detail by Account
January through December 2014

Type	Date	Num	Name	Memo	Debit	Already provided in KT and LG Expenses	Clearly not ClearTouch related
6888202 · Mrkt Sales Conferences/Events							
Bill	01/08/2014	2014 NCASA Confer	NCASA	Conference on Education Leadership	975.00		
General Journal	01/15/2014	396		Jan 15, 2014 Expenses	150.00	150.00	
Bill	01/18/2014	2031018452	FedEx Freight		217.89		
General Journal	01/29/2014	436		Jan 29, 2014 Expenses	1,025.31	1,025.31	
Bill	01/31/2014	387682	NCTIES Registration	Leo Gallant	7,000.00		
Bill	02/10/2014	2014 Conference	NCET	Leo Gallant	500.00		
General Journal	02/12/2014	442		Feb 12, 2014 Expenses - FETC Freight	3,180.15	3,180.15	
Bill	02/14/2014	2014021100007	AETC Exhibit Management	Booth Fees	3,200.00		
General Journal	02/26/2014	479		Feb 26, 2014 Expenses	2,770.12	2,770.12	
General Journal	02/28/2014	502		Feb 2014 Prepaid	4,100.00		
General Journal	02/28/2014	511		Feb 2014 AmEx Allocation	380.11		
Bill	03/01/2014	2031018430	FedEx Freight		1,570.04		
Bill	03/07/2014	2014-R10-009	The Interlocal Purchasing System	TIPS Vendor Show	150.00		
General Journal	03/12/2014	492		Mar 12, 2014 Expenses	21.85		
Bill	03/18/2014	AA47711933	FedEx Freight		2,001.35		
Bill	03/25/2014	AA47861864	FedEx Freight		906.68		
General Journal	03/26/2014	529		Mar 26, 2014 Expenses	3,134.99	2,702.44	
Bill	03/29/2014	2031018496	FedEx Freight		1,397.37		
Bill	04/01/2014	Registration	SCASA	Myrtle Beach	1,140.00		
Bill	04/01/2014	102	Greenville County Schools	Upstate Technology Conference	1,000.00		
Bill	04/04/2014	AA48072005	FedEx Freight	2031018500	567.03		
Bill	04/07/2014	GAMEIS 2014 Conf	There and Back again Travel	Sponsorship	1,300.00		
Bill	04/07/2014	GAMEIS 2014 Conf	There and Back again Travel	Attendees	300.00		
Bill	04/07/2014	FAMIS 2014 Conf	FAMIS	FAMIS 2014 Conference	1,700.00		
Bill	04/09/2014	AA48177635	FedEx Freight	2031018533	240.59		
Bill	04/10/2014	AA48186148	FedEx Freight	2031018511	310.94		
Bill	04/19/2014	2031018522	FedEx Freight		192.10		
Bill	04/26/2014	2031018485	FedEx Freight		130.63		
General Journal	04/30/2014	583		April 2014 Amex - GMIS	3,000.00		
General Journal	05/07/2014	569		May 7, 2014 Expenses	2,302.60	2,302.60	
Bill	05/07/2014	988288	Barracuda	Sales Event Fee	297.00		
Credit	05/27/2014	988288	Barracuda	Sales Event Fee Credit for 1 User	(99.00)		
General Journal	05/31/2014	624		May 2014 Prepaid - Microsoft & Cisco	13,000.00		13,000.00
Bill	06/01/2014	5707	School Superintendents of Alaba	2014-2015 SSA Business Agreement	2,800.00		
General Journal	06/18/2014	639		June 18, 2014 Expenses	40.00	40.00	
General Journal	06/30/2014	670		June 2014 Amex	90.00		
General Journal	07/16/2014	693		July 16, 2014 Expenses	330.38	330.38	
Bill	07/17/2014	2014 Summer Trainin	GACP	2014 GACP Summer Training Conference	835.00		
Bill	07/17/2014	74463-232	MAC	Chesterfield SD Tech Fair	25.00		
Bill	07/28/2014		MAEDS	2014 MAEDS vendor registration	600.00		
General Journal	07/31/2014	702		July 2014 Amex	145.00		
General Journal	07/31/2014	703		July 2014 Prepaid - ISTE	15,440.00		
Bill	08/01/2014		Shanty Creek Resorts	MAEDS conf.	400.00		
Check	08/06/2014	8406	Chesterfield County School Dis -	Speaker Fee	500.00		
General Journal	41878	738		Aug 27, 2014 Expenses	78.19	78.19	
General Journal	41882	740		Aug 2014 Amex	100.00		
Bill	41892	Tier Three Sponsor	VSTE	Dec 7-9, 2014	2,500.00		
Bill	41893		NCLGISA Treasurer	Nov 12-14, 2014	2,500.00		
Bill	41899	2015 MACUL Conf.	G&H Events, LLC	2015 MACUL conf for Mar 18-20, 2015	700.00		
Bill	41920	3118203023	FedEx Freight		548.17		
Bill	41926	Vendor Fair	York Co School District 1	Instructional Conference and Vendor Fair	100.00		
General Journal	41934	810		Oct 22, 2014 Expenses - TASA & HPS	1,900.00	1,900.00	
General Journal	41948	814		Nov 5, 2014 Expenses	352.98	191.13	
Bill	41954	9014	Funds For Learning LLC	Dec 2, 3, and 4 E-rate seminars	5,250.00		
General Journal	41962	840		Nov 19, 2014 Expenses	36.24	36.24	
General Journal	41973	865		Nov 2014 Prepaid - GaEdTech	2,500.00		
Bill	41978	30504619	1105 Media Inc	FETC Jan 21-23, 2015	3,400.00		
General Journal	41990	887		Dec 17, 2014 Expenses	256.72	256.72	
Bill	42003	Booths 615 & 617	SCAET/SC EDTECH	October 29-31, 2014 conference	1,500.00		
Total 6888202 · Mrkt Sales Conferences/Events				Total 2014 Marketing Expense	100,990.43	14,963.28	13,000.00
TOTAL				Less LG and KT Expenses	(14,963.28)		
				Less Non-CT Related	(13,000.00)		
				Net 2013 Expenses	73,027.15		

Transaction Detail by Account

January through December 2015

Type	Date	Num	Name	Memo	Debit	Already provided in KT and LG Expenses	Clearly not ClearTouch related
6888202 · Mrkt Sales Conferences/Events							
Bill	01/14/2015	3126706881	FedEx Freight	Sales Conference	619		
General Journal	01/31/2015	959		Jan 2015 Amex	372		
General Journal	01/31/2015	962		Jan 2015 Prepaid - FETC	6,200		
Bill	02/01/2015	18538	Texas Association of School Admin		3,000		
General Journal	02/11/2015	955		Feb 11, 2015 Expenses - FETC & TASA	1,071		
Check	02/25/2015	9357	Leo Gallant	TASA and FETC	1,115		
Bill	03/19/2015	3081634684	FedEx Freight	acct# 374674501	725		
Bill	03/25/2015	Gold Sponsorship	ESC Region 11	Gold Sponsorship with a table; 2 sessions	900		
Bill	03/25/2015	2900491694	FedEx Freight		305		
General Journal	03/31/2015	1047		Mar 2015 Amex	371		
General Journal	04/08/2015	1033		Apr 8, 2015 Expenses	1,718		
Bill	04/20/2015	3083314150	FedEx Freight	acct# 374574501	307		
Bill	04/30/2015	1532469912	FedEx Freight		248		
General Journal	07/15/2015	1178		Jul 15, 2015 Expenses	24		
Check	07/27/2015	10083	Chesterfield County School Dis -	51271	5,000		5,000
Check	07/30/2015	5117			43		43
General Journal	07/31/2015	1211		Jul 2015 Prepaid - GAMEIS & IIPS	2,600		2,600
General Journal	08/12/2015	1194		Aug 12, 2015 Expenses	502		502
General Journal	08/31/2015	1250		Aug 2015 Amex	1,075		1,075
General Journal	08/31/2015	1254		Aug 2015 Prepaid	-		-
General Journal	09/30/2015	1296		Sep 2015 Prepaid	1,000		1,000
General Journal	10/07/2015	1268		Oct 7, 2015 Expenses	54		54
General Journal	10/31/2015	1321		Oct 2015 Prepaid	6,600		6,600
General Journal	11/30/2015	1356		Nov 2015 Prepaid	3,500		3,500
General Journal	12/02/2015	1339		Dec 2, 2015 Expenses	3,180		3,180
Total 6888202 · Mrkt Sales Conferences/Events				**Total 2014 Marketing Expense**	**40,529**	-	**23,554**
TOTAL				Less LG and KT Expenses	-		
				Less Non-CT Related	(23,554)		
				Net 2013 Expenses	**16,975**		

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Appendix 4:
Detail of Traced and Calculated Gross Profit from Invoices and Purchase Orders

Traced Clear Touch Costs of Sales Made to Encore

Encore PO #	Encore PO Date	ClearTouch Invoice #	ClearTouch Vendor (TSI Touch/Shiyan) Invoice #	Encore Cost	ClearTouch Cost	Profit	Document References
N/A	N/A	823121	0000805-IN/CC	6,139.99	5,680.89	459.10	TSI000001, 2013 Detail Financial
43515	5/22/2013	16598	0001090-IN, 0001094-IN	7,001.51	6,544.35	457.16	CT1020, TSI000002, TSI000004, 2013 Detail Financial
43516	5/22/2013	16599	0001092-IN, 0001116-IN	118,320.18	106,156.69	12,163.49	CT1021, TSI000003, TSI000005, 2013 Detail Financial
PO50915	9/5/2013	16670	0001616-IN	124,413.22	108,786.86	15,626.36	CT1022, TSI000006-TSI000008, 2013 Detail Financial
PO51073	9/16/2013	16671	0001618-IN	27,463.98	23,878.68	3,585.30	CT1023, TSI000009, 2013 Detail Financial
PO51207	9/25/2013	16712	0001775-IN	8,265.01	7,262.93	1,002.08	CT1024, TSI000014, 2013 Detail Financial
PO51212	9/25/2013	16696	0001709-IN	5,248.39	4,476.36	772.03	CT1025, TSI000010, 2013 Detail Financial
PO51216	9/25/2013	16697	0001710-IN	5,248.39	4,476.36	772.03	CT1026, TSI000011, 2013 Detail Financial
PO51358	10/2/2013	16698	0001711-IN	4,753.39	4,032.02	721.37	CT1027, TSI000012, 2013 Detail Financial
PO51398	10/7/2013	16687	Seewo	4,992.52	3,740.00	1,252.52	2013 Detail Financial
PO51755	11/12/2013	16744	0001906-IN	3,825.26	3,455.94	369.32	CT1028, TSI000017, 2014 Detail Financial
PO51800	11/18/2013	16713	0001797-IN	6,026.64	5,599.11	427.53	CT1029, TSI000015, 2013 Detail Financial
PO51975	12/6/2013	16742	0001866-IN	4,713.36	5,148.88	(435.52)	CT1030, TSI000016, 2014 Detail Financial
PO52001	12/10/2013	16743	0001907-IN	3,505.26	3,300.40	204.86	CT1031, TSI000018, 2014 Detail Financial
PO53175	4/1/2014	16872/16873	SYPI-141230, SYPI-141265	273,139.91	179,916.00	93,223.91	CT0831, CT0832, 2014 Detail Financial
			Total 2/13/13 - 4/25/2014	**603,057.01**	**472,455.47**	**130,601.54**	
PO53906	5/29/2014	ETG-091214	SYPI-141312-R1	259,282.05	165,820.00	93,462.05	CT0834, 2014 Detail Financial
PO54165	6/17/2014	17397/17397-A	SYPI-141326	492,744.95	340,780.00	151,964.95	CT0924, 2014 Detail Financial
PO54342	7/3/2014	16881	16881	16,763.55	11,220.00	5,543.55	2014 Detail Financial
PO54396	7/10/2014	CTI-18007	SYPI-141355R	216,704.00	150,700.00	66,004.00	CT0837, CT0926, 2014 Detail Financial
PO55004	8/27/2014	CTI-18007	SYPI-141355R	4,860.00	1,980.00	2,880.00	CT0837, CT0926, 2014 Detail Financial
			Total 4/26/2014 - 4/25/2015	**990,354.55**	**670,500.00**	**319,854.55**	

Detail of Calculated Profit to CLear Touch on Sales to Encore

	Revenue	Cost	Profit
EE	80,711	71,612	9,099
NC	216,309	153,719	62,590
RSA	571,202	342,946	228,256
Totals	868,222	568,277	299,945

Detail of Calculated Profit to Clear Touch on Sales to Encore

Date	CT Inv	Time Period	Item	Cost ID#	Description	Q	P	Amount	Cost	Profit
1/13/2014	16763	EE	CTI-5070H-UH06	TSI	70" Interactive Panel with USB HID 6 Points of Touch	4	4,544.33	18,177.32	16,207.36	1,969.96
1/13/2014	16763	EE	CTI-50XXH-PCM5	11	5000 Series - PC Module with Intel Core i5, 4GB Memory, 500GB Hard Disk (No OS)	4	524.25	2,097.00	1,908.00	189.00
1/13/2014	16763	EE	CTI-50XXH-STND	10	5000 Series - Mobile Stand	4	374.25	1,497.00	640.00	857.00
1/13/2014	16763	EE	Registered Opportunity Discount	N/A	Registered Opportunity Discount	4	(374.25)	(1,497.00)	-	(1,497.00)
1/13/2014	16764	EE	CTI-5070H-UH06	TSI	70" Interactive Panel with USB HID 6 Points of Touch	1	4,454.33	4,454.33	4,051.84	402.49
1/13/2014	16764	EE	CTI-50XXH-PCM5	11	5000 Series - PC Module with Intel Core i5, 4GB Memory, 500GB Hard Disk (No OS)	1	524.25	524.25	477.00	47.25
2/12/2014	16812	EE	CTI-5065H-UH06	Estimate	65" Interactive Panel with USB HID 6 Points of Touch	1	3,576.82	3,576.82	2,396.47	1,180.35
2/12/2014	16812	EE	CTI-5070H-UH06	TSI	70" Interactive Panel with USB HID 6 Points of Touch	9	4,454.32	40,088.92	36,466.56	3,622.36
2/12/2014	16812	EE	CTI-50XXH-PCM5	11	5000 Series - PC Module with Intel Core i5, 4GB Memory, 500GB Hard Disk (No OS)	8	524.25	4,194.00	3,816.00	378.00
2/12/2014	16812	EE	CTI-50XXH-STND	10	5000 Series - Mobile Stand	6	374.25	2,245.50	960.00	1,285.50
3/19/2014	16828	EE	CTI-5070H-UH06	TSI	70" Interactive Panel with USB HID 6 Points of Touch	1	4,454.33	4,454.33	4,051.84	402.49
3/19/2014	16828	EE	CTI-50XXH-PCM5	11	PC Module with Intel Core i5, 4 GB Memory, 500GB Hard Disk (No OS)	1	524.25	524.25	477.00	47.25
3/19/2014	16828	EE	CTI-50XXH-STND	10	5000 Series - Mobile Stand	1	374.25	374.25	160.00	214.25
5/29/2014	16855	NC	CTI-5065H-UH06	Estimate	65" Interactive Panel with USB HID 6 Points of Touch	5	3,576.83	17,884.13	11,982.56	5,901.76
5/29/2014	16855	NC	CTI-5070H-UH06	TSI	70" Interactive Panel with USB HID 6 Points of Touch	15	4,454.33	66,814.88	60,777.60	6,037.27
5/29/2014	16855	NC	CTI-50XXL-PCM5	11	PC Module with Intel Core i5, 4 GB Memory, 500GB Hard Disk (No OS)	14	524.25	7,339.50	6,678.00	661.50
5/29/2014	16855	NC	CTI-50XXH-STND	10	5000 Series - Mobile Stand	7	374.25	2,619.75	1,120.00	1,499.75
6/12/2014	CMETG614	NC	CM - Mobile Stand	10	5000 Series - Mobile Stand	(5)	374.25	(1,871.25)	(800.00)	(1,071.25)
7/2/2014	16881	NC	CTI-5070V-UH06	5	70" Interactive Panel with USB HID/AGG 6 Points of Touch	3	4,614.35	13,843.05	8,850.00	4,993.05
7/2/2014	16881	NC	CTI-50XXX-PCM8	11	Integrated PC Module (No OS) for all V Series	3	599.25	1,797.75	1,431.00	366.75
7/2/2014	16881	NC	CTI-50XXX-STND	10	Mobile stand for 65", 70", and 84"	3	449.25	1,347.75	480.00	867.75
7/9/2014	16886	NC	CTI-5084H-UH06	Estimate	84" Interactive Panel with USB HID 6 Points of Touch	1	9,449.33	9,449.33	6,331.05	3,118.28
7/9/2014	16886	NC	CTI-50XXH-PCM8	11	Integrated PC Module (No OS) for 84"	1	599.25	599.25	477.00	122.25
7/9/2014	16886	NC	Freight	N/A	Freight	1	1,112.00	1,112.00	-	1,112.00
7/9/2014	CMETG714	NC	Demo Unit	N/A	Demo Unit Concession	(1)	2,500.00	(2,500.00)	-	(2,500.00)
8/20/2014	ETG080714	NC	SLS700XV-6	Estimate	Zaag Tech 70" 6PT IR Touch Screen	3	500.00	1,500.00	1,005.00	495.00
8/20/2014	ETG080714	NC	Freight	N/A	Freight	3	108.33	325.00	-	325.00
9/19/2014	ETG-091914	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	374.25	374.25	160.00	214.25
10/8/2014	CTI-18000	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	374.25	374.25	160.00	214.25
11/10/2014	CTI-18014	NC	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
11/21/2014	CTI-18024	NC	CTI-5084V-UV06	Estimate	84" H+ Series Interactive Panel with USB HID/AGG 6 Points of Touch (Demo Pricing)	1	8,299.38	8,299.38	5,560.58	2,738.80
11/21/2014	CTI-18024	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
11/21/2014	CTI-18024	NC	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	-	1,499.25	-	-	-
12/19/2014	CTI-18036	NC	CTI-5084V-UV06	Estimate	84" H+ Series Interactive Panel with USB HID/AGG 6 Points of Touch (Demo Pricing)	-	8,299.38	-	-	-
12/19/2014	CTI-18036	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	-	599.25	-	-	-
12/19/2014	CTI-18036	NC	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	2	1,499.25	2,998.50	1,872.00	1,126.50
12/19/2014	CTI-18037	NC	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
12/19/2014	CTI-18038	NC	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
12/19/2014	CTI-18039	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	20	449.25	8,985.00	3,200.00	5,785.00
12/19/2014	CTI-18039	NC	CTI-5000X-PCM5	11	Integrated PC Module (No OS) for 65" and 70" H Series	10	524.25	5,242.50	4,770.00	472.50
12/19/2014	CTI-18039	NC	Freight	N/A	Freight	1	350.00	350.00	-	350.00
12/9/2014	CTI-18040	NC	Warehouse	N/A	Warehouse Handling Fee	1	50.00	50.00	-	50.00
1/14/2015	CTI-18053	NC	CTI-RVCS-PROD	N/A	Professinal Development Classroom Technology	1	1,250.00	1,250.00	-	1,250.00
1/16/2015	CTI-18054	NC	CTI-5084H+UH06	8	84" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	8,839.35	8,839.35	5,400.00	3,439.35
1/16/2015	CTI-18054	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
2/23/2015	CTI-18075	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
2/23/2015	CTI-18076	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	8	449.25	3,594.00	1,280.00	2,314.00
2/23/2015	CTI-18076	NC	CTI-5000X-PCM5	11	Integrated PC Module (No OS) for 65" and 70" H Series	7	524.25	3,669.75	3,339.00	330.75
2/23/2015	CTI-18076	NC	Freight	N/A	Freight	1	200.00	200.00	-	200.00
2/23/2015	CTI-18076	NC	Freight	N/A	Freight	1	25.00	25.00	-	25.00
3/2/2015	CTI-18085	NC	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	2	4,289.35	8,578.70	4,992.00	3,586.70
3/2/2015	CTI-18085	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	2	599.25	1,198.50	954.00	244.50
3/2/2015	CTI-18085	NC	Freight	N/A	Freight	1	25.00	25.00	-	25.00
3/11/2015	CTI-18091	NC	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,449.35	1,625.00	1,819.35
3/11/2015	CTI-18091	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
3/11/2015	CTI-18091	NC	Warehouse	N/A	Warehouse Handling Fee	1	25.00	25.00	-	25.00
3/12/2015	CTI-18092	NC	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	4,619.30	4,619.30	2,496.00	2,123.30
3/12/2015	CTI-18092	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25

Detail of Calculated Profit to CLear Touch on Sales to Encore

Date	CT Inv	Time Period	Item	Cost ID#	Description	Q	P	Amount	Cost	Profit
3/12/2015	CTI-18092	NC	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
3/12/2015	CTI-18092	NC	Warehouse	N/A	Warehouse Handling Fee	1	25.00	25.00	-	25.00
3/12/2015	CTI-18093	NC	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	4,289.35	4,289.35	2,496.00	1,793.35
3/12/2015	CTI-18093	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
3/12/2015	CTI-18093	NC	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
3/26/2015	CTI-18103R	NC	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,709.30	3,709.30	1,625.00	2,084.30
3/26/2015	CTI-18103R	NC	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
3/26/2015	CTI-18103R	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
3/26/2015	CTI-18103R	NC	Warehouse	N/A	Warehouse Handling Fee	1	25.00	25.00	-	25.00
4/7/2015	CTI-18108	NC	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	3	4,289.35	12,868.05	7,488.00	5,380.05
4/7/2015	CTI-18108	NC	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	3	-	-	114.00	(114.00)
4/7/2015	CTI-18108	NC	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	3	599.25	1,797.75	1,431.00	366.75
4/7/2015	CTI-18108	NC	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	3	449.25	1,347.75	480.00	867.75
4/7/2015	CTI-18108	NC	Warehouse	N/A	Warehouse Handling Fee	1	25.00	25.00	-	25.00
4/21/2015	CTI-18123	NC	CTI-RVCS-PROD	N/A	Professinal Development Classroom Technology	1	1,275.00	1,275.00	-	1,275.00
5/15/2015	CTI-18132	RSA	CTI-5055H+UH10	1	55" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	2,404.35	2,404.35	1,100.00	1,304.35
5/15/2015	CTI-18132	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
5/15/2015	CTI-18132	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
5/15/2015	CTI-18132	RSA	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
5/15/2015	CTI-18132	RSA	Freight	N/A	Freight	1	457.11	457.11	-	457.11
5/15/2015	CTI-18133	RSA	CTI-5055H+UH10	1	55" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	2,311.00	2,311.00	1,100.00	1,211.00
5/15/2015	CTI-18133	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
5/15/2015	CTI-18133	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	-	-	160.00	(160.00)
5/15/2015	CTI-18133	RSA	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
5/15/2015	CTI-18133	RSA	Freight	N/A	Freight	1	469.02	469.02	-	469.02
5/19/2015	CTI-18139	RSA	CTI-SRVS-PROD	N/A	Professional Development - Per Day	1	1,200.00	1,200.00	-	1,200.00
5/29/2015	CTI-18146	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	8	3,444.35	27,554.80	13,000.00	14,554.80
5/29/2015	CTI-18146	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	12	-	-	456.00	(456.00)
5/29/2015	CTI-18146	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	9	599.25	5,393.25	4,293.00	1,100.25
5/29/2015	CTI-18146	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	12	449.25	5,391.00	1,920.00	3,471.00
5/29/2015	CTI-18146	RSA	CTI-5000X-PC87	12	Integrated PC Module - No OS (i7 Dual Core/16 GB DDR3/ 240GB SSD)	3	1,161.75	3,485.25	2,985.00	500.25
5/29/2015	CTI-18146	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	4	4,289.35	17,157.40	9,984.00	7,173.40
5/29/2015	CTI-18146	RSA	Warehouse	N/A	Warehouse Handling Fee	1	125.00	125.00	-	125.00
5/29/2015	CTI-18147	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	4,159.35	4,159.35	2,496.00	1,663.35
5/29/2015	CTI-18147	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
5/29/2015	CTI-18147	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
5/29/2015	CTI-18147	RSA	CTI-5000X-PC87	12	Integrated PC Module - No OS (i7 Dual Core/16 GB DDR3/ 240GB SSD)	1	1,161.75	1,161.75	995.00	166.75
6/10/2015	CTI-18154	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	30	3,850.00	115,500.00	74,880.00	40,620.00
6/10/2015	CTI-18154	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	30	-	-	1,140.00	(1,140.00)
6/10/2015	CTI-18154	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	35	374.25	13,098.75	5,600.00	7,498.75
6/10/2015	CTI-18154	RSA	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	35	599.25	20,973.75	16,695.00	4,278.75
6/10/2015	CTI-18154	RSA	Warehouse	N/A	Warehouse Handling Fee	1	75.00	75.00	-	75.00
7/6/2015	CTI-18167	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	2	1,499.25	2,998.50	1,872.00	1,126.50
7/6/2015	CTI-18167	RSA	Warehouse	N/A	Warehouse Handling Fee	1	10.00	10.00	-	10.00
7/6/2015	CTI-18169	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
7/6/2015	CTI-18169	RSA	Warehouse	N/A	Warehouse Handling Fee	1	5.00	5.00	-	5.00
7/6/2015	CTI-18170	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
7/6/2015	CTI-18170	RSA	Warehouse	N/A	Warehouse Handling Fee	1	5.00	5.00	-	5.00
7/10/2015	CTI-18181	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,311.88	3,311.88	1,625.00	1,686.88
7/10/2015	CTI-18181	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/10/2015	CTI-18181	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
7/10/2015	CTI-18181	RSA	CTI-5000X-PC87	12	Integrated PC Module - No OS (i7 Dual Core/16 GB DDR3/ 240GB SSD)	1	1,161.75	1,161.75	995.00	166.75
7/10/2015	CTI-18181	RSA	Warehouse	N/A	Warehouse Handling Fee	1	17.50	17.50	-	17.50
7/10/2015	CTI-18182	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,429.35	3,429.35	1,625.00	1,804.35
7/10/2015	CTI-18182	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/10/2015	CTI-18182	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
7/10/2015	CTI-18182	RSA	CTI-5000X-PCM8	11	Integrated PC Module - No OS (for use with 84" H series and all V series	1	599.25	599.25	477.00	122.25
7/10/2015	CTI-18182	RSA	Warehouse	N/A	Warehouse Handling Fee	1	17.50	17.50	-	17.50

Detail of Calculated Profit to Clear Touch on Sales to Encore

Date	CT Inv	Time Period	Item	Cost ID#	Description	Q	P	Amount	Cost	Profit
7/13/2015	CTI-18183	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,444.35	1,625.00	1,819.35
7/13/2015	CTI-18183	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/13/2015	CTI-18183	RSA	Warehouse	N/A	Warehouse Handling Fee	1	50.00	50.00	-	50.00
7/13/2015	CTI-18184	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,444.35	1,625.00	1,819.35
7/13/2015	CTI-18184	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/13/2015	CTI-18184	RSA	Freight	N/A	Freight	1	50.00	50.00	-	50.00
7/13/2015	CTI-18185	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,444.35	1,625.00	1,819.35
7/13/2015	CTI-18185	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/13/2015	CTI-18185	RSA	Freight	N/A	Freight	1	50.00	50.00	-	50.00
7/13/2015	CTI-18186	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	7	3,444.35	24,110.45	11,375.00	12,735.45
7/13/2015	CTI-18186	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	7	-	-	266.00	(266.00)
7/13/2015	CTI-18186	RSA	Freight	N/A	Freight	1	350.00	350.00	-	350.00
7/13/2015	CTI-18188	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	3	3,444.35	10,333.05	4,875.00	5,458.05
7/13/2015	CTI-18188	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	3	-	-	114.00	(114.00)
7/13/2015	CTI-18188	RSA	Freight	N/A	Freight	1	150.00	150.00	-	150.00
7/15/2015	CTI-18193	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,444.35	1,625.00	1,819.35
7/15/2015	CTI-18193	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
7/15/2015	CTI-18193	RSA	Freight	N/A	Freight	1	437.38	437.38	-	437.38
8/10/2015	CTI-18232	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,124.38	3,124.38	1,625.00	1,499.38
8/10/2015	CTI-18232	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
8/10/2015	CTI-18232	RSA	Freight	N/A	Freight	1	483.37	483.37	-	483.37
8/11/2015	CTI-18229	RSA	CTI-5075H+UH10	6	75" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	5,004.85	5,004.85	3,250.00	1,754.85
8/11/2015	CTI-18229	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
8/11/2015	CTI-18229	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
8/11/2015	CTI-18229	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
8/11/2015	CTI-18229	RSA	Freight	N/A	Freight	1	498.65	498.65	-	498.65
8/11/2015	CTI-18230	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
8/11/2015	CTI-18230	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
8/11/2015	CTI-18230	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
8/11/2015	CTI-18230	RSA	Freight	N/A	Freight	1	363.37	363.37	-	363.37
8/11/2015	CTI-18231	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
8/11/2015	CTI-18231	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
8/11/2015	CTI-18231	RSA	Freight	N/A	Freight	1	509.00	509.00	-	509.00
8/17/2015	CTI-18266	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	2	1,499.25	2,998.50	1,872.00	1,126.50
8/17/2015	CTI-18266	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	-	-	-	-	-
9/1/2015	CTI-18197	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,444.35	3,444.35	1,625.00	1,819.35
9/1/2015	CTI-18197	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/1/2015	CTI-18197	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/1/2015	CTI-18197	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,499.25	1,499.25	936.00	563.25
9/1/2015	CTI-18197	RSA	Freight	N/A	Freight	1	353.00	353.00	-	353.00
9/1/2015	CTI-18197	RSA	Discount	N/A	Discount	1	(300.00)	(300.00)	-	(300.00)
9/1/2015	CTI-18197	RSA	Discount	N/A	Discount	1	(1,049.75)	(1,049.75)	-	(1,049.75)
9/8/2015	CTI-18318	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
9/8/2015	CTI-18318	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/8/2015	CTI-18318	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
9/8/2015	CTI-18318	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/8/2015	CTI-18318	RSA	Freight	N/A	Freight	1	362.62	362.62	-	362.62
9/8/2015	CTI-18319	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	6	4,289.35	25,736.10	14,976.00	10,760.10
9/8/2015	CTI-18319	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	6	-	-	228.00	(228.00)
9/8/2015	CTI-18319	RSA	Freight	N/A	Freight	1	826.65	826.65	-	826.65
9/8/2015	CTI-18320	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	5	3,444.35	17,221.75	8,125.00	9,096.75
9/8/2015	CTI-18320	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	5	-	-	190.00	(190.00)
9/8/2015	CTI-18320	RSA	Freight	N/A	Freight	1	487.62	487.62	-	487.62
9/8/2015	CTI-18321	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	4,159.55	4,159.55	2,496.00	1,663.55
9/8/2015	CTI-18321	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/8/2015	CTI-18321	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/8/2015	CTI-18322	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
9/8/2015	CTI-18322	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)

Detail of Calculated Profit to CLear Touch on Sales to Encore

Date	CT Inv	Time Period	Item	Cost ID#	Description	Q	P	Amount	Cost	Profit
9/8/2015	CTI-18322	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/8/2015	CTI-18323	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
9/8/2015	CTI-18323	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/8/2015	CTI-18323	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/8/2015	CTI-18323	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,874.25	1,874.25	936.00	938.25
9/8/2015	CTI-18324	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	35	3,850.00	134,750.00	87,360.00	47,390.00
9/8/2015	CTI-18324	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	35	-	-	1,330.00	(1,330.00)
9/8/2015	CTI-18324	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	25	599.25	14,981.25	11,925.00	3,056.25
9/8/2015	CTI-18324	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	374.25	374.25	160.00	214.25
9/8/2015	CTI-18324	RSA	Freight	N/A	Freight	1	250.00	250.00	-	250.00
9/8/2015	CTI-18325	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	2	3,249.35	6,498.70	3,250.00	3,248.70
9/8/2015	CTI-18325	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	2	-	-	76.00	(76.00)
9/8/2015	CTI-18325	RSA	CTI-5070H+UH10	4	70" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	4,159.35	4,159.35	2,496.00	1,663.35
9/8/2015	CTI-18325	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/8/2015	CTI-18325	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	3	599.25	1,797.75	1,431.00	366.75
9/8/2015	CTI-18325	RSA	Freight	N/A	Freight	1	264.66	264.66	-	264.66
9/8/2015	CTI-18326	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	2	3,249.35	6,498.70	3,250.00	3,248.70
9/8/2015	CTI-18326	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	2	-	-	76.00	(76.00)
9/8/2015	CTI-18326	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	2	599.25	1,198.50	954.00	244.50
9/8/2015	CTI-18326	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	2	1,874.25	3,748.50	1,872.00	1,876.50
9/8/2015	CTI-18326	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	1	3,249.35	3,249.35	1,625.00	1,624.35
9/8/2015	CTI-18326	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	1	-	-	38.00	(38.00)
9/8/2015	CTI-18326	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	1	599.25	599.25	477.00	122.25
9/8/2015	CTI-18326	RSA	CTI-5000X-STND	10	Fixed Mobile Stand (for use with 65", 75", and 84" panels)	1	449.25	449.25	160.00	289.25
9/8/2015	CTI-18326	RSA	CTI-5065H+UH10	3	65" H+ Series Interactive Panel with USB HID/AGG 10 Points of Touch	2	3,249.35	6,498.70	3,250.00	3,248.70
9/8/2015	CTI-18326	RSA	CTI-5000X-FXWM	14	Fixed Wall Mount (for use with Clear Touch Interactive Panels and other panels)	2	-	-	76.00	(76.00)
9/8/2015	CTI-18326	RSA	CTI-5000X-PC85	11	Integrated PC Module - No OS (i5 Dual Core/4 GB DDR3/ 500GB HDD)	2	599.25	1,198.50	954.00	244.50
9/8/2015	CTI-18326	RSA	Freight	N/A	Freight	1	441.10	441.10	-	441.10
9/14/2015	CTI-18327	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,874.25	1,874.25	936.00	938.25
9/14/2015	CTI-18327	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	2	1,499.25	2,998.50	1,872.00	1,126.50
9/14/2015	CTI-18327	RSA	Freight	N/A	Freight	1	447.99	447.99	-	447.99
9/14/2015	CTI-18328	RSA	CTI-5000-ADJM	9	Adjustable Mobile Stand (for use with 65" and 70" panels)	1	1,874.25	1,874.25	936.00	938.25
9/14/2015	CTI-18328	RSA	Freight	N/A	Freight	1	487.50	487.50	-	487.50
					Totals			868,222	568,277	299,945

Detail of Calculated Profit to Clear Touch on Sales to Encore

ID #	Q	Total Cost	Avg P	Description	Notes
1	100	110,000	1,100	55, 10 , FHD	
2	300	492,500	1,642	65, 10, FHD	
3	400	650,000	1,625	65,10, UHD	
4	810	2,022,000	2,496	70, 10, FHD	
5	191	563,380	2,950	70, 6, FHD	
6	4	13,000	3,250	75, 10 UHD	
7	40	108,350	2,709	75, 10, FHD	
8	39	162,200	5,400	84, 10, UHD	Avg is $4,159. Only purchase prior to invoice to Encore was $5,400.
9	40	37,400	935	Adjustable Stand	
10	805	128,900	160	Mobile Stand	
11	1,030	491,810	477	PC, i5, 4G, 500 HD	
12	5	4,975	995	PC, i7, 16G, 240 SSD	
13	91	81,765	899	PC, i7, 8G, 240 SSD	
14	23	874	38	Wall Mount	

Detail of Calculated Profit to CLear Touch on Sales to Encore

TSI Invoice Summary

Description	Q	Total Cost	Avg Cost
Credit For Incorrect Charges (Shipping)PO512125, PO51216, PO51358	1.00	356.08	356.08
SH6065-2PTIR-CB 60" Sharp Model 60LE65OU w 2 P	1.00	3,300.40	3,300.40
SH6065-6PTIR-CB 60" Sharp Model 60LE650U	4.00	13,143.47	3,285.87
SH7065-6PTIR-CB70" Sharp Model 70LE650U w/6	63.00	255,265.88	4,051.84
SH7065-D3YWSharp Display 3 Year Extended	8.00	2,439.60	304.95
SH7065-T3YWSharp Touch 3 Yr Warranty	8.00	2,062.39	257.80
SH70LE-CBE-K 70" Sharp Custom Bezel Extensi	1.00	5,680.89	5,680.89
SH8065-6PTIRCBSharp 80" 80LE65OU w 6 PT	1.00	6,264.68	6,264.68
SH8065-D3YWSharp Display 3 Year Extended	1.00	487.82	487.82
SH8065-T3YWSharp 80" 80LE65OU TP 3 Yr Ext	1.00	510.43	510.43

Appendix 5:
Detail of Leon County Sales and Associated Costs

Summary of Damages Related to Clear Touch Sales to Leon County Schools

Leon County School Board	NC	RSA
Sales - Hardware/Software	538,828	320,592
Freight Income	1,070	600
Total Revenue	**539,898**	**321,192**
Associated Expenses		
Purchases - Hardware/Software	(184,306)	(185,470)
Factoring Fee	(34,797)	-
Freight Expense	(10,639)	(7,382)
Merchant Account Fees	(511)	-
Insurance Expense	(451)	-
Bank Service Charges	(170)	-
Total Associated Expenses	**(230,874)**	**(192,852)**
Unadjusted Total	**309,024**	**128,340**
Eliminate Factoring Fees	34,797	-
Adjusted Income	**343,821**	**128,340**
Less 10% Commission	(34,382)	(12,834)
Net Damages	**309,439**	**115,506**

Sales and Associated Expenses for Clear Touch Sales to Leon County Schools

Account	Type	Date	Num	Name	Debit	Credit
les - Hardware/Software	Invoice	11/07/2014	CTI-18010	Leon County School Board		5,140.00
ales - Hardware/Software	Invoice	11/07/2014	CTI-18011	Leon County School Board		5,140.00
Sales - Hardware/Software	Invoice	11/10/2014	CTI-18008	Leon County School Board		108,830.00
Sales - Hardware/Software	Invoice	11/10/2014	CTI-18009	Leon County School Board		118,220.00
Sales - Hardware/Software	Invoice	12/01/2014	CTI-18027	Leon County School Board		5,590.00
Factoring Fee	Deposit	11/10/2014		Leon County School Board	11,269.83	
Factoring Fee	Deposit	12/30/2014		Leon County School Board	6,754.74	
Merchant Account Fees	Deposit	12/03/2014		Leon County School Board	510.83	
Purchases - Hardware/Software	Bill	10/16/2014	SYPI-142024	Leon County School Board	1,482.00	
Bank Service Charges	Deposit	11/10/2014		Leon County School Board	50.00	
Bank Service Charges	Deposit	12/30/2014		Leon County School Board	20.00	
Freight Expense	Check	09/10/2014	BP	Leon County School Board	9,643.20	
Freight Expense	Bill	11/21/2014	40645279A	Leon County School Board	100.00	
Freight Expense	Bill	11/21/2014	40645184	Leon County School Board	25.00	
Freight Expense	Bill	11/21/2014	40645184	Leon County School Board	25.00	
Freight Expense	Bill	11/21/2014	40645279A	Leon County School Board	1,225.00	
Freight Expense	Bill	11/21/2014	40645184	Leon County School Board	320.84	
Freight Expense	Check	09/10/2014	BP	Leon County School Board	60.00	
Freight Expense	Check	09/10/2014	BP	Leon County School Board	162.39	
Freight Expense	Bill	11/12/2014	C01102063	Leon County School Board	58.38	
Freight Expense	Check	09/10/2014	BP	Leon County School Board	125.00	
Sales - Hardware/Software	Invoice	02/24/2015	CTI-18077	Leon County School Board		8,239.00
Sales - Hardware/Software	Invoice	03/04/2015	CTI-18087	Leon County School Board		12,962.00
Sales - Hardware/Software	Invoice	03/04/2015	CTI-18088	Leon County School Board		539.00
Sales - Hardware/Software	Invoice	03/19/2015	CTI-18099	Leon County School Board		5,390.00
Sales - Hardware/Software	Invoice	03/20/2015	CTI-18098	Leon County School Board		267,280.00
Sales - Hardware/Software	Invoice	04/08/2015	CTI-18100	Leon County School Board		1,498.00
Sales - Hardware/Software	Invoice	05/07/2015	CTI-18102	Leon County School Board		5,889.00
les - Hardware/Software	Invoice	08/10/2015	CTI-18210	Leon County School Board		35,334.00
es - Hardware/Software	Invoice	08/10/2015	CTI-18211	Leon County School Board		41,120.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18212	Leon County School Board		10,819.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18213	Leon County School Board		41,120.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18214	Leon County School Board		28,395.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18215	Leon County School Board		73,038.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18216	Leon County School Board		45,432.00
Sales - Hardware/Software	Invoice	08/10/2015	CTI-18217	Leon County School Board		5,140.00
Sales - Hardware/Software	Invoice	08/26/2015	CTI-18207	Leon County School Board		4,860.00
Sales - Hardware/Software	Invoice	09/02/2015	CTI-18281	Leon County School Board		5,889.00
Sales - Hardware/Software	Invoice	09/03/2015	CTI-18280	Leon County School Board		23,556.00
Freight Income	Invoice	02/24/2015	CTI-18077	Leon County School Board		470.00
Freight Income	Invoice	03/04/2015	CTI-18087	Leon County School Board		300.00
Freight Income	Invoice	03/04/2015	CTI-18088	Leon County School Board		100.00
Freight Income	Invoice	04/08/2015	CTI-18100	Leon County School Board		200.00
Freight Income	Invoice	05/07/2015	CTI-18102	Leon County School Board		300.00
Freight Income	Invoice	09/02/2015	CTI-18281	Leon County School Board		300.00
Factoring Fee	Deposit	03/20/2015		Leon County School Board	10,860.70	
Factoring Fee	Deposit	04/08/2015		Leon County School Board	285.24	
Factoring Fee	Deposit	04/22/2015		Leon County School Board	5,626.24	
Purchases - Hardware/Software	Invoice	02/24/2015	CTI-18077	Leon County School Board	6,424.00	
Purchases - Hardware/Software	Invoice	03/04/2015	CTI-18087	Leon County School Board	8,112.00	
Purchases - Hardware/Software	Invoice	03/04/2015	CTI-18088	Leon County School Board	160.00	
Purchases - Hardware/Software	Invoice	03/19/2015	CTI-18099	Leon County School Board	1,600.00	
Purchases - Hardware/Software	Invoice	03/20/2015	CTI-18098	Leon County School Board	165,360.00	
Purchases - Hardware/Software	Invoice	04/08/2015	CTI-18100	Leon County School Board	1,168.00	
Purchases - Hardware/Software	Invoice	05/07/2015	CTI-18102	Leon County School Board	3,764.00	
Purchases - Hardware/Software	Invoice	08/10/2015	CTI-18210	Leon County School Board	21,353.03	
Purchases - Hardware/Software	Invoice	08/10/2015	CTI-18211	Leon County School Board	23,798.71	
chases - Hardware/Software	Invoice	08/10/2015	CTI-18212	Leon County School Board	6,109.68	
urchases - Hardware/Software	Invoice	08/10/2015	CTI-18213	Leon County School Board	23,798.71	
Purchases - Hardware/Software	Invoice	08/10/2015	CTI-18214	Leon County School Board	15,674.19	

Sales and Associated Expenses for Clear Touch Sales to Leon County Schools

Account	Type	Date	Num	Name	Debit	Credit
urchases - Hardware/Software	Invoice	08/10/2015	CTI-18215	Leon County School Board	41,967.74	
Purchases - Hardware/Software	Invoice	08/10/2015	CTI-18216	Leon County School Board	25,078.71	
Purchases - Hardware/Software	Invoice	08/10/2015	CTI-18217	Leon County School Board	2,974.84	
Purchases - Hardware/Software	Invoice	08/26/2015	CTI-18207	Leon County School Board	3,630.00	
Purchases - Hardware/Software	Invoice	09/02/2015	CTI-18281	Leon County School Board	3,464.00	
Purchases - Hardware/Software	Invoice	09/03/2015	CTI-18280	Leon County School Board	13,856.00	
Bank Service Charges	Deposit	03/04/2015		Leon County School Board	25.00	
Bank Service Charges	Deposit	03/20/2015		Leon County School Board	25.00	
Bank Service Charges	Deposit	04/08/2015		Leon County School Board	25.00	
Bank Service Charges	Deposit	04/22/2015		Leon County School Board	25.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	30.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	100.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	145.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	40.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	40.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	35.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	35.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	5,000.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	3,150.00	
Freight Expense	Bill	01/09/2015	40645400	Leon County School Board	25.00	
Freight Expense	Bill	03/09/2015	40645680	Leon County School Board	25.00	
Freight Expense	Bill	04/07/2015	40645797	Leon County School Board	25.00	
Freight Expense	Bill	08/11/2015	40646456	Leon County School Board	15.00	
Freight Expense	Bill	09/14/2015	40646603	Leon County School Board	25.00	
Freight Expense	Bill	10/09/2015	40646765	Leon County School Board	125.00	
Freight Expense	Bill	01/09/2015	40645400	Leon County School Board	50.00	
Freight Expense	Bill	03/09/2015	40645680	Leon County School Board	50.00	
Freight Expense	Bill	04/07/2015	40645797	Leon County School Board	50.00	
reight Expense	Bill	09/14/2015	40646603	Leon County School Board	100.00	
reight Expense	Bill	10/09/2015	40646765	Leon County School Board	250.00	
Freight Expense	Bill	01/09/2015	40645400	Leon County School Board	347.53	
Freight Expense	Bill	03/09/2015	40645680	Leon County School Board	253.14	
Freight Expense	Bill	04/07/2015	40645797	Leon County School Board	191.98	
Freight Expense	Bill	09/14/2015	40646603	Leon County School Board	430.46	
Freight Expense	Bill	10/09/2015	40646765	Leon County School Board	906.61	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	1,081.20	
Freight Expense	Bill	08/11/2015	40646456	Leon County School Board	32.00	
Freight Expense	Bill	08/17/2015	VO38548	Leon County School Board	332.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	779.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	264.00	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	697.68	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	681.90	
Freight Expense	Bill	04/07/2015	3530953	Leon County School Board	125.00	
Freight Expense	Bill	08/20/2015	3531797	Leon County School Board	125.00	
Freight Expense	Bill	02/20/2015	TRI01104	Leon County School Board	123.82	
Freight Expense	Bill	02/25/2015	VO34859	Leon County School Board	370.00	
Freight Expense	Bill	07/06/2015	TRI01104/VO377	Leon County School Board	210.00	
Insurance Expense	Bill	04/07/2015	3530953	Leon County School Board	451.44	
				Totals	433,715.76	861,090.00

