

IN THE SUPREME COURT OF THE STATE OF NEVADA

Margaret Reddy, Mohan Thalamarla,
Max Global, INC.

Supreme Court No. 83253

Appellants,

vs.

MEDAPPEAL, LLC, an Illinois
limited liability company

Respondent.

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Elizabeth A. Brown
Clerk of Supreme Court

APPELLANTS' APPENDIX VOLUME 8

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Attorney for Appellants, Margaret Reddy, Mohan Thalamarla,
Max Global, LLC

- c. That NBC was a profitable company;
- d. That *"The company employs a handful of employees, who are able to attract more American based medical billing contracts and medical debt collection contracts than any other billing or collection company in the world, including publicly traded companies."*
- e. That the company's success was due to *"the unique marketing formula, which would be transferred to the new owner"* generating monthly income of at least Forty seven thousand (\$47,000.00) each month.
- f. Reddy represented that as part of the sale Plaintiff would receive NBC's *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."*
- g. That the company's "unique marketing methodology" would generate "more doctors (medical billing contracts) then you can handle..."
- h. That NBC had no liabilities whatsoever and had operated on as *"100% cash based business, with no loans or credit"* obligations; meaning the company was debt free, and;
- i. That Reddy and his employees would not compete with NBC for a period of five years.

16. Between January 1, 2009 and February 5, 2009, Defendant Reddy introduced Plaintiff to David Weinstein who Reddy represented was the prior owner of NBC and who would vouch for the profitability of the company.

17. Based upon the representation of Defendant Reddy, on February 5, 2009, Plaintiff entered into a second contract with Reddy, a *"Stock Purchase Agreement"*. (Exhibit 2).

18. According to the Stock Purchase Agreement Reddy represented that the Stock value of the Seller includes *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and*

future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."

19. Reddy represented to Plaintiff that he would apply the previously received seventy five thousand (\$75,000.00) dollars and would accept an additional one hundred twenty five thousand (\$125,000.00) for Reddy's 100% stock interest in NBC.

20. In total, Plaintiff had paid Defendant Reddy two hundred thousand (\$200,000.00) dollars for the stock and assets Reddy claimed he was selling to Plaintiff.

21. After receiving an additional one hundred twenty five thousand (\$125,000.00) dollars from Plaintiff on February 5, 2009, Defendant Reddy failed to transfer any of the "assets" he had claimed represented the value of the stock. Plaintiff never received the website, software, marketing methodology, trade secrets, or mailing lists.

22. After the sale was completed, Plaintiff questioned Defendant Reddy regarding irregularities about the sources of income and documentation for deductions. Defendant Reddy then represented that he was unable