Appendix 6:
Detail of Adjusted Monthly Clear Touch Income Statements

Monthly Summary of Adjusted Clear Touch Financial Statements

Period	Month	Revenue	COGS	Expenses	Net Income	Adj	Normalized Income
EE	Mar-13	-	-	83.14	(83.14)	-	(83.14)
EE	Apr-13	-	5,390.00	880.53	(6,270.53)	5,885.00	(385.53)
EE	May-13	6,078.59	-	(754.07)	6,832.66	(3,536.71)	3,295.95
EE	Jun-13	-	48,920.00	1,096.60	(50,016.60)	48,920.00	(1,096.60)
EE	Jul-13	125,063.70	61,298.39	1,656.41	62,108.90	(22,323.29)	39,785.61
EE	Aug-13	-	-	341.81	(341.81)	-	(341.81)
EE	Sep-13	-	3,740.00	230.71	(3,970.71)	3,909.00	(61.71)
EE	Oct-13	150,358.43	-	1,732.00	148,626.43	(100,770.15)	47,856.28
EE	Nov-13	4,992.52	130,496.00	2,241.71	(127,745.19)	127,151.01	(594.18)
EE	Dec-13	29,398.90	42,271.00	19,722.67	(32,594.77)	36,073.74	3,478.97
EE	Jan-14	37,296.78	11,302.00	2,203.49	23,791.29	(12,798.84)	10,992.45
EE	Feb-14	50,105.24	109,768.00	1,052.88	(60,715.64)	76,197.49	15,481.85
EE	Mar-14	-	50,220.00	15,938.79	(66,158.79)	56,488.65	(9,670.14)
EE	Apr-14	5,352.87	129,696.00	8,536.98	(132,880.11)	129,359.58	(3,520.53)
NC	May-14	44,658.30	6,920.00	6,723.65	31,014.65	(38,360.14)	(7,345.49)
NC	Jun-14	145,068.30	138,674.00	10,764.05	(4,369.75)	25,801.16	21,431.41
NC	Jul-14	201,624.57	226,162.00	45,330.90	(69,868.33)	89,717.07	19,848.74
NC	Aug-14	74,667.32	329,179.00	32,073.74	(286,585.42)	278,051.50	(8,533.92)
NC	Sep-14	207,750.00	347,701.00	42,707.58	(182,658.58)	198,720.92	16,062.34
NC	Oct-14	630,991.70	178,737.00	66,261.19	385,993.51	(230,422.15)	155,571.36
NC	Nov-14	311,970.76	23,037.00	63,519.88	225,413.88	(182,434.39)	42,979.49
NC	Dec-14	192,578.61	73,022.00	63,511.48	56,045.13	(52,456.45)	3,588.68
NC	Jan-15	107,356.77	45,623.00	47,945.75	13,788.02	(25,237.90)	(11,449.88)
NC	Feb-15	98,210.93	49,105.00	67,056.35	(17,950.42)	(15,008.02)	(32,958.44)
NC	Mar-15	349,855.00	210,598.00	263,153.00	(123,896.00)	(11,992.55)	(135,888.55)
NC	Apr-15	142,334.17	84,854.00	75,784.18	(18,304.01)	(8,822.07)	(27,126.08)
RSA	May-15	202,428.00	131,162.00	75,700.62	(4,434.62)	5,906.25	1,471.63
RSA	Jun-15	416,584.98	250,756.00	90,782.01	75,046.97	(29,645.03)	45,401.94
RSA	Jul-15	618,995.62	421,112.00	102,886.69	94,996.93	8,073.71	103,070.64
RSA	Aug-15	1,601,603.22	980,682.00	-	620,921.22	(83,821.75)	537,099.47
RSA	Sep-15	2,093,243.93	1,645,051.00	98,368.38	349,824.55	244,960.79	594,785.34
No Agreements	Oct-15	728,590.88	412,619.00	194,260.74	121,711.14	(56,983.06)	64,728.08
No Agreements	Nov-15	355,712.35	199,067.00	75,033.47	81,611.88	(31,893.34)	49,718.54
No Agreements	Dec-15	798,516.99	596,297.00	180,375.23	21,844.76	76,817.64	98,662.40
2016	Jan-16	917,058.94	642,400.00	239,709.10	34,949.84	36,948.56	71,898.40
2016	Feb-16	132,193.71	23,872.00	197,316.78	(88,995.07)	11,610.02	(77,385.05)
2016	Mar-16	962,042.78	1,021,336.00	130,967.73	(190,260.95)	400,216.74	209,955.79
2016	Apr-16	758,629.00	484,921.00	240,809.00	32,899.00	18,115.50	51,014.50
2016	May-16	815,899.00	400,662.00	209,905.00	205,332.00	(115,554.92)	89,777.08
2016	Jun-16	1,906,147.00	1,302,558.00	261,896.00	341,693.00	51,048.04	392,741.04
2016	Jul-16	1,169,806.00	723,111.00	270,572.00	176,123.00	(23,204.61)	152,918.39
2016	Aug-16	2,038,756.00	1,455,333.00	517,755.00	65,668.00	168,228.45	233,896.45
2016	Sep-16	1,730,282.00	1,085,555.00	801,876.00	(157,149.00)	(23,609.77)	(180,758.77)
2016	Oct-16	2,086,804.00	1,828,855.00	420,707.00	(162,758.00)	459,690.98	296,932.98
2016	Nov-16	2,076,130.00	1,513,497.00	297,774.00	264,859.00	155,963.41	420,822.41
2016	Dec-16	3,083,214.00	2,736,507.00	318,518.00	28,189.00	729,398.70	757,587.70
Total		*27,408,352*	*20,162,066*	*5,565,008*	*1,681,277*	*2,374,379*	*4,055,656*

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	Total
							Employed								
Revenue	-	-	6,079	-	125,064	-	-	150,358	4,993	29,399	37,297	50,105		5,353	408,647
COGS (Total)	-	5,390	-	48,920	61,298	-	3,740	-	130,496	42,271	11,302	109,768	50,220	129,696	593,101
Factoring Costs															
Purchases		5,390		48,920	61,298		3,740		130,496	42,271	11,302	109,768	50,220	129,696	
Merchant Account Fees															
Freight and Shipping Costs															
Margin Split															
Total Expenses	83	881	(754)	1,097	1,656	342	231	1,732	2,242	19,723	2,203	1,053	15,939	8,537	54,964
Net Income	**(83)**	**(6,271)**	**6,833**	**(50,017)**	**62,109**	**(342)**	**(3,971)**	**148,626**	**(127,745)**	**(32,595)**	**23,791**	**(60,716)**	**(66,159)**	**(132,880)**	**(239,418)**
Adjustments															
Normalizize Gross Profit to 33%	-	5,390	(4,073)	48,920	(22,494)	-	3,740	(100,740)	127,151	22,574	(13,687)	76,197	50,220	126,110	
Warehouse Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional Fees	-	324	536	-	-	-	169	(30)	-	13,500	888	-	6,269	750	
Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mailbox Rental	-	171	-	-	171	-	-	-	-	-	-	-	-	-	
Factoring Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Margin Split	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add Officer Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add Payroll Taxes on Officer Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Normalize Encore Wages to Trask	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtract PR Taxes on Encore Wages to Trask	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	
Adjustment for Other Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PR Tax On Other Wages															
Total Adjustments	**-**	**5,885**	**(3,537)**	**48,920**	**(22,323)**	**-**	**3,909**	**(100,770)**	**127,151**	**36,074**	**(12,799)**	**76,197**	**56,489**	**129,360**	**344,555**
Adjusted Income	**(83)**	**(386)**	**3,296**	**(1,097)**	**39,786**	**(342)**	**(62)**	**47,856**	**(594)**	**3,479**	**10,992**	**15,482**	**(9,670)**	**(3,521)**	**105,137**

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Non-Complete Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Total
Revenue	44,658	145,068	201,625	74,667	207,750	630,992	311,971	192,579	107,357	98,211	349,855	142,334	2,507,066
COGS (Total)	6,920	138,674	226,162	329,179	347,701	178,737	23,037	73,022	45,623	49,105	210,598	84,854	1,713,612
Factoring Costs			15,344		10,285	40,698	20,957	12,144	1,813		12,140	(1,125)	
Purchases	6,920	138,674	210,818	329,179	337,416	138,039	2,080	60,367	43,616	48,931	198,458	85,791	
Merchant Account Fees								511	194	174		188	
Freight and Shipping Costs													
Margin Split													
Total Expenses	6,724	10,764	45,331	32,074	42,708	66,261	63,520	63,511	47,946	67,056	263,153	75,784	784,832
Net Income	**31,015**	**(4,370)**	**(69,868)**	**(286,585)**	**(182,659)**	**385,994**	**225,414**	**56,045**	**13,788**	**(17,950)**	**(123,896)**	**(18,304)**	**8,623**
Adjustments													
Normalizize Gross Profit to 33%	(23,001)	41,478	75,730	279,152	198,224	(284,725)	(206,940)	(68,150)	(28,119)	(16,696)	(35,945)	(9,385)	
Warehouse Expense	-	-	-	-	-	175.00	-	-	-	-	-	-	
Professional Fees	318.00	-	263.93	519.00	50.00	-	-	-	-	-	10,124	-	
Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Mailbox Rental	-	-	-	-	-	-	-	-	-	-	-	-	
Factoring Fee	-	-	15,343.00			40,697.67	20,957.16	12,144	1,813		12,140	(1,125)	
Margin Split	-	-	-	-	-	-	-	-	-	-	-	-	
Add Officer Salary	-	-	13,076.92	13,076.92	14,038.00	25,384.62	16,923.06	16,923.06	13,077	13,077	13,077	13,077	
Add Payroll Taxes on Officer Salary	-	-	981	981	1,053	1,904	1,269	1,269	981	981	981	981	
Normalize Encore Wages to Trask	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)	
Subtract PR Taxes on Encore Wages to Trask	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)	
Contract Labor													
Adjustment for Other Wages	-	-	-	-	962	1,692	962	962	2,500	3,077	3,077	3,077	
PR Tax On Other Wages	-	-	-	-	72.12	126.92	72.12	72.12	187.50	230.77	230.77	230.77	
Total Adjustments	**(38,360)**	**25,801**	**89,717**	**278,052**	**198,721**	**(230,422)**	**(182,434)**	**(52,456)**	**(25,238)**	**(15,008)**	**(11,993)**	**(8,822)**	**27,557**
Adjusted Income	**(7,345)**	**21,431**	**19,849**	**(8,534)**	**16,062**	**155,571**	**42,979**	**3,589**	**(11,450)**	**(32,958)**	**(135,889)**	**(27,126)**	**36,180**
Gross Profit Adjustment Supplemental Schedule													
Actual Gross Profit	37,738	6,394	(24,537)	(254,512)	(139,951)	452,255	288,934	119,557	61,734	49,106	139,257	57,480	
Add Factoring Costs	-	-	15,344	-	10,285	40,698	20,957	12,144	1,813	-	12,140	(1,125)	
Add Margin Split	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted Profit for Normalization	**37,738**	**6,394**	**(9,193)**	**(254,512)**	**(129,666)**	**492,953**	**309,891**	**131,701**	**63,547**	**49,106**	**151,397**	**56,355**	
Normalized GP at 33%	14,737	47,873	66,536	24,640	68,558	208,227	102,950	63,551	35,428	32,410	115,452	46,970	
Adjustment	**(23,001)**	**41,478**	**75,730**	**279,152**	**198,224**	**(284,725)**	**(206,940)**	**(68,150)**	**(28,119)**	**(16,696)**	**(35,945)**	**(9,385)**	

	RSA and Higginbothan Non-Compete/Solicit						Remainder			
	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Total	Oct-15	Nov-15	Dec-15	Total
Revenue	202,428	416,585	618,996	1,601,603	2,093,244	4,932,856	728,591	355,712	798,517	1,882,820
COGS (Total)	131,162	250,756	421,112	980,682	1,645,051	3,428,763	412,619	199,067	596,297	1,207,983
Factoring Costs	740	2,162	55,748	10,088	33,246		13,975	1,234	5,838	
Purchases	130,389	248,380	365,331	970,561	1,611,772		398,430	197,800	590,459	
Merchant Account Fees	33	214	33	33	33		214	33		
Freight and Shipping Costs										
Margin Split										
Total Expenses	75,701	90,782	102,887		98,368	367,738	194,261	75,033	180,375	449,669
Net Income	**(4,435)**	**75,047**	**94,997**	**620,921**	**349,825**	**1,136,355**	**121,711**	**81,612**	**21,845**	**225,168**
Adjustments										
Normalizize Gross Profit to 33%	(5,205)	(30,518)	(49,363)	(102,480)	209,332		(89,512)	(40,494)	55,453	
Warehouse Expense	-	-	-	-	-		-	-	-	
Professional Fees	-	-	-	234	834		3,809	2,425	2,822	
Rent Expense	-	-	-	-	-		-	-	-	
Mailbox Rental	-	-	-	-	-		-	-	-	
Factoring Fee	740	2,162	55,748	10,088	33,246		13,975	1,234	5,838	
Margin Split	-	-	-	-	-		-	-	-	
Add Officer Salary	19,615	13,077	13,077	6,573	13,077		19,615	13,077	13,077	
Add Payroll Taxes on Officer Salary	1,471	981	981	493	981		1,471	981	981	
Normalize Encore Wages to Trask	(14,583)	(14,583)	(14,583)	(14,583)	(14,583)		(14,583)	(14,583)	(14,583)	
Subtract PR Taxes on Encore Wages to Trask	(1,094)	(1,094)	(1,094)	(1,094)	(1,094)		(1,094)	(1,094)	(1,094)	
Contract Labor				15,400			3,476	1,920	9,321	
Adjustment for Other Wages	4,615	308	3,077	1,439	2,947		5,451	4,317	4,654	
PR Tax On Other Wages	346.15	23.08	230.77	107.96	221.05		408.79	323.80	349.04	
Total Adjustments	**5,906**	**(29,645)**	**8,074**	**(83,822)**	**244,961**	**145,474**	**(56,983)**	**(31,893)**	**76,818**	**(12,059)**
Adjusted Income	**1,471.63**	**45,401.94**	**103,070.64**	**537,099.47**	**594,785.34**	**1,281,829**	**64,728.08**	**49,718.54**	**98,662.40**	**213,109**
Gross Profit Adjustment Supplemental Schedule										
Actual Gross Profit	71,266	165,829	197,884	620,921	448,193		315,972	156,645	202,220	
Add Factoring Costs	740	2,162	55,748	10,088	33,246		13,975	1,234	5,838	
Add Margin Split	-	-	-	-	-		-	-	-	
Adjusted Profit for Normalization	**72,006**	**167,991**	**253,632**	**631,009**	**481,439**		**329,947**	**157,879**	**208,058**	
Normalized GP at 33%	66,801	137,473	204,269	528,529	690,770		240,435	117,385	263,511	
Adjustment	**(5,205)**	**(30,518)**	**(49,363)**	**(102,480)**	**209,332**		**(89,512)**	**(40,494)**	**55,453**	

Appendix 7:
Valuation Exhibit Detail

Clear Touch
Capitalization of Earnings

Weight	*15%*	*85%*
	12/31/2014	12/31/2015
Sales (Income)	1,902,065	7,513,433
Cost of Sales (COGS)	(1,677,117)	(5,026,927)
Gross Profit	**224,948**	**2,486,506**
Overhead or S,G,& A Expenses	**(367,893)**	**(1,396,802)**
Officer Comp (est for 2016)	(85,000)	(163,496)
Salaries and Wages	(44,777)	(169,714)
Repairs and Maint	-	-
Bad Debt	-	-
Rent	(1,007)	-
Taxes and Licenses	(12,640)	(35,253)
Interest	(3,472)	(44,919)
Charitable	-	-
Depreciation	(17,659)	(108,665)
Depletion	-	-
Advertising	(16,752)	-
Pension and Profit Sharing Plans	-	-
EE Benefit Programs	-	-
Other Expenses	**(182,448)**	**(874,755)**
Bank Charges	(1,896)	(2,113)
Computer Services	(2,242)	(1,200)
Dues And Subs		(4,719)
Freight	(107,307)	(358,579)
Po Box		
Meals And Entertainment (50%)	(4,531)	(13,768)
Office Supplies	(4,617)	
Postage	(981)	(2,907)
Professional Fees		
Telephone	(213)	(841)
Amortization		(175)
Auto And Truck	(5,424)	(25,597)
Discounts	(5,008)	(5,250)
Gifts	(264)	(127)
Insurance	(7,604)	(14,874)
Legal And Professional	(9,058)	(10,125)
Miscellaneous	(313)	(75,777)
Parking Fees And Tolls	(186)	(2,971)
Travel	(10,552)	(62,367)
Spiffs	(510)	
Trade Show	(21,187)	(51,862)
Web Development	(537)	(6)
Late Fee	(53)	(286)

Clear Touch
Capitalization of Earnings

Labor		(2,760)	(2,025)
Reimbursement		(118)	(1,831)
Warehouse Fee		(175)	
Service Fee		(152)	(204)
Early Release Fee		(130)	
Sponsorship		(768)	(4,867)
Commissions			(143,513)
Credit And Collection Costs			(2,553)
Outside Services			(30,117)
Supplies			(27,613)
Expense Reimbursement			(15,871)
Co-Sponsorship			(500)
Continuous Bond		-	(525)
Marketing Materials		-	(11,592)
Operating Income	-	**(142,945)**	**1,089,704**
NOL			(142,945)
Taxable Income	-	**(142,945)**	**946,759**
Taxes (1120)		-	(321,898)
Penalties			(5,832)
Net Inome	-	**(142,945)**	**619,029**
Adjustments per Appendix 6			
Eliminate NOL			142,945
Owner Salary - Book	0	85,000	163,496
PR Tax on Owner Salary - est	7.50%	6,375	12,262
Normalized Salary	175000	(175,000)	(175,000)
PR Tax on Normalized Salary	7.50%	(13,125)	(13,125)
Gross Profit Adjustment	33.00%	350,034.00	3,128.74
Warehouse expense		175	-
Professional Fees		9,057	20,248
Factoring Fee		89,142	135,860
Contract Labor		2,500	30,117
Adjustment for Other Wages		4,577	38,539
Payroll tax adjustment on other wages		343	2,890
Subtotal Adjustments		**359,078**	**361,361**
Adjusted Income		**216,133**	**980,390**
Add Taxes and Interest		3,472	366,817
EBIT		**219,605**	**1,347,207**
Add Depreciation and Amort		17,659	108,665
EBITDA		**237,264**	**1,455,872**

Clear Touch
Capitalization of Earnings

	2013	2014	2015
EBITDA	8,544	237,264	1,455,872
Less Normalized Depreciation	-		(22,931)
Less - Estimated Taxes 39%	-	(92,533)	(558,847)
NET CASH FLOW	**8,544**	**144,731**	**874,094**
Weight	0%	15%	85%

Weighted EBITDA	764,689.79
Estimated Sustainable Growth Rate	3.00%
Calculated Future Earnings	787,630
Adjusted for Mid Year Convention	883,376
Capitalization Rate	22.79%
Gross Capitalized Earnings	**3,876,156**
Less LT Interest Bearing Debt	-
MVIC	**3,876,156**

Detail of Alternative Calculation of Damages Through 2019

Alternative Calculation: Lost Profit on Clear Touch Business Opportunity through 2019

					Growth Rate		
					2%	2%	2%
	2013	2014	2015	2016	2017	2018	2019
Revenue	315,892	1,902,064	7,513,433	17,676,962	18,030,502	18,391,112	18,758,934
COGS	292,115	1,624,418	5,026,926	13,218,607	12,080,436	12,322,045	12,568,486
GP	23,777	277,646	2,486,507	4,458,355	5,950,066	6,069,067	6,190,448
OPEX	27,232	358,625	1,271,346	3,907,806	3,985,962	4,065,681	4,146,995
EBT	(3,455)	(80,978)	1,215,160	550,550	1,964,104	2,003,386	2,043,454
Adj - 33%	80,468	350,034	-7,072.45	1,375,043			
Other Adjustments	14,841	(12,170)	79,427	493,808			
Adjusted EBT	**91,854**	**256,886**	**1,287,515**	**2,419,401**	1,964,104	2,003,386	2,043,454

	2013	2014	2015	2016	2017	2018	2019	Total
Adjusted EBT	91,854	256,886	1,287,515	2,419,401	1,964,104	2,003,386	2,043,454	
Period to 12/31/16					1	2	3	
Discount Rate					27.79%	27.79%	27.79%	
PV	**91,854**	**256,886**	**1,287,515**	**2,419,401**	**1,536,978**	**1,226,792**	**979,206**	**7,798,632**

INITIAL LIST OF MANAGERS OR MANAGING MEMBERS AND REGISTERED AGENT AND STATE BUSINESS LICENSE APPLICATION OF:

CLEAR TOUCH INTERACTIVE LLC

NAME OF LIMITED-LIABILITY COMPANY

PLAINTIFF'S EXHIBIT 11

FILE NUMBER E0441682012-1

FOR THE FILING PERIOD OF 8/2012 TO 8/2013

YOU MAY FILE THIS FORM ONLINE AT www.nvsos.gov

100401

The entity's duly appointed registered agent in the State of Nevada upon whom process can be served is:

NATIONAL REGISTERED AGENTS, INC. OF NV (Commercial Registered Agent)
1000 EAST WILLIAM STREET SUITE 204
CARSON CITY, NV 89701 USA

A FORM TO CHANGE REGISTERED AGENT INFORMATION IS FOUND AT: www.nvsos.gov

Filed in the office of	Document Number
Ross Miller, Secretary of State, State of Nevada	20120659633-77
	Filing Date and Time: 09/26/2012 11:24 AM
	Entity Number: E0441682012-1

(This document was filed electronically.)
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☐ Return one file stamped copy. (If filing not accompanied by order instructions, file stamped copy will be sent to registered agent.)

IMPORTANT: Read instructions before completing and returning this form.

1. Print or type names and addresses, either residence or business, for all manager or managing members. A Manager, or if none, a Managing Member of the LLC must sign the form. *FORM WILL BE RETURNED IF UNSIGNED.*
2. If there are additional managers or managing members, attach a list of them to this form.
3. Initial list fee is $125.00. A $75.00 penalty must be added for failure to file this form by the last day of the first month following organization date.
4. State business license fee is $200.00. Effective 2/1/2010, $100 must be added for failure to file form by deadline.
5. Make your check payable to the Secretary of State.
6. **Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional $30.00 per certification. **A copy fee of $2.00 per page** is required for **each additional copy** generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
7. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
8. Form must be in the possession of the Secretary of State on or before the last day of the first month following the initial registration date. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include initial list and business license fees will result in rejection of filing.

INITIAL LIST FILING FEE: $125.00 LATE PENALTY: $75.00 BUSINESS LICENSE FEE: $200.00 LATE PENALTY: $100.00

Complete only if applicable

☐ Pursuant to NRS, this corporation is exempt from the business license fee. Exemption code: ____

☐ Month and year your State Business License expires: ____ 20__

Section 7(2) Exemption Codes
001 - Governmental Entity
002 - 501(c) Nonprofit Entity
003 - Home-based Business
004 - Natural Person with 4 or less rental dwelling units
005 - Motion Picture Company
006 - NRS 680B.020 Insurance Co.

NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
KEONE TRASK	☐ MANAGER	☑ MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662

NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
TAMARA TRASK	☐ MANAGER	☑ MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662

NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	☐ MANAGER	☐ MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE

NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	☐ MANAGER	☐ MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of sections 6 to 18 of AB 146 of the 2009 session of the Nevada Legislature and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X KEONE TRASK

Signature of Manager or Managing Member

Title: MANAGING MEMBER

Date: 9/26/2012 11:23:06 AM

Nevada Secretary of State Initial List ManorMem
Revised: 8-5-09

ANNUAL LIST OF MANAGERS OR MANAGING MEMBERS AND REGISTERED AGENT AND STATE BUSINESS LICENSE APPLICATION OF:

CLEAR TOUCH INTERACTIVE LLC

NAME OF LIMITED-LIABILITY COMPANY

FILE NUMBER E0441682012-1

PLAINTIFF'S EXHIBIT 12

FOR THE FILING PERIOD OF 8/2012 TO 8/2013

YOU MAY FILE THIS FORM ONLINE AT www.nvsos.gov

110401

The entity's duly appointed registered agent in the State of Nevada upon whom process can be served is:

NATIONAL REGISTERED AGENTS, INC. OF NV (Commercial Registered Agent)
1000 EAST WILLIAM STREET SUITE 204
CARSON CITY, NV 89701 USA

A FORM TO CHANGE REGISTERED AGENT INFORMATION IS FOUND AT: www.nvsos.gov

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Secretary of State
State of Nevada

Document Number 20120683126-41
Filing Date and Time 10/04/2012 2:44 PM
Entity Number E0441682012-1

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IMPORTANT: Read instructions before completing and returning this form.

1. Print or type names and addresses, either residence or business, for all manager or managing members. A **Manager, or if none, a Managing Member** of the LLC must sign the form. *FORM WILL BE RETURNED IF UNSIGNED.*
2. If there are additional managers or managing members, attach a list of them to this form.
3. Annual list fee is $125.00. A $75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
4. State business license fee is $200.00. Effective 2/1/2010, $100.00 must be added for failure to file form by deadline.
5. Make your check payable to the Secretary of State.
6. **Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional $30.00 per certification. **A copy fee of $2.00 per page** is required for **each additional copy** generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
7. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
8. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.). Forms received after due date will be returned for additional fees and penalties. Failure to include annual list and business license fees will result in rejection of filing.

ANNUAL LIST FILING FEE: $125.00 LATE PENALTY: $75.00 BUSINESS LICENSE FEE: $200.00 LATE PENALTY: $100.00

Complete only if applicable

☐ Pursuant to NRS, this corporation is exempt from the business license fee. Exemption code: ____

☐ Month and year your State Business License expires: ____ 20__

Section 7(2) Exemption Codes
001 - Governmental Entity
002 - 501(c) Nonprofit Entity
003 - Home-based Business
004 - Natural Person with 4 or less rental dwelling units
005 - Motion Picture Company
006 - NRS 680B.020 Insurance Co.

NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
KEONE TRASK	☐ MANAGER ☑ MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
TAMARA TRASK	☐ MANAGER ☑ MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
CHRIS POWELL	☐ MANAGER ☑ MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
JAMI POWELL	☐ MANAGER ☑ MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
201B WEST BUTLER ROAD #1103 , USA	MAULDIN	SC	29662

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of sections 6 to 18 of AB 146 of the 2009 session of the Nevada Legislature and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X KEONE TRASK
Signature of Manager or Managing Member

Title: MANAGING MEMBER

Date: 10/4/2012 2:43:23 PM

Nevada Secretary of State Annual List ManorMem
Revised: 8-5-09

December 19, 2014

Mr. Leo Gallant
907 South Suber Road
Greer, SC 29650

Re: Offer of Employment

Mr. Gallant,

Clear Touch Interactive, Inc. is pleased to present to you and offer you the position of Business Development Representative. We are very excited about the potential you and your experience bring to the growth of our organization

Within this offer of employment, Clear Touch Interactive provides detailed information about the roles and responsibilities related to the position of Business Development Representative.

We anticipate your start date to be on or about January 5, 2015.

Again, we are excited about the prospect of working with you in the growth and development of our organization.

Please provide any questions or comments about this offer of employment to the contact information provided.

Sincerely,

Keone Trask
Director of Business Development
(864) 430-0361
ktrask@getcleartouch.com
Enclosure

PLAINTIFF'S EXHIBIT 13

WORKING LOCATION

The position of Business Development Representative, is based out of Greenville, SC and is contributor within our Sales & Marketing department.

ACCOUNTABILITY & REPORTING

You will report directly to Mr. Keone Trask as your immediate supervisor.

You would be scheduled to begin work no later than January 5th, 2015 at 8:30am.

ROLES AND RESPONSIBILITIES

If you decide to accept this offer of employment, your employment job responsibilities shall be as follows:

- Business development activities focused on the geographical territories of South Carolina, North Carolina and Georgia.
- Business development activities for accounts and opportunities as assigned both within and outside of defined geographical territories.
- Development of sales and training collateral.
- Administration of sales and training events.

COMPENSATION

Salary
You will have a beginning annual salary compensation of $60.000.00.

Commission
You will also be paid additional compensation based on a per unit sale of all sales efforts. Interactive Panel, at a rate of $15.00, monthly upon invoice.

You will also be paid additional compensation based on a per unit sale of personal effort, Interactive Panel, at a rate of $35.00, monthly upon invoice.

You will also be paid additional compensation based on a per day sale of personal effort, Professional Development, at a rate of $100.00, monthly upon invoice.

Our policies may be modified from time to time, and as such commission shall be paid in accordance with current policy in place at that time; the current policy is effective through December 31st, 2015.

In accordance with Company policy, you will also be entitle to receive 10 days of paid vacation time per year.

ALLOWANCES

Vehicle
The company will provide a vehicle as required with the roles and responsibilities of the position of Business Development Representative. Additionally, the company vehicle will include fuel and maintenance; as required through the use of fleet management services to be issued.

Lodging
The company will provide lodging as required for the roles and responsibilities of the position of Business Development Representative. Dependent upon the requirement. lodging will be prearranged through marketing or available through the use of a corporate credit card to be issued; receipts need to accompany charges for verification and tax reporting requirements.

Meals
The company will provide meals as required for the roles and responsibilities of the position of Business Development Representative. Meals will be provided through the use of a corporate credit card to be issued; receipts need to accompany charges for verification and tax reporting requirements.

EQUITY PARTICIPATION

Stock Options
The company is extending the opportunity for equity participation with the acceptance of the position of Business Development Representative. Equity participation is presented in the form of stock options; equivalent to 1% of the organization ownership at the time of acceptance. The stock options will become vested and eligible for benefit immediately.

EMPLOYMENT AT WILL

You or the Company may terminate the employment relationship at any time. Your employment shall be deemed as voluntary in nature and shall be considered employment at will and both parties acknowledge and agree that employment is not set for a specific duration of time.

ACCEPTANCE

If you decide to accept our offer of employment, and if you are in agreement with the above terms and conditions, we will formalize our discussion with an employment agreement that shall be presented to you on your first day of employment. This letter itself does not constitute an employment agreement, only an offer of employment.

Please confirm your acceptance of this offer of employment by December 26th, 2014. I will be contacting you on December 26th, 2014 to confirm your start date and to answer any questions you may have at that time.

I look forward to the prospect of working with you and developing an organization that facilitates the growth of both the organization and the individual.

Sincerely,

Mr. Keane Trask
Director of Business Development

ANNUAL LIST OF MANAGERS OR MANAGING MEMBERS AND REGISTERED AGENT AND STATE BUSINESS LICENSE APPLICATION OF:

CLEAR TOUCH INTERACTIVE LLC

NAME OF LIMITED-LIABILITY COMPANY

FILE NUMBER E0441682012-1

PLAINTIFF'S EXHIBIT 14

FEN340 (10/03) 3/05

FOR THE FILING PERIOD OF AUG, 2012 TO AUG, 2013

YOU MAY FILE THIS FORM ONLINE AT www.nvsos.gov

110405

The entity's duly appointed registered agent in the State of Nevada upon whom process can be served is:

NATIONAL REGISTERED AGENTS, INC. OF NV
311 S DIVISION ST
CARSON CITY, NV 89703

A FORM TO CHANGE REGISTERED AGENT INFORMATION IS FOUND AT: www.nvsos.gov

Filed in the office of
Ross Miller
Secretary of State
State of Nevada

Document Number
20130241592-49
Filing Date and Time
04/11/2013 8:58 AM
Entity Number
E0441682012-1

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IMPORTANT: Read instructions before completing and returning this form.

1. Print or type names and addresses, either residence or business, for all manager or managing members. A **Manager, or if none, a Managing Member** of the LLC must sign the form. *FORM WILL BE RETURNED IF UNSIGNED.*
2. If there are additional managers or managing members, attach a list of them to this form.
3. Return completed form with the fee of $125.00. A $75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
4. State business license fee is $200.00. Effective 2/1/2010, $100.00 must be added for failure to file form by deadline.
5. Make your check payable to the Secretary of State.
6. **Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional $30.00 per certification. **A copy fee of $2.00 per page** is required for **each additional copy** generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
7. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
8. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include annual list and business license fees will result in rejection of filing.

ANNUAL LIST FILING FEE: $125.00 LATE PENALTY: $75.00 BUSINESS LICENSE FEE: $200.00 LATE PENALTY: $100.00

CHECK ONLY IF APPLICABLE AND ENTER EXEMPTION CODE IN BOX BELOW

☐ Pursuant to NRS Chapter 76, this entity is exempt from the business license fee. Exemption code: ☐

NOTE: If claiming an exemption, a notarized Declaration of Eligibility form must be attached. Failure to attach the Declaration of Eligibility form will result in rejection, which could result in late fees.

NRS 76.020 Exemption Codes
001 - Governmental Entity
005 - Motion Picture Company
006 - NRS 680B.020 Insurance Co.

NAME: KATHY CRUSE
(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) ☐ MANAGER ☒ MANAGING MEMBER
ADDRESS: 561 KEYSTONE AVE. SUITE 821 , USA
CITY: RENO STATE: NV ZIP CODE: 89503

NAME:
(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) ☐ MANAGER ☐ MANAGING MEMBER
ADDRESS: CITY: STATE: ZIP CODE:

NAME:
(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) ☐ MANAGER ☐ MANAGING MEMBER
ADDRESS: CITY: STATE: ZIP CODE:

NAME:
(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) ☐ MANAGER ☐ MANAGING MEMBER
ADDRESS: CITY: STATE: ZIP CODE:

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS Chapter 76 and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X KATHY CRUSE
Signature of Manager or Managing Member

Title: MANAGING MEMBER
Date: 4/11/2013 8:58:47 AM

Nevada Secretary of State Annual List ManorMem
Revised: 3-9-12

NONDISCLOSURE AND PROTECTIVE AGREEMENT TO GOVERN CONFIDENTIAL/PROPRIETARY DATA

This **NONDISCLOSURE AND PROTECTIVE AGREEMENT ("Agreement")** is hereby made and entered into as of this 28th day of April, 2014 (the "Effective Date"), by and between Clear Touch Interactive, Inc., a corporation organized under the laws of Nevada, and its affiliates and subsidiaries ("Clear Touch"), and James Higginbotham, an individual. Clear Touch and James Higginbotham hereinafter shall each be referred to as a "Party" and shall collectively be referred to as the "Parties."

RECITALS:

WHEREAS, the Parties intend to jointly explore the possibility of entering into a business relationship;

WHEREAS, the Parties, to facilitate this effort, may exchange information deemed to be confidential and/or proprietary by the disclosing Party, including, without limitation, financial, operational, business and technical data regarding, as well as business, marketing, and sales strategies and plans of, the disclosing Party;

WHEREAS, the Parties desire to preserve and protect the confidentiality of all confidential and/or proprietary information disclosed by the Parties to one another;

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, with the intent of being legally bound, do hereby agree as follows:

1. **Purpose.** Each Party hereby acknowledges that it has entered into this Agreement solely to facilitate the joint exploration by the Parties of a potential business relationship, providing a mechanism to safeguard any confidential and proprietary data exchanged by the Parties. This Agreement shall not require either Party to furnish Confidential/Proprietary Information to the other Party, nor shall the furnishing of Confidential/Proprietary Information by a Party to the other Party obligate either Party to evaluate, negotiate or enter into a business relationship with the other Party or preclude either Party from evaluating, negotiating or entering into any business relationship with a third party. No warranties of any kind are given by either party with respect to the information provided to the other.

2. **Confidential/Proprietary Information.** All information disclosed by a Party, its affiliates, subsidiaries or agents, or third parties at the request of the Party, to the other Party, shall be deemed to be "Confidential/Proprietary Information" if it is (a) in written, graphic or other tangible form, including, without limitation, computer discs and tapes and other media which can be converted to readable form, and bears an appropriate legend indicating its confidential and/or proprietary nature, or (b) disclosed orally, or in a form other than in writing or a media which can be converted to readable form, and is identified as confidential and propriety at the time of disclosure, with such designation confirmed in writing within seventy-two (72) hours thereafter; provided, however, that the disclosing Party's failure to place an appropriate legend indicating the confidentiality and/or proprietary nature of information disclosed in written, graphic or other tangible form or to provide written confirmation of the confidential nature of information disclosed orally, or in a form other than in writing or on

Clear Touch Interactive, Inc. Initials CT JHz

Individual Initials

PLAINTIFF'S EXHIBIT 15

CONFIDENTIAL

CT 1481

computer disk or tape, shall not relieve the receiving Party of its obligation to preserve the confidentiality of said information if the receiving Party knows, should have known or has reason to know that the information is confidential or proprietary; provided further that the receiving Party shall not be liable for any reasonable, good faith disclosure of such information. Any agreements or other documents memorializing or reflecting the terms of the Parties business relationship shall also be deemed Confidential/Proprietary Information. Each Party acknowledges that the Confidential/Proprietary Information of the other Party is uniquely valuable and competitively-sensitive.

3. **Use and Dissemination.** Neither Party shall use Confidential/Proprietary Information of the other Party for any purpose other than evaluating and negotiating a business relationship between the Parties. Each Party shall restrict internal disclosure of Confidential/Proprietary Information of the other Party to such of its officers, employees and agents, including attorneys, accountants and financial or investment advisors, as have a reasonable need to know such information and shall advise said officers, employees and agents of the obligations assumed by it in this Agreement. Neither Party shall disclose Confidential/Proprietary Information of the other Party to any third party, other than such attorneys, accountants and financial or investment advisors as shall be assisting the Party in evaluating and negotiating the business relationship between the Parties, without the prior written consent of the other Party; provided, however, that either Party may disclose Confidential/Proprietary Information of the other Party to its principal lenders and substantial stock holders without the prior written consent of the other Party so long as such lenders and stock holders have executed a nondisclosure agreement substantially similar to this Agreement. A Party shall not reproduce Confidential/Proprietary Information of the other Party unless necessary to evaluate and explore a business relationship between the Parties, and shall ensure that all such copies, as well as summaries and notes of and other documents and materials containing or referencing, the Confidential/Proprietary Information of the other Party are appropriately marked as such.

4. **Standard of Care.** Each Party shall take all reasonable and necessary steps to prevent the disclosure, unauthorized use or publication of Confidential/Proprietary Information of the other Party and in so doing, shall not use less than the same degree of care it uses with regard to its own proprietary or confidential information, and shall maintain said information in a secure location accessible only by those who are authorized to view it.

5. **Exceptions.** The restrictions on disclosure of Confidential/Proprietary Information shall not apply to (i) information which at the time of disclosure was generally available to the public; (ii) information which subsequent to its disclosure to a Party, is published or otherwise becomes available to the public through any means other than an act or omission of the Party; (iii) information which was previously known to a Party free of any obligation to keep it confidential or which is subsequently developed independently in good faith by the Party; and (iv) information rightfully acquired in good faith from a third party on a non-confidential basis without breach of an agreement to maintain said information in confidence. Notwithstanding anything to the contrary herein, a Party may disclose Confidential/Proprietary Information of the other Party (i) if required to do so by law; or (ii) if ordered to do so by a court or other governmental authority of competent jurisdiction; provided, however, that a Party shall provide the other Party prior written notice of any such disclosure and exercise its best efforts, consistent with sound business practice, both to afford the other Party an opportunity to contest the disclosure and to limit the extent of the disclosure to the maximum extent practicable.

6. **Proprietary.** By disclosing Confidential/Proprietary Information, a Party does not relinquish any proprietary rights and interests, or grant any rights or licenses, in said information. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to Confidential or other information. Upon the written request of a Party, the other Party shall promptly return, or, at the sole discretion of the requesting Party, destroy, all Confidential/Proprietary Information of the requesting Party and all

Clear Touch Interactive, Inc. Initials (KT) Yg Individual Initials

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copies thereof, as well as all summaries, notes or other documents, materials or things containing Confidential/Proprietary Information.

7. **Remedies.** In the event a material breach hereof occurs, or is threatened, the nonbreaching Party shall have the right to pursue any and all legal and equitable remedies to which it would be entitled under the law. Each Party hereby agrees and acknowledges that the other Party would be irreparably damaged by the breach of this Agreement, which damage could not be adequately compensated except by specific performance hereof. In the event such a default has occurred or is threatened, it is agreed that the nonbreaching Party shall be entitled to temporary and permanent injunctive relief, including, without limitation, specific performance of this Agreement, without any showing of actual damage or inadequacy of legal remedy or the posting of any bond in any proceeding which may be brought to enforce this Agreement.

8. **Representations and Warranties.** Each Party represents and warrants to the other Party, which representations and warranties shall survive the execution hereof, that it has the power and authority to execute, deliver and perform this Agreement, that its execution and delivery of this Agreement and its performance hereunder have been duly authorized and that this Agreement has been duly executed and delivered by it and is a valid and binding agreement enforceable in accordance with its terms against it. Neither Party is making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential/Proprietary Information being disclosed to the other Party. .

9. **Nonsolicitation.** For a period commencing on the Effective Date and ending on the second anniversary of the termination of this Agreement, neither Party shall directly solicit for employment or hire any person who is now employed by the other Party (or whose activities are dedicated to the other Party).

10. **Termination/Survival.** This Agreement may be terminated upon thirty (30) days' written notice by either Party; provided, however, that the obligations imposed by this Agreement to safeguard and to promptly return or destroy the Confidential/Proprietary Information of the other Party shall survive any termination of this Agreement for a period of three (3) years.

11. **Entire Agreement.** **THIS AGREEMENT SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, REGARDING THE SUBJECT MATTER HEREOF.** This Agreement may only be amended or modified by written consent of both Parties. The terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective heirs, successors, transferees and assigns.

12. **Miscellaneous.** The waiver of compliance with any of the provisions of this Agreement by a Party shall not be considered an ongoing waiver of such provisions or a waiver of any of the other provision hereof by said Party. Each provision of this Agreement shall be considered severable and if for any reason any provision hereof is determined to be contrary to any existing or future law, rule or regulation of any jurisdiction, such invalidity shall not impair the operation of said provision in any other jurisdiction or any other provisions hereof. All notices and solicitations of consent or approval, and other communications hereunder, shall be in writing; shall be deemed to have been given when delivered by hand, by telecopy (followed by mailed notices as hereinafter provided), by overnight delivery service, with acknowledged receipt, or by United States mail, if sent by registered or certified mail, postage prepaid, return receipt requested, addressed, to a Party at the address set forth for that Party below or such other address as the Party shall have given in writing for such purpose. Neither Party shall assign this

Clear Touch Interactive, Inc. Initials (KT) 4/22 Individual Initials

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Agreement to any third party without the prior written consent of the other Party, provided, however, that the merger or consolidation of one Party into, or the sale of all or substantially all of the stock or assets of such Party to, a third party shall not be deemed to be an assignment. This Agreement will be governed by internal laws of the State of Nevada, without reference to its choice of law rules. Any action arising out of or related to this Agreement shall be brought in the state or Federal courts located in Washoe County, Nevada and each Party consents to the jurisdiction and venue of such courts.

13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts taken together shall constitute the agreement of the Parties.

Clear Touch Interactive, Inc. Initials (KT) YW

Individual Initials

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IN WITNESS WHEREOF, the Parties have caused this **NONDISCLOSURE AND PROTECTIVE AGREEMENT** to be duly executed as of the day and year first above written.

Clear Touch Interactive, Inc.

By: _____

Name: KEVIN TRASK

Title: DIRECTOR

By: _____

Name: Tamara Trask

Title: Director

Individual

By: _____

Name: JAMES HIGGINBOTHAM

Address for Notices

561 Keystone Avenue
Suite 821
Reno, NV 86503

Address for Notices

5111 CRAFTSMAN STREET
JOHNS CREEK, GA 30097

Clear Touch Interactive, Inc. Initials KT YTL

Individual Initials _____

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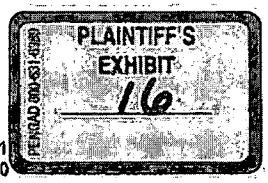
CT 1485



ROSS MILLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov

Articles of Conversion
(PURSUANT TO NRS 92A.205)
Page 1

Filed in the office of	Document Number
Ross Miller Secretary of State State of Nevada	20140041375-97
	Filing Date and Time 01/21/2014 8:00 AM
	Entity Number E0441682012-1

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Articles of Conversion
(Pursuant to NRS 92A.205)

1. Name and jurisdiction of organization of constituent entity and resulting entity:

CLEAR TOUCH INTERACTIVE LLC
Name of constituent entity

Nevada
Jurisdiction

Limited-Liability Company
Entity type *

and,

Clear Touch Interactive, Inc.
Name of resulting entity

Nevada
Jurisdiction

General For-Profit Corporation
Entity type *

2. A plan of conversion has been adopted by the constituent entity in compliance with the law of the jurisdiction governing the constituent entity.

3. Location of plan of conversion: (check one)

☐ **The entire plan of conversion is attached to these articles.**

☒ **The complete executed plan of conversion is on file at the registered office or principal place of business of the resulting entity.**

☐ **The complete executed plan of conversion for the resulting domestic limited *partnership is* on file at the records office required by NRS 88.330.**

* corporation, limited partnership, limited-liability limited partnership, limited-liability company or business trust.

This form must be accompanied by appropriate fees.

ROSS MILLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov

Articles of Conversion

(PURSUANT TO NRS 92A.205)

Page 2

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4. Forwarding address where copies of process may be sent by the Secretary of State of Nevada (if a foreign entity is the resulting entity in the conversion):

Attn:

c/o:

5. Effective date and time of filing: (optional) (must not be later than 90 days after the certificate is filed)

Date: Time:

6. Signatures - must be signed by:

1. If constituent entity is a Nevada entity: an officer of each Nevada corporation; all general partners of each Nevada limited partnership or limited-liability limited partnership; a manager of each Nevada limited-liability company with managers or one member if there are no managers; a trustee of each Nevada business trust; a managing partner of a Nevada limited-liability partnership (a.k.a. general partnership governed by NRS chapter 87).

2. If constituent entity is a foreign entity: must be signed by the constituent entity in the manner provided by the law governing it.

CLEAR TOUCH INTERACTIVE LLC

Name of *constituent* entity

X Kathy Cruse — Signature Kathy Cruse

Member — Title

1/16/14 — Date

* Pursuant to NRS 92A.205(4) If the conversion takes effect on a later date specified in the articles of conversion pursuant to NRS 92A.240, the constituent document filed with the Secretary of State pursuant to paragraph (b) subsection 1 must state the name and the jurisdiction of the constituent entity and that the existence of the resulting entity does not begin until the later date. **This statement must be included within the resulting entity's articles.**

FILING FEE: $350.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

catchfire FUNDING

Employee Census Data as of Plan Year End

List all individuals who were employed at any time during the current Plan year.

Last Name	First Name	Middle Initial	Date of Birth	Hire Date	**Eligibility Date	Termination Date (if applicable)	Hours Worked	Wages Earned (W-2)	Employee Contributions(W-2)	Company Matching Contributions
Gallant	Leo	S	[redacted]1966	01/05/2015	01/05/2016	N/A		87,501.26	0	0
Gallant	Steven	C	[redacted]1992	04/22/2015	04/22/2016	N/A		17,032.35	0	0
Martin, Jr.	John	W	[redacted]1982	09/15/2014	09/15/2015	N/A		84,779.87	0	0
Thompson	Iris	J	[redacted]1963	11/16/2015	11/16/2016	N/A		4,142.31	0	0
Triftshauser	Mark	F	[redacted]1956	10/01/2015	10/01/2016	N/A		12,192.35	0	0
Sendel	Carlos	B	[redacted]1974	09/18/2015	09/18/2016	01/22/2016		9,961.49	0	0
Higinbotham	James	A	[redacted]1964	08/01/2014	08/01/2015	07/27/2015		51,038.50	0	0

** Eligibility Requirements
21 years old
Completed 1 full year of service
1,000 hours worked in any 12 month period

© 2016 CatchFire Funding

PLAINTIFF'S EXHIBIT 18
PENGAD 800-631-6989

CF 000074

CONFIDENTIAL

Russell Young

From:	kc@cleartouchinteractive.com
Sent:	Thursday, April 18, 2013 8:20 AM
To:	ktrask@encoretg.com
Subject:	Reseller Agreements
Attachments:	Encore - Completed NDA.pdf; Reseller Credit Application.pdf; Reseller Agreement.pdf

Keone -

You will find attached the completed non disclosure agreement as presented, in addition I have provided a reseller agreement and reseller credit application that needs to be completed. Please complete and return to my attention. If you have any questions you may contact me for clarification.

Kathy
Sales and Marketing
Clear Touch Interactive

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MUTUAL CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is made and entered into as of the date written below (the "Effective Date") by and between the undersigned parties (collectively, the "Parties"). The Parties are or will potentially be engaged in discussions in contemplation or furtherance of entering into a business relationship between them, and, in the course of such discussions, have disclosed or may disclose to one another certain Confidential Information (as defined below). This Agreement is being entered into by the Parties to memorialize their agreement and understanding regarding the confidential and proprietary nature of the Confidential Information. In consideration of the disclosure of Confidential Information by the Parties to one another, and the mutual covenants and promises set forth below, the parties hereby agree as follows:

1. DEFINITIONS. (A) "Disclosing Party" means a party that discloses any of its Confidential Information to the other party under this Agreement.

(B) "Receiving Party" means a party that receives any Confidential Information from the other party under this Agreement.

(C) "Confidential Information" means any and all confidential, proprietary, and trade secret (as defined by the South Carolina Trade Secrets Act) information of the Disclosing Party of a technical, non-technical, business or other nature (including, without limitation, software, hardware, computer programs, technology, data, prototypes, concepts, processes, materials, products, services, designs, methodologies, business plans, pricing, finances, marketing plans, customers, vendors, prospects or other affairs), that is disclosed to the Receiving Party. Confidential Information shall not include information: (i) which is or becomes known publicly through no fault of the Receiving Party; (ii) learned by the Receiving Party from a third party entitled to disclose it; (iii) already known to the Receiving Party before receipt from the Disclosing Party as shown by the Receiving Party's prior records; or (iv) independently developed by the Receiving Party, as shown by the Receiving Party's records, without the use of Confidential Information.

(D) "Confidential Materials" means any software, hardware, memory storage device, diskette, tape, writing prototype, concept, document, or other tangible item that contains any Confidential Information, whether in printed, handwritten, coded, magnetic, electronic, optical, visual, audible, or other form and whether delivered by the Disclosing Party to the Receiving Party or otherwise made available for the Receiving Party's review.

2. RESTRICTIONS. (A) Confidential Information and Confidential Materials are made available to the Receiving Party solely for the purpose of evaluating a potential business relationship with the Disclosing Party. The Receiving Party will not use, disclose, disseminate or distribute to any third party any Confidential Information or Confidential Materials of the Disclosing Party without the prior written consent of the Disclosing Party. At the request of the Disclosing Party, to the extent commercially practicable, the Receiving Party will promptly return to the Disclosing Party, or, at the Disclosing Party's sole option, destroy all Confidential Information and Confidential Materials (including all copies thereof) of the Disclosing Party in the Receiving Party's possession, and will certify in writing to the Disclosing Party that the Receiving Party has returned or destroyed all such items. After such request, the Receiving Party will make no further use of the Confidential Information and Confidential Materials of the Disclosing Party.

(B) The Receiving Party will use commercially reasonable efforts to protect any Confidential Information and Confidential Materials of the Disclosing Party from any unauthorized use, disclosure, copying, dissemination or distribution. Without limiting the foregoing, the Receiving Party will: (i) make Confidential Information and Confidential Materials of the Disclosing Party available only to those of the Receiving Party's employees and agents who have a need to know the same for the purpose specified in Paragraph 2(A), and who have previously agreed in writing to be bound consistent with the provisions of this Agreement; and (ii) not reverse engineer, decompile or disassemble any Confidential Materials of the Disclosing Party

(C) Notwithstanding anything to the contrary in Paragraphs 2(A) and 2(B), the Receiving Party may disclose or produce any Confidential Information or Confidential Materials of the Disclosing Party if and to the extent required by any court order or governmental action, provided that to the extent permitted by law the Receiving Party gives the Disclosing Party reasonable advance written notice of the same.

(D) All Confidential Information and Confidential Materials of the Disclosing Party are and shall remain the property the Disclosing Party. No right or license, either expressed or implied, under any property right, including patents, patent applications, trademarks, service marks, copyrights, and trade secrets, is granted to the Receiving Party or any other party hereunder, nor is any sale or offer for sale of any kind being made by the Disclosing Party to the Receiving Party hereunder.

(E) In addition to the covenants contained in this Agreement, the Receiving Party will comply with any and all applicable laws relating to the use, disclosure, copying, dissemination and distribution of any Confidential Information or Confidential Materials of the Disclosing Party

3. MISCELLANEOUS. All Confidential Information and Confidential Materials are made available under this Agreement "AS IS", with all defects, errors, and deficiencies, and without any representation or warranty as to completeness or accuracy. This Agreement relates to Confidential Information and Confidential Materials, that is disclosed to the Receiving Party during the period beginning with the Effective Date, and ending two years thereafter, unless such period of effectiveness is extended by the mutual agreement of the parties, in writing. In the case this Agreement is entered into in connection or support of an agreement with a party for transacting business as a customer or vendor of CSI, the Agreement term shall end two years following the termination of the agreement for transacting business. The parties' respective obligations under this Agreement with respect to any Confidential Information and Confidential Materials will be effective during such period and will survive following such period for so long as such information and materials remain Confidential Information and Confidential Materials as defined in Paragraph 1. If any provision in this Agreement is held invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way. A party's failure to insist on compliance or enforcement of any provision of this Agreement shall not affect the validity or enforceability or constitute a waiver of any rights or remedies such party may have hereunder This Agreement will in all respects be governed by and construed in accordance with the laws of the State of South Carolina, without reference to its conflicts of law rules. The parties agree that any action arising under or in connection with this Agreement will be brought in the state or federal courts located in Greenville County, South Carolina, and the parties hereby parties agree to submit themselves to the exclusive jurisdiction of said courts. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or understandings between the parties relating to such subject matter. This Agreement may not be modified or amended except by a written instrument duly executed by both parties.

AGREED AND ACCEPTED this 9 day of April, 2013.

ENCORE TECHNOLOGY GROUP, ~~LLC~~

Signature: _____

Name: Chris Powell

Title: CEO

Company Name: Clear Touch Interactive

Signature: Kathy Cruse

Name: Kathy Cruse

Title: Managing Member

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Clear Touch Interactive RESELLER CREDIT APPLICATION

Reseller Name & Address

Primary Contact Name Last:	Primary Contact First:		Title
Company Name:			Tax I.D. Number
Address:			
City:	State/Province:	ZIP/Postal Code:	Phone:

Reseller Information

Type of Business:		In Business Since:		DNB #:
Legal Form Under Which Business Operates: Corporation _	Partnership ☐	Proprietorship ☐	Other ☐	
State/Province/Country:				
If Division/Subsidiary, Name of Parent Company:		In Business Since:		DNB #:
Name of Company Principal Responsible for Purchasing:			Title:	
Address:	City:	State/Province:	ZIP:	Phone:
Name of Company Principal Responsible for Accounts Payable:			Title:	
Address:	City:	State/Province:	ZIP:	Phone:

Reseller Bank References

Institution Name:	Institution Name:
Account #:	Account #:
Address: Contact Person :	Address: Contact Person :
Phone:	Phone:

Reseller Trade References

COMPANY NAME:	COMPANY NAME:	COMPANY NAME:
Contact Name:	Contact Name:	Contact Name:
Address:	Address:	Address:
Phone:	Phone:	Phone:
Account Opened Since:	Account Opened Since:	Account Opened Since:
Credit Limit:	Credit Limit:	Credit Limit:
Current Balance:	Current Balance:	Current Balance:

Reseller Financial Information

Company Total Assets : Annual Net Income:	Company Total Liabilities:	Amount of Credit Requested:
To your knowledge, has your organization filed a petition in bankruptcy?		Yes ☐ No ☐
To your knowledge, has your company subject to any litigation?		Yes ☐ No ☐

We declare that the above information is true, correct and complete and is given to induce the Company to extend credit. We authorize the Company to make such credit investigation as the Company sees fit, including contacting the above trade references and banks and obtaining credit reports. We authorize all trade references, banks and credit reporting agencies to disclose to the Company any and all information concerning the financial and credit history of my company and myself.

I have read the terms and conditions stated below and agree to all of those terms and conditions.

Company Name: _____

Authorized Signature: _____

Title: _____

Printed Name: _____

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Clear Touch Interactive

RESELLER AGREEMENT

This Reseller Agreement (the "Agreement") is effective April 17, 2013,

BETWEEN: **Clear Touch Interactive** (the "Company"), a company organized and existing under the laws of the state of Nevada, with its head office located at:

561 Keystone Avenue
Suite 821
Reno, NV 89503

AND: **Encore Technology Group** (the "Reseller"), a company organized and existing under the laws of the state of South Carolina, with its head office located at:

900 East Main Street
Suite T
Easley, SC 29640

1. APPOINTMENT

1.1 Appointment

Company appoints Reseller and Reseller accepts appointment as an exclusive reseller to market, sell, lease and install Company products ("Products") within the Territory stated in Exhibit A to consumers.

1.2 Products Covered

Company Products means the products agreed to between the parties from time to time with any exclusions, additions or discounts Company may make.

1.3 Sub-Resellers

Reseller shall not, without Company's prior written approval, appoint sub-resellers, resellers or agents ("Sub-resellers") to market, sell, or lease Company Products. Reseller shall be liable for the acts and omissions of any such Sub-resellers. Should Reseller resell Products to any Sub-reseller, and Products are further resold, the final end-user may not receive manufacture warranty or technical support.

1.4 Sales Outside Territory

Reseller shall in no way market, distribute, export, sell, lease or install Company Products outside the Territory without Company's prior written approval. Company will not ship on any Purchase Orders ("P.O.s") issued by Reseller outside the Territory.

2. OBLIGATIONS OF RESELLER

2.1. Marketing and Product Support

Reseller shall use reasonable efforts to market and sell Company Products in the Territory and shall comply with the policies, programs, and requirements regarding marketing and product support as may be communicated by Company to Reseller from time to time; provided, however, that in order to avoid conflict among Company's distribution channels.. Reseller shall not, without prior written authorization from Company, resell Company Products in a retail environment that includes any type of store, shop, or other similar physical premises into which customers or potential customers are invited for the purpose of purchasing or potentially purchasing any product from Reseller.

2.2. Advertising

Reseller shall adhere to the reseller advertising policies and programs as may be communicated by Company to Reseller from time to time.

2.3. Customer Support and Service Reseller Shall:

a) Supply Company with such data as Company requests regarding Reseller's sales to customers for Company's own reporting purposes;

b) Participate fully in Company campaigns to notify customers of any retrofit or recall of Company Products;

c) Use only Company-approved spare parts for any repair, servicing and maintenance of Company Products it provides under warranty;

d) Comply with laws and regulations applicable to "used" or returned merchandise and never refurbish, place in inventory, or resell as "new" any Company Products returned to Reseller for post-sale repair; and

e) Instruct its customers on how to obtain replacement parts under warranty, including, when Reseller wants its customers to contact Company directly, the use of Company's Return Merchandise Authorization ("RMA") procedures.

2.4. Observance of Company Policies

Company will keep Reseller informed of Company's customer support policies and procedures, and Reseller agrees to follow such policies and procedures to resolve any customer support issues.

2.5. Reseller's Warehouse

All Products shipped to Reseller shall be maintained in Reseller's warehouse facility and shall be insured against any damage or loss.

2.6. Security Interest

Reseller agrees that all Products sold to Reseller hereunder shall be secured by a security interest in such Products and any proceeds thereof and in any receivables related thereto including any customer loan paper until Company shall have been paid for such Products. Reseller agrees to execute financing agreements, a security agreement, and such other documentation and take such other actions as Company may require to evidence and perfect such security interest.

2.7. Exclusive Marketing Arrangement

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During the term of this Agreement, Company will be the exclusive provider of Integrated Interactive Displays ("IID") to Reseller. Reseller will not sell, offer for sale or solicit sales for products of any IID manufacturer other than Company. For the term of this Agreement, Company will be the sole supplier to Reseller..

3. OBLIGATIONS OF COMPANY

3.1. Supply of Company Products

Company shall endeavor to manufacture, assemble and ship Company Products to Reseller in a timely manner. Should shortages occur, Company may allocate its production as it deems appropriate, may delay or stop shipments, and may send partial shipments with prior notice.

3.2. Marketing Assistance

Company will provide marketing support services and training programs to Reseller on a case-by-case basis.

4. ORDERING AND DELIVERY OF COMPANY PRODUCTS

4.1. Purchasing

This Agreement with its terms and conditions, and those provided under the Company Consumer Products Limited Warranty (available upon request) applies to all purchase orders and other documents of purchase ("Orders") which Reseller may place with Company for the Products during the term of this Agreement.

4.2. Media for Orders

Reseller may order from Company by telephone, facsimile, mail or electronic mail. Acceptance by Company of the Order shall occur (a) when the Order is entered into Company's system, (b) when an Order number is provided to Reseller by facsimile or electronic mail, if requested by Reseller, or (c) when assembly of the Products commences, whichever occurs first.

4.3. Lead Time for Orders

The Company indicates that the associated lead time for orders is between 4 and 6 weeks from the time of receipt of order. Lead times may vary from time to time dependent upon product supply and availability from Third Party manufactures. Lead times are provided as guidance and do not a provide an assumed guarantee of order availability.

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4.4. Orders

a) Reseller may deliver a P.O. to Company by facsimile or electronic mail provided a signed original is delivered to Company within 15 days of receipt of the P.O. by Company. Company shall accept all POs by (a) facsimile or electronic mail, with a signed original notice of acknowledgment.

b) Each P.O. shall be deemed an offer by Reseller to purchase the Company Products listed therein and when accepted by Company shall constitute a contract in accordance with the terms and conditions of the P.O. and this Agreement. If a conflict arises between the two, this Agreement shall take precedence.

c) P.O.s submitted by Reseller pursuant to this Agreement shall include the quantity and type of Product(s) ordered, Product descriptions, Product specifications, shipment and invoice information and shipping instructions (if allowed by Company), Reseller's order number, and the Agreement number.

d) Company will endeavor to fill all orders from Reseller insofar as it is practicable and consistent with Company's production schedules to do so, provided that in the event of its failure to fill all or part of any order, Company shall not be to any extent liable or responsible therefor.

4.5. Changes to Orders

a) No terms of any purchase orders (whether printed, stamped, typed, written, or sent by any electronic means), except those specifying the quantity and type of Product(s) ordered, shipment and invoice information and shipping instructions (if allowed by Company), shall be binding either on Company or Reseller if they contravene any term or condition of this Agreement, unless specifically accepted or approved in writing and signed by an appropriate senior manager or executive of Reseller and Company. A general or form acknowledgment of any such order or any communication with respect to such an order, or the making of deliveries with respect thereto, shall in no case be construed as an acceptance or approval of the type required by this paragraph.

b) Changes to orders will only be accepted prior to the order entering Company's manufacturing queue. Reseller may initiate such changes or additions to previously accepted Orders by submitting a modification of the Order to Company with appropriate reference to the original Order. Upon Company's written acceptance of the modification or addition, Company shall process the Order in accordance with the pricing terms and conditions of this Agreement.

4.6. Products

a) As an accommodation to Reseller and without Reseller's prior approval, Company may make Product substitutions when the Products ordered are unavailable, provided that the substituted Products are of equal or greater functionality than those contained on the original Order and that Company notifies Reseller of such substitution at the time of delivery.

b) Company reserves the right to make changes and modifications in specifications, construction, or design of the Products, or any of them, at any time, and any Products so modified shall be accepted by Reseller as standard construction in fulfillment of existing orders. Company shall not be required to retrofit any Product previously delivered to Reseller with any modifications.

c) Company reserves the right to discontinue any Products at any time.

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4.7. Shipping

Reseller is responsible for payment of all shipping and handling fees for delivery of Products. All deliveries of Products are FOB Company manufacturing facilities unless Company expressly states otherwise in its acceptance of the purchase order. Title and risk of loss shall pass from Gateway to Reseller or Reseller customer at the point of delivery.

5. PRICES AND PAYMENTS

5.1. Reseller's Purchase Price

Prices for Company Products purchased hereunder shall be agreed to from time to time. Such prices do not include any taxes, fees, duties, shipping costs, insurance or other levies. Any such items (except taxes on Company's income) will be added to the purchase price. Reseller shall pay all taxes and government imposts arising from Reseller's activities as a Company Reseller.

5.2. Price Changes

Company may at any time change Company Product pricing or the Reseller's purchase price with 30 days written notice, but any P.O accepted by Company before a price change takes effect shall be invoiced at the previous price.

5.3. Invoice and Payment Terms

For the Purchases of Products the Company will invoice Reseller as of order shipment date, for orders in excess of $50,000.00 a security deposit may be required with the acceptance of any order. Reseller shall pay for Company Products in United States Dollar's upon shipment to Reseller or customer.

For all purchases that are paid in full within 10 days of date of invoice a discount of 1% of the total purchase price will be applied; for all Purchase Orders that are received with at minimum a 50% security deposit, an additional discount of 1% of purchase price will be applied. These discounts can be combined when both criteria are met for any single order.

6. RETURNED MERCHANDISE

Company will accept returns for defective Products in accordance with the applicable Company Consumer Limited Warranties which are available upon request.

7. TRADEMARKS, TRADE NAMES

Reseller acknowledges that Company and/or its parent or affiliates are the sole and exclusive owners of the name "Company" and any abbreviations or variations thereof, and of any and all of Company's trademarks and trade names, service marks, trade logos and trade dress (collectively "Trademarks") as Company may unilaterally amend periodically (registered or not). Reseller agrees not to register or use any mark(s) that are similar enough to be construed as Company Trademarks. Reseller acquires no rights to the Trademarks, and Reseller hereby assigns and transfers to Company all rights that it may acquire in and to the Trademarks, whether by operation of law or otherwise. Any approval for Reseller's use of any Company Trademark shall be made pursuant to a Company Trademark License Agreement executed separately by and between the Parties hereto.

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8. SOFTWARE

8.1. Software as Component

Company Products include as components certain software programs (collectively "Programs") proprietary to Company or licensed by it from third-party vendors, which may be periodically updated and substituted. Company has all rights necessary for it to market and distribute the Programs as Company Product components, as well as the right and authority to conclude this Agreement and to grant rights hereunder regarding the Programs. Title to the Programs remains with the Company and/or their licensors, and Reseller has no rights to transfer them except as stated below.

8.2. Distribution Rights

Subject to the use license in Section 8.3 below, Company grants to Reseller during the Term a non-transferable right to transfer to end users within the Territory the copies of the Programs it obtains under this Agreement only as components of Company Products, subject to the following terms & conditions:

a) Reseller shall sell or lease Company Products with the Program packages as integral parts, and shall abide by all terms and conditions imposed by the Programs' licensors. It shall not open the Program packages or end user license packets or separate such Program packages (including documentation and end user licenses) from the Company Products. Reseller shall not copy or reproduce any Program (except as stated herein or in any Program's pre-packaged license agreement), or modify, reverse engineer, disassemble, or de-compile any Program in any way.

b) Reseller shall promptly notify Company of any unauthorized use or copying of any Program, and will take at Reseller's expense (but at Company 's option and under Company 's control and direction) legal action to prevent or stop any unauthorized use or copying of the Programs by anyone that has obtained the Programs due, in substantial part, to Reseller's fault.

c) Termination of this Agreement will automatically and immediately terminate Reseller's rights under this Section.

8.3. Use License

Reseller shall pass on to end users of each Company Product a license to use the Programs in the form of a "break-the-seal" end user license agreement contained in the Programs' packages.

8.4. Compliance with Import Regulations

Reseller shall comply with all United States export control regulations, licensing or other requirements applicable to the Programs.

8.5. Disclaimer of Warranties and Limitation of Liability

EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT OR IN ANY PRE-PACKAGED LICENSE AGREEMENT FOR A COMPANY PRODUCT COMPONENT, COMPANY (ON BEHALF OF ITSELF AND ITS LICENSORS) DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PROGRAMS, INCLUDING ALL IMPLIED CONDITIONS OR WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO DEFECTS IN DISKETTES, COMPACT DISKS OR OTHER PHYSICAL MEDIA AND DOCUMENTATION, OPERATION OF THE PROGRAMS AND ANY APPLICATION OR USE OF THE PROGRAMS. IN NO WAY SHALL COMPANY (OR ITS LICENSORS) BE LIABLE FOR ANY LOSS OF PROFIT OR ANY OTHER COMMERCIAL DAMAGE,

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INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES.

9. TERM

This Agreement's term ("Term") shall begin on the Effective Date and continue for 36 months, and shall be automatically renewed for 2 additional 12 month terms up to a maximum term of 5 years, provided that either party hereto may terminate this Agreement at any time with 30 days' advance written notice, and further provided that this Agreement shall terminate automatically if Reseller makes no purchases from Company hereunder for a period of 90 calendar days, such termination to be effective as of the next calendar day after such period elapses.

10. SECTION X: TERMINATION

10.1. Termination Without Cause

Either party can terminate this Agreement without cause by giving 90 days' written notice to the other.

10.2. Termination for Cause

This Agreement may be terminated for cause upon written notice:

a) By either party upon 30 days' written notice if the other commits a material breach of the Agreement and fails to cure it within the 10 days;

b) By Company immediately if Reseller files for or has instituted against it any proceedings as to its bankruptcy, insolvency, reorganization, liquidation, receivership, or dissolution or there is an assignment for the benefit of creditors;

c) By Company upon 30 days' written notice (i) if Reseller becomes ineligible to receive approval for any license or export documents necessary to buy or resell Company Products; (ii) if Reseller tries to register this Agreement with any government conferring any exclusivity upon Reseller; (iii) if Reseller assigns this Agreement without Company's prior written consent; (iv) upon substantial change in Reseller's ownership; or (v) if any change or enactment of law or regulation after the date of this Agreement interferes, in Company's opinion, with the parties' rights or obligations stated herein.

10.3. EFFECT OF TERMINATION

a) Upon termination of this Agreement, Company may terminate any or all unfilled orders.

b) Upon termination, Reseller shall immediately stop all marketing, promotion, advertising or reference to Company Products and shall have no further rights to use Company's marketing, promotion or advertising materials or other resources.

c) Termination will discharge and release Company from all obligations and liability under this Agreement, except as it expressly accepts for unfulfilled orders. The sole fact of this Agreement's termination shall not make either party liable to the other for any compensation, reimbursement, losses or damages whatsoever, though Reseller shall remain obligated to pay all outstanding balances on its Company Product purchases.

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11. CONFIDENTIALITY

11.1. Confidential Information

Prior to and during the Term hereof, Company may convey to Reseller proprietary and confidential information about Company Products, services, strategy and analysis. For the Term of this Agreement (including renewals) and for 2 years thereafter, Reseller shall not disclose to any third party any such information marked CONFIDENTIAL, PROPRIETARY, STRICTLY PRIVATE, or INTERNAL DATA, or which, though not so marked, could reasonably be construed as confidential or sensitive, such as the terms of this Agreement (all collectively "Confidential Information"), nor shall it use any such Confidential Information for its own benefit, except as provided herein. Any reliance on such Confidential Information is at Reseller's own risk. Nothing in this Section grants or implies any rights by license, estoppel, or otherwise. Confidential Information does not include information (i) in the public domain at the time of disclosure or which enters the public domain after such disclosure through no fault of Reseller, (ii) generally disclosed to third parties by Company without restriction, (iii) communicated to Reseller by a third party with the unrestricted right to do so, or (iv) approved for release by Company in writing.

11.2. Presentations and Planning

Company's oral and visual presentations describing Company Products and plans, business and product plans, and any inspections thereof by Reseller or its personnel shall all be deemed Confidential Information under this Agreement whether so marked or not.

12. EXPORT CONTROLS

12.1 Compliance with Laws

Reseller shall comply with all United States export laws and regulations applicable to Company Products, and shall obtain any licenses required for export.

12.2 Products of United States Origin Technology

Reseller may sell Company Products only to end-users within the Territory, and shall not export any Company Products, including Programs, or any direct products thereof without Company 's advance written approval and, if required, United States Government permission. This requirement shall survive termination or expiration of this Agreement. Reseller shall not do business with any person or firm identified by the United States government as being denied the right to receive any United States product.

13. LIMITATION OF LIABILITY AND REMEDIES; INDEMNITY

13.1. Limitation of Liability; Sole Remedy

Any liability of Company under this Agreement is expressly limited to the price paid by Reseller for the Company Products involved. Reseller's sole remedy against Company in any dispute concerning this Agreement shall be to seek recovery of that amount, upon payment of which Company shall be released from all further obligations and liability to Reseller.

13.2. Indemnity

a) Except as otherwise stated herein, Reseller shall indemnify and hold harmless Company against any and all claims, legal actions, losses, damages, liabilities, costs and expenses asserted against, imposed upon or incurred by Company arising out of or relating to (i) any misrepresentation or breach of warranty or covenant by Reseller

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under this Agreement; (ii) any actual or alleged act or omission of Reseller in the course of its performance hereunder; (iii) death or injury to any person or damage to any property resulting from any product or part (a) not supplied by Company, (b) supplied by Company but changed, modified, adapted or refitted without Company's written authorization, (c) not in Company's standard inventory but purchased by Company at Reseller's direction, or (d) manufactured to Reseller's design, as well as any claim of infringement arising from the use of any Product with any other product as a combination not furnished by Company.

b) Company warrants and represents that the Products shall be delivered with good title free of any rightful third party claim of infringement of any patent, copyright, trademark, trade secret or other intellectual property right recognized or registered within the United States and its possessions. Company shall defend Reseller from all claims, suits, damages, costs, expenses or liabilities actually incurred by Reseller as a result of any such claim. If a Product or part thereof is held to constitute an infringement and its intended use is enjoined, Company shall at its option procure for Reseller the right to continue using the Product or part, replace it with a non-infringing Product or part, modify it to become non-infringing, or remove it and refund its purchase price (less depreciation and amortization). This Section does not apply to

i) any product or part not supplied by Company;

ii) any Product or part supplied by Company which is changed, modified, adapted or refitted without Company 's express written approval;

iii) any Product or part not in Company 's standard inventory but purchased by it at Reseller's direction;

iv) any Product or part manufactured to Reseller's design or

v) any claim of infringement arising from the use of any Product in combination with any other product not furnished by Company. THIS INDEMNITY IS COMPANY'S SOLE LIABILITY AND RESELLER'S SOLE REMEDY FOR INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

14. WARRANTIES AND REPRESENTATIONS

The Products are covered by the limited warranties in effect at the time the Products are delivered, on standard terms and conditions supplied with each product shipped and which are incorporated herein by this reference. Should Reseller resell Products to any entity other than an end-user, and Products are further resold, the final end-user may not receive any Company warranty or technical support.

15. BUSINESS STANDARDS; PRODUCT SERVICE PROVISION

15.1. Conflicts of Interest

Reseller confirms that it has revealed all information pertaining to possible conflicts of interest created by sale of competing products or services or arising from other positions or contracts held by Reseller and represents that no conflict of interest exists. Reseller shall disclose to Company any future circumstances which could create possible conflicts of interest as soon as they become known by Reseller.

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15.2. Ethical Standards

Directors, officers, or employees of Reseller shall not, directly or indirectly, offer, promise or pay any bribes or other improper payments for the purposes of promoting Company Product sales to any individual, corporation, government official or agency, or other entity. No gift, benefit or contribution in any way related to Company or the sale of Company Products shall be made to political or public officials or candidates for public office or to political organizations, regardless of whether such contributions are permitted by local laws. Reseller shall generally abide by all Company policies and standards regarding conflicts of interest and ethics as may be adopted by Company or otherwise communicated to Reseller from time to time, such policies and standards being incorporated herein by this reference.

15.3. Authorized Service Provider Program

In the event Reseller is approved by Company as an Authorized Service Provider for Company Products, Reseller shall at all times during the period of such designation adhere to the standard terms, conditions, rules and policies of the Company Authorized Service Provider Program as may be issued by Company from time to time, and shall be solely responsible for all its acts and omissions in the course of acting as an Authorized Service Provider for Company Products.

16. FORCE MAJEURE

Company shall not be liable for any failure to perform due to causes beyond its control, including but not limited to fire, flood, earthquake, explosion, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, labor disputes or shortages, transportation embargoes, failures or delays, inability to secure raw materials or machinery, acts of God or government (including denials of or onerous restrictions on export licenses), any such event of force majeure affecting Company 's third-party suppliers, or judicial action. Similar causes shall excuse Reseller for failure to take Company Products ordered by Reseller other than those already in transit or specially fabricated or not readily saleable to other buyers.

17. GENERAL PROVISIONS

17.1. Parties' Relationship

Company's and Reseller's relationship is solely that of independent seller and buyer with the right to resell. Reseller is authorized to resell Company Products (and, if applicable, to act as an Authorized Service Provider) in its own name but not to receive any commissions from Company. Reseller has no express or implied authority to assume or create any obligation on Company's behalf, and shall disclaim any such authority whenever necessary to avoid confusion. In no case shall Reseller or any of its sub-resellers, if any, be deemed Company's agents or representatives, nor shall Reseller or any of its Sub-resellers, if any, have the right to conclude any contract or commitment in Company's name, or to make any representation, guarantee or warranty on behalf of Company or any of its licensors to any third party, including end-users.

17.2. Governing Law; Venue

This Agreement and any controversy arising out of or in relation to it shall be governed by the law of the Nevada (conflicts of laws provisions excepted), and, subject to Section 17.6 below, the parties hereby submit to the jurisdiction of the state and federal courts of the Nevada, which shall have exclusive jurisdiction over all controversies in connection herewith. Reseller hereby waives any right to assert any rights or defenses within any other jurisdiction or to require that litigation regarding this Agreement take place elsewhere.

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17.3. Severability

If any provision of this Agreement shall be declared void, invalid, or illegal, the validity or legality of all other provisions of the Agreement shall not be affected thereby.

17.4. Notices

Except as otherwise provided in this Agreement, all notices, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by facsimile, other electronic means or nationally recognized overnight courier service addressed to the party to whom such notice or other communication is to be given or made at such party's address as set forth below, or to such other address as such party may designate in writing to the other party from time to time in accordance with the provisions hereof, and shall be deemed given when personally delivered, when sent electronically or 3 business day after being sent by overnight courier.

To Reseller:

Encore Technology Group
900 East Main Street
Suite T
Easley, SC 29640

Attention: Supplier Administration
Facsimile: (864) 422-0647

To Company:

Clear Touch Interactive
561 Keystone Avenue
Suite 821
Reno, NV 89503

Attention: Reseller Administration
Facsimile: (775) 473-9108

EITHER PARTY MAY CHANGE THE ADDRESS TO WHICH NOTICE MUST BE SENT BY GIVING WRITTEN NOTICE OF SUCH CHANGE TO THE OTHER PARTY IN THE MANNER PROVIDED HEREIN.

17.5. Assignability

Reseller shall not assign or transfer this Agreement without Company's prior written consent, upon which this Agreement shall bind and inure to the benefit of the assigns. Company may assign this Agreement to its affiliate upon written notice to Reseller.

17.6. Dispute Resolution

All material disputes between the parties arising from this Agreement shall be resolved by the following procedures.

a) A letter shall be sent from the party raising the dispute to the other party in accordance with the notice provisions of Section 17.4, identifying with particularity the nature of the dispute, the proposed resolution of the dispute ("Proposed Resolution"), and the executives from the party raising the dispute who are authorized to resolve the dispute ("Demand Letter"). The Demand Letter shall include the facts supporting such party's position on the dispute and include copies of any written materials.

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b) The party receiving the Demand Letter shall have 3 Business Days to send a written response ("Response Letter"), which shall be sent in accordance with Section 17.4. The Response Letter must accept the Proposed Resolution in the Demand Letter or offer some other resolution.

i) If the Response Letter accepts the proposed resolution in the Demand Letter or no Response Letter has been received within 3 Business Days, then the Proposed Resolution shall be promptly implemented by the parties and shall, where applicable, be considered an amendment of this Agreement.

ii) If the Response Letter offers some other resolution, it shall include all facts supporting the responding party's position on the dispute, include copies of any written materials, and identify the executives of the responding party who are authorized to resolve the dispute. The executives identified in the Demand Letter and Response Letter shall meet one or more times and exchange such additional written materials and proposals as needed to reach a resolution of the matter or for one of them to declare an impasse.

c) The party declaring an impasse shall obtain a list of 3 mediators from the United States Judicial Arbitration and Mediation Service ("JAMS") acceptable to that party and send such list to the other party. Within 10 Business Days, the other party shall select one of the 3 mediators. If the other party fails to select an arbitrator within 10 Business Days, then the party declaring the impasse shall ask JAMS to select a mediator. The Mediation shall be held in the State of Nevada.

d) The mediator shall immediately arrange a conference call with the mediator and the executives identified in the Demand Letter and Response Letter. In the initial conference, the mediator shall set a place and a time where the executives and mediator will resolve the dispute ("Mediation"). The Mediation must take place within 10 Business Days of the initial conference call. The parties shall each pay one half of the costs of the mediator unless directed otherwise by the mediator.

e) At least 24 hours prior to the Mediation, each party shall submit to the mediator the Demand Letter and Response Letter, any additional written materials exchanged prior to the declaration of an impasse, and the party's final proposal to resolve the dispute ("Final Proposal"). No other written materials may be submitted to the mediator or used in the Mediation.

f) The Mediation shall be attended only by the mediator and the executives identified in the Demand Letter and Response Letter. The Mediation shall take no more than 3 days. Each side shall have counsel available by telephone to draft any documents necessary to implement any resolution of the Mediation. If at the end of the Mediation the parties have not reached a mutual resolution, the mediator shall within 24 hours adopt one of the party's Final Proposals or set forth in writing a resolution of the matter that is between the parties' Final Proposals ("Mediator's Resolution").

g) The Mediator's Resolution shall be immediately implemented by the parties. The Mediator's Resolution shall be binding upon the parties and not subject to any further review except in the following limited circumstances:

h) The Mediator's Resolution requires either party to pay the other or incur expenses in excess of $10,000.00.

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i) The difference between the aggregate amount demanded in a party's Final Proposal exceeds $10,000.00.

j) The Mediator's Resolution is less favorable to a party than the other party's Final Proposal.

k) Any party dissatisfied with the Mediator's Resolution meeting the criteria in Section 17.6 above must initiate a proceeding within 10 days of receipt of the Mediator's Resolution ("Proceeding"). The Proceeding shall make a de novo review of the parties' dispute, except the Mediator's Resolution shall be admissible. The parties shall each pay one half of the costs of the retired judge unless directed otherwise by the retired judge.

17.7. No Waiver

Any failure of either party to enforce at any time, or for any period of time, any provision of this Agreement, shall not constitute a waiver of such provision or in any way affect the validity of this Agreement.

17.8. Complete Agreement

This Agreement with its Exhibits contains the parties' entire Agreement and supersedes all previous communications, representations or agreements, oral or written, regarding its subject matter. No addition to or modification hereof shall bind either party unless reduced to writing and duly executed by the parties as this Agreement was, subject, however, to revisions of Exhibits A, B and C, which Company may revise at any time pursuant to Section 17.9.

17.9. Exhibits

All Exhibits attached hereto are incorporated herein by this reference, and Company has the right to amend in writing any of those Exhibits in its sole discretion.

IN WITNESS WHEREOF, this Agreement has been executed by the parties' authorized representatives on the date first written above.

COMPANY	RESELLER
_____	_____
Authorized Signature	Authorized Signature
_____	_____
Print Name and Title	Print Name and Title

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EXHIBIT A
COMPANY'S RESELLER TERRITORY LIST

Reseller's Territory/ies shall be defined as the localities identified in this exhibit. Prior to any termination of this agreement, Company will send written notice to the Reseller.

Localities identified herein:

The State of Alabama
The State of Georgia
The State of Florida
The State of North Carolina
The State of South Carolina
The State of Tennessee
The State of Virginia

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EXHIBIT B
COMPANY'S RESELLER PRICE LIST

Company's Reseller Price List applies to all product purchases, and will be updated from time to time.

Products descriptions identified herein:

Integrated Interactive Displays

Products discounts identified herein:

Quantity 1 to 2	**20.0% discount to MSRP**
Quantity 3 to 24	**25.0% discount to MSRP**
Quantity 25 to 49	**30.0% discount to MSRP**
Quantity 50 and above	**32.5% discount to MSRP**

Products descriptions identified herein:

Integrated Interactive Displays Warranties

Products discounts identified herein:

Quantity Any	**10.0% discount to MSRP**

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EXHIBIT C
COMPANY PURCHASE ORDER FORM

Reseller's standard purchase order will be sufficient to constitute an order, but no terms and conditions stated on Reseller's purchase order will have any effect on the terms of this Agreement and are superseded in their entirety by this Agreement.

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EXHIBIT D
INITIAL PURCHASE PRODUCT LIST

The products and prices for demonstration products purchased by Reseller for an Initial Purchase are:

Item Identification	Item Description	MSRP	Price
CTI-4070L-06	Sharp 70" 70LE650U Display with 6 points of touch	$6,499.00	$5,849.10

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Russell Young

From:	Keone Trask <\/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A22B903AAA2F4950BEFC40F053EF4C25-KEONE TRASK>
Sent:	Monday, April 22, 2013 5:26 PM
To:	kc@cleartouchinteractive.com
Cc:	Wendy Metcalf
Subject:	Clear Touch / Encore Agreement

Kathy –

I just wanted to drop a note and let you know that we are actively reviewing the contract and will likely complete this week. We are having an internal sales meeting at the end of the week where I would like to announce our agreement and identify some immediate opportunities. Unfortunately, I will be travelling this week through Thursday and will have limited availability. Should you have any questions please forward them to Wendy Metcalf, Vendor and Operations Coordinator, wmetcalf@encoretg.com or (888) 98-encore. Thank you and I look forward to working with you.

Keone

PLAINTIFF'S EXHIBIT 22

PENGAD 800-631-6989

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Russell Young

From: Amy Andrews <aa@cleartouchinteractive.com>
Sent: Monday, February 10, 2014 4:17 AM
To: ktrask@encoretg.com
Subject: Clear Touch Interactive - Opportunity

Keone

Here is a lead from a general inquiry to the website.

Thank you

Amy

Contact: Kirt Hinkle
Company: Striker Contracting
Phone: (770) 820-4434
Note: I am looking for pricing on the 70 and 84 inch units as well as a comparison of how your product compares to smart technologies product. Please email or call me so we can discuss. 770.820.4434. Thanks for the help!

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

PLAINTIFF'S EXHIBIT 26

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Russell Young

From: Keone Trask <ktrask@encoretg.com>
Sent: Monday, February 10, 2014 3:26 PM
To: aa@cleartouchinteractive.com
Cc: kc@cleartouchinteractive.com; Leo Gallant
Subject: RE: Spartanburg School District 6 SC - Touch Screen Displays

Amy –

Please be aware that due to inclement weather we will be unable to facilitate the onsite diagnostics as requested; we should be able to accommodate this request on Thursday of this week.

Keone

Keone Trask
Chief Business Development Officer
Encore Technology Group

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Goodbye Projectors - Interact Differently

From: Amy Andrews [mailto:aa@cleartouchinteractive.com]
Sent: Monday, February 10, 2014 4:01 AM
To: Keone Trask
Cc: kc@cleartouchinteractive.com
Subject: Spartanburg School District 6 SC - Touch Screen Displays

Keone,

I apologize for the issues you are experiencing with the touch screens displays deployed at Spartanburg School District 6, SC.

Please review the attached trouble report instructions and diagram to submit a trouble report to our support and development engineers in China; support@zaagtech.com.

Use the following URL to install remote connection software for each device connected to the touch screen displays; http://www.teamviewer.com/en/products/remotecontrol.aspx

Please send the user name and password for each device connected to the touch screen displays to Brian Oh; brian@idspulse.com.

It is not necessary to have anyone present at the time of the remote connection; but it is necessary to leave the computer on for remote connection

Note that these devices will be accessed between 9:30pm and 6:30am Eastern Standard Time.

PLAINTIFF'S EXHIBIT 27

Best regards,

Amy

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

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Russell Young

From: Keone Trask </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A22B903AAA2F4950BEFC40F053EF4C25-KEONE TRASK>
Sent: Monday, March 24, 2014 9:16 PM
To: 'aa@cleartouchinteractive.com'
Subject: Opportunity Registrations

Amy –

Can you confirm for me that we can make the following pricing deviations for some key account opportunities?

Nash Rocky Mount Schools, NC

Looking at single purchase of 200 65" or 70" displays. Requesting a $200- Interactive panel price discount.

Winston Salem Forsyth Schools, NC

One of our biggest accounts. Currently piloting mobile interactive panels in a couple of schools. Requesting free stand to support pilot.

Please contact me with any questions or additional details about these opportunities.

Keone

Keone Trask
Chief Business Development Officer
Encore Technology Group

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PLAINTIFF'S EXHIBIT 29

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Russell Young

From: Keone Trask </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A22B903AAA2F4950BEFC40F053EF4C25-KEONE TRASK>
Sent: Wednesday, March 26, 2014 10:03 AM
To: 'aa@cleartouchinteractive.com'
Cc: Danielle Stengel; Megan White
Subject: Opportunity Deviation Request

Amy –

Two new opportunities that we are working with:

Vance Granville Community College, NC – Immediate purchase of 2 units with near term purchase total of 10 units.

Customer is looking for a mobile solution to use throughout campus. This is a competitive account with Sharp being the incumbent, customer is willing to present at regional conferences and discuss product on state level communications to all community colleges in North Carolina. We are looking at providing the mobile stands complementary.

Winston Salem Forsyth Schools, NC – Immediate purchase of 1 to 5 units at specific locations.

Customer is historically one of Encore largest buyers of classroom technology. Budget constraints have forced district administrative staff to consider and implement interactive projectors. Following recent regional events individual schools staff have opted to pilot and review the interactive panel. This would allow us to escalate the decision to move away from interactive whiteboards and projectors moving toward panels. We are looing at providing the moblie stands complementary for these pilot initiatives.

Call me with any questions.

Thank you

Keone

Keone Trask
Chief Business Development Officer
Encore Technology Group

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Russell Young

From: Amy Andrews <aa@cleartouchinteractive.com>
Sent: Wednesday, March 26, 2014 1:28 PM
To: 'Keone Trask'
Subject: RE: New Opportunity

Keone –

That is exciting to hear! I will certainly be open and willing to assist Encore as much as I am able to in order to procure this possible implementation across this district and others of course. Your continued feedback is always appreciated and as always, please let me know what would be/may be beneficial to help assist some of these folks along. It sounds like you have a good plan together thus far.

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

From: Keone Trask [mailto:ktrask@encoretg.com]
Sent: Wednesday, March 26, 2014 10:06 AM
To: 'aa@cleartouchinteractive.com'
Cc: M. Terry Caldwell; Steve Mott
Subject: New Opportunity

Amy –

We have a new opportunity that we are working with:

Dublin City Schools, GA – Immediate purchase of 4 units with potential to implement across the district.

Customer is looking for a mobile solution to use throughout two campuses to gauge usability and response. This will build on existing Georgia activity and is very timely heading into ISTE which will be held in Atlanta, GA this year... more local customers and presence. We are looking at providing the mobile stands complementary.

Call me with any questions.

Thank you

Keone

Keone Trask
Chief Business Development Officer
Encore Technology Group

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Keone Trask
CBDO
Encore Technology Group
Direct: (864) 200-2169
Fax: (864) 438-0265
Office: (888) 983-6267

Email Disclaimer

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Encore Technology Group

Russell Young

From: Keone Trask </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=A22B903AAA2F4950BEFC40F053EF4C25-KEONE TRASK>
Sent: Wednesday, March 26, 2014 2:26 PM
To: 'aa@cleartouchinteractive.com'
Subject: Opportunity Pricing Deviation

Amy –

The opportunities continue to come in...

Warren County School District, NC – District is moving order over from Promethean Interactive Whiteboards to the clear Touch Interactive Panels. Features and functionality is heavily favored. Warren County is a rural school district with little spend capability. They are funding this purchase with a federal grant. Unlike our other opportunities that are in larger districts, Warren County is representative of the majority of school district in the region. By implementing Warren County School District they will be a favorable reference and a like reference for other accounts.

Request is for up to 8 mobile stands to be discounted to $0-

Thank you.

Keone

Keone Trask
Chief Business Development Officer
Encore Technology Group

Follow Encore Online:

Goodbye Projectors - Interact Differently

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From: Todd Newnam <tnewnam@encoretg.com>
Sent: Monday, April 14, 2014 4:31 PM
To: Russell Young <ryoung@encoretg.com>
Subject: FW: Interactive Product Offering
Attach: Interactive Panel Competitive Comparison V2.xlsx

Take a look at sheet and string.

From: Leo Gallant <lgallant@encoretg.com>
Date: Monday, April 14, 2014 at 9:42 AM
To: Todd Newnam <tnewnam@encoretg.com>, David Masters <dmasters@encoretg.com>
Cc: Keone Trask <ktrask@encoretg.com>
Subject: RE: Interactive Product Offering

I've updated the spreadsheet.

The costs to customer is the panel only (based on the 70" model), installation costs are subject to the reseller but most likely will be similar from installer to installer. The cost to install by Encore would be the same no matter what panel we were installing.

While Clear Touch provides the fixed wall mount with their panels, there is no information stating whether or not the other manufacturers provide the same.

Each panel will come with the same basic cables for connecting up to 6 feet from the panel.

All of these models in the spreadsheet are tv type panels, so there are no projector bulbs involved in this comparison.

As to software compatibility, I only know that we can run any other software on the Clear Touch panels. While it may be possible to run Promethean on a SMART E70, a Promethean customer will likely never buy a SMART E70, and visa versa.

The messaging with SMART, Promethean, and others is that they will always optimize their panels to work with their software as they both move to monetizing their software packages.

Power consumption across the panels is very similar, pretty much industry standards.

We enjoy a unique position with Clear Touch in a very robust, reliable product that is actually shipping. We are also not competing against other resellers for the same product, a situation that would be there with all the other panels (Promethean included) in this comparison. We are working very hard to create the demand and awareness for this unique offering by Encore and have built great momentum. Momentum that would be very hard to rebuild in a scenario where we've quadrupled our competition field. :)

Thanks!

Leo

Leo Gallant
Classroom Solution Architect
Encore Technology Group

Follow Encore Online:

PLAINTIFF'S EXHIBIT 31

ENC 00000982

Goodbye Projectors - Interact Differently

From: Todd Newnam
Sent: Monday, April 14, 2014 4:22 AM
To: Leo Gallant; David Masters
Cc: Keone Trask
Subject: Re: Interactive Product Offering

Leo,

Does the cost to customer assumption include installation and known needed accessories (like wall bracket, cables, etc)? If not, can you provide a second line that includes that as well as a line that would indicate anything regarding maintenance (ala the current promethean projectors needing bulbs). I'd like to have a complete install cost comparison.

Can you also include a line for software platform compatibility. As I understand it the ClearTouch comes with its own basic software but can also use the promethean and smart offerings.

Please also add lines for input array (i.e. Number and type of inputs), power consumption, auto shut off yes/no, and estimated panel life.

Thanks,

Todd

From: Leo Gallant <lgallant@encoretg.com>
Date: Friday, April 11, 2014 at 4:33 PM
To: David Masters <dmasters@encoretg.com>, Todd Newnam <tnewnam@encoretg.com>
Cc: Keone Trask <ktrask@encoretg.com>
Subject: RE: Interactive Product Offering

Here you go

Leo Gallant
Classroom Solution Architect
Encore Technology Group

Follow Encore Online:

Goodbye Projectors - Interact Differently

From: David Masters
Sent: Friday, April 11, 2014 3:48 PM
To: Leo Gallant; Todd Newnam
Cc: Keone Trask
Subject: RE: Interactive Product Offering

Leo – Can you add estimated costs for these for comparison?

From: Leo Gallant
Sent: Friday, April 11, 2014 3:20 PM
To: Todd Newnam
Cc: David Masters; Keone Trask

Subject: RE: Interactive Product Offering

These are the most talked about features. Everything else will be comparable (things like mounting options, etc.)

We don't have exact pricing on the different manufacturers other than Promethean, but Clear Touch is always in line or much better cost to the customer.

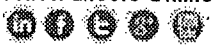
Hope this helps, let me know if you have any questions.

Thanks, and have a great weekend!

Leo

Leo Gallant
Classroom Solution Architect
Encore Technology Group

Follow Encore Online:



Goodbye Projectors - Interact Differently

From: Todd Newnam
Sent: Friday, April 11, 2014 8:14 AM
To: Leo Gallant
Cc: David Masters
Subject: RE: Interactive Product Offering

Ok. Great.

From: Leo Gallant
Sent: 4/11/14, 8:13 AM
To: Todd Newnam
Cc: David Masters
Subject: Re: Interactive Product Offering
I'm trying to have it all done for you by the end of today

Sent from my iPhone

On Apr 11, 2014, at 7:45 AM, "Todd Newnam" <tnewnam@encoretg.com> wrote:

By Tuesday do you mean with the grid filled in and complete?

From: Leo Gallant
Sent: 4/11/14, 7:30 AM
To: Todd Newnam
Cc: David Masters
Subject: Re: Interactive Product Offering
Hi Todd, yes, this is in process. I'll have it complete by Monday morning. Keone mentioned it was needed by Tuesday. Will that work?

Thanks!

Leo

Sent from my iPhone

On Apr 11, 2014, at 5:57 AM, "Todd Newnam" <tnewnam@encoretg.com> wrote:

Leo,

Keone was going to give you a list of performance characteristics and a list of product offerings for you to prepare a grid so we could understand the product options.

Can you please forward to Dave and me what he has sent to you on this.

Thanks,

Todd

Todd Newnam
Chairman
Encore Technology Group
Direct: (864) 307-2669
Fax: (864) 640-8828
Office: (888) 983-6267

Email Disclaimer

This message contains confidential information and is intended only for the individual(s) addressed in the message. If you are not the named addressee, you should not disseminate, distribute, or copy this e-mail. If you are not the intended recipient, you are notified that disclosing, distributing, or copying this e-mail is strictly prohibited.

Encore Technology Group

	A	B	C	D	E	F	G
1	**Panel Comparison**	**Clear Touch**	**Promethean**	**SMART**	**Qomo**	**Sharp**	**BenQ**
2	**Sizes**	65, 70, 84	65, 70	70	55, 65, 70, 84	60, 70, 80	42, 55, 65
3	**Resolution**	1920x1080, 4K on 84"	1920x1080	1920x1080	1920x1080, 4K on 84"	1920x1080	1920x1080
4	**Low Glare Glass**	Yes	Yes	Yes	Yes	No	Yes
5	**Optional Integrated PC**	Yes	Yes, but customer must buy their own at 2x the price of Clear Touch	No	No	Yes, Win7 only	No
6	**Integrated Speakers**	Yes	Yes	Yes	Yes	No, but optional soundbar available	Yes
7	**HID Scattered IR**	Yes	Yes, IR but not HID compliant	Yes, but not HID compliant	Yes	No, uses optical cameras and mirrors	No, uses optical cameras and mirrors
8	**Points of Simultaneous Touch**	6	6	8	6		5
9	**Speed of Touch Response**	<4ms	8ms		4ms	6ms	8ms
10	**TV Remote Touch Enabled**	Yes	No	No	<	No	
11	**Sole-Source Opportunity**	Yes	No	No	No	No	No
12	**Inputs**	2xHDMI, 2xVGA, 2x USB(control), 1xUSB(media), 1xComponentVid, 1xCompositeVid	1xHDMI, 1xVGA, 1xComponentVid, 1xCompositeVid, 2xUSB(media), 1xUSB(control)	3xHDMI, 1xVGA, 1xComponentVid, 1xCompositeVid, 1xUSB(control), 1xUSB(media)	2xHDMI, 2xVGA, 2x USB(control), 1xUSB(media), 1xComponentVid, 1xCompositeVid	1xHDMI, 1xDVI, 1xVGA, 1xComponentVid, 1xCompositeVid, 1xUSB(control)	2xHDMI, 1xSVid, 1xUSB(control), 1xUSB(media)
13	**Power Consumption Running**	260W	340W	280W	260W	240W	265W
14	**Power Consumption Standby**	.5W	1W	.5W	.5W	1W	.5W
15	**Auto Shutoff**	Yes	Yes	Yes	Yes	Yes	Yes
16	**Life Expentancy**	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min	50,000 hrs min
17	**Warranty**	1 Year Manufacture, 3 and 5 year options	3 Year	2 Year limited	Unknown	3 year limited	Unknown
18	**Special Note**	The response to these panels has always been overwhelmingly positive. A true walk-up experience, and we more or less have sole-source.	Still not shipping	In a side by side comparison, SMART districts have preferred our panel to run SMART software	This product is the most simialar to ours. At every conference, their reps have come to our booth fretting that we are beating them on price.	I've yet to hear anyone say they've had a positive experience with these units. They're slow and the glass is very reflective.	Again, using optical glass technology is slow and frustrating.
19	**Estimated Cost to Customer (based on 70")**	$5,295.00	$6,500.00	$5,495.00	$5,695.00	$5,395.00	$5,500.00

PLAINTIFF'S EXHIBIT 32

NONDISCLOSURE AND PROTECTIVE AGREEMENT TO GOVERN CONFIDENTIAL/PROPRIETARY DATA

This **NONDISCLOSURE AND PROTECTIVE AGREEMENT ("Agreement")** is hereby made and entered into as of this 25th day of April, 2014 (the "Effective Date"), by and between Clear Touch Interactive, Inc., a corporation organized under the laws of Nevada, and its affiliates and subsidiaries ("Clear Touch"), and Leo Gallant, an individual. Clear Touch and Leo Gallant hereinafter shall each be referred to as a "Party" and shall collectively be referred to as the "Parties."

RECITALS:

WHEREAS, the Parties intend to jointly explore the possibility of entering into a business relationship;

WHEREAS, the Parties, to facilitate this effort, may exchange information deemed to be confidential and/or proprietary by the disclosing Party, including, without limitation, financial, operational, business and technical data regarding, as well as business, marketing, and sales strategies and plans of, the disclosing Party;

WHEREAS, the Parties desire to preserve and protect the confidentiality of all confidential and/or proprietary information disclosed by the Parties to one another;

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, with the intent of being legally bound, do hereby agree as follows:

1. **Purpose.** Each Party hereby acknowledges that it has entered into this Agreement solely to facilitate the joint exploration by the Parties of a potential business relationship, providing a mechanism to safeguard any confidential and proprietary data exchanged by the Parties. This Agreement shall not require either Party to furnish Confidential/Proprietary Information to the other Party, nor shall the furnishing of Confidential/Proprietary Information by a Party to the other Party obligate either Party to evaluate, negotiate or enter into a business relationship with the other Party or preclude either Party from evaluating, negotiating or entering into any business relationship with a third party. No warranties of any kind are given by either party with respect to the information provided to the other.

2. **Confidential/Proprietary Information.** All information disclosed by a Party, its affiliates, subsidiaries or agents, or third parties at the request of the Party, to the other Party, shall be deemed to be "Confidential/Proprietary Information" if it is (a) in written, graphic or other tangible form, including, without limitation, computer discs and tapes and other media which can be converted to readable form, and bears an appropriate legend indicating its confidential and/or proprietary nature, or (b) disclosed orally, or in a form other than in writing or a media which can be converted to readable form, and is identified as confidential and propriety at the time of disclosure, with such designation confirmed in writing within seventy-two (72) hours thereafter; provided, however, that the disclosing Party's failure to place an appropriate legend indicating the confidentiality and/or proprietary nature of information disclosed in written, graphic or other tangible form or to provide written confirmation of the confidential nature of information disclosed orally, or in a form other than in writing or on

Clear Touch Interactive, Inc. Initials EP YBC Individual Initials LG

computer disk or tape, shall not relieve the receiving Party of its obligation to preserve the confidentiality of said information if the receiving Party knows, should have known or has reason to know that the information is confidential or proprietary; provided further that the receiving Party shall not be liable for any reasonable, good faith disclosure of such information. Any agreements or other documents memorializing or reflecting the terms of the Parties business relationship shall also be deemed Confidential/Proprietary Information. Each Party acknowledges that the Confidential/Proprietary Information of the other Party is uniquely valuable and competitively-sensitive.

3. **Use and Dissemination.** Neither Party shall use Confidential/Proprietary Information of the other Party for any purpose other than evaluating and negotiating a business relationship between the Parties. Each Party shall restrict internal disclosure of Confidential/Proprietary Information of the other Party to such of its officers, employees and agents, including attorneys, accountants and financial or investment advisors, as have a reasonable need to know such information and shall advise said officers, employees and agents of the obligations assumed by it in this Agreement. Neither Party shall disclose Confidential/Proprietary Information of the other Party to any third party, other than such attorneys, accountants and financial or investment advisors as shall be assisting the Party in evaluating and negotiating the business relationship between the Parties, without the prior written consent of the other Party; provided, however, that either Party may disclose Confidential/Proprietary Information of the other Party to its principal lenders and substantial stock holders without the prior written consent of the other Party so long as such lenders and stock holders have executed a nondisclosure agreement substantially similar to this Agreement. A Party shall not reproduce Confidential/Proprietary Information of the other Party unless necessary to evaluate and explore a business relationship between the Parties, and shall ensure that all such copies, as well as summaries and notes of and other documents and materials containing or referencing, the Confidential/Proprietary Information of the other Party are appropriately marked as such.

4. **Standard of Care.** Each Party shall take all reasonable and necessary steps to prevent the disclosure, unauthorized use or publication of Confidential/Proprietary Information of the other Party and in so doing, shall not use less than the same degree of care it uses with regard to its own proprietary or confidential information, and shall maintain said information in a secure location accessible only by those who are authorized to view it.

5. **Exceptions.** The restrictions on disclosure of Confidential/Proprietary Information shall not apply to (i) information which at the time of disclosure was generally available to the public; (ii) information which subsequent to its disclosure to a Party, is published or otherwise becomes available to the public through any means other than an act or omission of the Party; (iii) information which was previously known to a Party free of any obligation to keep it confidential or which is subsequently developed independently in good faith by the Party; and (iv) information rightfully acquired in good faith from a third party on a non-confidential basis without breach of an agreement to maintain said information in confidence. Notwithstanding anything to the contrary herein, a Party may disclose Confidential/Proprietary Information of the other Party (i) if required to do so by law; or (ii) if ordered to do so by a court or other governmental authority of competent jurisdiction; provided, however, that a Party shall provide the other Party prior written notice of any such disclosure and exercise its best efforts, consistent with sound business practice, both to afford the other Party an opportunity to contest the disclosure and to limit the extent of the disclosure to the maximum extent practicable.

6. **Proprietary.** By disclosing Confidential/Proprietary Information, a Party does not relinquish any proprietary rights and interests, or grant any rights or licenses, in said information. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to Confidential or other information. Upon the written request of a Party, the other Party shall promptly return, or, at the sole discretion of the requesting Party, destroy, all Confidential/Proprietary Information of the requesting Party and all

Clear Touch Interactive, Inc. Initials (KT) YBL Individual Initials LG

copies thereof, as well as all summaries, notes or other documents, materials or things containing Confidential/Proprietary Information.

7. **Remedies.** In the event a material breach hereof occurs, or is threatened, the nonbreaching Party shall have the right to pursue any and all legal and equitable remedies to which it would be entitled under the law. Each Party hereby agrees and acknowledges that the other Party would be irreparably damaged by the breach of this Agreement, which damage could not be adequately compensated except by specific performance hereof. In the event such a default has occurred or is threatened, it is agreed that the nonbreaching Party shall be entitled to temporary and permanent injunctive relief, including, without limitation, specific performance of this Agreement, without any showing of actual damage or inadequacy of legal remedy or the posting of any bond in any proceeding which may be brought to enforce this Agreement.

8. **Representations and Warranties.** Each Party represents and warrants to the other Party, which representations and warranties shall survive the execution hereof, that it has the power and authority to execute, deliver and perform this Agreement, that its execution and delivery of this Agreement and its performance hereunder have been duly authorized and that this Agreement has been duly executed and delivered by it and is a valid and binding agreement enforceable in accordance with its terms against it. Neither Party is making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential/Proprietary Information being disclosed to the other Party.

9. **Nonsolicitation.** For a period commencing on the Effective Date and ending on the second anniversary of the termination of this Agreement, neither Party shall directly solicit for employment or hire any person who is now employed by the other Party (or whose activities are dedicated to the other Party).

10. **Termination/Survival.** This Agreement may be terminated upon thirty (30) days' written notice by either Party; provided, however, that the obligations imposed by this Agreement to safeguard and to promptly return or destroy the Confidential/Proprietary Information of the other Party shall survive any termination of this Agreement for a period of three (3) years.

11. **Entire Agreement.** **THIS AGREEMENT SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, REGARDING THE SUBJECT MATTER HEREOF.** This Agreement may only be amended or modified by written consent of both Parties. The terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective heirs, successors, transferees and assigns.

12. **Miscellaneous.** The waiver of compliance with any of the provisions of this Agreement by a Party shall not be considered an ongoing waiver of such provisions or a waiver of any of the other provision hereof by said Party. Each provision of this Agreement shall be considered severable and if for any reason any provision hereof is determined to be contrary to any existing or future law, rule or regulation of any jurisdiction, such invalidity shall not impair the operation of said provision in any other jurisdiction or any other provisions hereof. All notices and solicitations of consent or approval, and other communications hereunder, shall be in writing; shall be deemed to have been given when delivered by hand, by telecopy (followed by mailed notices as hereinafter provided), by overnight delivery service, with acknowledged receipt, or by United States mail, if sent by registered or certified mail, postage prepaid, return receipt requested, addressed, to a Party at the address set forth for that Party below or such other address as the Party shall have given in writing for such purpose. Neither Party shall assign this

Clear Touch Interactive, Inc. Initials Individual Initials

Agreement to any third party without the prior written consent of the other Party, provided, however, that the merger or consolidation of one Party into, or the sale of all or substantially all of the stock or assets of such Party to, a third party shall not be deemed to be an assignment. This Agreement will be governed by internal laws of the State of Nevada, without reference to its choice of law rules. Any action arising out of or related to this Agreement shall be brought in the state or Federal courts located in Washoe County, Nevada and each Party consents to the jurisdiction and venue of such courts.

13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts taken together shall constitute the agreement of the Parties.

Clear Touch Interactive, Inc. Initials (CT) YBL

Individual Initials CG

IN WITNESS WHEREOF, the Parties have caused this **NONDISCLOSURE AND PROTECTIVE AGREEMENT** to be duly executed as of the day and year first above written.

Clear Touch Interactive, Inc.

By: _____

Name: KEONE TRASK

Title: DIRECTOR

By: _____

Name: Tamara Trask

Title: Director

Individual

By: _____

Name: LEO GALLANT

Address for Notices

561 Keystone Avenue
Suite 821
Reno, NV 86503

Address for Notices

907 SOUTH SUBER RD.
GREER, SC 29650

Clear Touch Interactive, Inc. Initials KT TM

Individual Initials _____

Russell Young

From: Amy Andrews <aa@cleartouchinteractive.com>
Sent: Wednesday, April 30, 2014 12:30 PM
To: ktrask@encoretg.com
Subject: Touching Base

Hi Keone! I just wanted to touch base with you to see how things are going. First of all, I sent Pam and Russell and update in regards to your current shipments which stated the following:

> I just wanted to give you a quick update on your shipments: Your consignment inventory is scheduled to arrive into port on May 3 and should reach your office shortly thereafter. I will provide tracking information once it has reached the states and is on its way to you. As far as PO53175, it is scheduled to arrive into port on May 29. I was hoping for sooner but you never can tell for certain with shipment prep and vessel schedules. Once again, I will provide tracking information once it has reached the states and is on its way to you. Please let me know if you have any additional questions.

How are things going in the sales department? Anything I can be of assistance with? I know Pam had inquired about possibly ordering 55 of the 65" panels here soon and I didn't know what else you may be looking at coming up. It is probably a good idea to get another order in soon due to the length of time in production and shipping.

We are streamlining some things here moving forward to help make things run more seamlessly on your end. We will be implementing some additional pricing discounts with quantity orders that will enable you to have full control of how you wish to allocate those funds whether to increase margin or offer additional customer discounts or marketing, etc. I truly think this will alleviate the headaches of having to not only reconcile every "free stand" or having to come to me for additional things to help out the customer – it will now be all in your hands!

I will get you some additional information soon. Please let me know how I can be of assistance. Thanks!

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

Russell Young

From: Amy Andrews <aa@cleartouchinteractive.com>
Sent: Friday, May 2, 2014 1:51 PM
To: ktrask@encoretg.com
Subject: Website Generated Lead

Keone:

Enclosed is a lead that was submitted via our website. Please acknowledge receipt.

Patrick Farley
Toledo Technology Academy
Toledo Public Schools, OH
pfarley@tps.org
419-671-3900

"I\'d like information on pricing and how to order (ie. directly from cleartouch or through a distributor or local rep). Thanks!"

Regards,

Amy Andrews
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 708

PLAINTIFF'S EXHIBIT 34

Russell Young

From: Kathy Cruse <kc@cleartouchinteractive.com>
Sent: Thursday, November 14, 2013 7:56 AM
To: ktrask@encoretg.com
Subject: Consignment Inventory Agreement
Attachments: Encore Consignment Agreement.pdf

Keone

As discussed you will find an attachment for the Consignment Inventory Agreement

Once reviewed and completed we can begin to discuss the order you require

Thank you

Kathy

Kathy Cruse
Clear Touch Interactive
Interact Differently
(775) 473-9199

PLAINTIFF'S EXHIBIT 35

Clear Touch Interactive

CONSIGNMENT AGREEMENT

This Consignment Agreement (the "Agreement") is made and effective the [DATE]

BETWEEN: **Clear Touch Interactive** (the "Owner"), a corporation organized and existing under the laws of the Nevada, with its head office located at:

561 Keystone Avenue
Suite 821
Reno, NV 89503

AND: **Encore Technology Group** (the "Recipient"), a corporation organized and existing under the laws of the South Carolina, with its head office located at:

2000 Wade Hampton Boulevard
Suite 210
Greenville, SC 29615

In consideration of the terms and covenants of this agreement, and other valuable consideration, the parties agree as follows:

1. RECITALS

The parties recite and declare:

a. Principal conducts the manufacturing of interactive technology.

b. Principal desires to arrange for the sale and distribution of its merchandise through the consignee.

c. Consignee has agreed to undertake the marketing of principal's merchandise on the terms set forth in this agreement.

2. EXCLUSIVE APPOINTMENT

Consignee shall have the exclusive right to sell and distribute principal's merchandise throughout the territory defined in the document RESELLER AGREEMENT – EXHIBIT A during the term of this agreement.

3. DELIVERY OF MERCHANDISE

a. Principal shall deliver to consignee such quantity of its merchandise that consignee requires for sale from its place of business at 903 East Main Street, Suite A, Easley, SC 29640.

b. Principal shall pay all freight and shipping charges.

CONFIDENTIAL ENC 000133

c. Consignee shall be responsible for any loss of or damage to merchandise while it is under its control.

4. SALE OF MERCHANDISE

a. Consignee shall devote its best efforts to the sale and distribution of principal's merchandise throughout the territory referred to above.

b. All sales made by consignee shall be for cash. Credit sales may be made by consignee on written authority only, and on terms which principal may approve prior to such sales.

c. All sales prices shall be fixed by principal.

d. Consignee shall not sell principal's merchandise at less than the authorized prices, which prices will be reflected in price schedules that will be furnished to consignee from time to time.

5. MONTHLY STATEMENTS; COMPENSATION

a. Consignee shall furnish principal with monthly statements indicating all sales transactions during the preceding month and the extent of current inventory. Such statements shall be received by principal no later than the 5th day of each month.

b. With the monthly statement, consignee shall remit to principal all monies received by it from the sale of goods.

6. MANAGEMENT OF CONSIGNEE'S BUSINESS

a. Consignee shall have entire charge of the management and operation of its business; it shall furnish all equipment and vehicles, and hire and pay the wages of all employees required for the operation of its business.

b. Principal reserves no supervision or control over consignee in the facilities, employees, and methods to be used and employed by consignee in carrying out the purposes of this agreement, and shall in no event be responsible for negligence of consignee or consignee's employees.

7. TITLE TO MERCHANDISE

Consigned merchandise shall remain the property of principal until sold in the regular course of business, except that consignee shall be responsible for all shortages of stock.

CONFIDENTIAL ENC 000134

8. EMPLOYEE BENEFIT PAYMENTS

Consignee shall and does accept full and exclusive liability for the payment of any and all premiums, contributions, and taxes for workers' compensation insurance, unemployment insurance, and for pensions, annuities, and retirement benefits, now or later imposed by or pursuant to federal and state laws, which are measured by the wages, salaries, or other remuneration paid to persons employed by consignee in connection with the performance of this agreement. Consignee shall indemnify principal against any and all liability for any premiums, taxes, or contributions respecting consignee's employees that may be assessed against principal. Consignee shall enter into any agreement that has been or may later be prescribed by any federal or state governmental body or authority to effectuate the above-stated purposes.

9. TERMINATION

This agreement is not assignable and may be terminated by either party on 30 days' written notice to the other. Upon termination, principal shall have the right, for a period not to exceed 3 months following the date of termination, to: (1) use storage facilities located on consignee's premises at 903 East Main Street, Suite A, Easley, SC 29640; (2) replenish its stock of merchandise in such facilities; (3) sell and deliver its merchandise from such premises; and (4) remove all its merchandise from the facilities during such period; provided, however, that principal shall pay a rental of $500.00 per month for the period such facilities are so used.

10. GOVERNING LAW

It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada.

11. NO WAIVER

The failure of either party to this agreement to insist on the performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as waiving any terms and conditions, but such terms and conditions shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

12. ARBITRATION OF DISPUTES

All disputes, claims, and questions regarding the rights and obligations of the parties under the terms of this agreement are subject to arbitration. Either party may make a demand for arbitration by filing such demand in writing with the other party within 10 days after the dispute first arises. Subsequently, arbitration shall be conducted by three arbitrators acting under the rules of commercial arbitration of the American Arbitration Association.

13. ATTORNEY FEES

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

CONFIDENTIAL ENC 000135

14. EFFECT OF PARTIAL INVALIDITY

The invalidity of any part of this agreement will not and shall not be deemed to affect the validity of any other part. In the event that any provision of this agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

15. ENTIRE AGREEMENT

This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding on either party except to the extent incorporated in this agreement.

16. MODIFICATION OF AGREEMENT

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

17. PARAGRAPH HEADINGS

The titles to the paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.

18. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PRINCIPAL	CONSIGNEE
_____	_____
Authorized Signature	Authorized Signature
_____	_____
Print Name and Title	Print Name and Title

CONFIDENTIAL ENC 000136

From: Keone Trask
To: Rick Gordon; garym@tsitouch.com
Subject: Interactive Display Solutions
Date: Tuesday, November 20, 2012 9:09:54 AM

Rick / Gary -

I apologize my my recent absence and lack of communication related to the prototype and development of interactive display solutions target for the education environment. Computer Software Innovations (CSI) has recently completed its acquisition by Harris Computer Corporation (Harris). During this period our conversation opportunities were very limited as we determined the course and future related to Interactive Display Solutions.
My colleagues and I are diligently working to align our solutions to either stay has part of Harris or to acquire operational control on the business units that are responsible for the sales, marketing and delivery of Interactive Display Solutions. For this reason we have established Clear Touch Interactive (CTI) with which we will use for distribution of the interactive display solutions for CSI and more importantly our affiliates across the country that provide both Promethean and Smart products. While this has caused some delay it has also presented a more far reaching opportunity.

With our ability to now move forward with introducing the Interactive Display Solutions to the market we are prepared to order a prototype of the 70" product to allow for testing, integration and initial marketing. Please revise, update, the associated pricing and provide a quotation. We will complete this order without hesitation.

Future contact is as follows:

Keone Trask
Email: kt@cleartouchinteractive.com
Web: http://www.cleartouchinteractive.com
Mobile (864) 430-0361

Again, my sincere apologies and I look for to working together with both of you.

Keone

PLAINTIFF'S EXHIBIT 38

TSI 001092

CONFIDENTIAL

From: Keone Trask
To: garym@tsitouch.com
Subject: Documents
Date: Tuesday, February 26, 2013 9:33:33 AM
Attachments: Clear Touch Interactive NDA.pdf
TSI Credit Application.JPG
TSI Credit Card Signature.JPG
TSI Credit Card.JPG
TSI Vendor Application.JPG

Gary –

Please find attached the completed application documentation for Clear Touch Interactive. Additionally, I have enclosed a non-disclosure agreement that will allow us to continue to grow our opportunities with confidentiality. I will be reviewing pricing and creating additional supporting documentation that will allow Clear Touch Interactive to leverage its direct sales partners in bringing the displays to market. Following the review of the prototype and other matters we will begin to commence formal operations. Thank you for your patience as we overcame many obstacles in getting to this point. I look forward to our mutual success.

I will be limitedly available for the balance of this week attending a conference on the west coast. Please do not hesitate to contact me should you have any questions.

Keone

PLAINTIFF'S EXHIBIT 39

TSI 000885

CONFIDENTIAL

From: Keone Trask
To: garym@tsitouch.com
Subject: RE: Clear Touch
Date: Tuesday, March 26, 2013 10:06:49 PM

Gary –

Very impressed with the unboxing today. The finish quality is outstanding compared to overlay usage we have seen in the past.

Couple of items we would like to have considered in pricing – associated white labeling efforts:

- Labeling – Would like to add Clear Touch Interactive resin label or similar (to be provided).
- Documentation – Would like to add Clear Touch Interactive branded instructions including web based software download.
- Shipping Label – Would like to have shipped from Clear Touch Interactive; number of distribution points increased following delivery.

Need additional information regarding warranty for both televisions and glass... noted consumer models are 2 years. Any options for extended warranty or should we shop 3rd party?

I see this market being quickly fluid and we will have to update pricing quarterly throughout production and would be interested in learning about "low price" solutions like plasma....when appropriate.

The dual , 1x2, format is still of interest and makes a compelling talking point right now. Need to revisit, your other email about two independent monitor driven from the same host is interesting!

We will continue to test through the Easter break, locally anyways, and forward any questions to you.

We are still actively setting up Clear Touch Interactive as a business concern and will promptly have payment to you for the prototype!

Our initial distribution partner, Encore, has an order that is anticipated next week for 100 classroom's... potentially a good way to start!

Awaiting upgrades in pricing!

Keone

From: Gary Mundrake [mailto:garym@tsitouch.com]
Sent: Tuesday, March 26, 2013 6:57 AM
To: 'Keone Trask'
Subject: RE: Clear Touch

PENGAD 800-631-6989
PLAINTIFF'S EXHIBIT 40

TSI 000954

CONFIDENTIAL

Keone, I will get you updated pricing and new model information. The Sharp 70LE640U went end of life this month. We just received our first buy of next gen 70" units . We are now using the 70LE650U. The unit is about ½" thinner and width and height are about 2" less but viewable is the same.

I will send you new pricing on the 55, 60, 70, and 80 based on cost break points in volume vs arbitrary volume cost break points. Some of the newer models such as the 70" Sharp consumer and 60" LG plasma dropped in price while the NEC commercial units going to LED went up.

I will get you the 60, 70, and 80 first.

Samsung, Sharp, LG, NEC, and Philips are all in some stage of product transition right now. Most touch prices dropped since DSE. Appears to be a run to the bottom between China mgf.

We are integrating a commercial LG 60" 60PA550C plasma. The price is pretty attractive and does not need a cover glass.

Thank you,
Gary

Gary Mundrake
1004 Industrial Park Dr |PO Box 287 |Mt. Braddock, PA 15465
(p) 724-437-3440 |(f) 703-991-8770
garym@tsitouch.com | www.tsitouch.com

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From: Keone Trask [mailto:kt@cleartouchinteractive.com]
Sent: Tuesday, March 26, 2013 5:47 AM
To: garym@tsitouch.com
Subject: RE: Clear Touch

Gary –

For clarification –

I am curious about the pricing associated with the previous provided configuration based on the: Sharp 70" 70LE640U Monitor

Also would like to add pricing for a configuration based on the: Sharp 80" 80LE632U Monitor

What displays are you recommending for the dual 55" or dual 60" configuration... previously had

reviewed a number of them.

Keone

From: Keone Trask [mailto:kt@cleartouchinteractive.com]
Sent: Tuesday, March 26, 2013 5:25 AM
To: 'garym@tsitouch.com'
Subject: Clear Touch

Gary –

I just wanted to drop a note and let you know that we will be unboxing the unit later this afternoon and look forward to functional testing. You should be receiving payment information shortly as we a wrapping up our administrative setup. The market is poised well and we are establishing part numbers and pricing; accordingly I wanted to inquire about any pricing changes since the submission of pricing in October. I know, especially for the consumer based products, that pricing has fluctuate dramatically following the holiday season. Please let me know of any changes there.

I can say with confidence that we will be placing some initial orders quickly, following functional review, as demand has been generated over the last six months.

I will let you know how we progress today!

Keone

From: Keone Trask
To: garym@tsitouch.com
Subject: Quote / Order Number TSI-11392
Date: Friday, April 05, 2013 3:20:40 PM
Attachments: Prototype Paymnet.pdf

Gary –

The proverbial "check is in the mail" and headed your way with certified funds. Thank you for your patience in getting through the prototype. We are already getting information out to the sales force in time for budgeting and are looking so far at soft commits in the 250 quantity range. I would like to next week round out the pricing on the Sharp 60" and Sharp 80" models; no admiration for Sharp but they make a good product and our customer look for consistency. I would also like to review the dual display and the plasma option for our most price conscious customers.

Again, thank you.

Keone

PLAINTIFF'S EXHIBIT 41

TSI 000511

CONFIDENTIAL

From: Keone Trask
To: garym@tsitouch.com
Subject: RE: Near Term Orders
Date: Tuesday, June 04, 2013 5:41:29 PM

Gary -

Through a little miscommunication I have learned that the check that you were expecting has not yet been sent... I am printing it now and sending it in the AM so that you can hopefully get it in before heading to Orlando, FL. I let Rick know that we blocked Thursday evening out so that we could get together...

Sorry about the miscommunication.

Keone

-----Original Message-----
From: Gary Mundrake [mailto:garym@tsitouch.com]
Sent: Friday, May 31, 2013 8:36 AM
To: 'Keone Trask'
Subject: RE: Near Term Orders

Keone, I have attached a generic set-up sheet stripped of our info. If you dress it, add your info, delete, modify etc, we will print and ship with each unit.

Your numbers look great. As soon as you know, let me know and we will get the bezels rolling.

Will see you at infocom. We do not have a booth. Just going for meetings. We are coming in early Wed and out Friday.

I saw the video last week. Good stuff.

We will ship everything white label/CTI branded. No TSItouch marking on anything.

Let me know the Panasonic model when you can.

Thank you,
Gary

Gary Mundrake
1004 Industrial Park Dr |PO Box 287 |Mt. Braddock, PA 15465
(p) 724-437-3440 |(f) 703-991-8770
garym@tsitouch.com | www.tsitouch.com

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-----Original Message-----

TSI 000575

CONFIDENTIAL

From: Keone Trask [mailto:kt@cleartouchinteractive.com]
Sent: Thursday, May 30, 2013 8:11 PM
To: garym@tsitouch.com
Subject: RE: Near Term Orders

Fantastic! Can we review the "white label" requirements tomorrow? It is critical to make sure these units do not arrive with anything other than "Clear Touch Interactive" labeling.

Did not expect you to be at Infocomm... but a VERY welcome addition to the conversation. Actually will make it more relevant!

I do know that we have a confirm order for 50 units of the 70" that will come in the first week of June... we are selling about 15 of the existing order into that. Give me another week and we can firm up numbers.

Sales response is coming in very well... as expected and strongly looking at firming up 500 for the balance of the year. Do want to talk about Panasonic option for another opportunity that can increase our volume.

Here is a sales video that has been circulating from our reseller... Encore Technology Group:
http://www.encoretg.com/interactive-display-clear-touch-4070l#.Uafp4kBtjzw

Please do not respond or comment online per our NDA...

Very much looking forward to meeting with you.

Keone

-----Original Message-----
From: Gary Mundrake [mailto:garym@tsitouch.com]
Sent: Thursday, May 30, 2013 8:02 AM
To: 'Keone Trask'
Subject: RE: Near Term Orders

Keone, Thanks for the status. I fully appreciate the pain of cash flow. I should have a firm ship date either later today or early tomorrow. Rick has mentioned meeting you at Infocomm. I will be there and expect I will be joining you.

If you have any minimum projections of June orders, I will get the bezels in the production que now.

Thank you,
Gary

Gary Mundrake
1004 Industrial Park Dr |PO Box 287 |Mt. Braddock, PA 15465
(p) 724-437-3440 |(f) 703-991-8770
garym@tsitouch.com | www.tsitouch.com

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TSItouch LLC.

-----Original Message-----
From: Keone Trask [mailto:kt@cleartouchinteractive.com]
Sent: Thursday, May 30, 2013 6:02 AM
To: garym@tsitouch.com
Subject: RE: Near Term Orders

Gary -

We have moved the funds around necessary and have cleared the bank; what a pin. The draft for $50,000.00 as partial payment for the recent orders is being sent today.

Junes orders are starting to come together and should have an order forecast shortly. Please let me know if you have any questions.

It looks like we will be visiting with Rick Gordon while attending InfoComm.

Keone

-----Original Message-----
From: Gary Mundrake [mailto:garym@tsitouch.com]
Sent: Thursday, May 09, 2013 2:41 PM
To: kt@cleartouchinteractive.com
Subject: RE: Near Term Orders

Keone, Thanks for the heads up.

Thank you,
Gary

Gary Mundrake
1004 Industrial Park Dr |PO Box 287 |Mt. Braddock, PA 15465
(p) 724-437-3440 |(f) 703-991-8770
garym@tsitouch.com | www.tsitouch.com

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-----Original Message-----
From: kt@cleartouchinteractive.com [mailto:kt@cleartouchinteractive.com]
Sent: Thursday, May 09, 2013 10:00 AM
To: garym@tsitouch.com
Cc: tt@cleartouchinteractive.com
Subject: Near Term Orders

Gary -

I wanted to provide you heads up. The purchase order for 3 70" with 6 points touch is being modified for a total quantity of 25. An additional purchase order for 3 60" with points touch will be submitted with it. These purchase orders will be prepared and submitted by close of business tomorrow.

Thank you.

Keone

Traced Clear Touch Costs of Sales Made to Encore

Encore PO #	Encore PO Date	ClearTouch Invoice #	ClearTouch Vendor (TSI Touch/Shiyan) Invoice #	Encore Cost	ClearTouch Cost	Profit	Document References
N/A	N/A	823121	0000805-IN/CC	6,139.99	5,680.89	459.10	TSI000001, 2013 Detail Financial
43515	5/22/2013	16598	0001090-IN, 0001094-IN	7,001.51	6,544.35	457.16	CT1020, TSI000002, TSI000004, 2013 Detail Financial
43516	5/22/2013	16599	0001092-IN, 0001116-IN	118,320.18	106,156.69	12,163.49	CT1021, TSI000003, TSI000005, 2013 Detail Financial
PO50915	9/5/2013	16670	0001616-IN	124,413.22	108,786.86	15,626.36	CT1022, TSI000006-TSI000008, 2013 Detail Financial
PO51073	9/16/2013	16671	0001618-IN	27,463.98	23,878.68	3,585.30	CT1023, TSI000009, 2013 Detail Financial
PO51207	9/25/2013	16712	0001775-IN	8,265.01	7,262.93	1,002.08	CT1024, TSI000014, 2013 Detail Financial
PO51212	9/25/2013	16696	0001709-IN	5,248.39	4,476.36	772.03	CT1025, TSI000010, 2013 Detail Financial
PO51216	9/25/2013	16697	0001710-IN	5,248.39	4,476.36	772.03	CT1026, TSI000011, 2013 Detail Financial
PO51358	10/2/2013	16698	0001711-IN	4,753.39	4,032.02	721.37	CT1027, TSI000012, 2013 Detail Financial
PO51398	10/7/2013	16687	Seewo	4,992.52	3,740.00	1,252.52	2013 Detail Financial
PO51755	11/12/2013	16744	0001906-IN	3,825.26	3,455.94	369.32	CT1028, TSI000017, 2014 Detail Financial
PO51800	11/18/2013	16713	0001797-IN	6,026.64	5,599.11	427.53	CT1029, TSI000015, 2013 Detail Financial
PO51975	12/6/2013	16742	0001866-IN	4,713.36	5,148.88	(435.52)	CT1030, TSI000016, 2014 Detail Financial
PO52001	12/10/2013	16743	0001907-IN	3,505.26	3,300.40	204.86	CT1031, TSI000018, 2014 Detail Financial
PO53175	4/1/2014	16872/16873	SYPI-141230, SYPI-141265	273,139.91	179,916.00	93,223.91	CT0831, CT0832, 2014 Detail Financial
			Total 2/13/13 - 4/25/2014	**603,057.01**	**472,455.47**	**130,601.54**	
PO53906	5/29/2014	ETG-091214	SYPI-141312-R1	259,282.05	165,820.00	93,462.05	CT0834, 2014 Detail Financial
PO54165	6/17/2014	17397/17397-A	SYPI-141326	492,744.95	340,780.00	151,964.95	CT0924, 2014 Detail Financial
PO54342	7/3/2014	16881	16881	16,763.55	11,220.00	5,543.55	2014 Detail Financial
PO54396	7/10/2014	CTI-18007	SYPI-141355R	216,704.00	150,700.00	66,004.00	CT0837, CT0926, 2014 Detail Financial
PO55004	8/27/2014	CTI-18007	SYPI-141355R	4,860.00	1,980.00	2,880.00	CT0837, CT0926, 2014 Detail Financial
			Total 4/26/2014 - 4/25/2015	**990,354.55**	**670,500.00**	**319,854.55**	

PENGAD 800-631-6989

PLAINTIFF'S EXHIBIT 44

ENC 00202553

From:	Keone Trask
To:	garym@tsitouch.com
Cc:	tt@cleartouchinteractive.com
Subject:	Interactive Displays - Spartanburg School District 6 SC
Date:	Tuesday, February 04, 2014 5:58:33 AM

Gary –

Per our communications yesterday please review the video available at the following link: http://www.youtube.com/watch?v=o7_xGQHyS-o

This video was recorded by A/V engineers from Encore who visited the end user location to insure all other basic requirements were met: driver, calibration, cleaning, etc.

This visit followed the last incident, perhaps misdiagnosed as related to the glass, that required that all of units to be returned to TSI for service and replacement. Given that this is recurring and isolated to a specific end user I can only assume that this might be related to the Zaggtech IR component of the interactive display. Unfortunately, both Encore and the end user are extremely frustrated and making strong demands... the end user following their previous experience is wanting to return the units and Encore is seeking compensation for the labor associated with multiple site visits and freight preparation.

What are our options? I am sure it goes without saying but this is a very significant event that could have very negative consequences.

I will be travelling today through the afternoon to another tradeshow promoting the interactive displays.

Please let me know your thoughts and our course of action...

Keone.

Keone Trask
Clear Touch Interactive
Interact Differently
(775) 473-9199

PLAINTIFF'S EXHIBIT 48

PENGAD 800-631-6989

TSI 000931

CONFIDENTIAL

10:30 AM
09/01/16
Accrual Basis

Clear Touch Interactive, Inc.
Sales by Customer Summary
February 13, 2013 through October 10, 2014

	Feb 13, '13 - Oct 10, 14
Academic Technologies	9,196.00
Columbia County School District	5,940.00
Conestoga Valley School District	5,829.20
Encore Technology Group, LLC	1,131,403.95
Howard Industries, Inc.	3,913.75
Russell County School District	15,830.00
Worth County Schools	10,300.00
TOTAL	1,182,212.90

PLAINTIFF'S EXHIBIT 51
PENGAD 800-631-6989

CONFIDENTIAL

CT 0766

4:01 PM
07/21/16
Accrual Basis

Clear Touch Interactive, Inc.
Sales by Customer Summary
February 13, 2013 through April 25, 2015

	Feb 13, '13 - Apr 25, 15
Academic Technologies	145,960.77
Advanced Classroom Technologies	4,998.00
Audio Visual Excellence, Inc.	13,814.51
Broward County School District	5,595.00
CIM Technology Solutions	41,416.15
Collaboration Solutions, Inc.	44,487.03
Columbia County School District	5,940.00
Conestoga Valley School District	5,629.20
Encore Technology Group, LLC	1,870,942.65
Enterprise City Schools	5,895.00
FileWave	6,000.00
Focus School Software	5,148.00
Great Oaks Institute of Technology	9,972.35
Howard Industries, Inc.	23,284.64
Indian Springs School	10,154.10
Katz Computer Service	4,598.00
LeCroy	41,688.34
Lee County Youth Development Center	6,499.00
Leon County School Board	546,087.00
Lorain County Joint Vocational School	3,845.00
Ockers Company	19,433.95
Personal Computer Systems	87,564.90
Ronco Specialized	4,762.07
Russell County School District	15,830.00
Selma University	11,570.00
Summit Integration System	4,936.69
Vernon High School	5,805.00
Wake County Public School System	4,240.00
Washington County School Board	24,995.00
Worth County Schools	11,100.00
Write Brain World	4,750.00
TOTAL	2,996,942.35

PENGAD 800-631-6989
PLAINTIFF'S EXHIBIT 52

CONFIDENTIAL

CT 0328

From: **Keone Trask** kt@getcleartouch.com
Subject: RE: RE: Customs Detention
Date: May 14, 2014 at 9:10 PM Asia/Calcutta
To: '"Robin Liang"' liangbin@cvte.cn

Yes - Will update today. We are bringing new CRM system online to assist in managing opportunities. Detail to follow.

BTW - I do not think we told you. Leon County School District, FL has selected Clear Touch Interactive as their panel manufacture... beating Promethean, Smart and Qomo. This was not a formal bid... Encore received a purchase order for 18 units yesterday. These 18 are the beginning of 285 units to be acquired through December. Next year is 600 rooms.

From: Robin Liang [mailto:liangbin@cvte.cn]
Sent: Wednesday, May 14, 2014 11:29 AM
To: kt@getcleartouch.com
Subject: Re: RE: Customs Detention

Keone
Let's focus on current projects, make sure we win every bloody battle.
1000pcs is a duable target.
Are you still working on the pipeline list?
Regards

Robin Liang|Global Market BU
Guangzhou Shirui Electronics Co., Ltd. | 192 Kezhu Road, Science Park, P.R.China (510663) | www.cvte.cn
Mobile: (+86)13922196150 | Skype: robin.liang321 | TEL: +86-20-82260169 | FAX: +86-20-82075579

From: Keone Trask
Date: 2014-05-14 23:11
To: 'Robin Liang'
Subject: RE: RE: Customs Detention

Our thought is to use the H Series to battle it out at the lower end – to compete with existing panels as pricing pressure and market share are pursued. The H Series panel has performed well against these competitively and if necessary we can push price down to add further pressure.

Further, we use the V Series to differentiate ourselves in the market... rise above the pricings pressure with the additional integrated features... and request a small premium for it.

Your risk is minimal for the additional H Series Chipsets...

Keone

Clear Touch Interactive

Keone Trask / Director of Business Development
864-430-0361/ kt@getcleartouch.com
Clear Touch Interactive
561 Keystone Avenue, Suite 821, Reno NV 89503
http://www.getcleartouch.com

PLAINTIFF'S EXHIBIT 53

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From: **Keone Trask** kt@getcleartouch.com
Subject: Re: Initial Leon order estimate
Date: August 02, 2014 at 6:59 PM Asia/Calcutta
To: Jimmy Higginbotham jh@getcleartouch.com

Okay - Will remain with the 5070H?

Keone Trask / Director of Business Development
864-430-0361 / kt@getcleartouch.com

Clear Touch Interactive
561 Keystone Avenue, Suite 821, Reno NV 89503
http://www.getcleartouch.com

---- On Sat, 02 Aug 2014 08:21:12 -0500 **Jimmy Higginbotham <jh@getcleartouch.com>** wrote ----

> Looking like it will be around 45 units on first order.....
>
> Jimmy Higginbotham
> ClearTouch Interactive
> 850-264-0531
> jh@getcleartouch.com
> Sent by iPhone
>
> This e-mail message may contain confidential or legally privileged information and is intended only for the use of the intended recipient(s). Any unauthorized disclosure, dissemination, distribution, copying or the taking of any action in reliance on the information herein is prohibited. E-mails are not secure and cannot be guaranteed to be error free as they can be intercepted, amended, or contain viruses. Anyone who communicates with us by e-mail is deemed to have accepted these risks. Clear Touch Interactive is not responsible for errors or omissions in this message and denies any responsibility for any damage arising from the use of e-mail. Any opinion and other statement contained in this message and any attachment are solely those of the author and do not necessarily represent those of the company.

Attachments:
1406864765205.png (10.4 kB)

PLAINTIFF'S EXHIBIT 34

From: **Keone Trask** kt@getcleartouch.com
Subject: ISTE 2014 - Clear Touch Interactive
Date: June 26, 2014 at 9:43 PM Asia/Calcutta
To: hinson.milton@ansonschools.org

Milton -

While it has been a short time since the spring conferences in North Carolina, where we last had the opportunity to speak, there have been many exciting changes. Like you, I was so impressed with the classroom technology developed by Clear Touch Interactive that I had to be a part of it. While exciting for me personally I am even more excited about the new products and features that Clear Touch Interactive is launching at ISTE 2014 in Atlanta, GA this month.

These new products features are transforming the classroom technology space and go far beyond simply replacing projectors and interactive white boards. Imagine the possibilities:

- Integrated High Fidelity Sound with Voice Amplification
- Network Managed; full control of all displays via the network
- Mobile Adjustable Stand that not only raises and lowers but transforms into a interactive table
- And more - See video here: https://www.youtube.com/watch?v=asmqDI9TBsk

If you or anyone else from your district are attending ISTE 2014 please visit our booth (#1058)!

You will also see the Clear Touch Interactive Panel in these booths:

- Encore Technology Group (#1556)
- Howard Technology Solutions (#3448)
- ITS Learning (#3614)
- Safari Montage (#1726)
- FileWave (#2948)
- EdVation (#1848)
- Lumens Technology (#2814)
- Audio Enhancement (#2434)

I look forward to visiting with you and sharing more about this amazing technology.

Keone

Clear Touch Interactive

Keone Trask / Director of Business Development
864-430-0361/ kt@getcleartouch.com

Clear Touch Interactive
561 Keystone Avenue, Suite 821, Reno NV 89503
http://www.getcleartouch.com

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Attachments:
image001.png (5.87 kB)
image002.png (554 B)
image003.png (676 B)
image004.png (686 B)
image005.png (705 B)
image006.png (631 B)
image007.png (1.53 kB)
image008.png (1.55 kB)

PLAINTIFF'S EXHIBIT 56

From: Keone Trask kt@getcleartouch.com
Subject: ISTE 2014 - Clear Touch Interactive
Date: June 26, 2014 at 9:54 PM Asia/Calcutta
To: gcline@davidson.k12.nc.us, swaisner@davidson.k12.nc.us

Greg / Sherry

While it has been a short time since the spring conferences in North Carolina, where we last had the opportunity to speak, there have been many exciting changes. Like you, I was so impressed with the classroom technology developed by Clear Touch Interactive that I had to be a part of it. While exciting for me personally I am even more excited about the new products and features that Clear Touch Interactive is launching at ISTE 2014 in Atlanta, GA this month.

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- Howard Technology Solutions (#3448)
- ITS Learning (#3614)
- Safari Montage (#1726)
- FileWave (#2948)
- EdVation (#1848)
- Lumens Technology (#2814)
- Audio Enhancement (#2434)

I look forward to visiting with you and sharing more about this amazing technology.

Keone

Clear Touch Interactive

Keone Trask / Director of Business Development
864-430-0361/ kt@getcleartouch.com

Clear Touch Interactive
561 Keystone Avenue, Suite 821, Reno NV 89503
http://www.getcleartouch.com

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Attachments:
image001.png (5.87 kB)
image002.png (554 B)
image003.png (676 B)
image004.png (686 B)
image005.png (705 B)
image006.png (631 B)
image007.png (1.53 kB)
image008.png (1.55 kB)

Russell Young

From: ktrask <ktrask@encoretg.com>
Sent: Thursday, November 21, 2013 8:18 AM
To: kc@cleartouchinteractive.com
Subject: 100+ Unit Pricing

We have a single order opportunity exceeding 100 units. Can we get any additional pricing assistance to complete this deal?

Keone

Keone Trask
Encore Technology Group

PLAINTIFF'S EXHIBIT 57
PENGAD 800-631-6989

Russell Young

From: Kathy Cruse <kc@cleartouchinteractive.com>
Sent: Tuesday, December 17, 2013 8:56 AM
To: purchasing@encoretg.com
Cc: ktrask@encoretg.com
Subject: Leon School District FL

This email is provided as a confirmation of modified terms and pricing

Specifically for Leon School District FL

4 mobile stands will be provided to Encore at no cost as part of a pilot initiative

Thank you

Kathy

Kathy Cruse
Clear Touch Interactive
Interact Differently
(775) 473-9199

PENGAD 800-631-6989
PLAINTIFF'S EXHIBIT
58

CONFIDENTIAL

	First Name	Last Name	Status	Company	Phone Number	Ext	Email	Title	Relationship	Type	Entered	Company ID	Territory	Company Type	Company Status
687		Vacant	Active	Greenville County School District	8643553100			Principal			05/13/2013 2:43pm	GreenvilleCountySchool	SC1	Client - Tier1	Active
4095	1 Volt	Associates, Inc	Active	CREDIT CARD BUY			bdolan@1volt.com	1 Volt Accosciates, Inc			06/09/2014 1:52pm	CREDIT CARD BUY	Corporate	Vendor	not Approved
3960	Aaron	Ewald	Active	Huron Intermediate School District	9892693400		aewald@huronisd.org	IT Assistant			05/13/2014 10:20am	HuronIntermediateSchool	Encore	Prospect	not Approved
2649	Aaron	New	Active	Madison City Schools	2564648370	10252	janew@madisoncity.k12.al.us	Network Specialist			10/15/2013 9:26am	MadisonCitySchools	AL1	Client - Tier1	Active
2809	Aaron	Thomas	Active	Chester County School District	8033856122		athomas@chester.k12.sc.us				11/06/2013 11:26am	ChesterCountySchoolDis	SC3	Client - Tier2	Active
2831	Aaron	Bohmer	Active	Spartanburg School District #5	8642165157		aaron.bohmer@spart5.net				11/08/2013 3:43pm	SpartanburgSchoolDistri5	SC1	Client - Tier1	Active
1044	Aaron	Slutsky	Active	McDowell County Schools	8286529862		Aaron.Slutsky@mcdowell.k12.nc.us	Technology Director			05/13/2013 2:50pm	McDowellCountySchools	NC1	Client - Tier2	Active
315	Aaron	Ward	Active	Berkeley County School District	8435725510		Warda@bcsdschools.net	Network Support Technician			05/13/2013 2:43pm	BerkeleyCountySchoolDi	SC5	Client - Tier2	Active
1858	Aaron	Lyons	Active	Carolina Datacom, Inc.	8643342250		Aaron.Lyons@carolinadatacom.com	Sales Rep			05/28/2013 2:29pm	CarolinaDatacomInc	Encore	Vendor	Active
2367	Aaron	Turpin	Active	Hall County Board of Education	7705341080		aaron.turpin@hallco.org	Executive Director of IT		Approver	08/28/2013 11:39am	HallCountyBoardOfEduc	GA1	Client - Tier2	Active
2334	Abigail	Fuller	Active		8648337026		arush@presby.edu				08/22/2013 3:49pm				
2335	Abigail	Fuller	Active	Presbyterian College	8648337026		asrush@presby.edu				08/22/2013 3:53pm	PresbyterianCollege	SC6	Client - Tier2	Active
2333	Abigil	Fuller	Active				afrush@presby.edu				08/22/2013 3:48pm				
2282	Abraham	Flores	Active	Johnston Community College	9192092210		arflores@johnstoncc.edu	Network Manager			08/14/2013 1:16pm	Johnston CC	NC3	Client - Tier2	Active
3707	Acccounts	Payable	Active	McDowell Technical Community College	8286526021		accountspayable@mcdowelltech.edu	Jill			04/01/2014 9:58am	McDowellTechnicalCommun	NC2	Client - Tier2	Active
3060	Accounting		Active	Perceptis	0		accounting@perceptis.com				12/18/2013 4:15pm	Perceptis	Nat1	Client - Tier2	Active
1538	Accounting	Department	Active	Wake County Public School System	9194317345		acctspay@wcpss.net	Accounting			05/13/2013 2:51pm	WakeCountyPublicSchool	NC2	Client - Tier2	Active
2360	Accounts	Payable	Active	Hagemeyer North America	8642882525		ap@hagemeyerna.com				08/27/2013 2:25pm	HagemeyerNorthAmerica	SC6	Client - Tier2	Active

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PLAINTIFF'S EXHIBIT 60

PERGAD 800-631-6989

JH 000007

1824

Premier Trade Solutions, Inc.
COLLECTION REPORT (Format A)
Collections Posted Between 06/24/2014 And 01/31/2016
Sorted By Invoice Date
Company Id PTSI

Relation Id: Clear Clear Touch Interactive, Inc.

Client Id: Clear

Invoice Number	Invoice Date	Account No	Debtor Name	Invoice Amount	Gross Collected	Credits/ Chrgbacks	Tp	Net Cash	Check #	Date
CTI-18100		Clear-LeonCount	Leon County Schoc				NF	1,698.00	758565	04/07/2015
PMT 042715							NF	25,591.25	EFT	04/27/2015
CTI-18122		Clear-RoncoSPe	Ronco Specialized				NF	4,762.07	1592	05/28/2015
CTI-18136		Clear-Collaborati	Collaboration Soluti				NF	5,173.06	8115	07/07/2015
CTI-18135		Clear-Collaborati	Collaboration Soluti				NF	3,748.05	8115	07/07/2015
CTI-18134		Clear-Collaborati	Collaboration Soluti				NF	895.02	8115	07/07/2015
CTI-18128		Clear-Collaborati	Collaboration Soluti				NF	596.00	8115	07/07/2015
From CI for Prestop							NF	43,120.01	EFT	07/09/2015
PO FL202720		Clear-Collaborati	Collaboration Soluti				NF	36,198.97	EFT	07/10/2015
Payment 071515							NF	155,385.17	WIRE	07/15/2015
CTI-18171		Clear-RoncoSPe	Ronco Specialized				NF	8,897.50	2285	08/24/2015
CTI-18180		Clear-RoncoSPe	Ronco Specialized				NF	687.90	2285	08/24/2015
CTI-18207		Clear-LeonCount	Leon County Schoc				NF	4,860.00	763980	08/25/2015
CTI-18196		Clear-Collaborati	Collaboration Soluti				NF	2,696.04	4943	08/31/2015
CTI-18195		Clear-RoncoSPe	Ronco Specialized				NF	8,955.81	2336	08/31/2015
CTI-18192		Clear-RoncoSPe	Ronco Specialized				NF	4,665.74	2336	08/31/2015
CTI 18196		Clear-Collaborati	Collaboration Soluti				NF	2,696.04	EFT	09/01/2015
CTI-18209-PMT		Clear-Collaborati	Collaboration Soluti				NF	36,198.97	10057	09/14/2015
CTI-18255		Clear-Unified AV	Unified AV Systems				NF	4,204.35	16183	09/29/2015
CTI-18274		Clear-RoncoSPe	Ronco Specialized				NF	5,138.16	2688	10/09/2015
CTI-18277		Clear-Collaborati	Collaboration Soluti				NF	471.56	10116	10/14/2015
CTI-18335		Clear-LeonCount	Leon County Schoc				NF	73,827.00	768348	10/20/2015
CTI-18336		Clear-Collaborati	Collaboration Soluti				NF	4,198.75	10362	11/09/2015
CTI-18355		Clear-RoncoSPe	Ronco Specialized				NF	5,145.10	3105	11/13/2015
CTI-18356		Clear-RoncoSPe	Ronco Specialized				NF	4,300.10	3105	11/13/2015
CTI-18357		Clear-RoncoSPe	Ronco Specialized				NF	4,749.35	3106	11/13/2015
CTI-18342		Clear-Unified AV	Unified AV Systems				NF	8,601.07	16752	11/17/2015
CTI-18343		Clear-Unified AV	Unified AV Systems				NF	5,040.97	16752	11/17/2015
CTI-18393		Clear-Unified AV	Unified AV Systems				NF	4,494.35	16752	11/17/2015
CTI-18397-NF		Clear-Collaborati	Collaboration Soluti				NF	644.25	10474	12/02/2015
CTI-18435		Clear-OckersCon	Ockers Company				NF	8,086.25	WIRE	12/09/2015
CTI-18434		Clear-OckersCon	Ockers Company				NF	449.25	WIRE	12/09/2015
CTI-18387-OP		Clear-UnitedData	United Data Technc				NF	5,624.38	77232	12/18/2015
CTI-18398		Clear-UnitedData	United Data Technc				NF	253.50	77269	12/22/2015
CTI-18415		Clear-UnitedData	United Data Technc				NF	7,170.76	77391	12/28/2015
CTI-18407		Clear-RoncoSPe	Ronco Specialized				NF	2,228.50	3554	12/29/2015
16872	06/23/2014	Clear-EncoreTec	Encore Technology	253,042.75	253,042.75		P	253,042.75	8284	07/14/2014
ETG-091214	09/12/2014	Clear-EncoreTec	Encore Technology	259,282.05	259,282.05		P	259,282.05	8794	10/20/2014
17397-A	10/13/2014	Clear-EncoreTec	Encore Technology	394,595.96	394,595.96		P	394,595.96	8963	11/19/2014
CTI-18007	10/31/2014	Clear-EncoreTec	Encore Technology	178,223.20	178,223.20		P	178,223.20	9034	12/08/2014
CTI-18008	11/07/2014	Clear-LeonCount	Leon County Schoc	108,830.00	108,830.00		P	108,830.00	755253	12/24/2014
CTI-18009	11/07/2014	Clear-LeonCount	Leon County Schoc	118,220.00	118,220.00		P	118,220.00	755253	12/24/2014
CTI-18031	12/11/2014	Clear-AcademicT	Academic Technolc	80,222.60	80,222.60		P	80,222.60	5493	01/14/2015
CTI-18055	01/26/2015	Clear-OckersCon	Ockers Company	8,899.38	8,899.38		P	8,899.38	31004	04/08/2015
CRI-18062	02/09/2015	Clear-PCSInc	PCS, Inc	61,225.15	61,225.15		P	61,225.15	42331	03/12/2015

PLAINTIFF'S EXHIBIT 63

PTS 000001

CONFIDENTIAL

Premier Trade Solutions, Inc.
COLLECTION REPORT (Format A)
Collections Posted Between 06/24/2014 And 01/31/2016
Sorted By Invoice Date
Company Id PTSI

Relation Id: Clear Clear Touch Interactive, Inc.

Client Id: Clear

Invoice Number	Invoice Date	Account No	Debtor Name	Invoice Amount	Gross Collected	Credits/ Chrgbacks	Tp	Net Cash	Check #	Date
CTI-18087	03/03/2015	Clear-LeonCount	Leon County Schoc	13,262.00	13,262.00		P	13,262.00	758373	04/03/2015
CTI-18088	03/03/2015	Clear-LeonCount	Leon County Schoc	639.00	639.00		P	639.00	758565	04/07/2015
CTI-18098	03/19/2015	Clear-LeonCount	Leon County Schoc	267,280.00	267,280.00		P	267,280.00	759078	04/20/2015
CTI-18112	04/09/2015	Clear-Collaborati	Collaboration Solutl	9,339.35	9,339.35		P	9,339.35	7991	05/27/2015
CTI-18127	05/05/2015	Clear-Collaborati	Collaboration Solutl	10,347.53	10,347.53		P	10,347.53	8086	06/26/2015
CT1-18138	05/18/2015	Clear-RoncoSPe	Ronco Specialized	7,672.95	7,672.95		P	7,672.95	1884	07/03/2015
CTI-18142	05/21/2015	Clear-Information	Information Transpc	57,351.25	57,351.25		P	57,351.25	16317	06/16/2015
CTI-18146	05/29/2015	Clear-EncoreTec	Encore Technology	59,106.70	59,106.70		P	59,106.70	9977	07/10/2015
cti-18148	05/29/2015	Clear-AcademicT	Academic Technolc	12,805.23	12,805.23		P	12,805.23	5847	07/10/2015
CTI-18154	06/10/2015	Clear-EncoreTec	Encore Technology	115,883.00	115,883.00		P	115,883.00	9996	07/16/2015
CTI-18155	06/12/2015	Clear-Collaborati	Collaboration Solutl	9,139.35	9,139.35		P	9,139.35	8145	07/16/2015
CTI-18162	06/24/2015	Clear-IndianSprir	Indian Springs Schc	98,143.90	98,143.90		P	98,143.90	2946	07/21/2015
CTI-18163	06/24/2015	Clear-IndianSprir	Indian Springs Schc	5,374.10	5,374.10		P	5,374.10	2945	07/21/2015
CTI-18173	07/10/2015	Clear-Information	Information Transpc	41,124.97	41,124.97		P	41,124.97	16558	08/05/2015
CTI-18181	07/10/2015	Clear-EncoreTec	Encore Technology	4,940.38	4,940.38		P	4,940.38	10161	08/17/2015
CTI-18182	07/10/2015	Clear-EncoreTec	Encore Technology	4,495.35	4,495.35		P	4,495.35	10161	08/17/2015
CTI-18183	07/13/2015	Clear-EncoreTec	Encore Technology	3,494.35	3,494.35		P	3,494.35	10146	08/11/2015
CTI-18184	07/13/2015	Clear-EncoreTec	Encore Technology	3,494.35	3,494.35		P	3,494.35	10146	08/11/2015
CTI-18185	07/13/2015	Clear-EncoreTec	Encore Technology	3,494.35	3,494.35		P	3,494.35	10146	08/11/2015
CTI-18186	07/13/2015	Clear-EncoreTec	Encore Technology	24,460.45	24,460.45		P	24,460.45	10146	08/11/2015
CTI-18187	07/13/2015	Clear-EncoreTec	Encore Technology	3,494.35	3,494.35		P	3,494.35	10146	08/11/2015
CTI-18188	07/13/2015	Clear-EncoreTec	Encore Technology	10,483.05	10,483.05		P	10,483.05	10146	08/11/2015
CTI-18189	07/14/2015	Clear-PCSInc	PCS, Inc	26,251.46	26,251.46		P	26,251.46	43039	08/17/2015
CTI-18190	07/14/2015	Clear-PCSInc	PCS, Inc	4,329.99	4,329.99		P	4,329.99	43039	08/17/2015
CTI-18193	07/15/2015	Clear-EncoreTec	Encore Technology	3,881.73	3,881.73		P	3,881.73	10146	08/11/2015
CTI-18197	07/17/2015	Clear-EncoreTec	Encore Technology	4,546.18	4,546.18		P	4,546.18	10509	10/27/2015
CTI-18199	07/17/2015	Clear-TriStarCon	TriStar Digital Conn	8,507.79	8,507.79		P	8,507.79	8607	08/11/2015
CTI-18200	07/17/2015	Clear-Collaborati	Collaboration Solutl	5,467.85	5,467.85		P	5,467.85	EFT	09/01/2015
CTI-18209	08/07/2015	Clear-Collaborati	Collaboration Solutl	144,795.88	144,795.88		P	144,795.88	10057	09/14/2015
CTI-18210	08/07/2015	Clear-LeonCount	Leon County Schoc	35,334.00	35,334.00		P	35,334.00	764257	09/01/2015
CTI-18211	08/07/2015	Clear-LeonCount	Leon County Schoc	41,120.00	41,120.00		P	41,120.00	764257	09/01/2015
CTI-18212	08/07/2015	Clear-LeonCount	Leon County Schoc	10,819.00	10,819.00		P	10,819.00	764257	09/01/2015
CTI-18213	08/07/2015	Clear-LeonCount	Leon County Schoc	41,120.00	41,120.00		P	41,120.00	764257	09/01/2015
CTI-18214	08/07/2015	Clear-LeonCount	Leon County Schoc	28,395.00	28,395.00		P	28,395.00	764257	09/01/2015
CTI-18215	08/07/2015	Clear-LeonCount	Leon County Schoc	73,038.00	73,038.00		P	73,038.00	764257	09/01/2015
CTI-18216	08/07/2015	Clear-LeonCount	Leon County Schoc	45,432.00	45,432.00		P	45,432.00	764257	09/01/2015
CTI-18217	08/07/2015	Clear-LeonCount	Leon County Schoc	5,140.00	5,140.00		P	5,140.00	764257	09/01/2015
CTI-18218	08/07/2015	Clear-TriStarCon	TriStar Digital Conn	395,823.80	395,823.80		P	395,823.80	8696	09/15/2015
CTI-18219	08/07/2015	Clear-TriStarCon	TriStar Digital Conn	5,989.25	5,989.25		P	5,989.25	8681	09/09/2015
CTI-18224	08/10/2015	Clear-PCSInc	PCS, Inc	9,944.85	9,944.85		P	9,944.85	43271	10/05/2015
CTI-18221	08/11/2015	Clear-PCSInc	PCS, Inc	4,777.35	4,777.35		P	4,777.35	43168	09/09/2015
CTI-18222	08/11/2015	Clear-PCSInc	PCS, Inc	3,867.35	3,867.35		P	3,867.35	43168	09/09/2015
CTI-18223	08/11/2015	Clear-PCSInc	PCS, Inc	4,316.60	4,316.60		P	4,316.60	43168	09/09/2015
CTI-18226	08/11/2015	Clear-AcademicT	Academic Technolc	5,246.68	5,246.68		P	5,246.68	6127	10/27/2015
CTI-18227	08/11/2015	Clear-AcademicT	Academic Technolc	3,534.59	3,534.59		P	3,534.59	6127	10/27/2015

Premier Trade Solutions, Inc.
COLLECTION REPORT (Format A)
Collections Posted Between 06/24/2014 And 01/31/2016
Sorted By Invoice Date
Company Id PTSI

Relation Id: Clear **Clear Touch Interactive, Inc.** **Client Id: Clear**

Invoice Number	Invoice Date	Account No	Debtor Name	Invoice Amount	Gross Collected	Credits/ Chrgbacks	Tp	Net Cash	Check #	Date
CTI-18229	08/11/2015	Clear-EncoreTec	Encore Technology	6,552.00	6,552.00		P	6,552.00	10387	10/06/2015
CTI-18230	08/11/2015	Clear-EncoreTec	Encore Technology	4,061.97	4,061.97		P	4,061.97	10387	10/06/2015
CTI-18231	08/11/2015	Clear-EncoreTec	Encore Technology	3,758.35	3,758.35		P	3,758.35	10387	10/06/2015
CTI-18232	08/11/2015	Clear-EncoreTec	Encore Technology	3,607.75	3,607.75		P	3,607.75	10451	10/14/2015
CTI-18234	08/11/2015	Clear-Information	Information Transpc	8,886.35	8,886.35		P	8,886.35	16745	09/09/2015
CTI-18235	08/11/2015	Clear-Information	Information Transpc	7,451.82	7,451.82		P	7,451.82	16745	09/09/2015
CTI-18236	08/11/2015	Clear-Information	Information Transpc	7,087.90	7,087.90		P	7,087.90	16795	09/25/2015
CTI-18237	08/11/2015	Clear-OckersCon	Ockers Company	7,197.67	7,197.67		P	7,197.67	WIRE	12/04/2015
CTI-18238	08/11/2015	Clear-OckersCon	Ockers Company	22,446.44	22,446.44		P	22,446.44	WIRE	12/04/2015
CTI-18239	08/11/2015	Clear-OckersCon	Ockers Company	8,989.63	8,989.63		P	8,989.63	WIRE	12/04/2015
CTI-18240	08/12/2015	Clear-Collaborati	Collaboration Solutl	17,562.13	17,562.13		P	17,562.13	10091	10/06/2015
CTI-18241	08/12/2015	Clear-Collaborati	Collaboration Solutl	4,807.76	4,807.76	4,807.76	AR		AR	09/16/2015
CTI-18242	08/12/2015	Clear-Collaborati	Collaboration Solutl	12,820.80	12,820.80	12,820.80	AR		AR	09/16/2015
CTI-18243	08/12/2015	Clear-Collaborati	Collaboration Solutl	7,470.49	7,470.49	7,470.49	AR		AR	09/16/2015
CTI-18244	08/12/2015	Clear-Collaborati	Collaboration Solutl	6,968.74	6,968.74	6,968.74	AR		AR	09/16/2015
CTI-18245	08/12/2015	Clear-Collaborati	Collaboration Soluti	2,695.63	2,695.63		P	2,695.63	10074	10/06/2015
CTI-18246	08/12/2015	Clear-Collaborati	Collaboration Soluti	9,625.80	9,625.80		P	9,625.80	10074	10/06/2015
CTI-18247	08/12/2015	Clear-Collaborati	Collaboration Soluti	7,097.85	4,131.18	4,131.18	AR		AR	09/16/2015
					2,966.67		P	2,966.67	10091	10/06/2015
CTI-18248	08/12/2015	Clear-Collaborati	Collaboration Solutl	118,045.56	118,045.56		P	118,045.56	10074	10/06/2015
CTI-18249	08/12/2015	Clear-Collaborati	Collaboration Solutl	92,133.12	92,133.12		P	92,133.12	10074	10/06/2015
CTI-18263	08/12/2015	Clear-RoncoSPe	Ronco Specialized	11,942.52	11,942.52		P	11,942.52	2688	10/09/2015
CTI-18264	08/12/2015	Clear-RoncoSPe	Ronco Specialized	8,096.50	8,096.50		P	8,096.50	2786	11/09/2015
CTI-18268	08/17/2015	Clear-CIMTechnc	CIM Technology Sc	6,097.58	6,097.58		P	6,097.58	WIRE	10/21/2015
CTI-18270	08/17/2015	Clear-CIMTechnc	CIM Technology Sc	9,340.17	9,340.17		P	9,340.17	WIRE	10/21/2015
CTI-18271	08/17/2015	Clear-TrlStarCon	TrlStar Digital Conn	17,728.55	17,728.55		P	17,728.55	8696	09/15/2015
CTI-18280	09/02/2015	Clear-LeonCount	Leon County Schoc	23,556.00	23,556.00		P	23,556.00	765418	09/30/2015
CTI-18282	09/02/2015	Clear-TrlStarCon	TrlStar Digital Conn	6,273.82	6,273.82		P	6,273.82	8730	09/29/2015
CTI-18292	09/03/2015	Clear-RoncoSPe	Ronco Specialized	10,753.03	10,753.03		P	10,753.03	2787	10/15/2015
CTI-18293	09/03/2015	Clear-Information	Information Transpc	7,291.59	7,291.59		P	7,291.59	16857	09/30/2015
CTI-18294	09/03/2015	Clear-Information	Information Transpc	4,081.37	4,081.37		P	4,081.37	16857	09/30/2015
CTI-18296	09/03/2015	Clear-Collaborati	Collaboration Solutl	13,552.23	13,552.23		P	13,552.23	10342	10/30/2015
CTI-18297	09/03/2015	Clear-Collaborati	Collaboration Solutl	5,536.55	5,536.55		P	5,536.55	10116	10/14/2015
CTI-18300	09/08/2015	Clear-Lecroy	LeCroy	6,899.92	6,899.92		P	6,899.92	7419	11/10/2015
CTI-18301	09/08/2015	Clear-Lecroy	LeCroy	3,723.60	3,723.60		P	3,723.60	7451	11/30/2015
CTI-18302	09/08/2015	Clear-Lecroy	LeCroy	4,783.60	4,783.60		P	4,783.60	7451	11/30/2015
CTI-18303	09/08/2015	Clear-Lecroy	LeCroy	12,918.55	12,918.55		P	12,918.55	7342	09/28/2015
CTI-18304	09/08/2015	Clear-Lecroy	LeCroy	10,440.70	10,440.70		P	10,440.70	7342	09/28/2015
CTI-18305	09/08/2015	Clear-Lecroy	LeCroy	5,747.85	5,747.85		P	5,747.85	7451	11/30/2015
CTI-18306	09/08/2015	Clear-Lecroy	LeCroy	11,575.00	11,575.00		P	11,575.00	7451	11/30/2015
CTI-18307	09/08/2015	Clear-PCSInc	PCS, Inc	28,676.60	28,676.60		P	28,676.60	43301	10/13/2015
CTI-18313	09/08/2015	Clear-OckersCon	Ockers Company	5,016.61	5,016.61		P	5,016.61	WIRE	12/10/2015
CTI-18314	09/08/2015	Clear-OckersCon	Ockers Company	14,294.56	12,485.44		P	12,485.44	WIRE	12/10/2015
					1,809.12	1,809.12	DI		WIRE	12/10/2015
CTI-18315	09/08/2015	Clear-OckersCon	Ockers Company	9,216.46	9,216.46		P	9,216.46	WIRE	12/10/2015

PTS 000003

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Clear Touch Interactive

Interact Differently

Thank you for your interest in Clear Touch Interactive, Inc. (Clear Touch). The following information is provided to qualified investors to evaluate their individual, company or portfolio participation in the growth and development of Clear Touch. The information shared within this document is confidential and cannot be distributed without written permission by Clear Touch.

Clear Touch provides fully integrated interactive panel and display solutions that are big, beautiful, rich and intuitive. These interactive panels and displays are specifically designed for the demands and requirements of today's interactive environments. It is through a combination of immersive audio and video technologies that leads Clear Touch in transforming the interactive experience.

Since its inception in 2012 and product availability, since 2014, Clear Touch has quickly become recognized as a leading provider of interactive solutions in key vertical markets (education). This recognition has come in the form of customer validation and competitive response to the technical differentiators presented by Clear Touch products and solutions. Clear Touch has very effectively disrupted key vertical markets (education) and now finds itself in a defining position for the technology segment across all vertical markets.

Clear Touch is offering the unique financial opportunity to participate in the growth and continued development of the leading interactive technology provider in North America.

Corporate Information
- Registered Corporation in the State of Nevada
- Operations based in the State of South Carolina

Financial Information
- 2014 Year To Date Sales of $2.2 Million
- Product Margin > 33% Less Landing Cost

Distribution Information
- Exclusive ODM for manufacture in both the United States and Canada

Integration Partner Information
- Through FY14Q2 – Two (2) Integration Partners
- Beginning FY14Q3 – Nine (9) Integration Partners

Personnel Information
- Beginning FY14Q3 – Four (4) Personnel including two (2) principals.
- Beginning FY15Q1 – Five (5) Personnel including two (2) principals

PLAINTIFF'S EXHIBIT 68

PENGAD 800-631-6989

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www.getcleartouch.com • 561 Keystone Avenue Suite 821 • Reno, NV 89503 • Phone (775) 473-9199 • Fax (775) 473-9108

Marketing Information
- Tradeshows and conferences

Product Information
- Visit http://www.getcleartouch.com

Sales Opportunity Information
- Visit http://www.facebook.com/getcleartouch

Principal Information

Keone Trask
A spirited entrepreneur and professional, with a background in computer and audio/visual technology, having served in various capacities including executive management for one of the largest providers of connected classroom technologies in key vertical markets (education). During this tenure the organization grew to $58.4 million in annual revenues and was recognized as a leader by various industry manufactures and observers.

Tamara Trask
A charismatic and opportunistic leader, with a unique blend of customer responsiveness and operational efficiency, having developed a managed portfolio of $5 million in real estate assets. Through this development financial discipline, team building and other unique skills have been tuned.

Operational Information

In 2014, sales and marketing activity are strongly outpacing product supply availability, this is primarily due to the demand generated and the product supply cycles associated with production, shipment and payment. Each product supply cycle requires approximately 4 weeks with additional administrative and logistics variables between cycles. Participation in the full product supply cycle consumes operating capital and the product supply cycle must be completed before additional product supply cycles can be initiated.

Negotiations with manufacturing, the utilization of purchase order financing and invoice factoring have eased demands on operating capital. However, with increasing demand, forecasted sales and market exposure the current product supply availability will not be sufficient.

In summary, additional operating capital is required to increase product supply to meet demand and enter into a continuous stream of product supply availability. The additional operating capital sought in this opportunity will be augmented through obtaining traditional banking and finance instruments that will be available in FY15Q2. These traditional banking and financing instruments will further assist in the continued development of the organization and reaffirm the product supply availability for continued demand.

Financial Opportunity

Objective
- Capital raise of up to $500k; minimum participation $50k
- Capital to be used for production of inventory to meet sales demand

For The Passive Investor
- Proposed 12 month term
- Proposed interest rate of 12% annual
- Proposed interest only payments – paid monthly
- Principal paid in full at end of term

For The Qualified Investor
- Proposed 24 month term
- Proposed interest rate of 9% annual
- Proposed interest only payments – paid monthly
- Principal paid in full at end of term -or- convertible to equity
- Conversion to equity available at the end of term; if elected
    - Upon conversion interest payments will cease
    - Upon conversion equity will be issued at the equivalent of 1% per $100k investment

---

Clear Touch is in a unique position to continue its disruption in the marketplace. With additional capital Clear Touch can ensure product supply to meet the demands of its customers and partners.

Again, thank you for your interest and we look forward to the prospect of working with you.

For questions or comments please contact;

Keone Trask
Director of Business Development
Clear Touch Interactive
kt@getcleartouch.com
(864) 430-0361

catchfire FUNDING

Year End Questionnaire

Annual Administration Summary for your Retirement Plan
Plan Year Ending 12/31/15

1. **Name & address of the Retirement Plan:** Clear Touch Interactive Retirement Plan
561 Keystone Ave Suite 821
Reno, NV 89503-4304

2. **Name of the Plan Administrator:** Tamara Trask
(The person who will be signing Form 5500 on behalf of the Plan)
Email Address of Plan Administrator: tt@getcleartouch.com
Phone Number of Plan Administrator: 864-979-5551

3. **Were any rollovers made to the Plan during 2015?** YES (NO)

If yes, indicate who made the rollover and the amount:

Participants Full Name	Rollover - Exact Amount

4. **Did any participants make contributions to the Plan via salary deferral with company matching?**

YES (NO)

If yes, indicate totals for salary deferrals and company matching per participant on page #3 – Employee Census

5. **Were any distributions made by the Plan during 2015, including direct rollovers out of the Plan?**

YES (NO)

If yes, list all participants who received a distribution:

Full Name	Amount of Distribution	Date of Distribution	Rolled to IRA	Age of Participant

Note: ALL distributions will be issued a 1099-R for tax reporting. ANY money that leaves the Plan MUST be accounted for.

6. **Are there any outstanding participant loans?** YES (NO)

If yes, list all participants with loans:

Full Name	Loan Balance at Beginning of Plan Year	Total Principal Paid	Total Interest Paid	Date Loan Originated

PLAINTIFF'S EXHIBIT 69

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7. **List all accounts holding any assets of the Retirement Plan (savings, investment account, etc.)** ***Do not include corporate accounts.***

Name of Financial Institution	Type of Account	Approx. Value
Bank of America	Business Investment Account	$1,928

Please be sure that ALL Retirement Plan account statements (including those of participants) are sent to CatchFire Funding to accurately process Form 5500!

8. **What is the value of the corporation as of the Plan year end?**

$ 2,269,818 *(DO NOT LEAVE BLANK)*

You may use a third party appraisal service and/or advice from your CPA in determining the value. We use the corporate value to determine the value of the stock when reporting the value of the qualified employer securities (QES).

9. **How many shares of corporate stock does the Retirement Plan own?** 100%

The investment that the Retirement Plan made into the corporation is reported as Qualified Employer Securities (QES) on the 5500 filing.

10. **Has corporate stock been issued to any individual or entity other than the retirement plan?**

YES **NO**

If yes, list all other shareholders and number of shares held:

Full Name of Shareholder	# of Shares Owned

11. **Was the Plan covered by a Fidelity Bond?** **YES** **NO**

(A Fidelity Bond is a form of insurance protection that covers the assets of the plan against potential losses incurred as a result of fraudulent acts by the trustees. A Fidelity bond is **required** once there are participating employees in the Plan other than yourself or spouse.)

If yes, what was the amount of the bond? $_____

12. **Do you have any LLC's owned or operated under the C-Corp?** **YES** **NO**

13. **Corporate Business Activity Code (NAICS Code)** _____

(This code can be found on your corporate tax filing Form 1120 under schedule K, line 2a.If you are unable to find one, we can assign one for you.)

© 2015 CatchFire Funding

Federal Return Summary

Clear Touch Interactive

Plan No. 001

	2015	2014	Diff
FORM 5500 (5500-SF) - INCOME AND EXPENSE STAT			
Total income	2,093,803	178,103	1,915,700
Total expenses	120	40	80
Net income (loss)	2,093,683	178,063	1,915,620
Transfers to (from) the plan	0	0	0
FORM 5500 (5500-SF)- ASSET AND LIABILITY STATE			
Beginning Assets	178,063	0	178,063
Ending Assets	2,271,746	178,063	2,093,683
Beginning Liabilities	0	0	0
Ending Liabilities	0	0	0
Beginning Net Assets	178,063	0	178,063
Ending Net Assets	2,271,746	178,063	2,093,683

PLAINTIFF'S EXHIBIT 10

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Forms needed for this return

Federal: 5500, Sch I, Sch R, 5558

Form **5500**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

► Complete all entries in accordance with the instructions to the Form 5500.

OMB Nos. 1210-0110
1210-0089

2015

This Form Is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning and ending

A This return/report is for: (1) [ ] a multiemployer plan; (3) [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
(2) [X] a single-employer plan; (4) [ ] a DFE (specify) _____

B This return/report is: (1) [ ] the first return/report; (3) [ ] the final return/report;
(2) [ ] an amended return/report; (4) [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here ► [ ]

D Check box if filing under: [X] Form 5558; [ ] automatic extension; [X] the DFVC program;
[ ] special extension (enter description)

Part II Basic Plan Information — enter all requested information

1a Name of plan
CLEAR TOUCH INTERACTIVE RETIREMENT PLAN

1b Three-digit plan number (PN) ► 001

1c Effective date of plan 01/29/2014

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

CLEAR TOUCH INTERACTIVE
KEONE TRASK
561 KEYSTONE AVE, SUITE 821
RENO, NV 89503

2b Employer Identification Number (EIN) [redacted]

2c Plan Sponsor's telephone number 775-473-9199

2d Business code (see instructions) 425110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE			KEONE TRASK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)
William Seagraves
CATCHFIRE FUNDING
19751 E MAINSTREET STE 360
PARKER CO 80138-7408

Preparer's telephone number 877-702-2040

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2015)
v.150123

EBPA9401L 01/19/16

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3a Plan administrator's name and address [X] Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	4b EIN
a Sponsor's name	4c PN

5 Total number of participants at the beginning of the plan year	5	1
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).		
a(1) Total number of active participants at the beginning of the plan year	6a(1)	1
a(2) Total number of active participants at the end of the plan year	6a(2)	1
b Retired or separated participants receiving benefits	6b	
c Other retired or separated participants entitled to future benefits	6c	
d Subtotal. Add lines 6a(2), 6b, and 6c	6d	1
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	
f Total. Add lines 6d and 6e	6f	1
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	1
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2G 2J

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) [ ] Insurance	(1) [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts	(2) [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust	(3) [X] Trust
(4) [ ] General assets of the sponsor	(4) [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules	b General Schedules
(1) [X] R (Retirement Plan Information)	(1) [ ] H (Financial Information)
(2) [ ] MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) – signed by the plan actuary	(2) [X] I (Financial Information – Small Plan)
	(3) [ ] ___ A (Insurance Information)
	(4) [ ] C (Service Provider Information)
(3) [ ] SB (Single-Employer Defined Benefit Plan Actuarial Information) – signed by the plan actuary	(5) [ ] D (DFE/Participating Plan Information)
	(6) [ ] G (Financial Transaction Schedules)

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Schedule I (Form 5500)	Financial Information – Small Plan	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).	2015
Department of Labor Employee Benefits Security Administration	► File as an attachment to Form 5500.	This Form Is Open to Public Inspection
Pension Benefit Guaranty Corporation		

For calendar plan year 2015 or fiscal plan year beginning and ending

A Name of plan	B Three-digit plan number (PN) ►
CLEAR TOUCH INTERACTIVE RETIREMENT PLAN	001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
CLEAR TOUCH INTERACTIVE	[redacted]

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I Small Plan Financial Information

Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. Include all income and expenses of the plan including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. **Round off amounts to the nearest dollar.**

1 Plan Assets and Liabilities:		(a) Beginning of Year	(b) End of Year
a Total plan assets	1a	178063	2271746
b Total plan liabilities	1b		
c Net plan assets (subtract line 1b from line 1a)	1c	178063	2271746

2 Income, Expenses, and Transfers for this Plan Year:		(a) Amount	(b) Total
a Contributions received or receivable:			
(1) Employers	2a(1)		
(2) Participants	2a(2)		
(3) Others (including rollovers)	2a(3)		
b Noncash contributions	2b		
c Other income See Statement 1	2c	2093803	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		2093803
e Benefits paid (including direct rollovers)	2e		
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Administrative service providers (salaries, fees, and commissions)	2h		
i Other expenses See Statement 2	2i	120	
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	2j		120
k Net income (loss) (subtract line 2j from line 2d)	2k		2093683
l Transfers to (from) the plan (see instructions)	2l		

3 Specific Assets: If the plan held assets at anytime during the plan year in any of the following categories, check 'Yes' and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.

		Yes	No	Amount
a Partnership/joint venture interests	3a		X	
b Employer real property	3b		X	
c Real estate (other than employer real property)	3c		X	
d Employer securities	3d	X		2269818
e Participant loans	3e		X	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. Schedule I (Form 5500) 2015

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		Yes	No	Amount
3f Loans (other than to participants)	3f		X	
g Tangible personal property	3g		X	

Part II Compliance Questions

4 During the plan year:		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer 'Yes' for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance	4b		X		
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?	4c		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a)	4d		X		
e Was the plan covered by a fidelity bond?	4e		X		
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i Did the plan at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?	4i	X			2269818
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4j		X		
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If 'No,' attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	4k	X			
l Has the plan failed to provide any benefit when due under the plan?	4l		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3)	4m		X		
n If 4m was answered 'Yes,' check the 'Yes' box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If 'Yes,' enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

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Part III Trust Information

6a Name of trust	6b Trust's EIN

6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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Statement 1
Schedule I, Page 1, Line 2c
Other Income
Clear Touch Interactive Retirement Plan 46-4647569 001

Net Investment Gain (Loss) From Pooled Separate Accounts	$ 2,093,803.
Total	$ 2,093,803.

Statement 2
Schedule I, Page 1, Line 2i
Other Expenses
Clear Touch Interactive Retirement Plan 46-4647569 001

Administrative Expense	$ 120.
Total	$ 120.

STATE OF SOUTH CAROLINA	)	
	)	IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE	)	
	)	
Encore Technology Group, LLC,	)	C.A. No. 2015-CP-23-05757
	)	
Plaintiff,	)	
	)	
vs.	)	**Affidavit of Keone Trask**
	)	
Keone Trask and Clear Touch Interactive, Inc. f/k/a Clear Touch Interactive, LLC,	)	
	)	
Defendants.	)	

Personally, appeared before me Keone Trask, who, after being duly sworn, deposes and states the following:

1. My name is Keone Trask. I am over the age of 21 and have personal knowledge of the facts contained in this Affidavit and, if called as a witness, could competently testify to those facts.

2. I am President of Clear Touch Interactive, Inc. f/k/a Clear Touch Interactive, LLC (*hereinafter* "CTI").

3. CTI was incorporated under the laws of the State of Nevada on August 2012.

4. CTI's first email accounts were established in late 2012 with the service Blue Host. CTI email accounts were transferred to Zoho Email on or about May 2014.

5. In February of 2015, CTI began experiencing electronic communication issues with its email; namely issues with CTI emails being caught in other parties' Spam filters thereby hindering CTI's ability to communicate in an efficient and predictable manner. Its email provider at the time was Zoho Email. Zoho Email is an integrated component of the Zoho CRM Suite allowing for integrated communications.

6. CTI attempted to work with Zoho to overcome the electronic communications issues. After numerous attempts to resolve the issues, CTI, decided to implement Google Apps for Business in April of 2015.

7. A key part to the implementing of Google Apps for Business was the requirement to migrate existing electronic communications. Google Apps for Business provided tools, the Google Apps Migration Tool, to facilitate the migration of each user account. The Google Apps Migration Tool was used manually, using the IMAP Migration method, to import email from Zoho into Google Apps for Business. Though the use of the IMAP Migration allowed for the import of email, it was later observed that not all emails were successfully migrated to Google Apps for Business. Following the termination of service with Zoho Email, CTI no longer had access to emails not successfully migrated from Zoho to Google Apps for Business.

8. Google Apps for Business has since been rebranded to G Suite of Business. CTI continues to use G Suite for Business to this day and has overcome the majority of electronic communication issues. Since CTI's inception through today, CTI does not have an electronic communications discovery or preservation policy.

9. From CTI's founding to present, the company did not maintain any email archiving system or preserve emails on backup tapes. Emails are currently stored on the G Suit for Business cloud service.

FURTHER AFFIANT SAYETH NOT.

Keone Trask

SWORN to before me this 19
day of December, 2016.

Notary Public for South Carolina
My commission expires: 2/20/20

Joseph O. Smith
NOTARY PUBLIC
State of South Carolina
My Commission Expires
February 20, 2020

Jun 2017

Subject: RE: Cleartouch LCD
Date: Tuesday, January 21, 2014 at 5:03:51 PM Central Standard Time
From: Jim Williamson <jimw@act-ol.com>
To: Dale Viola <dale@axiedu.com>
Attachments: image001.png

Maybe, but Encore is not OEM'ing them, I guess Clear touch could be. He said they are getting them directly from Clear touch and Clear touch has a focus on education and they have sold about 1000 units so far. These units are not android units like SeeWo units.

However they are looking at Android units this week. He wasn't sure what brand but will get back to me.

Keone is bringing a unit to TCEA (I Think for Mike) and is going to get me in touch with His Clear Touch contact. I'll keep you posted.

Jimmy Williamson
Advanced Classroom Technologies
425-870-9735 Cell
360-658-5200 Office
360-658-5300 Fax
jimw@act-ol.com

From: Dale Viola [mailto:dale@axiedu.com]
Sent: Tuesday, January 21, 2014 2:51 PM
To: Jim Williamson
Subject: Re: Cleartouch LCD

I think they are oem Seewo units from the outfit in Nevada.

Checking.

Interactive Panels

Immerse and re-engage within a new interactive experience by implementing Clear Touch Interactive's Interactive Panels Touch Interactive provides fully integrated interactive panel and display solutions that are big, beautiful and intuitive. interactive panels and displays are specifically designed for the demands and requirements of today's education environm is through this combination of high definition LED technology and a true ScatteredIR multi-touch experience that leads Touch Interactive in transforming the interactive education experience.

PLAINTIFF'S EXHIBIT 76

Which is the right Interactive Panel for you?

Clear Touch 5065H

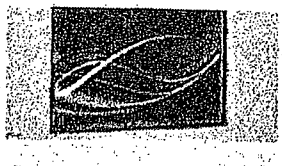
Clear Touch 5070H

Clear Touch 5084H

Big, Beautiful and Intuitive – The Clear Touch 5065H integrates a big 65" class LED display with 5th generation ScatteredIR technology.

65" High Definition LED Display
6 Points Simultaneous Multi-Touch
Anti-Glare / Anti-Friction Surface
Toughened Scratch Resistant Glass
EasiNote 2013 Learning Software
> 50,000 Hours Of Service Life
1 Year Standard Warranty

SPECIFICATIONS



Big, Beautiful and Intuitive – The Clear Touch 5070H integrates a big 70" class LED display with 5th generation ScatteredIR technology.

70" High Definition LED Display
6 Points Simultaneous Multi-Touch
Anti-Glare / Anti-Friction Surface
Toughened Scratch Resistant Glass
EasiNote 2013 Learning Software
> 50,000 Hours Of Service Life
1 Year Standard Warranty

SPECIFICATIONS

Big, Beautiful and Intuitive – The (
Touch 5084H integrates a big 84"
LED display with 5th generatic
ScatteredIR technology.

84" High Definition LED Displ
6 Points Simultaneous Multi-To
Anti-Glare / Anti-Friction Surfa
Toughened Scratch Resistant G
EasiNote 2013 Learning Softw
> 50,000 Hours Of Service Lif
1 Year Standard Warranty

SPECIFICATIONS

Carpe Diem,

Dale

Dale Viola
President and Chief Customer Care Officer

Tel:
888.493.0608
M:
985.773.8658
F:
985.893.4897

AXI Education Solutions
www.axiedu.com

"Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."

-- Harriet Tubman

From: Jim Williamson <jimw@act-ol.com>
Date: Tuesday, January 21, 2014 3:03 PM
To: Dale Viola <dale@axiedu.com>
Subject: Cleartouch LCD

http://www.encoretg.com/encoretv/clear-touch-4070b-with-leo-gallant#.Ut7em7DTnIU

I'm talking with Keone later today about these. Sounds like they are looking for "exclusive dealers" and they are already selling a lot of them.

Jimmy Williamson
Advanced Classroom Technologies
425-870-9735 Cell
360-658-5200 Office
360-658-5300 Fax
jimw@act-ol.com

Any views expressed in this message are those of the individual sender, except where the sender, acting within his or her authority, specifically states them to be the views of AXI Education Solutions. The information in this email may be confidential, and is intended only for the use of or dissemination by the recipient named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.

Hello Robin,
Terri and I am delighted to hear she is doing well. I am sure your parents are very excited. Grandchildren are God's blessing.
How many of the 20 70" pieces may I have? Each of my customers is requesting one for evaluation in their environment.
What type of forecast information are you seeking? I expect to know more information fairly soon but I would probably consider at least a container with a more solid forecast to come in the next few weeks.
I did speak to Keone. He is using an older product — what is the CVTE base model? We are going to talk at TCEA however Tony and I have some reservations regarding ClearTouch's ability to scale to the level we need.
Happy New Year,
Dale

Dale Viola
President and Chief Customer Care Officer
Tel: 888.493.0608
M: 985.773.8658
F: 985.893.4897
AXI Education Solutions
www.axiedu.com

"Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."

-- Harriet Tubman

From: Robin Liang <liangbin@cvte.cn>
Reply-To: liangbin <liangbin@cvte.cn>
Date: Thursday, January 23, 2014 9:00 PM
To: Dale Viola <dale@axiedu.com>
Subject: 回復: Re: Do you have Time to talk tomorrow?

Hi Dale
So far she feels very well, no much sick feeling, thank you very much for your caring.
Her English name is Cherry, I shared our experience in your house with her, she loves the dogs so much! ☺
Currently the soonest batch of production finish time is around Feb. 20th, by which time we will have 20pcs 65" and 20pcs 70" H+ in stock.
I suggest we set up a forecast and I will hold the samples for you in advance.
If we ship out samples by air, they should arrive at your side within Feb.
I assume average air cost from our warehouse to New Orleans airport is around $1000/pc.
Besides, I'd like to check the possibility for a 3 party meeting during TCEA.
I will arrive at TCEA by Feb 6th afternoon and hopefully can have a dinner with you, Mike and Keone.
What is your opinion about this?
Await your reply.
Thank you.
Regards

Robin Liang | Global Market BU
Guangzhou Shirui Electronics Co., Ltd. | 192 Kezhu Road, Science Park, P.R.China (510663) | www.seewo.com
Mobile: (+86)13922196150 | Skype: robin.liang321 | TEL: +86-20-82260169 | FAX: +86-20-82075579

seewo

PLAINTIFF'S EXHIBIT 78

Jan 25 2014

G

Dale Viola Wednesday, September 6, 2017 at 3:32:29 PM Central Daylight Time

Subject: Interactive Panels

Date: Saturday, January 25, 2014 at 3:27:37 PM Central Standard Time

From: Keone Trask <keonetrask@gmail.com>

To: viola@me.com <viola@me.com>, kc@cleartouchinteractive.com <kc@cleartouchinteractive.com>

Dale -

It is a pleasure to introduce you to Kathy Cruse with Clear Touch Interactive. Clear Touch Interactive has been a key partner for the last year as we have been witnessing the transition from using projector based displays to LCD based displays. Together we have been working with districts across the southeast to address the needs and requirements of the K20 Education and Commercial markets.

You can review their products on their website at: www.cleartouchinteractive.com

Keone

PLAINTIFF'S EXHIBIT 79

PENGAD 800-631-6989

H Jan 25 2014

Dale Viola Wednesday, September 6, 2017 at 3:35:18 PM Central Daylight Time

Subject: FW: Interactive Panels
Date: Saturday, January 25, 2014 at 4:04:53 PM Central Standard Time
From: Kathy Cruse <kc@cleartouchinteractive.com>
To: viola@me.com <viola@me.com>
Attachments: Individual NDA.pdf

Dale

I neglected to hit "reply all"

My apologies

Thank you

Kathy

Kathy Cruse
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 706

From: Kathy Cruse [mailto:kc@cleartouchinteractive.com]
Sent: Saturday, January 25, 2014 5:03 PM
To: 'Keone Trask'
Subject: RE: Interactive Panels

Dale

It is a pleasure to meet you

While Clear Touch Interactive does not have a formal reseller program we have established a few partners that we have been working with in providing interactive touch panels

We will be developing a formal program in the coming months that addresses key topics

Please find attached a non-disclosure document that will allow us to provide you're a reseller agreement and pricing

Thank you

Kathy

Kathy Cruse
Clear Touch Interactive
Interact Differently
(775) 473-9199 x 706

From: Keone Trask [mailto:keonetrask@gmail.com]

PENGAD 800-631-6989 PLAINTIFF'S EXHIBIT 80

Sent: Saturday, January 25, 2014 4:28 PM
To: viola@me.com; kc@cleartouchinteractive.com
Subject: Interactive Panels

Dale -

It is a pleasure to introduce you to Kathy Cruse with Clear Touch Interactive. Clear Touch Interactive has been a key partner for the last year as we have been witnessing the transition from using projector based displays to LCD based displays. Together we have been working with districts across the southeast to address the needs and requirements of the K20 Education and Commercial markets.

You can review their products on their website at: www.cleartouchinteractive.com

Keone

NONDISCLOSURE AND PROTECTIVE AGREEMENT TO GOVERN CONFIDENTIAL/PROPRIETARY DATA

This **NONDISCLOSURE AND PROTECTIVE AGREEMENT** ("**Agreement**") is hereby made and entered into as of this ___ day of _____, 201_ (the "Effective Date"), by and between Clear Touch Interactive, Inc., a corporation organized under the laws of Nevada, and its affiliates and subsidiaries ("Clear Touch"), and _____, an individual. Clear Touch and _____ hereinafter shall each be referred to as a "Party" and shall collectively be referred to as the "Parties."

RECITALS:

WHEREAS, the Parties intend to jointly explore the possibility of entering into a business relationship;

WHEREAS, the Parties, to facilitate this effort, may exchange information deemed to be confidential and/or proprietary by the disclosing Party, including, without limitation, financial, operational, business and technical data regarding, as well as business, marketing, and sales strategies and plans of, the disclosing Party;

WHEREAS, the Parties desire to preserve and protect the confidentiality of all confidential and/or proprietary information disclosed by the Parties to one another;

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, with the intent of being legally bound, do hereby agree as follows:

1. **Purpose**. Each Party hereby acknowledges that it has entered into this Agreement solely to facilitate the joint exploration by the Parties of a potential business relationship, providing a mechanism to safeguard any confidential and proprietary data exchanged by the Parties. This Agreement shall not require either Party to furnish Confidential/Proprietary Information to the other Party, nor shall the furnishing of Confidential/Proprietary Information by a Party to the other Party obligate either Party to evaluate, negotiate or enter into a business relationship with the other Party or preclude either Party from evaluating, negotiating or entering into any business relationship with a third party. No warranties of any kind are given by either party with respect to the information provided to the other.

2. **Confidential/Proprietary Information.** All information disclosed by a Party, its affiliates, subsidiaries or agents, or third parties at the request of the Party, to the other Party, shall be deemed to be "Confidential/Proprietary Information" if it is (a) in written, graphic or other tangible form, including, without limitation, computer discs and tapes and other media which can be converted to readable form, and bears an appropriate legend indicating its confidential and/or proprietary nature, or (b) disclosed orally, or in a form other than in writing or a media which can be converted to readable form, and is identified as confidential and propriety at the time of disclosure, with such designation confirmed in writing within seventy-two (72) hours thereafter; provided, however, that the disclosing Party's failure to place an appropriate legend indicating the confidentiality and/or proprietary nature of information disclosed in written, graphic or other tangible form or to provide written confirmation of the confidential nature of information disclosed orally, or in a form other than in writing or on

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials _____

computer disk or tape, shall not relieve the receiving Party of its obligation to preserve the confidentiality of said information if the receiving Party knows, should have known or has reason to know that the information is confidential or proprietary; provided further that the receiving Party shall not be liable for any reasonable, good faith disclosure of such information. Any agreements or other documents memorializing or reflecting the terms of the Parties business relationship shall also be deemed Confidential/Proprietary Information. Each Party acknowledges that the Confidential/Proprietary Information of the other Party is uniquely valuable and competitively-sensitive.

3. **Use and Dissemination**. Neither Party shall use Confidential/Proprietary Information of the other Party for any purpose other than evaluating and negotiating a business relationship between the Parties. Each Party shall restrict internal disclosure of Confidential/Proprietary Information of the other Party to such of its officers, employees and agents, including attorneys, accountants and financial or investment advisors, as have a reasonable need to know such information and shall advise said officers, employees and agents of the obligations assumed by it in this Agreement. Neither Party shall disclose Confidential/Proprietary Information of the other Party to any third party, other than such attorneys, accountants and financial or investment advisors as shall be assisting the Party in evaluating and negotiating the business relationship between the Parties, without the prior written consent of the other Party; provided, however, that either Party may disclose Confidential/Proprietary Information of the other Party to its principal lenders and substantial stock holders without the prior written consent of the other Party so long as such lenders and stock holders have executed a nondisclosure agreement substantially similar to this Agreement. A Party shall not reproduce Confidential/Proprietary Information of the other Party unless necessary to evaluate and explore a business relationship between the Parties, and shall ensure that all such copies, as well as summaries and notes of and other documents and materials containing or referencing, the Confidential/Proprietary Information of the other Party are appropriately marked as such.

4. **Standard of Care**. Each Party shall take all reasonable and necessary steps to prevent the disclosure, unauthorized use or publication of Confidential/Proprietary Information of the other Party and in so doing, shall not use less than the same degree of care it uses with regard to its own proprietary or confidential information, and shall maintain said information in a secure location accessible only by those who are authorized to view it.

5. **Exceptions**. The restrictions on disclosure of Confidential/Proprietary Information shall not apply to (i) information which at the time of disclosure was generally available to the public; (ii) information which subsequent to its disclosure to a Party, is published or otherwise becomes available to the public through any means other than an act or omission of the Party; (iii) information which was previously known to a Party free of any obligation to keep it confidential or which is subsequently developed independently in good faith by the Party; and (iv) information rightfully acquired in good faith from a third party on a non-confidential basis without breach of an agreement to maintain said information in confidence. Notwithstanding anything to the contrary herein, a Party may disclose Confidential/Proprietary Information of the other Party (i) if required to do so by law; or (ii) if ordered to do so by a court or other governmental authority of competent jurisdiction; provided, however, that a Party shall provide the other Party prior written notice of any such disclosure and exercise its best efforts, consistent with sound business practice, both to afford the other Party an opportunity to contest the disclosure and to limit the extent of the disclosure to the maximum extent practicable.

6. **Proprietary**. By disclosing Confidential/Proprietary Information, a Party does not relinquish any proprietary rights and interests, or grant any rights or licenses, in said information. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to Confidential or other information. Upon the written request of a Party, the other Party shall promptly return, or, at the sole discretion of the requesting Party, destroy, all Confidential/Proprietary Information of the requesting Party and all

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials _____

copies thereof, as well as all summaries, notes or other documents, materials or things containing Confidential/Proprietary Information.

7. **Remedies.** In the event a material breach hereof occurs, or is threatened, the nonbreaching Party shall have the right to pursue any and all legal and equitable remedies to which it would be entitled under the law. Each Party hereby agrees and acknowledges that the other Party would be irreparably damaged by the breach of this Agreement, which damage could not be adequately compensated except by specific performance hereof. In the event such a default has occurred or is threatened, it is agreed that the nonbreaching Party shall be entitled to temporary and permanent injunctive relief, including, without limitation, specific performance of this Agreement, without any showing of actual damage or inadequacy of legal remedy or the posting of any bond in any proceeding which may be brought to enforce this Agreement.

8. **Representations and Warranties.** Each Party represents and warrants to the other Party, which representations and warranties shall survive the execution hereof, that it has the power and authority to execute, deliver and perform this Agreement, that its execution and delivery of this Agreement and its performance hereunder have been duly authorized and that this Agreement has been duly executed and delivered by it and is a valid and binding agreement enforceable in accordance with its terms against it. Neither Party is making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential/Proprietary Information being disclosed to the other Party.

9. **Nonsolicitation.** For a period commencing on the Effective Date and ending on the second anniversary of the termination of this Agreement, neither Party shall directly solicit for employment or hire any person who is now employed by the other Party (or whose activities are dedicated to the other Party).

10. **Termination/Survival.** This Agreement may be terminated upon thirty (30) days' written notice by either Party; provided, however, that the obligations imposed by this Agreement to safeguard and to promptly return or destroy the Confidential/Proprietary Information of the other Party shall survive any termination of this Agreement for a period of three (3) years.

11. **Entire Agreement.** **THIS AGREEMENT SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, REGARDING THE SUBJECT MATTER HEREOF.** This Agreement may only be amended or modified by written consent of both Parties. The terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective heirs, successors, transferees and assigns.

12. **Miscellaneous.** The waiver of compliance with any of the provisions of this Agreement by a Party shall not be considered an ongoing waiver of such provisions or a waiver of any of the other provision hereof by said Party. Each provision of this Agreement shall be considered severable and if for any reason any provision hereof is determined to be contrary to any existing or future law, rule or regulation of any jurisdiction, such invalidity shall not impair the operation of said provision in any other jurisdiction or any other provisions hereof. All notices and solicitations of consent or approval, and other communications hereunder, shall be in writing; shall be deemed to have been given when delivered by hand, by telecopy (followed by mailed notices as hereinafter provided), by overnight delivery service, with acknowledged receipt, or by United States mail, if sent by registered or certified mail, postage prepaid, return receipt requested, addressed, to a Party at the address set forth for that Party below or such other address as the Party shall have given in writing for such purpose. Neither Party shall assign this

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials _____

Agreement to any third party without the prior written consent of the other Party, provided, however, that the merger or consolidation of one Party into, or the sale of all or substantially all of the stock or assets of such Party to, a third party shall not be deemed to be an assignment. This Agreement will be governed by internal laws of the State of Nevada, without reference to its choice of law rules. Any action arising out of or related to this Agreement shall be brought in the state or Federal courts located in Washoe County, Nevada and each Party consents to the jurisdiction and venue of such courts.

13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts taken together shall constitute the agreement of the Parties.

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials _____

IN WITNESS WHEREOF, the Parties have caused this **NONDISCLOSURE AND PROTECTIVE AGREEMENT** to be duly executed as of the day and year first above written.

Clear Touch Interactive, Inc.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Individual

By: _____

Name: _____

Address for Notices

561 Keystone Road
Reno, NV 86503

Address for Notices

_____
_____
_____

Clear Touch Interactive, Inc. Initials _____ _____

Individual Initials _____

NONDISCLOSURE AND PROTECTIVE AGREEMENT TO GOVERN CONFIDENTIAL/PROPRIETARY DATA

This **NONDISCLOSURE AND PROTECTIVE AGREEMENT** ("**Agreement**") is hereby made and entered into as of this 27 day of January, 2014 (the "Effective Date"), by and between Clear Touch Interactive, Inc., a corporation organized under the laws of Nevada, and its affiliates and subsidiaries ("Clear Touch"), and Jimmy Williamson, an individual. Clear Touch and Jimmy Williamson hereinafter shall each be referred to as a "Party" and shall collectively be referred to as the "Parties."

RECITALS:

WHEREAS, the Parties intend to jointly explore the possibility of entering into a business relationship;

WHEREAS, the Parties, to facilitate this effort, may exchange information deemed to be confidential and/or proprietary by the disclosing Party, including, without limitation, financial, operational, business and technical data regarding, as well as business, marketing, and sales strategies and plans of, the disclosing Party;

WHEREAS, the Parties desire to preserve and protect the confidentiality of all confidential and/or proprietary information disclosed by the Parties to one another;

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, with the intent of being legally bound, do hereby agree as follows:

1. **Purpose.** Each Party hereby acknowledges that it has entered into this Agreement solely to facilitate the joint exploration by the Parties of a potential business relationship, providing a mechanism to safeguard any confidential and proprietary data exchanged by the Parties. This Agreement shall not require either Party to furnish Confidential/Proprietary Information to the other Party, nor shall the furnishing of Confidential/Proprietary Information by a Party to the other Party obligate either Party to evaluate, negotiate or enter into a business relationship with the other Party or preclude either Party from evaluating, negotiating or entering into any business relationship with a third party. No warranties of any kind are given by either party with respect to the information provided to the other.

2. **Confidential/Proprietary Information.** All information disclosed by a Party, its affiliates, subsidiaries or agents, or third parties at the request of the Party, to the other Party, shall be deemed to be "Confidential/Proprietary Information" if it is (a) in written, graphic or other tangible form, including, without limitation, computer discs and tapes and other media which can be converted to readable form, and bears an appropriate legend indicating its confidential and/or proprietary nature, or (b) disclosed orally, or in a form other than in writing or a media which can be converted to readable form, and is identified as confidential and propriety at the time of disclosure, with such designation confirmed in writing within seventy-two (72) hours thereafter; provided, however, that the disclosing Party's failure to place an appropriate legend indicating the confidentiality and/or proprietary nature of information disclosed in written, graphic or other tangible form or to provide written confirmation of the confidential nature of information disclosed orally, or in a form other than in writing or on

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials JW

computer disk or tape, shall not relieve the receiving Party of its obligation to preserve the confidentiality of said information if the receiving Party knows, should have known or has reason to know that the information is confidential or proprietary; provided further that the receiving Party shall not be liable for any reasonable, good faith disclosure of such information. Any agreements or other documents memorializing or reflecting the terms of the Parties business relationship shall also be deemed Confidential/Proprietary Information. Each Party acknowledges that the Confidential/Proprietary Information of the other Party is uniquely valuable and competitively-sensitive.

3. **Use and Dissemination.** Neither Party shall use Confidential/Proprietary Information of the other Party for any purpose other than evaluating and negotiating a business relationship between the Parties. Each Party shall restrict internal disclosure of Confidential/Proprietary Information of the other Party to such of its officers, employees and agents, including attorneys, accountants and financial or investment advisors, as have a reasonable need to know such information and shall advise said officers, employees and agents of the obligations assumed by it in this Agreement. Neither Party shall disclose Confidential/Proprietary Information of the other Party to any third party, other than such attorneys, accountants and financial or investment advisors as shall be assisting the Party in evaluating and negotiating the business relationship between the Parties, without the prior written consent of the other Party; provided, however, that either Party may disclose Confidential/Proprietary Information of the other Party to its principal lenders and substantial stock holders without the prior written consent of the other Party so long as such lenders and stock holders have executed a nondisclosure agreement substantially similar to this Agreement. A Party shall not reproduce Confidential/Proprietary Information of the other Party unless necessary to evaluate and explore a business relationship between the Parties, and shall ensure that all such copies, as well as summaries and notes of and other documents and materials containing or referencing, the Confidential/Proprietary Information of the other Party are appropriately marked as such.

4. **Standard of Care.** Each Party shall take all reasonable and necessary steps to prevent the disclosure, unauthorized use or publication of Confidential/Proprietary Information of the other Party and in so doing, shall not use less than the same degree of care it uses with regard to its own proprietary or confidential information, and shall maintain said information in a secure location accessible only by those who are authorized to view it.

5. **Exceptions.** The restrictions on disclosure of Confidential/Proprietary Information shall not apply to (i) information which at the time of disclosure was generally available to the public; (ii) information which subsequent to its disclosure to a Party, is published or otherwise becomes available to the public through any means other than an act or omission of the Party; (iii) information which was previously known to a Party free of any obligation to keep it confidential or which is subsequently developed independently in good faith by the Party; and (iv) information rightfully acquired in good faith from a third party on a non-confidential basis without breach of an agreement to maintain said information in confidence. Notwithstanding anything to the contrary herein, a Party may disclose Confidential/Proprietary Information of the other Party (i) if required to do so by law; or (ii) if ordered to do so by a court or other governmental authority of competent jurisdiction; provided, however, that a Party shall provide the other Party prior written notice of any such disclosure and exercise its best efforts, consistent with sound business practice, both to afford the other Party an opportunity to contest the disclosure and to limit the extent of the disclosure to the maximum extent practicable.

6. **Proprietary.** By disclosing Confidential/Proprietary Information, a Party does not relinquish any proprietary rights and interests, or grant any rights or licenses, in said information. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to Confidential or other information. Upon the written request of a Party, the other Party shall promptly return, or, at the sole discretion of the requesting Party, destroy, all Confidential/Proprietary Information of the requesting Party and all

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials JV

copies thereof, as well as all summaries, notes or other documents, materials or things containing Confidential/Proprietary Information.

7. **Remedies.** In the event a material breach hereof occurs, or is threatened, the nonbreaching Party shall have the right to pursue any and all legal and equitable remedies to which it would be entitled under the law. Each Party hereby agrees and acknowledges that the other Party would be irreparably damaged by the breach of this Agreement, which damage could not be adequately compensated except by specific performance hereof. In the event such a default has occurred or is threatened, it is agreed that the nonbreaching Party shall be entitled to temporary and permanent injunctive relief, including, without limitation, specific performance of this Agreement, without any showing of actual damage or inadequacy of legal remedy or the posting of any bond in any proceeding which may be brought to enforce this Agreement.

8. **Representations and Warranties.** Each Party represents and warrants to the other Party, which representations and warranties shall survive the execution hereof, that it has the power and authority to execute, deliver and perform this Agreement, that its execution and delivery of this Agreement and its performance hereunder have been duly authorized and that this Agreement has been duly executed and delivered by it and is a valid and binding agreement enforceable in accordance with its terms against it. Neither Party is making any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential/Proprietary Information being disclosed to the other Party.

9. **Nonsolicitation.** For a period commencing on the Effective Date and ending on the second anniversary of the termination of this Agreement, neither Party shall directly solicit for employment or hire any person who is now employed by the other Party (or whose activities are dedicated to the other Party).

10. **Termination/Survival**. This Agreement may be terminated upon thirty (30) days' written notice by either Party; provided, however, that the obligations imposed by this Agreement to safeguard and to promptly return or destroy the Confidential/Proprietary Information of the other Party shall survive any termination of this Agreement for a period of three (3) years.

11. **Entire Agreement.** **THIS AGREEMENT SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, REGARDING THE SUBJECT MATTER HEREOF.** This Agreement may only be amended or modified by written consent of both Parties. The terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective heirs, successors, transferees and assigns.

12. **Miscellaneous.** The waiver of compliance with any of the provisions of this Agreement by a Party shall not be considered an ongoing waiver of such provisions or a waiver of any of the other provision hereof by said Party. Each provision of this Agreement shall be considered severable and if for any reason any provision hereof is determined to be contrary to any existing or future law, rule or regulation of any jurisdiction, such invalidity shall not impair the operation of said provision in any other jurisdiction or any other provisions hereof. All notices and solicitations of consent or approval, and other communications hereunder, shall be in writing; shall be deemed to have been given when delivered by hand, by telecopy (followed by mailed notices as hereinafter provided), by overnight delivery service, with acknowledged receipt, or by United States mail, if sent by registered or certified mail, postage prepaid, return receipt requested, addressed, to a Party at the address set forth for that Party below or such other address as the Party shall have given in writing for such purpose. Neither Party shall assign this

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials JW

Agreement to any third party without the prior written consent of the other Party, provided, however, that the merger or consolidation of one Party into, or the sale of all or substantially all of the stock or assets of such Party to, a third party shall not be deemed to be an assignment. This Agreement will be governed by internal laws of the State of Nevada, without reference to its choice of law rules. Any action arising out of or related to this Agreement shall be brought in the state or Federal courts located in Washoe County, Nevada and each Party consents to the jurisdiction and venue of such courts.

13. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts taken together shall constitute the agreement of the Parties.

Clear Touch Interactive, Inc. Initials _____ _____ Individual Initials _____

IN WITNESS WHEREOF, the Parties have caused this **NONDISCLOSURE AND PROTECTIVE AGREEMENT** to be duly executed as of the day and year first above written.

Clear Touch Interactive, Inc.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Individual

By: _____

Name: Jimmy Williamson

Address for Notices

561 Keystone Road
Reno, NV 86503

Address for Notices

13350 41st AVE NE
Marysville WA 98271

Clear Touch Interactive, Inc. Initials _____ _____

Individual Initials JW

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE	)	THIRTEENTH JUDICIAL CIRCUIT
Encore Technology Group, LLC,	)	C.A. No.: 2015-CP-23-05757
Plaintiff,	)	**DEFENDANTS' STIPULATIONS OF FACT AND ADMISSIONS OF LIABILITY**
v.	)	
Keone Trask and Clear Touch Interactive, Inc. f/k/a Clear Touch Interactive, LLC,	)	
Defendants.	)	

The above-named Defendants, by and through their undersigned attorneys, hereby stipulate to the following facts and admit liability on the claims noted below:

1. Defendant, Keone Trask worked for Computer Software Innovations (CSI) from 1999 to 2012.

2. Keone Trask incorporated Clear Touch Interactive, LLC in Nevada on August 24, 2012.

3. Keone Trask and his wife Tamara Trask appeared on the initial corporate filings as Managing Members of Clear Touch.

4. Keone Trask incorporated Encore Technology Group, LLC in South Carolina on September 27, 2012.

5. Encore hired Keone Trask as its Chief Business Development Officer on February 18, 2013.

6. Keone Trask signed a Non-Disclosure and Non-Solicitation Agreement with Encore on February 18, 2013. (Exhibit A to the Complaint).

7. Clear Touch filed an Annual List of Managing Members and Registered Agent and State of Business License Application of Clear Touch Interactive, LLC on April 11, 2013 for the

PLAINTIFF'S EXHIBIT 83
PENGAD 800-631-6989

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period of August 2012 – August 2013 listing Kathy Cruse as the only managing member of Clear Touch.

8. Kathy Cruse is Keone Trask's mother.

9. Keone Trask facilitated Encore becoming a Reseller of Clear Touch products while he was an employee of Encore.

10. Keone Trask did not disclose his interest in Clear Touch to Encore before the parties entered into the Reseller Agreement or during his employment with Encore.

11. Kathy Cruse sent emails from her Clear Touch email address (kc@cleartouchinteractive.com) to Keone Trask at his Encore email address (ktrask@encoretg.com) before Clear Touch and Encore entered into the Reseller Agreement and during the term of the parties' business relationship. These emails were sent to facilitate the parties entering of the Reseller Agreement and discuss Encore's purchases of Clear Touch products and other matters pertaining to the parties' business relationship.

12. Keone Trask sent emails from his Encore email address to Kathy Cruse at her Clear Touch email address before Clear Touch and Encore entered into the Reseller Agreement and during the parties' business relationship to facilitate the parties entering of the Reseller Agreement and to discuss Encore's purchases of Clear Touch products and other matters pertaining to the parties' business relationship.

13. Encore entered into a Reseller Agreement with Clear Touch on April 24, 2013, making Encore the exclusive reseller of Clear Touch interactive panels and products in seven southeastern states. (Exhibit B to the Complaint).

14. Tamara Trask and Keone Trask are husband and wife.

15. Starting in January 2014, Tamara Trask started communicating with Encore from a Clear Touch email address under the alias "Amy Andrews." This included email correspondence

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between Amy Andrews at a Clear Touch email address (aa@cleartouchinteractive.com) and Keone Trask at his Encore email address.

16. Encore terminated Keone Trask on April 24, 2014.

17. Encore continued to sell Clear Touch products after Keone Trask was terminated.

18. Keone Trask immediately went to work for Clear Touch after being terminated from Encore.

19. Keone Trask informed Encore executives that he owned Clear Touch in October 2014. Historical ownership of Clear Touch was not discussed at that time, and therefore it was not disclosed that Keone Trask had owned an interest in Clear Touch during his employment with Encore.

20. Encore continued to do business with Clear Touch until ending the relationship on September 11, 2015.

21. Encore filed suit on September 18, 2015.

22. Defendant, Keone Trask, admits, based on the facts stipulated above and under the applicable law, he breached his duty of loyalty to Encore.

23. Defendant, Keone Trask, admits, based on the facts stipulated above and under the applicable law, he breached his fiduciary duties to Encore.

(signature page to follow)

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Respectfully Submitted,

ROE CASSIDY COATES & PRICE, P.A.

s/Joseph O. Smith
Joseph O. Smith, SC Bar # 77475
Joshua J. Hudson, SC Bar # 100311
(1052 North Church Street, 29601)
Post Office Box 10529
Greenville, SC 29603
864.349.2600 – Telephone
864.349.0303 – Facsimile
jsmith@roecassidy.com – Email
jhudson@roecassidy.com – Email

Attorneys for Defendants

Greenville, South Carolina
September 18, 2017

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Sandy Crandall

From:	efiledonotreply@sccourts.org
Sent:	Monday, September 18, 2017 4:37 PM
To:	Greg English
Cc:	Sandy Crandall
Subject:	Courtesy NEF RE: 2015CP2305757

****** IMPORTANT NOTICE - READ THIS INFORMATION *****

NOTICE OF ELECTRONIC FILING [NEF]

A filing has been submitted to the court RE: 2015CP2305757

Official File Stamp:	09-18-2017 04:36:27 PM
Court:	CIRCUIT COURT Common Pleas Greenville
Case Caption:	Encore Technology Group LLC vs. Keone Trask , defendant, et al
Document(s) Submitted:	Memo/Memo in Support
Filed by or on behalf of:	Joseph Owen Smith

This notice was automatically generated by the courts auto-notification system.

The following people were served electronically:

Gregory Jacobs English for Encore Technology Group LLC
Joshua Jennings Hudson for Keone Trask et al
Joseph Owen Smith for Keone Trask et al

The following people have not been served electronically by the Court. Therefore, they must be served by traditional means:

CONFIDENTIALITY NOTICE ~~~ This message is intended only for the addressee and may contain information that is confidential. If you are not the intended recipient, do not read, copy, retain, or disseminate this message or any attachment. If you have received this message in error, please contact the sender immediately and delete all copies of the message and any attachments.

Russell Young

From: Todd Newnam <tnewnam@encoretg.com>
Sent: Tuesday, April 29, 2014 2:24 PM
To: Everyone
Subject: Keone Trask

Everyone,

It is with much sadness that I announce that Keone Trask is leaving Encore.

Keone joined the CSI team in 1999, and he contributed significantly to the growth and development of the Technology division. In the months leading up to the birth of Encore last year, Keone worked alongside Chris Powell and Michael Knight to ensure a bright future for the Technology division and its employees. For all of this and so much more, we are very thankful and appreciative of his efforts and support.

After 15 years in this business, Keone is looking to start another chapter in his professional life. We wish him well in this process and certainly look forward to maintaining both a personal and professional relationship in the coming years.

Any internal or external sales and marketing questions should be referred to David Masters.

Sincerely,

Todd Newnam

Russell Young

From: Keone Trask <kt@getcleartouch.com>
Sent: Wednesday, September 3, 2014 4:21 PM
To: David Masters; ryoung
Subject: Notice of Contract Change
Attachments: Clear Touch - Encore Reseller Agreement.pdf

David / Russell -

Please accept this email as official notification of contract change. In review of the existing contract between Clear Touch Interactive and Encore Technology Group it was observed that several key areas are no longer applicable.

The attached Proposed Reseller Agreement address these areas and extends opportuntiles.

Upon execution of the new agreement the existing agreement will be null and void.

This email serves as 30 notice of contract change required by the previous agreement.

Key Areas:

- Exclusivity (no longer applicable - you now have other panel manufactures)
- Territories (expanded to continental United States - to align with TIPS contract)
- Pricing (reflects changes in partner status and ordering vs. quantities)
- Payment Terms
- Credit Lines

Please let me know if you have any other questions or comments.

Keone

Clear Touch

Keone Trask / Director of Business Development
864-430-0361 / kt@getcleartouch.com

Clear Touch Interactive
561 Keystone Avenue, Suite 821, Reno NV 89503
http://www.getcleartouch.com

This e-mail message may contain confidential or legally privileged information and is intended only for the use of the intended recipient(s). Any unauthorized disclosure, dissemination, distribution, copying or the taking of any action in reliance on the information herein is prohibited. E-mails are not secure and cannot be guaranteed to be error free as they can be intercepted, amended, or contain viruses. Anyone who communicates with us by e-mail is deemed to have accepted these risks. Clear Touch Interactive is not responsible for errors or omissions in this message and denies any responsibility for any damage arising from the use of e-mail. Any opinion and other statement contained in this message and any attachment are solely those of the author and do not necessarily represent those of the company.

ΔπEXHIBIT 7
Deponent T. Newman
Date 7/18 Rptr HW
WWW.DEPOBOOK.COM

ClearTouch interactive
RESELLER AGREEMENT

This Reseller Agreement (the "Agreement") is effective October 1, 2014.

BETWEEN: **Clear Touch Interactive** (the "Company"), a company organized and existing under the laws of the state of Nevada, with its head office located at:

561 Keystone Avenue
Suite 821
Reno, NV 89503

AND: **Encore Technology Group** (the "Reseller"), a company organized and existing under the laws of the state of South Carolina, with its head office located at:

2000 Wade Hampton Boulevard
Suite 210
Greenville, SC 29615

1. APPOINTMENT

1.1 Appointment

Company appoints Reseller and Reseller accepts appointment as a non-exclusive reseller to market, sell, lease, install and service Company products ("Products") within the Territory stated in Exhibit A to consumers.

1.2 Products Covered

Company Products means the products agreed to between the parties from time to time with any exclusions, additions or discounts Company may make.

1.3 Sub-Resellers

Reseller shall not, without Company's prior written approval, appoint sub-resellers, resellers or agents ("Sub-resellers") to market, sell, or lease Company Products. Reseller shall be liable for the acts and omissions of any such Sub-resellers. Should Reseller resell Products to any Sub-reseller, and Products are further resold, the final end-user may not receive manufacture warranty or technical support.

1.4 Sales Outside Territory

Reseller shall in no way market, distribute, export, sell, lease or install Company Products outside the Territory without Company's prior written approval. Company will not ship on any Purchase Orders ("P.O.s") issued by Reseller outside the Territory.

ΔπEXHIBIT 8
Deponent T. Newman
Date 7/18 Rptr. HW
WWW.DEPOBOOK.COM

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2. OBLIGATIONS OF RESELLER

2.1. Marketing and Product Support

Reseller shall use reasonable efforts to market and sell Company Products in the Territory and shall comply with the policies, programs, and requirements regarding marketing and product support as may be communicated by Company to Reseller from time to time; provided, however, that in order to avoid conflict among Company's distribution channels, Reseller shall not, without prior written authorization from Company, resell Company Products in a retail environment that includes any type of store, shop, or other similar physical premises into which customers or potential customers are invited for the purpose of purchasing or potentially purchasing any product from Reseller.

2.2. Advertising

Reseller shall adhere to the reseller advertising policies and programs as may be communicated by Company to Reseller from time to time.

2.3. Customer Support and Service Reseller Shall:

a) Supply Company with such data as Company requests regarding Reseller's sales to customers for Company's own reporting purposes;

b) Participate fully in Company campaigns to notify customers of any retrofit or recall of Company Products;

c) Use only Company-approved spare parts for any repair, servicing and maintenance of Company Products it provides under warranty;

d) Comply with laws and regulations applicable to "used" or returned merchandise and never refurbish, place in inventory, or resell as "new" any Company Products returned to Reseller for post-sale repair; and

e) Instruct its customers on how to obtain replacement parts under warranty, including, when Reseller wants its customers to contact Company directly, the use of Company's Return Merchandise Authorization ("RMA") procedures.

2.4. Observance of Company Policies

Company will keep Reseller informed of Company's customer support policies and procedures, and Reseller agrees to follow such policies and procedures to resolve any customer support issues.

2.5. Reseller's Warehouse

All Products shipped to Reseller shall be maintained in Reseller's warehouse facility and shall be insured against any damage or loss.

2.6. Non-Exclusive Marketing Arrangement

During the term of this Agreement, Company will be the non-exclusive provider of Interactive Flat Panels ("IFP") to Reseller. Reseller may sell, offer for sale or solicit sales for products of any IFP manufacturer other than Company.

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3. OBLIGATIONS OF COMPANY

3.1. Supply of Company Products

Company shall endeavor to manufacture, assemble and ship Company Products to Reseller in a timely manner. Should shortages occur, Company may allocate its production as it deems appropriate, may delay or stop shipments, and may send partial shipments with prior notice.

3.2. Marketing Assistance

Company will provide marketing support services and training programs to Reseller on a case-by-case basis.

4. ORDERING AND DELIVERY OF COMPANY PRODUCTS

4.1. Purchasing

This Agreement with its terms and conditions, and those provided under the Company Products Limited Warranty (available upon request) applies to all purchase orders and other documents of purchase ("Orders") which Reseller may place with Company for the Products during the term of this Agreement.

4.2. Media for Orders

Reseller may order from Company by telephone, facsimile, mail or electronic mail. Acceptance by Company of the Order shall occur (a) when the Order is entered into Company's system, (b) when an Order number is provided to Reseller by facsimile or electronic mail, if requested by Reseller, or (c) when assembly of the Products commences, whichever occurs first.

4.3. Lead Time for Orders

The Company indicates that the associated lead time for orders is between 8 and 12 weeks from the time of receipt of order. Lead times may vary from time to time dependent upon product supply and availability from Third Party manufactures. Lead times are provided as guidance and do not provide an assumed guarantee of order availability.

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4.4. Orders

a) Reseller may deliver a P.O. to Company by facsimile or electronic mail provided a signed original is delivered to Company within 15 days of receipt of the P.O. by Company. Company shall accept all POs by (a) facsimile or electronic mail, with a signed original notice of acknowledgment.

b) Each P.O. shall be deemed an offer by Reseller to purchase the Company Products listed therein and when accepted by Company shall constitute a contract in accordance with the terms and conditions of the P.O. and this Agreement. If a conflict arises between the two, this Agreement shall take precedence.

c) P.O.s submitted by Reseller pursuant to this Agreement shall include the quantity and type of Product(s) ordered, Product descriptions, Product specifications, shipment and invoice information and shipping instructions (if allowed by Company), Reseller's order number, and the Agreement number.

d) Company will endeavor to fill all orders from Reseller insofar as it is practicable and consistent with Company's production schedules to do so, provided that in the event of its failure to fill all or part of any order, Company shall not be to any extent liable or responsible therefor.

4.5. Changes to Orders

a) No terms of any purchase orders (whether printed, stamped, typed, written, or sent by any electronic means), except those specifying the quantity and type of Product(s) ordered, shipment and invoice information and shipping instructions (if allowed by Company), shall be binding either on Company or Reseller if they contravene any term or condition of this Agreement, unless specifically accepted or approved in writing and signed by an appropriate senior manager or executive of Reseller and Company. A general or form acknowledgment of any such order or any communication with respect to such an order, or the making of deliveries with respect thereto, shall in no case be construed as an acceptance or approval of the type required by this paragraph.

b) Changes to orders will only be accepted prior to the order entering Company's manufacturing queue. Reseller may initiate such changes or additions to previously accepted Orders by submitting a modification of the Order to Company with appropriate reference to the original Order. Upon Company's written acceptance of the modification or addition, Company shall process the Order in accordance with the pricing terms and conditions of this Agreement.

4.6. Products

a) As an accommodation to Reseller and without Reseller's prior approval, Company may make Product substitutions when the Products ordered are unavailable, provided that the substituted Products are of equal or greater functionality than those contained on the original Order and that Company notifies Reseller of such substitution at the time of delivery.

b) Company reserves the right to make changes and modifications in specifications, construction, or design of the Products, or any of them, at any time, and any Products so modified shall be accepted by Reseller as standard construction in fulfillment of existing orders. Company shall not be required to retrofit any Product previously delivered to Reseller with any modifications.

c) Company reserves the right to discontinue any Products at any time.

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4.7. Shipping

Reseller is responsible for payment of all shipping and handling fees for delivery of Products. All deliveries of Products are FOB Company manufacturing facilities unless Company expressly states otherwise in its acceptance of the purchase order. Title and risk of loss shall pass from Gateway to Reseller or Reseller customer at the point of delivery.

5. PRICES AND PAYMENTS

5.1. Reseller's Purchase Price

Prices for Company Products purchased hereunder shall be agreed to from time to time. Such prices do not include any taxes, fees, duties, shipping costs, insurance or other levies. Any such items (except taxes on Company's income) will be added to the purchase price. Reseller shall pay all taxes and government imposts arising from Reseller's activities as a Company Reseller.

5.2. Price Changes

Company may at any time change Company Product pricing or the Reseller's purchase price with 30 days written notice, but any P.O accepted by Company before a price change takes effect shall be invoiced at the previous price.

5.3. Invoice and Payment Terms

For the Purchases of Products the Company will invoice Reseller as of order shipment date, for orders in excess of $250,000.00 a security deposit may be required with the acceptance of any order. Reseller shall pay for Company Products in United States Dollar's upon shipment to Reseller or customer.

All purchases are due within 30 days of date of invoice; after which interest charges will be accrued.

6. RETURNED MERCHANDISE

Company will accept returns for defective Products in accordance with the applicable Company Limited Warranties which are available upon request.

7. TRADEMARKS, TRADE NAMES

Reseller acknowledges that Company and/or its parent or affiliates are the sole and exclusive owners of the name "Company" and any abbreviations or variations thereof, and of any and all of Company's trademarks and trade names, service marks, trade logos and trade dress (collectively "Trademarks") as Company may unilaterally amend periodically (registered or not). Reseller agrees not to register or use any mark(s) that are similar enough to be construed as Company Trademarks. Reseller acquires no rights to the Trademarks, and Reseller hereby assigns and transfers to Company all rights that it may acquire in and to the Trademarks, whether by operation of law or otherwise. Any approval for Reseller's use of any Company Trademark shall be made pursuant to a Company Trademark License Agreement executed separately by and between the Parties hereto.

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8. SOFTWARE

8.1. Software as Component

Company Products include as components certain software programs (collectively "Programs") proprietary to Company or licensed by it from third-party vendors, which may be periodically updated and substituted. Company has all rights necessary for it to market and distribute the Programs as Company Product components, as well as the right and authority to conclude this Agreement and to grant rights hereunder regarding the Programs. Title to the Programs remains with the Company and/or their licensors, and Reseller has no rights to transfer them except as stated below.

8.2. Distribution Rights

Subject to the use license in Section 8.3 below, Company grants to Reseller during the Term a non-transferable right to transfer to end users within the Territory the copies of the Programs it obtains under this Agreement only as components of Company Products, subject to the following terms & conditions:

a) Reseller shall sell or lease Company Products with the Program packages as integral parts, and shall abide by all terms and conditions imposed by the Programs' licensors. It shall not open the Program packages or end user license packets or separate such Program packages (including documentation and end user licenses) from the Company Products. Reseller shall not copy or reproduce any Program (except as stated herein or in any Program's pre-packaged license agreement), or modify, reverse engineer, disassemble, or de-compile any Program in any way.

b) Reseller shall promptly notify Company of any unauthorized use or copying of any Program, and will take at Reseller's expense (but at Company 's option and under Company 's control and direction) legal action to prevent or stop any unauthorized use or copying of the Programs by anyone that has obtained the Programs due, in substantial part, to Reseller's fault.

c) Termination of this Agreement will automatically and immediately terminate Reseller's rights under this Section.

8.3. Use License

Reseller shall pass on to end users of each Company Product a license to use the Programs in the form of a "break-the-seal" end user license agreement contained in the Programs' packages.

8.4. Compliance with Import Regulations

Reseller shall comply with all United States export control regulations, licensing or other requirements applicable to the Programs.

8.5. Disclaimer of Warranties and Limitation of Liability

EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT OR IN ANY PRE-PACKAGED LICENSE AGREEMENT FOR A COMPANY PRODUCT COMPONENT, COMPANY (ON BEHALF OF ITSELF AND ITS LICENSORS) DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PROGRAMS, INCLUDING ALL IMPLIED CONDITIONS OR WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO DEFECTS IN DISKETTES, COMPACT DISKS OR OTHER PHYSICAL MEDIA AND DOCUMENTATION, OPERATION OF THE PROGRAMS AND ANY APPLICATION OR USE OF THE PROGRAMS. IN NO WAY SHALL COMPANY (OR ITS LICENSORS) BE LIABLE FOR ANY LOSS OF PROFIT OR ANY OTHER COMMERCIAL DAMAGE,

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INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES.

9. TERM

This Agreement's term ("Term") shall begin on the Effective Date and continue for 36 months, and shall be automatically renewed for 2 additional 12 month terms up to a maximum term of 5 years, provided that either party hereto may terminate this Agreement at any time with 30 days' advance written notice, and further provided that this Agreement shall terminate automatically if Reseller makes no purchases from Company hereunder for a period of 90 calendar days, such termination to be effective as of the next calendar day after such period elapses.

10. TERMINATION

10.1. Termination Without Cause

Either party can terminate this Agreement without cause by giving 90 days' written notice to the other.

10.2. Termination for Cause

This Agreement may be terminated for cause upon written notice:

a) By either party upon 30 days' written notice if the other commits a material breach of the Agreement and fails to cure it within the 10 days;

b) By Company immediately if Reseller files for or has instituted against it any proceedings as to its bankruptcy, insolvency, reorganization, liquidation, receivership, or dissolution or there is an assignment for the benefit of creditors;

c) By Company upon 30 days' written notice (i) if Reseller becomes ineligible to receive approval for any license or export documents necessary to buy or resell Company Products; (ii) if Reseller tries to register this Agreement with any government conferring any exclusivity upon Reseller; (iii) if Reseller assigns this Agreement without Company's prior written consent; (iv) upon substantial change in Reseller's ownership; or (v) if any change or enactment of law or regulation after the date of this Agreement interferes, in Company's opinion, with the parties' rights or obligations stated herein.

10.3. EFFECT OF TERMINATION

a) Upon termination of this Agreement, Company may terminate any or all unfilled orders.

b) Upon termination, Reseller shall immediately stop all marketing, promotion, advertising or reference to Company Products and shall have no further rights to use Company's marketing, promotion or advertising materials or other resources.

c) Termination will discharge and release Company from all obligations and liability under this Agreement, except as it expressly accepts for unfulfilled orders. The sole fact of this Agreement's termination shall not make either party liable to the other for any compensation, reimbursement, losses or damages whatsoever, though Reseller shall remain obligated to pay all outstanding balances on its Company Product purchases.

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11. CONFIDENTIALITY

11.1. Confidential Information

Prior to and during the Term hereof, Company may convey to Reseller proprietary and confidential information about Company Products, services, strategy and analysis. For the Term of this Agreement (including renewals) and for 2 years thereafter, Reseller shall not disclose to any third party any such information marked CONFIDENTIAL, PROPRIETARY, STRICTLY PRIVATE, or INTERNAL DATA, or which, though not so marked, could reasonably be construed as confidential or sensitive, such as the terms of this Agreement (all collectively, "Confidential Information"), nor shall it use any such Confidential Information for its own benefit, except as provided herein. Any reliance on such Confidential Information is at Reseller's own risk. Nothing in this Section grants or implies any rights by license, estoppel, or otherwise. Confidential Information does not include information (i) in the public domain at the time of disclosure or which enters the public domain after such disclosure through no fault of Reseller, (ii) generally disclosed to third parties by Company without restriction, (iii) communicated to Reseller by a third party with the unrestricted right to do so, or (iv) approved for release by Company in writing.

11.2. Presentations and Planning

Company's oral and visual presentations describing Company Products and plans, business and product plans, and any inspections thereof by Reseller or its personnel shall all be deemed Confidential Information under this Agreement whether so marked or not.

12. EXPORT CONTROLS

12.1 Compliance with Laws

Reseller shall comply with all United States export laws and regulations applicable to Company Products, and shall obtain any licenses required for export.

12.2 Products of United States Origin Technology.

Reseller may sell Company Products only to end-users within the Territory, and shall not export any Company Products, including Programs, or any direct products thereof without Company's advance written approval and, if required, United States Government permission. This requirement shall survive termination or expiration of this Agreement. Reseller shall not do business with any person or firm identified by the United States government as being denied the right to receive any United States product.

13. LIMITATION OF LIABILITY AND REMEDIES; INDEMNITY

13.1 Limitation of Liability; Sole Remedy

Any liability of Company under this Agreement is expressly limited to the price paid by Reseller for the Company Products involved. Reseller's sole remedy against Company in any dispute concerning this Agreement shall be to seek recovery of that amount, upon payment of which Company shall be released from all further obligations and liability to Reseller.

13.2. Indemnity.

a) Except as otherwise stated herein, Reseller shall indemnify and hold harmless Company against any and all claims, legal actions, losses, damages, liabilities, costs and expenses asserted against, imposed upon or incurred by Company arising out of or relating to (i) any misrepresentation or breach of warranty or covenant by Reseller

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under this Agreement, (ii) any actual or alleged act or omission of Reseller in the course of its performance hereunder, (iii) death or injury to any person or damage to any property resulting from any product or part (a) not supplied by Company, (b) supplied by Company but changed, modified, adapted or refitted without Company's written authorization, (c) not in Company's standard inventory but purchased by Company at Reseller's direction, or (d) manufactured to Reseller's design, as well as any claim of infringement arising from the use of any Product with any other product as a combination not furnished by Company.

b) Company warrants and represents that the Products shall be delivered with good title free of any rightful third party claim of infringement of any patent, copyright, trademark, trade secret or other intellectual property right recognized or registered within the United States and its possessions. Company shall defend Reseller from all claims, suits, damages, costs, expenses or liabilities actually incurred by Reseller as a result of any such claim. If a Product or part thereof is held to constitute an infringement and its intended use is enjoined, Company shall at its option procure for Reseller the right to continue using the Product or part, replace it with a non-infringing Product or part, modify it to become non-infringing, or remove it and refund its purchase price (less depreciation and amortization). This Section does not apply to:

i) any product or part not supplied by Company;

ii) any Product or part supplied by Company which is changed, modified, adapted or refitted without Company's express written approval;

iii) any Product or part not in Company's standard inventory but purchased by it at Reseller's direction;

iv) any Product or part manufactured to Reseller's design or

v) any claim of infringement arising from the use of any Product in combination with any other product not furnished by Company. THIS INDEMNITY IS COMPANY'S SOLE LIABILITY AND RESELLER'S SOLE REMEDY FOR INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

14. WARRANTIES AND REPRESENTATIONS

The Products are covered by the limited warranties in effect at the time the Products are delivered, on standard terms and conditions supplied with each product shipped and which are incorporated herein by this reference. Should Reseller resell Products to any entity other than an end-user, and Products are further resold, the final end-user may not receive any Company warranty or technical support.

15. BUSINESS STANDARDS; PRODUCT SERVICE PROVISION

15.1 Conflicts of Interest

Reseller confirms that it has revealed all information pertaining to possible conflicts of interest created by sale of competing products or services or arising from other positions or contracts held by Reseller and represents that no conflict of interest exists. Reseller shall disclose to Company any future circumstances which could create possible conflicts of interest as soon as they become known by Reseller.

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15.2. Ethical Standards

Directors, officers, or employees of Reseller shall not, directly or indirectly, offer, promise or pay any bribes or other improper payments for the purposes of promoting Company Product sales to any individual, corporation, government official or agency, or other entity. No gift, benefit or contribution in any way related to Company or the sale of Company Products shall be made to political or public officials or candidates for public office or to political organizations, regardless of whether such contributions are permitted by local laws. Reseller shall generally abide by all Company policies and standards regarding conflicts of interest and ethics as may be adopted by Company or otherwise communicated to Reseller from time to time, such policies and standards being incorporated herein by this reference.

15.3. Authorized Service Provider Program

In the event Reseller is approved by Company as an Authorized Service Provider for Company Products, Reseller shall at all times during the period of such designation adhere to the standard terms, conditions, rules and policies of the Company Authorized Service Provider Program as may be issued by Company from time to time, and shall be solely responsible for all its acts and omissions in the course of acting as an Authorized Service Provider for Company Products.

16. FORCE MAJEURE

Company shall not be liable for any failure to perform due to causes beyond its control, including but not limited to fire, flood, earthquake, explosion, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, labor disputes or shortages, transportation embargoes, failures or delays, inability to secure raw materials or machinery, acts of God or government (including denials of or onerous restrictions on export licenses), any such event of force majeure affecting Company's third-party suppliers, or judicial action. Similar causes shall excuse Reseller for failure to take Company Products ordered by Reseller other than those already in transit or specially fabricated or not readily saleable to other buyers.

17. GENERAL PROVISIONS

17.1. Parties' Relationship

Company's and Reseller's relationship is solely that of independent seller and buyer with the right to resell. Reseller is authorized to resell Company Products (and, if applicable, to act as an Authorized Service Provider) in its own name but not to receive any commissions from Company. Reseller has no express or implied authority to assume or create any obligation on Company's behalf, and shall disclaim any such authority whenever necessary to avoid confusion. In no case shall Reseller or any of its sub-resellers, if any, be deemed Company's agents or representatives, nor shall Reseller or any of its Sub-resellers, if any, have the right to conclude any contract or commitment in Company's name, or to make any representation, guarantee or warranty on behalf of Company or any of its licensors to any third party, including end-users.

17.2. Governing Law; Venue

This Agreement and any controversy arising out of or in relation to it shall be governed by the law of the Nevada (conflicts of laws provisions excepted), and, subject to Section 17.6 below, the parties hereby submit to the jurisdiction of the state and federal courts of the Nevada, which shall have exclusive jurisdiction over all controversies in connection herewith. Reseller hereby waives any right to assert any rights or defenses within any other jurisdiction or to require that litigation regarding this Agreement take place elsewhere.

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17.3 Severability

If any provision of this Agreement shall be declared void, invalid, or illegal, the validity or legality of all other provisions of the Agreement shall not be affected thereby.

17.4 Notices

Except as otherwise provided in this Agreement, all notices, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by facsimile, other electronic means or nationally recognized overnight courier service addressed to the party to whom such notice or other communication is to be given or made at such party's address as set forth below, or to such other address as such party may designate in writing to the other party from time to time in accordance with the provisions hereof, and shall be deemed given when personally delivered, when sent electronically or 3 business day after being sent by overnight courier.

To Reseller:

Encore Technology Group
Attention: Supplier Administration
2000 Wade Hampton Boulevard
Suite 210
Greenville, SC 29615

To Company:

Clear Touch Interactive
Attention: Reseller Administration
561 Keystone Avenue
Suite 821
Reno, NV 89503

EITHER PARTY MAY CHANGE THE ADDRESS TO WHICH NOTICE MUST BE SENT BY GIVING WRITTEN NOTICE OF SUCH CHANGE TO THE OTHER PARTY IN THE MANNER PROVIDED HEREIN.

17.5 Assignability

Reseller shall not assign or transfer this Agreement without Company's prior written consent, upon which this Agreement shall bind and inure to the benefit of the assigns. Company may assign this Agreement to its affiliate upon written notice to Reseller.

17.6 Dispute Resolution

All material disputes between the parties arising from this Agreement shall be resolved by the following procedures:

a) A letter shall be sent from the party raising the dispute to the other party in accordance with the notice provisions of Section 17.4, identifying with particularity the nature of the dispute, the proposed resolution of the dispute ("Proposed Resolution"), and the executives from the party raising the dispute who are authorized to resolve the dispute ("Demand Letter"). The Demand Letter shall include the facts supporting such party's position on the dispute and include copies of any written materials.

b) The party receiving the Demand Letter shall have 3 Business Days to send a written response ("Response Letter"), which shall be sent in accordance with Section 17.4. The Response Letter must accept the Proposed Resolution in the Demand Letter or offer some other resolution.

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i) If the Response Letter accepts the proposed resolution in the Demand Letter or no Response Letter has been received within 3 Business Days, then the Proposed Resolution shall be promptly implemented by the parties and shall, where applicable, be considered an amendment of this Agreement.

ii) If the Response Letter offers some other resolution, it shall include all facts supporting the responding party's position on the dispute, include copies of any written materials, and identify the executives of the responding party who are authorized to resolve the dispute. The executives identified in the Demand Letter and Response Letter shall meet one or more times and exchange such additional written materials and proposals as needed to reach a resolution of the matter or for one of them to declare an impasse.

c) The party declaring an impasse shall obtain a list of 3 mediators from the United States Judicial Arbitration and Mediation Service ("JAMS") acceptable to that party and send such list to the other party. Within 10 Business Days, the other party shall select one of the 3 mediators. If the other party fails to select an arbitrator within 10 Business Days, then the party declaring the impasse shall ask JAMS to select a mediator. The Mediation shall be held in the State of Nevada.

d) The mediator shall immediately arrange a conference call with the mediator and the executives identified in the Demand Letter and Response Letter. In the initial conference, the mediator shall set a place and a time where the executives and mediator will resolve the dispute ("Mediation"). The Mediation must take place within 10 Business Days of the initial conference call. The parties shall each pay one half of the costs of the mediator unless directed otherwise by the mediator.

e) At least 24 hours prior to the Mediation, each party shall submit to the mediator the Demand Letter and Response Letter, any additional written materials exchanged prior to the declaration of an impasse, and the party's final proposal to resolve the dispute ("Final Proposal"). No other written materials may be submitted to the mediator or used in the Mediation.

f) The Mediation shall be attended only by the mediator and the executives identified in the Demand Letter and Response Letter. The Mediation shall take no more than 3 days. Each side shall have counsel available by telephone to draft any documents necessary to implement any resolution of the Mediation. If at the end of the Mediation the parties have not reached a mutual resolution, the mediator shall within 24 hours adopt one of the party's Final Proposals or set forth in writing a resolution of the matter that is between the parties' Final Proposals ("Mediator's Resolution").

g) The Mediator's Resolution shall be immediately implemented by the parties. The Mediator's Resolution shall be binding upon the parties and not subject to any further review except in the following limited circumstances:

h) The Mediator's Resolution requires either party to pay the other or incur expenses in excess of $10,000.00;

i) The difference between the aggregate amount demanded in a party's Final Proposal exceeds $10,000.00;

j) The Mediator's Resolution is less favorable to a party than the other party's Final Proposal;

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k) Any party dissatisfied with the Mediator's Resolution meeting the criteria in Section 17.6 above must initiate a proceeding within 10 days of receipt of the Mediator's Resolution ("Proceeding"). The Proceeding shall make a de novo review of the parties' dispute, except, the Mediator's Resolution shall be admissible. The parties shall each pay one half of the costs of the retired judge unless directed otherwise by the retired judge.

17.7. No Waiver

Any failure of either party to enforce at any time, or for any period of time, any provision of this Agreement, shall not constitute a waiver of such provision or in any way affect the validity of this Agreement.

17.8. Complete Agreement

This Agreement with its Exhibits contains the parties' entire Agreement and supersedes all previous communications, representations or agreements, oral or written, regarding its subject matter. No addition to or modification hereof shall bind either party unless reduced to writing and duly executed by the parties as this Agreement was, subject, however, to revisions of Exhibits A, B and C, which Company may revise at any time pursuant to Section 17.9.

17.9. Exhibits

All Exhibits attached hereto are incorporated herein by this reference, and Company has the right to amend in writing any of those Exhibits in its sole discretion.

IN WITNESS WHEREOF, this Agreement has been executed by the parties' authorized representatives on the date first written above.

COMPANY	RESELLER
Authorized Signature	Authorized Signature
Print Name and Title	Print Name and Title

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EXHIBIT A
COMPANY'S RESELLER TERRITORY LIST

Reseller's Territory/ies shall be defined as the localities identified in this exhibit. Prior to any termination of this agreement, Company will send written notice to the Reseller.

Localities identified herein:

Continental United States

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EXHIBIT B
COMPANY'S RESELLER PRICE LIST

Company's Reseller Price List applies to all product purchases, and will be updated from time to time.

Products descriptions identified herein:

Interactive Flat Panel / Interactive Panel

Products discounts identified herein:

Partner	**30.0% discount to MSRP**
Registered Partner	**35.0% discount to MSRP**
Direct Partner	**37.5% discount to MSRP**

Products descriptions identified herein:

Interactive Flat Panel Accessories / Interactive Panel Accessories

Products discounts identified herein:

Quantity Any	**25.0% discount to MSRP**

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EXHIBIT C
COMPANY PURCHASE ORDER FORM

Reseller's standard purchase order will be sufficient to constitute an order, but no terms and conditions stated on Reseller's purchase order will have any effect on the terms of this Agreement and are superseded in their entirety by this Agreement.

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RESELLER AGREEMENT

This Reseller Agreement (the "Agreement") is effective October 1, 2014.

BETWEEN: **Clear Touch Interactive** (the "Company"), a company organized and existing under the laws of the state of Nevada, with its head office located at:

561 Keystone Avenue
Suite 821
Reno, NV 89503

AND: **Encore Technology Group** (the "Reseller"), a company organized and existing under the laws of the state of South Carolina, with its head office located at:

2000 Wade Hampton Boulevard
Suite 210
Greenville, SC 29615

1. APPOINTMENT

1.1 Appointment

Company appoints Reseller and Reseller accepts appointment as a non-exclusive reseller to market, sell, lease, install and service Company products ("Products") within the Territory stated in Exhibit A to consumers.

1.2 Products Covered

Company Products means the products agreed to between the parties from time to time with any exclusions, additions or discounts Company may make.

1.3 Sub-Resellers

Reseller shall not, without Company's prior written approval, appoint sub-resellers, resellers or agents ("Sub-resellers") to market, sell, or lease Company Products. Reseller shall be liable for the acts and omissions of any such Sub-resellers. Should Reseller resell Products to any Sub-reseller, and Products are further resold, the final end-user may not receive manufacture warranty or technical support.

1.4 Sales Outside Territory

Reseller shall in no way market, distribute, export, sell, lease or install Company Products outside the Territory without Company's prior written approval. Company will not ship on any Purchase Orders ("P.O.s") issued by Reseller outside the Territory.

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2. OBLIGATIONS OF RESELLER

2.1. Marketing and Product Support

Reseller shall use reasonable efforts to market and sell Company Products in the Territory and shall comply with the policies, programs, and requirements regarding marketing and product support as may be communicated by Company to Reseller from time to time; provided, however, that in order to avoid conflict among Company's distribution channels, Reseller shall not, without prior written authorization from Company, resell Company Products in a retail environment that includes any type of store, shop, or other similar physical premises into which customers or potential customers are invited for the purpose of purchasing or potentially purchasing any product from Reseller.

2.2. Advertising

Reseller shall adhere to the reseller advertising policies and programs as may be communicated by Company to Reseller from time to time.

2.3. Customer Support and Service Reseller Shall:

a) Supply Company with such data as Company requests regarding Reseller's sales to customers for Company's own reporting purposes;

b) Participate fully in Company campaigns to notify customers of any retrofit or recall of Company Products;

c) Use only Company-approved spare parts for any repair, servicing and maintenance of Company Products it provides under warranty;

d) Comply with laws and regulations applicable to "used" or returned merchandise and never refurbish, place in inventory, or resell as "new" any Company Products returned to Reseller for post-sale repair; and

e) Instruct its customers on how to obtain replacement parts under warranty, including, when Reseller wants its customers to contact Company directly, the use of Company's Return Merchandise Authorization ("RMA") procedures.

2.4. Observance of Company Policies

Company will keep Reseller informed of Company's customer support policies and procedures, and Reseller agrees to follow such policies and procedures to resolve any customer support issues.

2.5. Reseller's Warehouse

All Products shipped to Reseller shall be maintained in Reseller's warehouse facility and shall be insured against any damage or loss.

2.6. Non-Exclusive Marketing Arrangement

During the term of this Agreement, Company will be the non-exclusive provider of Interactive Flat Panels ("IFP") to Reseller. Reseller may sell, offer for sale or solicit sales for products of any IFP manufacturer other than Company.

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3. OBLIGATIONS OF COMPANY

3.1. Supply of Company Products

Company shall endeavor to manufacture, assemble and ship Company Products to Reseller in a timely manner. Should shortages occur, Company may allocate its production as it deems appropriate, may delay or stop shipments, and may send partial shipments with prior notice.

3.2. Marketing Assistance

Company will provide marketing support services and training programs to Reseller on a case-by-case basis.

4. ORDERING AND DELIVERY OF COMPANY PRODUCTS

4.1. Purchasing

This Agreement with its terms and conditions, and those provided under the Company Products Limited Warranty (available upon request) applies to all purchase orders and other documents of purchase ("Orders") which Reseller may place with Company for the Products during the term of this Agreement.

4.2. Media for Orders

Reseller may order from Company by telephone, facsimile, mail or electronic mail. Acceptance by Company of the Order shall occur (a) when the Order is entered into Company's system, (b) when an Order number is provided to Reseller by facsimile or electronic mail, if requested by Reseller, or (c) when assembly of the Products commences, whichever occurs first.

4.3. Lead Time for Orders

The Company indicates that the associated lead time for orders is between 8 and 12 weeks from the time of receipt of order. Lead times may vary from time to time dependent upon product supply and availability from Third Party manufactures. Lead times are provided as guidance and do not provide an assumed guarantee of order availability.

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4.4. Orders

a) Reseller may deliver a P.O. to Company by facsimile or electronic mail provided a signed original is delivered to Company within 15 days of receipt of the P.O. by Company. Company shall accept all POs by (a) facsimile or electronic mail, with a signed original notice of acknowledgment.

b) Each P.O. shall be deemed an offer by Reseller to purchase the Company Products listed therein and when accepted by Company shall constitute a contract in accordance with the terms and conditions of the P.O. and this Agreement. If a conflict arises between the two, this Agreement shall take precedence.

c) P.O.s submitted by Reseller pursuant to this Agreement shall include the quantity and type of Product(s) ordered, Product descriptions, Product specifications, shipment and invoice information and shipping instructions (if allowed by Company), Reseller's order number, and the Agreement number.

d) Company will endeavor to fill all orders from Reseller insofar as it is practicable and consistent with Company's production schedules to do so; provided that in the event of its failure to fill all or part of any order, Company shall not be to any extent liable or responsible therefor.

4.5. Changes to Orders

a) No terms of any purchase orders (whether printed, stamped, typed, written, or sent by any electronic means), except those specifying the quantity and type of Product(s) ordered, shipment and invoice information and shipping instructions (if allowed by Company), shall be binding either on Company or Reseller if they contravene any term or condition of this Agreement, unless specifically accepted or approved in writing and signed by an appropriate senior manager or executive of Reseller and Company. A general or form acknowledgment of any such order or any communication with respect to such an order, or the making of deliveries with respect thereto, shall in no case be construed as an acceptance or approval of the type required by this paragraph.

b) Changes to orders will only be accepted prior to the order entering Company's manufacturing queue. Reseller may initiate such changes or additions to previously accepted Orders by submitting a modification of the Order to Company with appropriate reference to the original Order. Upon Company's written acceptance of the modification or addition, Company shall process the Order in accordance with the pricing terms and conditions of this Agreement.

4.6. Products

a) As an accommodation to Reseller and without Reseller's prior approval, Company may make Product substitutions when the Products ordered are unavailable, provided that the substituted Products are of equal or greater functionality than those contained on the original Order and that Company notifies Reseller of such substitution at the time of delivery.

b) Company reserves the right to make changes and modifications in specifications, construction, or design of the Products, or any of them, at any time, and any Products so modified shall be accepted by Reseller as standard construction in fulfillment of existing orders. Company shall not be required to retrofit any Product previously delivered to Reseller with any modifications.

c) Company reserves the right to discontinue any Products at any time.

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4.7. Shipping

Reseller is responsible for payment of all shipping and handling fees for delivery of Products. All deliveries of Products are FOB Company manufacturing facilities unless Company expressly states otherwise in its acceptance of the purchase order. Title and risk of loss shall pass from Gateway to Reseller or Reseller customer at the point of delivery.

5. PRICES AND PAYMENTS

5.1. Reseller's Purchase Price

Prices for Company Products purchased hereunder shall be agreed to from time to time. Such prices do not include any taxes, fees, duties, shipping costs, insurance or other levies. Any such items (except taxes on Company's income) will be added to the purchase price. Reseller shall pay all taxes and government imposts arising from Reseller's activities as a Company Reseller.

5.2. Price Changes

Company may at any time change Company Product pricing or the Reseller's purchase price with 30 days written notice, but any P.O accepted by Company before a price change takes effect shall be invoiced at the previous price.

5.3. Invoice and Payment Terms

For the Purchases of Products the Company will invoice Reseller as of order shipment date, for orders in excess of $250,000.00 a security deposit may be required with the acceptance of any order. Reseller shall pay for Company Products in United States Dollar's upon shipment to Reseller or customer.

All purchases are due within 30 days of date of invoice; after which interest charges will be accrued.

6. RETURNED MERCHANDISE

Company will accept returns for defective Products in accordance with the applicable Company Limited Warranties which are available upon request.

7. TRADEMARKS, TRADE NAMES

Reseller acknowledges that Company and/or its parent or affiliates are the sole and exclusive owners of the name "Company" and any abbreviations or variations thereof, and of any and all of Company's trademarks and trade names, service marks, trade logos and trade dress (collectively "Trademarks") as Company may unilaterally amend periodically (registered or not). Reseller agrees not to register or use any mark(s) that are similar enough to be construed as Company Trademarks. Reseller acquires no rights to the Trademarks, and Reseller hereby assigns and transfers to Company all rights that it may acquire in and to the Trademarks, whether by operation of law or otherwise. Any approval for Reseller's use of any Company Trademark shall be made pursuant to a Company Trademark License Agreement executed separately by and between the Parties hereto.

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8. SOFTWARE

8.1. Software as Component

Company Products include as components certain software programs (collectively "Programs") proprietary to Company or licensed by it from third-party vendors, which may be periodically updated and substituted. Company has all rights necessary for it to market and distribute the Programs as Company Product components, as well as the right and authority to conclude this Agreement and to grant rights hereunder regarding the Programs. Title to the Programs remains with the Company and/or their licensors, and Reseller has no rights to transfer them except as stated below.

8.2. Distribution Rights

Subject to the use license in Section 8.3 below, Company grants to Reseller during the Term a non-transferable right to transfer to end users within the Territory the copies of the Programs it obtains under this Agreement only as components of Company Products, subject to the following terms & conditions:

a) Reseller shall sell or lease Company Products with the Program packages as integral parts, and shall abide by all terms and conditions imposed by the Programs' licensors. It shall not open the Program packages or end user license packets or separate such Program packages (including documentation and end user licenses) from the Company Products. Reseller shall not copy or reproduce any Program (except as stated herein or in any Program's pre-packaged license agreement), or modify, reverse engineer, disassemble, or de-compile any Program in any way.

b) Reseller shall promptly notify Company of any unauthorized use or copying of any Program, and will take at Reseller's expense (but at Company's option and under Company's control and direction) legal action to prevent or stop any unauthorized use or copying of the Programs by anyone that has obtained the Programs due, in substantial part, to Reseller's fault.

c) Termination of this Agreement will automatically and immediately terminate Reseller's rights under this Section.

8.3. Use License

Reseller shall pass on to end users of each Company Product a license to use the Programs in the form of a "break-the-seal" end user license agreement contained in the Programs' packages.

8.4. Compliance with Import Regulations

Reseller shall comply with all United States export control regulations, licensing or other requirements applicable to the Programs.

8.5. Disclaimer of Warranties and Limitation of Liability

EXCEPT FOR THE EXPRESS WARRANTIES STATED IN THIS AGREEMENT OR IN ANY PRE-PACKAGED LICENSE AGREEMENT FOR A COMPANY PRODUCT COMPONENT, COMPANY (ON BEHALF OF ITSELF AND ITS LICENSORS) DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PROGRAMS, INCLUDING ALL IMPLIED CONDITIONS OR WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO DEFECTS IN DISKETTES, COMPACT DISKS OR OTHER PHYSICAL MEDIA AND DOCUMENTATION, OPERATION OF THE PROGRAMS AND ANY APPLICATION OR USE OF THE PROGRAMS. IN NO WAY SHALL COMPANY (OR ITS LICENSORS) BE LIABLE FOR ANY LOSS OF PROFIT OR ANY OTHER COMMERCIAL DAMAGE,

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INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES.

9. TERM

This Agreement's term ("Term") shall begin on the Effective Date and continue for 36 months, and shall be automatically renewed for 2 additional 12 month terms up to a maximum term of 5 years, provided that either party hereto may terminate this Agreement at any time with 30 days advance written notice, and further provided that this Agreement shall terminate automatically if Reseller makes no purchases from Company hereunder for a period of 90 calendar days, such termination to be effective as of the next calendar day after such period elapses.

10. TERMINATION

10.1. Termination Without Cause

Either party can terminate this Agreement without cause by giving 90 days' written notice to the other.

10.2. Termination for Cause

This Agreement may be terminated for cause upon written notice:

a) By either party upon 30 days' written notice if the other commits a material breach of the Agreement and fails to cure it within the 10 days;

b) By Company immediately if Reseller files for or has instituted against it any proceedings as to its bankruptcy, insolvency, reorganization, liquidation, receivership, or dissolution or there is an assignment for the benefit of creditors;

c) By Company upon 30 days' written notice (i) if Reseller becomes ineligible to receive approval for any license or export documents necessary to buy or resell Company Products; (ii) if Reseller tries to register this Agreement with any government conferring any exclusivity upon Reseller; (iii) if Reseller assigns this Agreement without Company's prior written consent; (iv) upon substantial change in Reseller's ownership; or (v) if any change or enactment of law or regulation after the date of this Agreement interferes, in Company's opinion, with the parties' rights or obligations stated herein.

10.3. EFFECT OF TERMINATION

a) Upon termination of this Agreement, Company may terminate any or all unfilled orders.

b) Upon termination, Reseller shall immediately stop all marketing, promotion, advertising or reference to Company Products and shall have no further rights to use Company's marketing, promotion or advertising materials or other resources.

c) Termination will discharge and release Company from all obligations and liability under this Agreement, except as it expressly accepts for unfulfilled orders. The sole fact of this Agreement's termination shall not make either party liable to the other for any compensation, reimbursement, losses or damages whatsoever, though Reseller shall remain obligated to pay all outstanding balances on its Company Product purchases.

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11. CONFIDENTIALITY

11.1 Confidential Information

Prior to and during the Term hereof, Company may convey to Reseller proprietary and confidential information about Company Products, services, strategy and analysis. For the Term of this Agreement (including renewals) and for 2 years thereafter, Reseller shall not disclose to any third party any such information marked CONFIDENTIAL, PROPRIETARY, STRICTLY PRIVATE, or INTERNAL DATA, or which, though not so marked, could reasonably be construed as confidential or sensitive, such as the terms of this Agreement (all collectively "Confidential Information"), nor shall it use any such Confidential Information for its own benefit, except as provided herein. Any reliance on such Confidential Information is at Reseller's own risk. Nothing in this Section grants or implies any rights by license, estoppel, or otherwise. Confidential Information does not include information (i) in the public domain at the time of disclosure or which enters the public domain after such disclosure through no fault of Reseller, (ii) generally disclosed to third parties by Company without restriction, (iii) communicated to Reseller by a third party with the unrestricted right to do so, or (iv) approved for release by Company in writing.

11.2 Presentations and Planning

Company's oral and visual presentations describing Company Products and plans, business and product plans, and any inspections thereof by Reseller or its personnel shall all be deemed Confidential Information under this Agreement whether so marked or not.

12. EXPORT CONTROLS

12.1 Compliance with Laws

Reseller shall comply with all United States export laws and regulations applicable to Company Products, and shall obtain any licenses required for export.

12.2 Products of United States Origin Technology

Reseller may sell Company Products only to end-users within the Territory, and shall not export any Company Products, including Programs, or any direct products thereof without Company's advance written approval and, if required, United States Government permission. This requirement shall survive termination or expiration of this Agreement. Reseller shall not do business with any person or firm identified by the United States government as being denied the right to receive any United States product.

13. LIMITATION OF LIABILITY AND REMEDIES; INDEMNITY

13.1 Limitation of Liability; Sole Remedy

Any liability of Company under this Agreement is expressly limited to the price paid by Reseller for the Company Products involved. Reseller's sole remedy against Company in any dispute concerning this Agreement shall be to seek recovery of that amount, upon payment of which Company shall be released from all further obligations and liability to Reseller.

13.2 Indemnity

a) Except as otherwise stated herein, Reseller shall indemnify and hold harmless Company against any and all claims, legal actions, losses, damages, liabilities, costs and expenses asserted against, imposed upon or incurred by Company arising out of or relating to (i) any misrepresentation or breach of warranty or covenant by Reseller

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under this Agreement; (ii) any actual or alleged act or omission of Reseller in the course of its performance hereunder; (iii) death or injury to any person or damage to any property resulting from any product or part (a) not supplied by Company, (b) supplied by Company but changed, modified, adapted or refitted without Company's written authorization, (c) not in Company's standard inventory but purchased by Company at Reseller's direction, or (d) manufactured to Reseller's design, as well as any claim of infringement arising from the use of any Product with any other product as a combination not furnished by Company.

b) Company warrants and represents that the Products shall be delivered with good title free of any rightful third party claim of infringement of any patent, copyright, trademark, trade secret or other intellectual property right recognized or registered within the United States and its possessions. Company shall defend Reseller from all claims, suits, damages, costs, expenses or liabilities actually incurred by Reseller as a result of any such claim. If a Product or part thereof is held to constitute an infringement and its intended use is enjoined, Company shall at its option procure for Reseller the right to continue using the Product or part, replace it with a non-infringing Product or part, modify it to become non-infringing, or remove it and refund its purchase price (less depreciation and amortization). This Section does not apply to

i) any product or part not supplied by Company;

ii) any Product or part supplied by Company which is changed, modified, adapted or refitted without Company's express written approval;

iii) any Product or part not in Company's standard inventory but purchased by it at Reseller's direction;

iv) any Product or part manufactured to Reseller's design or

v) any claim of infringement arising from the use of any Product in combination with any other product not furnished by Company. THIS INDEMNITY IS COMPANY'S SOLE LIABILITY AND RESELLER'S SOLE REMEDY FOR INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

14. WARRANTIES AND REPRESENTATIONS

The Products are covered by the limited warranties in effect at the time the Products are delivered, on standard terms and conditions supplied with each product shipped and which are incorporated herein by this reference. Should Reseller resell Products to any entity other than an end-user, and Products are further resold, the final end-user may not receive any Company warranty or technical support.

15. BUSINESS STANDARDS; PRODUCT SERVICE PROVISION

15.1 Conflicts of Interest

Reseller confirms that it has revealed all information pertaining to possible conflicts of interest created by sale of competing products or services or arising from other positions or contracts held by Reseller and represents that no conflict of interest exists. Reseller shall disclose to Company any future circumstances which could create possible conflicts of interest as soon as they become known by Reseller.

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15.2. Ethical Standards

Directors, officers, or employees of Reseller shall not, directly or indirectly, offer, promise or pay any bribes or other improper payments for the purposes of promoting Company Product sales to any individual, corporation, government official or agency, or other entity. No gift, benefit or contribution in any way related to Company or the sale of Company Products shall be made to political or public officials or candidates for public office or to political organizations, regardless of whether such contributions are permitted by local laws. Reseller shall generally abide by all Company policies and standards regarding conflicts of interest and ethics as may be adopted by Company or otherwise communicated to Reseller from time to time, such policies and standards being incorporated herein by this reference.

15.3. Authorized Service Provider Program

In the event Reseller is approved by Company as an Authorized Service Provider for Company Products, Reseller shall at all times during the period of such designation adhere to the standard terms, conditions, rules and policies of the Company Authorized Service Provider Program as may be issued by Company from time to time, and shall be solely responsible for all its acts and omissions in the course of acting as an Authorized Service Provider for Company Products.

16. FORCE MAJEURE

Company shall not be liable for any failure to perform due to causes beyond its control, including but not limited to fire, flood, earthquake, explosion, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, labor disputes or shortages, transportation embargoes, failures or delays, inability to secure raw materials or machinery, acts of God or government (including denials of or onerous restrictions on export licenses), any such event of force majeure affecting Company's third-party suppliers, or judicial action. Similar causes shall excuse Reseller for failure to take Company Products ordered by Reseller other than those already in transit or specially fabricated or not readily saleable to other buyers.

17. GENERAL PROVISIONS

17.1. Parties' Relationship

Company's and Reseller's relationship is solely that of independent seller and buyer with the right to resell. Reseller is authorized to resell Company Products (and, if applicable, to act as an Authorized Service Provider) in its own name but not to receive any commissions from Company. Reseller has no express or implied authority to assume or create any obligation on Company's behalf, and shall disclaim any such authority whenever necessary to avoid confusion. In no case shall Reseller or any of its sub-resellers, if any, be deemed Company's agents or representatives, nor shall Reseller or any of its Sub-resellers, if any, have the right to conclude any contract or commitment in Company's name, or to make any representation, guarantee or warranty on behalf of Company or any of its licensors to any third party, including end-users.

17.2. Governing Law; Venue

This Agreement and any controversy arising out of or in relation to it shall be governed by the law of the Nevada (conflicts of laws provisions excepted), and, subject to Section 17.6 below, the parties hereby submit to the jurisdiction of the state and federal courts of the Nevada, which shall have exclusive jurisdiction over all controversies in connection herewith. Reseller hereby waives any right to assert any rights or defenses within any other jurisdiction or to require that litigation regarding this Agreement take place elsewhere.

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17.3. Severability

If any provision of this Agreement shall be declared void, invalid, or illegal, the validity or legality of all other provisions of the Agreement shall not be affected thereby.

17.4. Notices

Except as otherwise provided in this Agreement, all notices, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by facsimile, other electronic means or nationally recognized overnight courier service addressed to the party to whom such notice or other communication is to be given or made at such party's address as set forth below, or to such other address as such party may designate in writing to the other party from time to time in accordance with the provisions hereof, and shall be deemed given when personally delivered, when sent electronically or 3 business day after being sent by overnight courier.

To Reseller:

Encore Technology Group
Attention: Supplier Administration
2000 Wade Hampton Boulevard
Suite 210
Greenville, SC 29615

To Company:

Clear Touch Interactive
Attention: Reseller Administration
561 Keystone Avenue
Suite 821
Reno, NV 89503

EITHER PARTY MAY CHANGE THE ADDRESS TO WHICH NOTICE MUST BE SENT BY GIVING WRITTEN NOTICE OF SUCH CHANGE TO THE OTHER PARTY IN THE MANNER PROVIDED HEREIN.

17.5. Assignability

Reseller shall not assign or transfer this Agreement without Company's prior written consent, upon which this Agreement shall bind and inure to the benefit of the assigns. Company may assign this Agreement to its affiliate upon written notice to Reseller.

17.6. Dispute Resolution

All material disputes between the parties arising from this Agreement shall be resolved by the following procedures:

a). A letter shall be sent from the party raising the dispute to the other party in accordance with the notice provisions of Section 17.4, identifying with particularity the nature of the dispute, the proposed resolution of the dispute ("Proposed Resolution"), and the executives from the party raising the dispute who are authorized to resolve the dispute ("Demand Letter"). The Demand Letter shall include the facts supporting such party's position on the dispute and include copies of any written materials.

b). The party receiving the Demand Letter shall have 3 Business Days to send a written response ("Response Letter"), which shall be sent in accordance with Section 17.4. The Response Letter must accept the Proposed Resolution in the Demand Letter or offer some other resolution.

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i) If the Response Letter accepts the proposed resolution in the Demand Letter or no Response Letter has been received within 3 Business Days, then the Proposed Resolution shall be promptly implemented by the parties and shall, where applicable, be considered an amendment of this Agreement.

ii) If the Response Letter offers some other resolution, it shall include all facts supporting the responding party's position on the dispute, include copies of any written materials, and identify the executives of the responding party who are authorized to resolve the dispute. The executives identified in the Demand Letter and Response Letter shall meet one or more times and exchange such additional written materials and proposals as needed to reach a resolution of the matter or for one of them to declare an impasse.

c) The party declaring an impasse shall obtain a list of 3 mediators from the United States Judicial Arbitration and Mediation Service ("JAMS") acceptable to that party and send such list to the other party. Within 10 Business Days, the other party shall select one of the 3 mediators. If the other party fails to select an arbitrator within 10 Business Days, then the party declaring the impasse shall ask JAMS to select a mediator. The Mediation shall be held in the State of Nevada.

d) The mediator shall immediately arrange a conference call with the mediator and the executives identified in the Demand Letter and Response Letter. In the initial conference, the mediator shall set a place and a time where the executives and mediator will resolve the dispute ("Mediation"). The Mediation must take place within 10 Business Days of the initial conference call. The parties shall each pay one half of the costs of the mediator unless directed otherwise by the mediator.

e) At least 24 hours prior to the Mediation, each party shall submit to the mediator the Demand Letter and Response Letter, any additional written materials exchanged prior to the declaration of an impasse, and the party's final proposal to resolve the dispute ("Final Proposal"). No other written materials may be submitted to the mediator or used in the Mediation.

f) The Mediation shall be attended only by the mediator and the executives identified in the Demand Letter and Response Letter. The Mediation shall take no more than 3 days. Each side shall have counsel available by telephone to draft any documents necessary to implement any resolution of the Mediation. If at the end of the Mediation the parties have not reached a mutual resolution, the mediator shall within 24 hours adopt one of the party's Final Proposals or set forth in writing a resolution of the matter that is between the parties' Final Proposals ("Mediator's Resolution").

g) The Mediator's Resolution shall be immediately implemented by the parties. The Mediator's Resolution shall be binding upon the parties and not subject to any further review except in the following limited circumstances:

h) The Mediator's Resolution requires either party to pay the other or incur expenses in excess of $10,000.00.

i) The difference between the aggregate amount demanded in a party's Final Proposal exceeds $10,000.00.

j) The Mediator's Resolution is less favorable to a party than the other party's Final Proposal.

Confidential

k) Any party dissatisfied with the Mediator's Resolution meeting the criteria in Section 17.6 above must initiate a proceeding within 10 days of receipt of the Mediator's Resolution ("Proceeding"). The Proceeding shall make a de novo review of the parties' dispute, except the Mediator's Resolution shall be admissible. The parties shall each pay one half of the costs of the retired judge unless directed otherwise by the retired judge.

17.7. No Waiver

Any failure of either party to enforce at any time, or for any period of time, any provision of this Agreement, shall not constitute a waiver of such provision or in any way affect the validity of this Agreement.

17.8. Complete Agreement

This Agreement with its Exhibits contains the parties' entire Agreement and supersedes all previous communications, representations or agreements, oral or written, regarding its subject matter. No addition to or modification hereof shall bind either party unless reduced to writing and duly executed by the parties as this Agreement was; subject, however, to revisions of Exhibits A, B and C, which Company may revise at any time pursuant to Section 17.9.

17.9. Exhibits

All Exhibits attached hereto are incorporated herein by this reference, and Company has the right to amend in writing any of those Exhibits in its sole discretion.

IN WITNESS WHEREOF, this Agreement has been executed by the parties' authorized representatives on the date first written above.

COMPANY	RESELLER
Authorized Signature	Authorized Signature
Print Name and Title	Print Name and Title

Confidential

EXHIBIT A
COMPANY'S RESELLER TERRITORY LIST

Reseller's Territory/ies shall be defined as the localities identified in this exhibit. Prior to any termination of this agreement, Company will send written notice to the Reseller.

Localities identified herein:

Continental United States

Confidential

EXHIBIT B
COMPANY'S RESELLER PRICE LIST

Company's Reseller Price List applies to all product purchases, and will be updated from time to time.

Products descriptions identified herein:

Interactive Flat Panel / Interactive Panel

Products discounts identified herein:

Partner	**30.0% discount to MSRP**
Registered Partner	**35.0% discount to MSRP**
Direct Partner	**37.5% discount to MSRP**

Products descriptions identified herein:

Interactive Flat Panel Accessories / Interactive Panel Accessories

Products discounts identified herein:

Quantity Any	**25.0% discount to MSRP**

Confidential

EXHIBIT C
COMPANY PURCHASE ORDER FORM

Reseller's standard purchase order will be sufficient to constitute an order, but no terms and conditions stated on Reseller's purchase order will have any effect on the terms of this Agreement and are superseded in their entirety by this Agreement.

Confidential

MUTUAL CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is made and entered into as of the date written below (the "Effective Date") by and between the undersigned parties (collectively, the "Parties"). The Parties are or will potentially be engaged in discussions in contemplation or furtherance of entering into a business relationship between them, and, in the course of such discussions, have disclosed or may disclose to one another certain Confidential Information (as defined below). This Agreement is being entered into by the Parties to memorialize their agreement and understanding regarding the confidential and proprietary nature of the Confidential Information. In consideration of the disclosure of Confidential Information by the Parties to one another, and the mutual covenants and promises set forth below, the parties hereby agree as follows:

1. DEFINITIONS. (A) "Disclosing Party" means a party that discloses any of its Confidential Information to the other party under this Agreement.

(B) "Receiving Party" means a party that receives any Confidential Information from the other party under this Agreement.

(C) "Confidential Information" means any and all confidential, proprietary, and trade secret (as defined by the South Carolina Trade Secrets Act) information of the Disclosing Party of a technical, non-technical, business or other nature (including, without limitation, software, hardware, computer programs, technology, data, prototypes, concepts, processes, materials, products, services, designs, methodologies, business plans, pricing, finances, marketing plans, customers, vendors, prospects or other affairs), that is disclosed to the Receiving Party. Confidential Information shall not include information: (i) which is or becomes known publicly through no fault of the Receiving Party; (ii) learned by the Receiving Party from a third party entitled to disclose it; (iii) already known to the Receiving Party before receipt from the Disclosing Party as shown by the Receiving Party's prior records; or (iv) independently developed by the Receiving Party, as shown by the Receiving Party's records, without the use of Confidential Information.

(D) "Confidential Materials" means any software, hardware, memory storage device, diskette, tape, writing prototype, concept, document, or other tangible item that contains any Confidential Information, whether in printed, handwritten, coded, magnetic, electronic, optical, visual, audible, or other form and whether delivered by the Disclosing Party to the Receiving Party or otherwise made available for the Receiving Party's review.

2. RESTRICTIONS. (A) Confidential Information and Confidential Materials are made available to the Receiving Party solely for the purpose of evaluating a potential business relationship with the Disclosing Party. The Receiving Party will not use, disclose, disseminate or distribute to any third party any Confidential Information or Confidential Materials of the Disclosing Party without the prior written consent of the Disclosing Party. At the request of the Disclosing Party, to the extent commercially practicable, the Receiving Party will promptly return to the Disclosing Party, or, at the Disclosing Party's sole option, destroy all Confidential Information and Confidential Materials (including all copies thereof) of the Disclosing Party in the Receiving Party's possession, and will certify in writing to the Disclosing Party that the Receiving Party has returned or destroyed all such items. After such request, the Receiving Party will make no further use of the Confidential Information and Confidential Materials of the Disclosing Party.

(B) The Receiving Party will use commercially reasonable efforts to protect any Confidential Information and Confidential Materials of the Disclosing Party from any unauthorized use, disclosure, copying, dissemination or distribution. Without limiting the foregoing, the Receiving Party will: (i) make Confidential Information and Confidential Materials of the Disclosing Party available only to those of the Receiving Party's employees and agents who have a need to know the same for the purpose specified in Paragraph 2(A), and who have previously agreed in writing to be bound consistent with the provisions of this Agreement; and (ii) not reverse engineer, decompile or disassemble any Confidential Materials of the Disclosing Party

(C) Notwithstanding anything to the contrary in Paragraphs 2(A) and 2(B), the Receiving Party may disclose or produce any Confidential Information or Confidential Materials of the Disclosing Party if and to the extent required by any court order or governmental action, provided that to the extent permitted by law the Receiving Party gives the Disclosing Party reasonable advance written notice of the same.

(D) All Confidential Information and Confidential Materials of the Disclosing Party are and shall remain the property the Disclosing Party. No right or license, either expressed or implied, under any property right, including patents, patent applications, trademarks, service marks, copyrights, and trade secrets, is granted to the Receiving Party or any other party hereunder, nor is any sale or offer for sale of any kind being made by the Disclosing Party to the Receiving Party hereunder.

(E) In addition to the covenants contained in this Agreement, the Receiving Party will comply with any and all applicable laws relating to the use, disclosure, copying, dissemination and distribution of any Confidential Information or Confidential Materials of the Disclosing Party

3. MISCELLANEOUS. All Confidential Information and Confidential Materials are made available under this Agreement "AS IS", with all defects, errors, and deficiencies, and without any representation or warranty as to completeness or accuracy. This Agreement relates to Confidential Information and Confidential Materials, that is disclosed to the Receiving Party during the period beginning with the Effective Date, and ending two years thereafter, unless such period of effectiveness is extended by the mutual agreement of the parties, in writing. In the case this Agreement is entered into in connection or support of an agreement with a party for transacting business as a customer or vendor of CSI, the Agreement term shall end two years following the termination of the agreement for transacting business. The parties' respective obligations under this Agreement with respect to any Confidential Information and Confidential Materials will be effective during such period and will survive following such period for so long as such information and materials remain Confidential Information and Confidential Materials as defined in Paragraph 1. If any provision in this Agreement is held invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way. A party's failure to insist on compliance or enforcement of any provision of this Agreement shall not affect the validity or enforceability or constitute a waiver of any rights or remedies such party may have hereunder This Agreement will in all respects be governed by and construed in accordance with the laws of the State of South Carolina, without reference to its conflicts of law rules. The parties agree that any action arising under or in connection with this Agreement will be brought in the state or federal courts located in Greenville County, South Carolina, and the parties hereby parties agree to submit themselves to the exclusive jurisdiction of said courts. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or understandings between the parties relating to such subject matter. This Agreement may not be modified or amended except by a written instrument duly executed by both parties.

AGREED AND ACCEPTED this 9 day of April, 2013.

ENCORE TECHNOLOGY GROUP, ~~LLC~~

Signature: [signature]

Name: Chris Powell

Title: CEO

Company Name: Clear Touch Interactive

Signature: Kathy Cruse

Name: Kathy Cruse

Title: Managing Member

CONFIDENTIAL

ENC 00095583

Josh Smith

From: James Higginbotham <jjhiggin@gmail.com>
Sent: Monday, August 29, 2016 1:14 PM
To: Todd Newnam
Subject: Interesting link

I did an open Google search on Keone, and this came up. It is certainly worth checking out, as there might be a bunch of hidden money here.....

https://www.brightscope.com/401k-rating/3024959/Clear-Touch-Interactive-Retirement-Plan/15698195/Clear-Touch-Interactive-Retirement-Plan/

Δ π EXHIBIT 44
Deponent Higginbotham
Date 8/30/17 Rptr. SMB
WWW.DEPOBOOK.COM

Josh Smith

From: James Higginbotham <jjhiggin@gmail.com>
Sent: Monday, August 29, 2016 1:25 PM
To: Todd Newnam
Subject: Tamara Trask possible properties

I don't know if they own these or not, but you should check on them as assets (and if Keone is listed as an officer with Carolina Home Partners still):

http://www.carolinahomepartners.com/2020applications/propertylistings.asp?sale_type=For+Rent&province=SC&page_size=5&o=properties.listing_price+DESC

Δ π EXHIBIT 43
Deponent Higginbotham
Date 8/30/17 Rptr. SMB
WWW.DEPOBOOK.COM

Josh Smith

From: James Higginbotham <jjhiggin@gmail.com>
Sent: Monday, August 29, 2016 1:42 PM
To: Todd Newnam
Subject: Trask property in Greenville
Attachments: Trask Property.jpg

Here is a search that I just did- five properties in his name, including the home they reside in (Red Tip Court). Market value on all five homes is $1,024,410 total according to the online link. File attached.

Δ π EXHIBIT 42
Deponent Higginbotham
Date 8/30/17 Rptr. SMB
WWW.DEPOBOOK.COM

SEARCH RESULTS

Search For: Trask
Tax Year: 2016

10 records found

GIS Map	Map No	Owner	Address	Desc/Lot#	District	Sale Price	Market Value
View Map View Property Card	0538440107900	TRASK BRIAN C (JTWROS)	12 MOSS ROSE	73	276		
View Map View Property Card	0540010114400	TRASK JULIA GORDON	9 OLDE ORCHARD LN	PT 181	200		
View Map View Property Card	B013010120300	TRASK KEONE R	107 LORA LN	19	308	$185,000	$169,200
View Map View Property Card	B013010120500	TRASK KEONE R	201 LORA LN	21	308	$185,000	$169,200
View Map View Property Card	0413030103300	TRASK KEONE R	204 SANDY LN	332	155	$180,723	$169,590
View Map View Property Card	0548290105500	TRASK KEONE R	18 HAZELTINE CT	171	892	$125,500	$135,930
View Map View Property Card	0567050101800	TRASK KEONE RYAN	15 RED TIP	54	052	$414,765	$380,490
View Map View Property Card	G023000701000	TRASK MICHAEL J	414 W POINSETT ST	NONE	285		
View Map View Property Card	0548030111600	TRASK SEAN BRIAN	201 CHESTNUT OAKS CIR	PT 124 PH	897		
View Map View Property Card	0535050104400	TRASK TERESA DIANE	110 DARTMOOR DR	164	195		

ELECTRONICALLY FILED - 2017 Sep 05 10:04 AM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
ENCORE TECHNOLOGY GROUP, LLC, Plaintiff, vs. KEONE TRASK and CLEAR TOUCH INTERACTIVE, INC., f/k/a CLEAR TOUCH INTERACTIVE, LLC, Defendants.	Case No. 2015-CP-23-05757 **AFFIDAVIT OF JIMMY HIGGINBOTHAM**

The undersigned, Jimmy Higginbotham, after being duly sworn, deposes and states as follows:

1. I am a former employee of Plaintiff Encore Technology Group, LLC ("Encore") and Defendant Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC ("Clear Touch"), have personal knowledge of the facts set forth herein, am over eighteen years of age and am otherwise competent to give this Affidavit.

2. I was employed by Encore from approximately April 2013 through July 31, 2014. While at Encore, I spent approximately ninety percent (90%) of my time promoting Clear Touch interactive displays.

3. In July 2014, I spoke to Encore employees and Defendant Keone Trask ("Trask") about becoming employed by Clear Touch. Before I left Encore, Trask ask me to copy Encore's customer list onto a flash drive, explained to me how to do it, and asked me to give it to him. I did so and he gave me back to me after several days.

4. While at Encore, I was the primary contact for its customer Leon County Schools ("Leon") and was supported in this effort by Trask and Leo Gallant. While I was employed by Encore, Encore sold interactive displays to Leon. During July 2014, I worked with Encore to transition Leon's purchases of interactive displays to another Encore salesman. I knew that the plan among Encore, Clear Touch, and me was for Encore to maintain my customers and pipeline, including Leon, and for me to support such sales from Encore.

5. Shortly after I left Encore and joined Clear Touch, in approximately August 2014, Mike Fraser with Leon contacted me about purchasing interactive displays directly from Clear Touch instead of from Encore because he was upset with Encore. Because I had a non-compete agreement with Encore and I knew that Trask did also, I told Mr. Fraser that I would have to speak to Trask about that. When I spoke to Trask, he told me he had told Leon that Encore had diverted products purchased by Leon to another Encore customer. Trask further told me that Clear Touch would sell directly to Leon instead of through Encore and that he would be directly involved in such sales.

6. Trask and I knew from our time at Encore that Leon had outdated classroom technology and planned to purchase hundreds of interactive displays of the type sold by Encore and Clear Touch. We used this information -- and Trask's claims to Leon about Encore's diverting its product to another customer -- to enable Clear Touch to sell numerous interactive panels directly to Leon prior to April 24, 2015.

ELECTRONICALLY FILED - 2017 Sep 05 10:04 AM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

FURTHER AFFIANT SAITH NOT.

Jimmy Higginbotham

SWORN to before me this
30th day of August, 2017.

Sandra J. Crandall
Notary Public for South Carolina
My Commission Expires: 9/5/23

ELECTRONICALLY FILED - 2017 Sep 05 10:04 AM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

April 13, 2017

BY FIRST CLASS MAIL AND BY E-MAIL

Joseph O. Smith, Esq.
ROE CASSIDY COATES & PRICE, P.A.
1052 North Church Street
Greenville, SC 29601

Re: Encore Technology Group, LLC v. Trask, et al., Case No. 2015-CP-23-05757

Dear Josh:

In response to your letter dated April 6, 2017, we hereby serve upon you Plaintiff's Privilege Log. Contrary to the assertions in your letter, Encore has produced all responsive, non-privileged documents to you.

Notwithstanding the foregoing, solely to attempt to avoid additional discovery disputes, Encore is producing the following documents via Sharefile:

1. Post-September 10, 2015, documents regarding Mr. Trask and Clear Touch. As you know, Encore terminated its Reseller Agreement with Clear Touch on September 10, 2015, because of Defendants' breaches of their contractual and fiduciary duties to Encore. Those breaches formed the basis of the lawsuit filed on September 18, 2015. Accordingly, we believed that all documents regarding Mr. Trask and Clear Touch dated or created on or after September 11, 2015, were created in anticipation of litigation and trial and therefore are work product. Nevertheless, we have re-reviewed those documents and are producing documents that fall after this date as ENC 00203249–203437, none of which is relevant to the litigation.

2. Expert materials. All responsive written materials have been produced. The other information you reference was shared orally with the expert. Of course, you may inquire about this information when you depose him. Although we do not believe they are responsive, we are producing the cover and scheduling messages with the expert and re-producing the substantive documents that were attached as ENC 00203438-204370.

3. Encore financial documents. You request four additional categories of documents:

a. Revised Excel spreadsheet. Encore produced to you an Excel spreadsheet as it existed in the ordinary course of business in both PDF and native formats. Because you

have the document in native format, you could hide any columns that you do not want to use in questioning the witnesses. Although it has no obligation to create a new document for you, Encore has attempted to create a new, abbreviated version of this spreadsheet based upon your prior e-mail on the subject, which is produced as described in Section 3.d below.

b. Encore's Profit and Loss Statement from May 2014-December 2016. The Discovery Order directed Encore to produce financial documents "pertaining only to the interactive video panel components of its business and documents supporting its damage claims concerning such business." Encore has done this. The broader Profit and Loss Statement you request from May 2014-December 2016 goes beyond this requirement and is after your client left Encore's employ, so is neither responsive nor relevant.

c. Encore's Line of Credit documents. Encore has already produced all documents reviewed by its expert regarding its line of credit. Nevertheless, Encore is producing documents ENC 00203219–203248, which provide additional information about its line of credit.

d. Interactive Video Financials for December 2016. This information was not in existence when the Discovery Order was entered and Encore made its production of these financials. Encore is producing documents ENC 00202557–203218 to include December 2016.

In your e-mail dated April 12, 2017, you also requested any documents from July – September 2015 discussing or pertaining to Encore's termination of the Reseller Agreement. The only such documents are privileged attorney-client communications and therefore there is nothing else to produce.

With the foregoing, Encore has exceeded its obligations in satisfying your requests.

Sincerely,

Gregory J. English

864.242.8247
genglish@wyche.com

GJE/sc

cc: Mr. Todd Newnam (by-email)

May 31, 2017

BY HAND DELIVERY AND BY E-MAIL

Joseph O. Smith, Esq.
ROE CASSIDY COATES & PRICE, P.A.
1052 North Church Street
Greenville, SC 29601

Re: *Encore Technology Group, LLC v. Trask, et al.*, Case No. 2015-CP-23-05757

Dear Josh:

We were surprised by Defendants' Second Motion to Compel filed on May 15, 2017, which inaccurately stated that "Defendants have attempted to resolve these issues with the Plaintiff in good faith." To the contrary, following our letter dated April 13, 2017, the only remaining issue you raised with us concerned the Privilege Log, which Rita was actively trying to resolve with you by telephone.

Defendants, however, filed a Second Motion to Compel that raises three issues:

1. Plaintiff's Response to Defendants' Request 14: Defendants expressly made these same arguments in their first motion to compel and they were denied. *See* Discovery Order filed November 17, 2016, at 4 ("The balance of Defendants' Motion to Compel is denied ...."). In addition to not consulting with us about this, it is improper to seek to re-litigate this issue.

2. Privilege Log: As you know, we offered repeatedly to amend the privilege log to try to satisfy your concerns regarding it. Enclosed is our Amended Privilege Log, which we believe should satisfy you completely.

3. Post-September 10, 2015, documents regarding Mr. Trask and Clear Touch. As you know, Encore terminated its Reseller Agreement with Clear Touch on September 10, 2015, because of Defendants' breaches of their contractual and fiduciary duties to Encore. Those breaches formed the basis of the lawsuit filed on September 18, 2015. Accordingly, we believed that all documents regarding Mr. Trask and Clear Touch dated or created on or after September 11, 2015, were created in anticipation of litigation and trial and therefore are work product. Nevertheless, solely to resolve the issue, we have amended the Privilege Log and are producing documents that fall after this date.

You will note that the documents produced on the enclosed flash drive include additional email communications beyond those produced on April 13, 2017 as ENC 00203249–204370. Following your conversations with Rita regarding the privilege log, Encore re-conducted its email search in an effort to ensure that all documents had been produced. Upon manually reviewing this search, Encore discovered the search terms inadvertently excluded certain emails, although none of them are relevant to this case.

Specifically, Encore discovered that, although its IT Department used "ClearTouch" in earlier searches, the spaced version "Clear Touch" was inadvertently left off. In this latest review, Encore also discovered that, when it endeavored to reduce the production of duplicate emails for the April 13, 2017 search (following your earlier protestations of duplications in Encore's prior productions), in some cases the effort to de-duplicate had deleted initial emails that were part of a multi-thread chain but were in an attached rather than string format. Encore has remedied these issues. Again, we do not believe that these additional emails are relevant to this case, but are producing them herewith as ENC 00204371-00214720.

Please confirm that the foregoing satisfies your requests.

Sincerely,

Gregory J. English

864.242.8247
genglish@wyche.com

GJE/sc

cc: Mr. Todd Newnam (by-email)

ELECTRONICALLY FILED - 2017 Sep 18 4:36 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE	)	THIRTEENTH JUDICIAL CIRCUIT
Encore Technology Group, LLC,	)	C.A. No.: 2015-CP-23-05757
Plaintiff,	)	**DEFENDANTS' STIPULATIONS OF FACT AND ADMISSIONS OF LIABILITY**
v.	)	
Keone Trask and Clear Touch Interactive, Inc. f/k/a Clear Touch Interactive, LLC,	)	
Defendants.	)	

The above-named Defendants, by and through their undersigned attorneys, hereby stipulate to the following facts and admit liability on the claims noted below:

1. Defendant, Keone Trask worked for Computer Software Innovations (CSI) from 1999 to 2012.

2. Keone Trask incorporated Clear Touch Interactive, LLC in Nevada on August 24, 2012.

3. Keone Trask and his wife Tamara Trask appeared on the initial corporate filings as Managing Members of Clear Touch.

4. Keone Trask incorporated Encore Technology Group, LLC in South Carolina on September 27, 2012.

5. Encore hired Keone Trask as its Chief Business Development Officer on February 18, 2013.

6. Keone Trask signed a Non-Disclosure and Non-Solicitation Agreement with Encore on February 18, 2013. (Exhibit A to the Complaint).

7. Clear Touch filed an Annual List of Managing Members and Registered Agent and State of Business License Application of Clear Touch Interactive, LLC on April 11, 2013 for the

period of August 2012 – August 2013 listing Kathy Cruse as the only managing member of Clear Touch.

8. Kathy Cruse is Keone Trask's mother.

9. Keone Trask facilitated Encore becoming a Reseller of Clear Touch products while he was an employee of Encore.

10. Keone Trask did not disclose his interest in Clear Touch to Encore before the parties entered into the Reseller Agreement or during his employment with Encore.

11. Kathy Cruse sent emails from her Clear Touch email address (kc@cleartouchinteractive.com) to Keone Trask at his Encore email address (ktrask@encoretg.com) before Clear Touch and Encore entered into the Reseller Agreement and during the term of the parties' business relationship. These emails were sent to facilitate the parties entering of the Reseller Agreement and discuss Encore's purchases of Clear Touch products and other matters pertaining to the parties' business relationship.

12. Keone Trask sent emails from his Encore email address to Kathy Cruse at her Clear Touch email address before Clear Touch and Encore entered into the Reseller Agreement and during the parties' business relationship to facilitate the parties entering of the Reseller Agreement and to discuss Encore's purchases of Clear Touch products and other matters pertaining to the parties' business relationship.

13. Encore entered into a Reseller Agreement with Clear Touch on April 24, 2013, making Encore the exclusive reseller of Clear Touch interactive panels and products in seven southeastern states. (Exhibit B to the Complaint).

14. Tamara Trask and Keone Trask are husband and wife.

15. Starting in January 2014, Tamara Trask started communicating with Encore from a Clear Touch email address under the alias "Amy Andrews." This included email correspondence

ELECTRONICALLY FILED - 2017 Sep 18 4:36 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

between Amy Andrews at a Clear Touch email address (aa@cleartouchinteractive.com) and Keone Trask at his Encore email address.

16. Encore terminated Keone Trask on April 24, 2014.

17. Encore continued to sell Clear Touch products after Keone Trask was terminated.

18. Keone Trask immediately went to work for Clear Touch after being terminated from Encore.

19. Keone Trask informed Encore executives that he owned Clear Touch in October 2014. Historical ownership of Clear Touch was not discussed at that time, and therefore it was not disclosed that Keone Trask had owned an interest in Clear Touch during his employment with Encore.

20. Encore continued to do business with Clear Touch until ending the relationship on September 11, 2015.

21. Encore filed suit on September 18, 2015.

22. Defendant, Keone Trask, admits, based on the facts stipulated above and under the applicable law, he breached his duty of loyalty to Encore.

23. Defendant, Keone Trask, admits, based on the facts stipulated above and under the applicable law, he breached his fiduciary duties to Encore.

(signature page to follow)

ELECTRONICALLY FILED - 2017 Sep 18 4:36 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

Respectfully Submitted,

ROE CASSIDY COATES & PRICE, P.A.

s/Joseph O. Smith
Joseph O. Smith, SC Bar # 77475
Joshua J. Hudson, SC Bar # 100311
(1052 North Church Street, 29601)
Post Office Box 10529
Greenville, SC 29603
864.349.2600 – Telephone
864.349.0303 – Facsimile
jsmith@roecassidy.com – Email
jhudson@roecassidy.com – Email

Attorneys for Defendants

Greenville, South Carolina
September 18, 2017

ELECTRONICALLY FILED - 2017 Sep 18 4:36 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

STATE OF SOUTH CAROLINA **COUNTY OF GREENVILLE**	)	**IN THE COURT OF COMMON PLEAS** **THIRTEENTH JUDICIAL CIRCUIT**
Encore Technology Group, LLC, Plaintiff, vs. Keone Trask and Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC, Defendant.	)	CA No. 2015-CP-23-05757 VERDICT FORM

I. As to Plaintiff Encore Technology Group, LLC's breach of loyalty claim, against Defendants Keone Trask, we the jury, unanimously find:

_x_ A. For the Plaintiff in the amount of:

THREE-HUNDRED SEVENTY FIVE THOUSAND SEVENHUNDRED THIRTY THREE DOLLARS AND FOURTY CENTS

($ 375,733.40 actual damages)

Note: If you award actual damages you may consider whether to award punitive damages. You may not award punitive damages without an award of actual damages.

_x_ B. For the Plaintiff in the amount of:

ONE-HUNDRED SEVENTY THOUSAND DOLLARS

($ 175,000 punitive damages)

II. As to Plaintiff Encore Technology Group, LLC's breach of fiduciary duty claim against Defendant Keone Trask, we the jury, unanimously find:

__X__ A. For the Plaintiff in the amount of:

SIX-HUNDRED SEVENTY FIVE THOUSAND THREE HUNDRED SIXTY ONE

($ 675,361 actual damages)

Note: If you award actual damages you may consider whether to award punitive damages. You may not award punitive damages without an award of actual damages.

__X__ B. For the Plaintiff in the amount of:

ONE MILLION, FIVE HUNDRED THOUSAND DOLLARS

($ 1,500,000 punitive damages)

_____ C. For the Defendant,

III. **As to Plaintiff Encore Technology Group, LLC's breach of contract claim against Defendant Keone Trask, we the jury, unanimously find:**

__x__ A. For the Plaintiff in the amount of:

FOUR-HUNDREP TWENTY FOUR THOUSAND, NINE HUNDRED FORTY FIVE DOLLARS

($ 424,945 actual damages)

_____ B. For the Defendant.

IV. As to Plaintiff Encore Technology Group, LLC's violation of South Carolina Trade Secrets Act claim against Defendants Keone Trask and Clear Touch Inc., we the jury, unanimously find:

__X__ A. For the Plaintiff in the amount of:

FOUR-HUNDRED TWENTY FOUR THOUSAND, NINE-HUNDRED FORTY FIVE DOLLARS

($ 424,945 actual damages)

Only if you award the Plaintiff actual damages, please answer the question below:

B. Was the Defendants' conduct in violating the South Carolina Trade Secrets Act committed by the Defendants in a willful, wanton, or reckless disregard of Plaintiff's rights?

__X__ YES _____ NO

_____ C. For the Defendants.

V. As to Plaintiff Encore Technology Group, LLC's tortious interference claim against Clear Touch Inc., we the jury, unanimously find:

__X__ A. For the Plaintiff in the amount of:

FOUR-HUNDRED TWENTY FOUR THOUSAND, NINE-HUNDRED FORTY FIVE

($ 424,945 actual damages)

Note: If you award actual damages you may consider whether to award punitive damages. You may not award punitive damages without an award of actual damages.

__X__ B. For the Plaintiff in the amount of:

FIVE-HUNDRED THOUSAND DOLLARS

($ 500,000 punitive damages)

_____ C. For the Defendant.

VI. **As to Plaintiff Encore Technology Group, LLC's breach of contract accompanied by fraudulent act claim against Defendant Keone Trask, we the jury, unanimously find:**

X A. For the Plaintiff in the amount of:

ONE MILLION FOUR HUNDRED SEVENTY SIX THOUSAND, THIRTY NINE AND FORTY CENTS

($ 1,476,039.40 actual damages)

Note: If you award actual damages you may consider whether to award punitive damages. You may not award punitive damages without an award of actual damages.

X B. For the Plaintiff in the amount of:

TWO MILLION DOLLARS

($ 2,000,000 punitive damages)

_____ C. For the Defendant.

VII. As to Plaintiff Encore Technology Group, LLC's defamation claim against Defendant Keone Trask, we the jury, unanimously find:

_____ A. For the Plaintiff in the amount of:

_____

($_____ actual damages)

__X__ B. For the Defendant.

VIII. As to Plaintiff Encore Technology Group, LLC's Unfair Trade Practices Act claim against Defendants Keone Trask and Clear Touch Inc., we the jury, unanimously find:

_____ A. For the Plaintiff in the amount of:

_____

($_____ actual damages)

Only if you award the Plaintiff actual damages, please answer the question below:

B. Were the Defendants Unfair Trade Practices Committed willfully?

_____ YES _____ NO

X C. For the Defendants.

Awarded this 29 day of SEPTEMBER, 2017.

Mykel Fisher

Foreperson of the Jury

From:	Josh Smith
To:	"McIntosh, Lawton"; McIntosh, Lawton Secretary (Tammy Jennings)
Cc:	Greg English; Rita Bolt Barker; Josh Hudson
Subject:	Clear Touch v Encore - Form 4 Order issued Today
Date:	Tuesday, July 31, 2018 12:22:43 PM
Attachments:	7.31.18 Form 4 Order.pdf

Judge McIntosh,

We received the attached Form 4 Order issued on the motions heard yesterday. I am writing because it does not address Clear Touch's motion to dismiss Encore's contract counterclaims based on the Reseller Agreement. That was before the Court and we would greatly appreciate some clarity on the Court's ruling on Encore's contract counterclaims. I appreciate your time and consideration of this request.

Best Regards,

Joseph O. "Josh" Smith

email jsmith@roecassidy.com

direct 864-404-3140

RCCP Letterhead

1052 North Church St.

Greenville, S.C. 29601

p 864 349 2600 *f* 864 349 0303

Roe Cassidy Coates & Price, P.A. | Greenville, SC Law Firm

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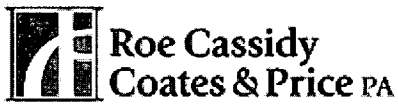
JOSEPH O. "JOSH" SMITH
(864) 404-3140
JSMITH@ROECASSIDY.COM



August 1, 2018

Clerk of Court, Greenville County
Thirteenth Judicial Circuit

Re: ***Encore Technology Group LLC v. Keone Trask and Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC***
C.A. No. 2015-CP-23-05757
RCCP 2626.0001

Dear Madam Clerk:

Defendants in the above-referenced matter are submitting this correspondence and the attached "Exhibit A" for entry into the public record in this matter.

On June 23, 2018, the Court entered an Order Appointing a Receiver (the "Order") in this matter. That Order was drafted and submitted to the Court by the Plaintiff. Prior to the entry of that Order, the Court allowed Defendants to submit objections and a "redline" markup reflecting and explaining its objections to the Order. That correspondence and redline is attached hereto as "Exhibit A." Defendants respectfully request that the Clerk enter this letter and the attached Exhibit A into the record for this matter.

Best Regards,

ROE CASSIDY COATES & PRICE, P.A.

Joseph O. Smith

ELECTRONICALLY FILED - 2018 Aug 01 2:37 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

Respectfully submitted,

s/ Joseph O. Smith
Joseph O. Smith, S.C. Bar # 77475
Joshua J. Hudson, S.C. Bar #100311
ROE CASSIDY COATES & PRICE, P.A.
1052 North Church Street
Greenville, S.C. 29601
(864)-349-2600
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JSmith@roecassidy.com
JHudson@roecassidy.com
Attorney for the Defendants

August 1, 2018
Greenville, South Carolina

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STATE OF SOUTH CAROLINA	)	
	)	IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE	)	
	)	
Encore Technology Group, LLC,	)	C.A. No. 2015-CP-23-05757
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
Keone Trask and Clear Touch Interactive, Inc. f/k/a Clear Touch Interactive, LLC,	)	
	)	
Defendants.	)	
	)	

Exhibit A

ELECTRONICALLY FILED - 2018 Aug 01 2:37 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

From: Josh Smith
Sent: Friday, July 06, 2018 4:26 PM
To: McIntosh, Lawton Secretary (Tammy Jennings); Greg English
Cc: McIntosh, Lawton Law Clerk (Clair Hollingsworth); Sarah E. Beasley; Josh Hudson; Rita Bolt Barker; Peggy Lathan
Subject: RE: Motions to Appoint Receiver and to Quash Subpoenas - Encore vs. Trask & Clear Touch
Attachments: image001.gif; ATT00001.htm; Order Appointing Receiver - Encore vs. Trask - (Defendant Redline).docx; ATT00002.htm

Judge McIntosh,

Attached is Defendant's redline to Encore's proposed Order Appointing a Receiver. I've made note in the comments concerning the basis for many of the redlines where needed, or hopefully where I thought helpful. To that end, I have also listed some of the primary issues dealing with portions of the proposed order that violate the law or offer inaccurate statements of it to circumvent the restrictions on what can be done and utilized to satisfy a judgment in SC.

Violation(s) of Law

p. 5 paras. 8, 1 - Attempt to have Receiver possess and control Trask's "income" which includes his "earnings...for his personal services" that are exempt from levy or use to satisfy the judgment against him per S.C. Code 15-39-410.

p. 6 para. 2 – Attempt to have Receiver control and possess except assets and property in violation of S.C. Code 15-41-30(A)(13) [CLICK ON COMMENT TO SEE FULL OBJECTION/COMMENT]

p. 6-7 para. 4 – Attempt to have Receiver possess and control Trask's exempt income (under 15-39-410) by empowering him to possess and control commission and bonus payments, and cap Trask's accumulation of such exempt payments for his personal services all in violation of S.C. Code 15-39-410

Inaccurate Statement(s) of Law

p. 4-5 para. 6 – insertion of entire quote makes case law quotation accurate in context

p. 6-7 para. 4 – Law cited addresses passive income (i.e. investment income) and therefore inapplicable to commission and bonus payments to which it is offered to apply. The latter payments are not passive income but rather payments received by the debtor for his personal services and therefore not subject to levy or attachment in order to satisfy the judgment per 15-39-410.

I appreciate the opportunity to submit our redline objections and will provide anything further the Court needs.

Best Regards,

Joseph O. "Josh" Smith
email jsmith@roecassidy.com
direct 864-404-3140

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ELECTRONICALLY FILED - 2018 Aug 01 2:37 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
ENCORE TECHNOLOGY GROUP, LLC, Plaintiff, vs. KEONE TRASK and CLEAR TOUCH INTERACTIVE, INC., f/k/a CLEAR TOUCH INTERACTIVE, LLC, Defendants.	Case No. 2015-CP-23-05757 **ORDER APPOINTING RECEIVER**

This matter came before the Court for a hearing upon Plaintiff Encore Technology Group, LLC ("Plaintiff")'s Motion to Appoint Receiver for Defendant Keone Trask ("Trask"). The motion was heard by the Court on June 12, 2018. Counsel for all parties were present.

Upon reviewing the record, the evidence, and the applicable law and hearing statements and representations of counsel, I find that Plaintiff's Motion to Appoint Receiver should be granted and a receiver should be appointed with authority to pursue discovery from Defendants and third parties, require the production of documents and other evidence, and take possession of Trask's non-exempt assets and secure them while Trask's appeal is pending, upon threat of contempt and sanctions by this Court for willful failure to cooperate with the receiver.

FINDINGS OF FACT

1. On April 2, 2018, the Court entered a Final Order and Judgment in favor of Encore against Defendant Keone Trask ("Trask") in the amount of $7,917,468.40 (the "Judgment").

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2. The Judgment required Trask to pay $7,917,468.40 to Encore. Trask has failed to pay any portion of this amount. Although the Clerk of Court issued an Execution against Property of Trask on April 13, 2018, it has not been satisfied, in whole or in part.

3. Trask filed a motion pursuant to Rule 59, SCRCP, for Reconsideration of the Judgment and intends to appeal the Judgment, necessitating the preservation of Trask's property during the pendency of the appeal.

4. The Judgment includes $2,952,078 in actual damages and $4,524,890 in punitive and exemplary damages. In doubling the actual damages under the Trade Secrets Act to award $849,890 in exemplary damages, the Court noted the case of misappropriation was one of the most egregious this Court has ever seen. Judgment at 4.

5. Defendants moved to stay execution of the Judgment, but the Court denied a stay. In support of its denial, the Court noted that evidence was presented at trial from which one could conclude or infer that the Defendants were engaged in an involved scheme to hide from Encore the truth of Trask's breaches of fiduciary duties, duties of loyalty, and contract and cannot be expected to fulfill their legal duties. Therefore, the Court determined it would not be appropriate to stay execution of the judgment. Judgment at 33-34. Specifically, evidence at trial indicated that Trask:

- Did not disclose his involvement in Clear Touch to Encore while he was an employee of Encore;
- Transferred his ownership in Clear Touch to his mother to hide his affiliation;
- Got Encore to sign a Reseller Agreement and had his mother sign for Clear Touch;
- Had the true suppliers remove their labels from panels and replace them with Clear Touch labels ~~to hide the suppliers' true identities from Encore~~;

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- Marked up the prices of the panels from the suppliers to Encore;
- Had Encore send its checks to a Nevada post office box and forwarded them back to South Carolina;
- Had his wife, Tamara Trask, email Encore as "Amy Andrews";
- While at conferences for Encore, worked to sign resellers for Clear Touch by initially leading them to believe Encore was an owner of Clear Touch;
- Got Encore's employees, Leo Gallant and Jimmy Higginbotham, to sign non-disclosure agreements ~~so that he could induce them to leave Encore by disclosing his ownership of Clear Touch but prevent them from disclosing same to Encore~~; and
- ~~Permanently deleted incriminating e-mails~~.

Id.

6. During the pendency of this case, on May 12, 2017, Trask transferred real estate from his individual ownership into the "Trask Family Trust" of which he and his wife are the trustees.

7. Trask is the President and sole Director of his corporation, Defendant Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC ("Clear Touch"), and exercises ownership and control in ways that will only be clear following discovery.

8. ~~Instead of cooperating in discovery,~~ Trask moved to quash subpoenas Encore issued pursuant to Rules 34, 45, and 69, SCRCP, to his CPA and Clear Touch's third-party administrator, CatchFire Funding. ~~Trask has also refused to provide to Encore documents requested in post-Judgment discovery.~~

9. Trask previously admitted to Encore that he owns several rental properties in several counties. The public records of Greenville County and Anderson County, South

Commented [JS1]: Untrue statement. Evidence at trial was that Encore arranged Higginbotham to be hired by Clear Touch and Gallant left on his own accord.

Commented [JS2]: Inaccurate statement.

Commented [JS3]: Untrue statement. Trask requested an extension to reply which Encore refused to give.

Carolina, show that Trask is connected with fifteen (15) properties, which appear to be residential rental properties, either individually or through Carolina Home Partners LLC, a company of which Trask is manager. The records of Oconee County show that Trask transferred ten (10) duplexes in November 2017, shortly after the jury verdicts in this case were rendered, at a sales price of approximately one-half of what the buyer was able to mortgage the properties for. Encore records from when Trask was an employee indicate he had three bank and/or brokerage accounts. Only a receiver can effectively preserve the net rental and investment income from these assets and preserve them so that they are available to apply to the Judgment.

10. Plaintiff seeks for the Court to appoint L. Walt Tollison, III, Esq., as receiver for Trask.

CONCLUSIONS OF LAW

1. The foregoing Findings of Fact are denominated Conclusions of Law to the extent that they constitute the same.

2. The Judgment was granted in favor of Encore and has not been satisfied.

3. A receiver may be appointed after judgment to carry the judgment into effect. *See* S.C. Code Ann. § 15-65-10(2).

4. A receiver may be appointed after judgment to preserve the judgment debtor's property during the pendency of an appeal. *See* S.C. Code Ann. § 15-65-10(3).

5. A receiver may be appointed after judgment when an execution has been returned unsatisfied and the judgment debtor refuses to apply his property in satisfaction of the judgment. *See* S.C. Code Ann. § 15-65-10(3).

6. A receiver may be appointed to receive any distributions due to or to become due to the judgment debtor from a limited liability company in which the judgment debtor has a

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membership interest upon application for and the Court's issuance of a chagrining order placing a lien on a judgment creditor's distributional interest. *See* S.C. Code Ann. § 33-44-504(a). Likewise, a receiver may receive other payments due a judgment debtor and "stands in the shoes of the debtor with respect to property of the latter and the appointment of a receiver will not change any existing contractual relation or right of action thereon.;" ~~as well as his "contractual relation[s]."~~ *Jeffcoat v. Morris*, 300 S.C. 526, 389 S.E.2d 526 (Ct. App. 1989), *overruled on other grounds by United Carolina Bank v. Caroprop, Ltd.*, 316 S.C. 1, 4 (1994).

7. South Carolina law allows for the appointment of a Receiver under the facts of this case.

8. The Court concludes that Encore is entitled to the appointment of a receiver in order to ascertain by investigation and to take possession of and secure non-exempt assets ~~and income~~ of Trask until the appeal is resolved.

NOW, THEREFORE, based upon the foregoing findings of fact and the conclusions of law, IT IS THEREFORE ORDERED that:

1. L. Walt Tollison, III, Esq. ("TOLLISON") is hereby appointed as Receiver to ascertain by investigation and to take possession of and secure non-exempt assets ~~and income~~ of Trask until their appeal of the Judgment is resolved.

2. Within ~~ten~~ fifteen (15~~0~~) business days following the entry of this Order, and on an ongoing basis as long as this Order remains in effect, Trask shall surrender and deliver possession to TOLLISON all of the non-exempt assets, property, and records relating to those assets, property, and non-exempt income that he may possess, own or control, directly or indirectly, legally or equitably, including but not limited to all shares of stock of Clear Touch Interactive, Inc., f/k/a Clear Touch Interactive, LLC ("Clear Touch") owned by Trask, ~~and all~~

Commented [JS4]: Insertion to make clear the Receiver's ability to receive an LLC member's distributions requires application for and issuance of a charging order under the statute and is not a power the Court can simply give a Receiver.

Commented [JS5]: Edit incorporating actual quote rather than snippets.

Commented [JS6]: "Income" encompasses exempt earnings –

S.C. Code § 15-39-410 states "The judge may order any property of the judgment debtor, not exempt from execution, in the hands either of himself or any other person or due to the judgment debtor, to be applied toward the satisfaction of the judgment, except that the earnings of the debtor for his personal services cannot be so applied."

"Income" alone would encompass those exempt earnings such as Trask's wages. The deletion is necessary to keep the Receiver from possessing or controlling exempt assets which cannot be utilized to satisfy the Judgment.

Our courts and legislature include a person's wages as "earnings of the debtor for his personal services." *See Jarrott v. S.C. Employment Sec. Comm'n*, 290 S.C. 533, 536 (1986); *Garrett v. Mutual Ben. Life Ins. Co. of N.J.*, 239 S.C. 574, 578 (1962); *Toner v. S.C. Employment Sec. Comm'n*, 2005 WL 7083464 at * 3-4 (Bankr. D.S.C. 1999); S.C. Code § 41-27-380. All these authorities put wages under the umbrella of earnings for personal services, along with other compensation outside normal wages such as commission payments and bonuses.

Commented [JS7]: Same comment as immediately above. This violates the clear statutory exemption for earnings of the debtor for personal services.

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~~assets of Trask in Clear Touch~~, all records of Clear Touch that relate to or may lead to the discovery of assets, property, and income of Trask, and all assets and property that Trask hereafter receives or acquires, directly or indirectly, legally or equitably, while the Order is in effect (all of the foregoing herein referred to as the "Property"), with the exception of property, assets, and income that is exempt from execution or levy for the purpose of satisfying the Judgment against Trask (for example, the homestead exemption; see S.C. Code § 15-41-10 *et. seq.*) ("Exempt Property") and records related to such Exempt Property. As to such Exempt Property, Trask shall not dispose of or encumber such property beyond the statutory amount of the applicable exemption pertaining to such Exempt Property. ~~If such property is already encumbered such that the owner's equity in the property is less than the amount of the exemption, the owner shall not further encumber or dispose of the property.~~ All documents of Clear Touch shall be produced subject to the Confidentiality Order in this case, which the Receiver shall acknowledge he has read and will follow.

3. Effective as of and from the date of the entry of this Order, all funds or other Pproperty that are received by Trask, except for Exempt Property, shall be delivered to the Receiver and deposited with a bank of Receiver's choice or otherwise secured by Receiver pending resolution of Trask's appeal.

4. ~~The evidence presented at trial indicated that the regular, historical salary Trask has received from Encore and Clear Touch is approximately $200,000.00 per year, *see* Plaintiff's Exhibits 10.G and 10.I (showing Trask's wages of $190,512 in 2013) and 10.J (showing Trask's wages from Clear Touch of $163,496 in 2015), which shall be the amount of Trask's exempt earnings (the "Exempt Earnings"). The Exempt Earnings shall not include commissions or bonuses based upon Clear Touch's performance as opposed to Trask's personal services to Clear~~

Commented [JS8]: Clear Touch is 100% owned by an IRA of which Trask is a beneficiary. Due to the ownership structure and applicable law, Clear Touch assets cannot be controlled by the Receiver or utilized to satisfy the judgment against Trask.

S.C. Code § 15-41-30(A)(13) exempts from attachment, levy, and sale under any mesne or final process issued by a court "The debtor's right to receive individual retirement accounts as described in Sections 408(a) and 408A of the Internal Revenue Code, individual retirement annuities as described in Section 408(b) of the Internal Revenue Code, and accounts established as part of a trust described in Section 408(c) of the Internal Revenue Code. A claimed exemption may be reduced or eliminated by the amount of a fraudulent conveyance into the individual retirement account or other plan. For purposes of this item, "Internal Revenue Code" has the meaning provided in Section 12-6-40(A). The interest of an individual under a retirement plan shall be exempt from creditor process and is an exception to Section 15-41-35. The exemption provided by this section shall be available whether such individual has an interest in the retirement plan as a participant, beneficiary, contingent annuitant, alternate payee, or otherwise." This includes any assets in or owned by the IRA that owns Clear Touch and of which Trask is a beneficiary.

Clear Touch has paid the judgment against it in full to the Court and therefore the Receiver has not legal ground or reason to possess or control the company's assets.

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Commented [JS9]: Cannot prohibit encumbering Exempt Property below or up to the amount of the applicable statutory exemption.

Commented [JS10]: Attempt to posses and control exempt assets in the form of Trask's earnings in violation of § 15-39-410.

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~~Touch. *See In re Davis*, 1999 WL 33486078, *3 (Bankr. D.S.C. May 28, 1999) ("earnings for personal services are to be distinguished from the proceeds of a business carried on by the debtor; the legislative intent being to protect the fruit of someone's labor for the benefit of his family, rather than income derived from passive sources, such as investment income or return on capital."); *Mathews v. Mathews*, 207 S.C. 170, 35 S.E.2d 157 (1945) (indicating that "earnings of the debtor for his personal services" are limited to wages and ordinary salaries necessary for the use of a family supported wholly or partly by his labor). The Exempt Earnings shall be deposited in a separate account controlled by Trask but for which the Receiver shall receive monthly statements from the bank and be a co-signer (the "Exempt Earnings Account"). Any amounts accumulated in the Exempt Earnings Account above the $5,000.00 amount set forth in S.C. Code Ann. § 15-41-30(A)(5), and any other amounts due Trask from Clear Touch, shall be delivered to the Receiver and deposited by him into the bank account referenced in Paragraph 3.~~ Any dispute over such amounts shall be brought promptly to the Court.

5. The Receiver will be and hereby is authorized and directed to take immediate possession of Trask's assets and to exercise full control over Trask's assets, except for Exempt Property, provided that Receiver shall not sell or dispose of such assets until further order of this Court, and the Receiver in so doing will have all powers generally available to Receivers under the laws of the State of South Carolina, and will have, among others, the following specific powers:

(a) The power and authority to take possession of property owned ~~or leased~~ by Trask. All parties in possession of any such property are to surrender it to the Receiver upon demand. This property shall include, but not be limited to the following;

i Real Property

ii Goods

Commented [JS11]: Inapplicable law and misstatement of law.

Commission and bonus payments to debtor are encompassed in the exemption for "the earnings of the debtor for his personal services" which are statutorily prohibited from being used to satisfy a judgment under § 15-39-410. This language violates the law by empowering the Receiver to posses and control exempt assets based upon inapplicable case law cited for a proposition for which it does not stand. The case law cited addresses "passive income" (investment income) that is not connected to earnings a debtor receives for his personal services. Earnings for personal services include bonus and commission payments which are exempt from use to satisfy a judgment under S.C. Code § 15-39-410.

Attempt to have Receiver possess and control Trask's commission and bonus payments in violation of § 15-39-410.

Commented [JS12]: Receiver has no grounds to oversee, posses, or control any exempt assets.

Commented [JS13]: Violates law by empowering Receiver to control exempt assets.

Receiver cannot control exempt assets

Statutory section cited is inapplicable. § 15-41-30(A)(5) affords a debtor a $5,000 exemption for his "interest in cash and other liquid assets." Under that section "The term 'liquid assets' includes deposits, securities, notes, drafts, unpaid earnings ***not otherwise exempt***…" Again, these earnings are exempt and the Receiver controlling them a violation of the law.

iii Inventory

iv Equipment

v Chattel Paper and Accounts

vi Securities and Instruments, including but not limited to Stocks, Membership Interests, Bonds, and Promissory Notes

vii Investment Property

viii Contracts and other Documents

ix Deposit Accounts

x Commercial Tort Claims

xi Money

xii Letter of Credit Rights

xiii General Intangibles

xiv Supporting Obligations

xv All Cash or Equivalents, Savings Accounts, Brokerage Accounts, any other bank accounts of Trask; and

xvi All proceeds and products, including but not limited to rent, of above.

This property shall not include Exempt Property.

(b) Gather all books and records of Trask, and subpoena or otherwise require production of books and records of third parties as necessary to identify property and assets that can be utilized to satisfy the Judgment against Trask, including but not limited to a list of all aliases Trask has used, a list of all family members and entities with which he is affiliated, and historical records showing any asset transfers or dispositions by Trask of property that can be utilized to satisfy the Judgment against him within the last three years, ~~family members, or affiliated entities~~ and all salary, dividend, distribution, and other compensation payments to Trask, ~~his family members, or any entity with which he is affiliated~~, to determine

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the existence and amount of all Trask's rights, debts and obligations ~~together with all their assets~~;

(c) To control all bank, brokerage, and trust accounts owned by or for the benefit of Trask not to include bank, brokerage, trust, or any other accounts of Clear Touch or those which contain Exempt Property or assets which cannot be levied or utilized for executing the judgment against Trask. No other person shall have any authority or control over any funds in the accounts, including but not limited to authority or control to disburse funds;

(d) With respect to any insurance coverage in existence or obtained, the Receiver shall be named as an additional insured on the policies for the period that the Receiver shall be in possession of the property insured;

(e) The Receiver is hereby authorized to demand and receive any dividends or distributions due to or to become due to Trask while this Order is in effect from any corporation or limited liability company in which Trask has a direct or indirect ownership or membership interest, including but not limited to Clear Touch; and any such corporation or limited liability company is hereby directed and enjoined, upon receipt of this Order, to make such distribution(s) only to the Receiver while this Order is in effect.

6. Plaintiff and Receiver shall have no obligation to pay for accrued wages, benefits, and taxes, payroll or other amounts, accrued in advance of the date of this Order, whether currently due or owing.

7. The Receiver will furnish to the Court and to the parties quarterly statements itemizing property that has been secured by Receiver pursuant to this Order. Such report will be filed within thirty (30) days after the end of each calendar quarter, the first such report to be due thirty days after the end of the first quarter after this Order is entered and quarterly thereafter. The parties to this litigation will be entitled to inspect the books and records of the Receiver concerning assets held by it pursuant to this Order at reasonable times and with reasonable notice, subject to the Confidentiality Order in this case.

Commented [JS14]: Edits in this subparagraph necessary to prevent unlawful overreach by Receiver into the assets and business of Trask's family members and Clear Touch, neither of which hold assets that can be utilized to satisfy the Judgment against Trask.

ELECTRONICALLY FILED - 2018 Aug 01 12:37 PM - GREENVILLE - COMMON PLEAS - CASE#2015CP2305757

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8. Without further Order of the Court, the Receiver shall be entitled to payment of reasonable professional fees and expenses incurred by the Receiver. While Trask's appeal remains pending, Receiver's fees and expenses shall be paid by Plaintiff. If the Judgment is affirmed in whole or in part, Plaintiff shall be entitled to reimbursement of such payments from Trask's assets in addition to the Judgment ~~and the legal, accounting, and other costs of collecting same~~. Receiver's professional fees shall be charged at $325 per hour for Receiver's time and at such lesser rates as he ordinarily charges for paralegal time. All photocopies and facsimile charges along with necessary out-of-pocket expenses (including travel and lodging) will be billed at cost. All fees and expenses of the Receiver shall be accounted for in the Quarterly Statement of Operations.

Commented [JS15]: Attempt to make Trask liable for Encore's attorney's fees incurred in collecting the judgment in absence of a legal ground for doing so.

9. The Receiver will have such additional powers as are provided by law and as this Court may from time to time direct.

10. No person or entity shall file suit against the Receiver, Plaintiff, or Plaintiff's counsel, Defendants, or Defendants' counsel for actions taken in compliance with this Order.

11. The Receiver shall have no personal liability in connection with any liabilities, obligations, liens or amounts owed to any creditors or claimants of Trask but shall not take any action(s) to hinder the obligation(s) owed by Trask to creditors who have priority over Plaintiff as a judgment creditor.~~.~~

12. The Receiver and his employees, agents, and attorneys shall have no personal liability or obligation and shall have no claim asserted against them in connection with the Receiver's actions taken under and in compliance with this Order.

13. The Receiver may, in its discretion, notify this Court and the parties to this action that the Receivership is not practical, and upon such notice all duties of the Receiver shall

terminate except with regard to liabilities which arise prior to the date of the notice. The Court may then appoint a new Receiver to take any and all such other action as it deems appropriate. Receiver shall turn over all of the assets and records secured pursuant hereto to any successor receiver appointed by the Court and shall file a final accounting with the Court.

14. In the event that Trask fails to turn over the property and other items required by this Order within ~~ten~~ fifteen (15~~0~~) business days, the appropriate County Sheriff is hereby ordered to take all necessary and legal actions and appropriate force to give full effect to the terms of this Order.

15. All persons who receive notice of this Order are enjoined from interfering with the powers and duties of the Receiver.

16. All providers of insurance with respect to the Property are prohibited and enjoined from cancelling such insurance policies provided that the Receiver pays the applicable premiums for any prospective exposure going forward under the receivership, and such premiums may be paid from assets secured by the Receiver pursuant to this Order.

17. The receiver is not responsible for filing any federal, state, or local tax returns including those relating to any activities during the receivership, but is entitled to collect any tax refunds payable to Trask.

18. The Receiver and the parties to this case may at any time apply to this Court for instructions or orders and for further powers necessary to enable the Receiver to perform the Receiver's duties properly.

19. IT IS FURTHER ORDERED that pending further Order of this Court, Trask and his respective agents, partners, managers, employees, assignees, heirs, representatives, affiliates or related entities and all other persons acting in concert with them who have actual ~~or~~

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~~constructive~~ knowledge of this Order, and their agents and employees, and Plaintiff, its respective agents, partners, managers, employees, assignees, heirs, representatives, affiliates or related entities and all other persons acting in concert with them who have actual knowledge of this Order, and their agents and employees, shall not:

A. Commit Waste:

Trask shall not commit or permit any waste of the Property or any part thereof, or suffer or commit or permit any act on the Property or any part thereof in violation of law, or remove, transfer, encumber or otherwise dispose of any of the Property or the fixtures presently on the Property or any part thereof.

B. Cash or Credit Card Receipts:

Trask shall not discount or in any other way divert or use any of the monies from the Property, including, but not limited to, rents, cash from sales, or credit card receipts.

C. Interfere with Receiver:

Trask and the Plaintiff shall not directly or indirectly interfere in any manner with the discharge of the Receiver's duties under this Order or the Receiver's possession of the Property;

D. Transfer or Encumber the Property:

Trask shall not expend, disburse, transfer, assign, sell, convey, devise, pledge, mortgage, create a security interest in, encumber, conceal or in any manner whatsoever deal in or dispose of the whole or any part of the Property, including, but not limited to, the cash, rents inventory, and fixtures without prior Court Order; and

E. Impair Preservation of Property or Plaintiff's Interest:

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Trask shall not do any act which will, or which will tend to impair, defeat, divert, prevent or prejudice the preservation of the Property, or the preservation of Plaintiff's interest in the Property. Trask is further enjoined from making any payments or transfers of ~~funds or~~non-exempt property and/or assets to or from any affiliates, insiders, directors, officers, family members, or any other person or entity controlled by or otherwise related to any affiliates, insiders, directors, and/or officers.

IT IS SO ORDERED.

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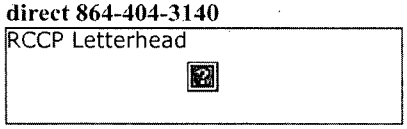
From: Greg English
To: "Josh Smith"
Cc: Rita Bolt Barker; Greg English
Subject: RE: Order Dismissing Case - Clear Touch v. Encore
Date: Thursday, August 2, 2018 4:04:37 PM

Josh,
We made the one change regarding the length of the continuance (although it was four weeks, not three, as we have noted with the dates). We think the references to mandatory counterclaims and the logical relationship to this case were implied by the Judge's rulings, so are leaving those.
Thanks, Greg

Gregory English | Wyche
44 East Camperdown Way | Greenville, SC 29601-3512
Phone: (864) 242-8247 | Fax: (864) 235-8900
genglish@wyche.com | www.wyche.com/genglish | vCard
A Lex Mundi Member Firm

From: Josh Smith [mailto:jsmith@roecassidy.com]
Sent: Thursday, August 02, 2018 3:36 PM
To: Greg English
Cc: Rita Bolt Barker
Subject: RE: Order Dismissing Case - Clear Touch v. Encore
Greg and Rita,
Two minor redline revisions. Comments with both so you guys are clear on the reasons for the revisions.
Thanks,

Joseph O. "Josh" Smith
email jsmith@roecassidy.com
direct 864-404-3140



1052 North Church St.
Greenville, S.C. 29601
p 864 349 2600 *f* 864 349 0303
Roe Cassidy Coates & Price, P.A. | Greenville, SC Law Firm

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From: Greg English <genglish@wyche.com>
Sent: Wednesday, August 01, 2018 3:52 PM
To: Josh Smith <jsmith@roecassidy.com>
Cc: Rita Bolt Barker <rbarker@wyche.com>; Greg English <genglish@wyche.com>
Subject: Order Dismissing Case - Clear Touch v. Encore

Josh,

Attached is a draft order based upon Judge McIntosh's form 4 orders. Please let us know if you have any changes before we submit this to the judge.

Thanks, Greg

Logo

Gregory English | Wyche
44 East Camperdown Way | Greenville, SC 29601-3512
Phone: (864) 242-8247 | Fax: (864) 235-8900
genglish@wyche.com | www.wyche.com/genglish | vCard

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No privilege is waived by inadvertent transmission.
Thank you.

From:	Josh Smith
To:	Greg English; "McIntosh, Lawton"; McIntosh, Lawton Secretary (Tammy Jennings)
Cc:	Rita Bolt Barker; Josh Hudson
Subject:	RE: Clear Touch v Encore - Form 4 Order issued Today
Date:	Thursday, August 2, 2018 4:39:34 PM
Attachments:	RE Order Dismissing Case - Clear Touch v. Encore.msg Order (Encore-Clear Touch v.)(Clear Touch Redline Proposed Order 8.2.18).docx

Judge McIntosh,

Clear Touch submitted the attached redline to Encore's proposed order to Encore. Encore's response is attached which we received a minute before they forwarded the proposed order to the Court.

We do not agree with the proposal sent as Encore chose to only make the requested changes "they believed were warranted." As you see from the attached email and redline, Encore has submitted an order to the Court with findings it did not make on grounds never mentioned during the hearing or in the Court's Orders. There are two specific revisions that Encore did not adopt both appear on page 2 of the redline. The most troublesome is the statement concerning mandatory counterclaims under Rule 13. The Court did not make this ruling at the hearing or in its Orders. Neither mandatory counterclaims nor Rule 13 were ever mentioned at the hearing or in the Court's rulings so we believe it is not appropriate for Encore to insert that substantive ground into a proposed order and seek to have the Court adopt it.

Therefore, Clear Touch asks the Court adopt an order reflecting its actual ruling on the grounds raised at the hearing and reflected in its orders by at least striking the language concerning mandatory counterclaims under Rule 13.

Thank you for you consideration of this request.

Best Regards,

Joseph O. "Josh" Smith

email jsmith@roecassidy.com

direct 864-404-3140

RCCP Letterhead

1052 North Church St.

Greenville, S.C. 29601

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From: Greg English
Sent: Thursday, August 02, 2018 4:06 PM
To: 'McIntosh, Lawton' ; Josh Smith ; McIntosh, Lawton Secretary (Tammy Jennings)
Cc: Rita Bolt Barker ; Josh Hudson ; Greg English
Subject: RE: Clear Touch v Encore - Form 4 Order issued Today

Dear Judge McIntosh,

Attached please find the proposed order you requested dismissing this case.

We submitted a prior draft to Mr. Smith and made his requested changes that we believed were warranted.

Thank you for your continued consideration of this matter.

Best regards, Greg

Gregory English | Wyche
44 East Camperdown Way | Greenville, SC 29601-3512
Phone: (864) 242-8247 | Fax: (864) 235-8900
genglish@wyche.com | www.wyche.com/genglish | vCard
A Lex Mundi Member Firm

From: McIntosh, Lawton [mailto:lmcintoshj@sccourts.org]
Sent: Tuesday, July 31, 2018 12:44 PM
To: Josh Smith <jsmith@roecassidy.com>; McIntosh, Lawton Secretary (Tammy Jennings) <lmcintoshsc@sccourts.org>
Cc: Greg English <genglish@wyche.com>; Rita Bolt Barker <rbarker@wyche.com>; Josh Hudson <jhudson@roecassidy.com>
Subject: RE: Clear Touch v Encore - Form 4 Order issued Today

Josh you are correct I will handle that with an amended form 4

From: Josh Smith [mailto:jsmith@roecassidy.com]
Sent: Tuesday, July 31, 2018 12:23 PM
To: McIntosh, Lawton <lmcintoshj@sccourts.org>; McIntosh, Lawton Secretary (Tammy Jennings) <lmcintoshsc@sccourts.org>
Cc: Gregory J. English (genglish@wyche.com) <genglish@wyche.com>; Rita Bolt Barker <rbarker@wyche.com>; Josh Hudson <jhudson@roecassidy.com>
Subject: Clear Touch v Encore - Form 4 Order issued Today

Judge McIntosh,

We received the attached Form 4 Order issued on the motions heard yesterday. I am writing because it does not address Clear Touch's motion to dismiss Encore's contract counterclaims based on the Reseller Agreement. That was before the Court and we would greatly appreciate some clarity on the Court's ruling on Encore's contract counterclaims. I appreciate your time and consideration of this request.

Best Regards,

Joseph O. "Josh" Smith
email jsmith@roecassidy.com
direct 864-404-3140
RCCP Letterhead
1052 North Church St.

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(iii) do not use, copy or distribute the contents in any form
(iv) notify the sender by return e-mail or call.
No privilege is waived by inadvertent transmission.
Thank you.

~~~

From: Greg English
To: "Josh Smith"; "McIntosh, Lawton"; McIntosh, Lawton Secretary (Tammy Jennings)
Cc: Rita Bolt Barker; Josh Hudson; Greg English
Subject: RE: Clear Touch v Encore - Form 4 Order issued Today
Date: Thursday, August 2, 2018 4:44:33 PM

Dear Judge McIntosh,
We believe the sentences regarding the claims in this case being logically related to claims in the prior case and therefore mandatory counterclaims were implied by your rulings and could be important to upholding the order on any appeal.
Best regards, Greg

Logo

Gregory English | Wyche
44 East Camperdown Way | Greenville, SC 29601-3512
Phone: (864) 242-8247 | Fax: (864) 235-8900
genglish@wyche.com | www.wyche.com/genglish | vCard
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Sent: Thursday, August 02, 2018 4:39 PM
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Cc: Rita Bolt Barker ; Josh Hudson
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Sent: Thursday, August 02, 2018 4:06 PM
To: 'McIntosh, Lawton' <lmcintoshj@sccourts.org>; Josh Smith <jsmith@roecassidy.com>; McIntosh, Lawton Secretary (Tammy Jennings) <lmcintoshsc@sccourts.org>
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Subject: RE: Clear Touch v Encore - Form 4 Order issued Today

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Best regards, Greg

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Phone: (864) 242-8247 | Fax: (864) 235-8900
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Sent: Tuesday, July 31, 2018 12:44 PM
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Subject: RE: Clear Touch v Encore - Form 4 Order issued Today

Josh you are correct I will handle that with an amended form 4

From: Josh Smith [mailto:jsmith@roecassidy.com]
Sent: Tuesday, July 31, 2018 12:23 PM
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Cc: Gregory J. English (genglish@wyche.com) <genglish@wyche.com>; Rita Bolt Barker

<rbarker@wyche.com>; Josh Hudson <jhudson@roecassidy.com>

Subject: Clear Touch v Encore - Form 4 Order issued Today

Judge McIntosh,

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Best Regards,

Joseph O. "Josh" Smith
email jsmith@roecassidy.com
direct 864-404-3140

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Thank you.

~~~

Subject: RE: WIRE TRANSFER CONFIRMATION
Date: Thursday, January 3, 2019 at 4:10:57 PM Eastern Standard Time
From: Turner, Margaret
To: Josh Smith
CC: King, Leanda

Josh, I just received confirmation from Wells Fargo that the incoming wire transfer in the amount of $6,600,769.58 has been received and completed.

This deposit was added to the existing trust account balance $1,715,335.00 opened April 2018, the balance for this account is now $8,316,104.58, Wells Fargo will complete the transaction at midnight tonight.

If you need additional confirmation please let me know.

Margaret B. Turner
Administrative Coordinator
Greenville Clerk of Court
Accounting Department
305 E. North St. Suite #226
Greenville, S.C. 29601
864-467-8761
864-467-8753 (Fax)

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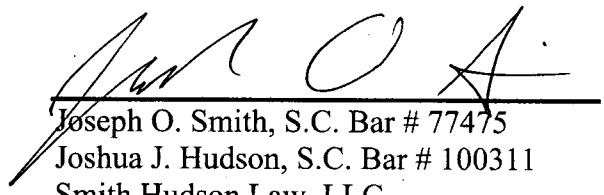
04

Certificate of Counsel

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

February 4, 2020



Joseph O. Smith, S.C. Bar # 77475
Joshua J. Hudson, S.C. Bar # 100311
Smith Hudson Law, LLC
200 N. Main St., Suite 301-C
Greenville, South Carolina 29601
(864) 908-3912
JSmith@smithhudsonlaw.com
JHudson@smithhudsonlaw.com
Attorneys for Appellants/Respondents Clear Touch Interactive, Inc. and Keone Trask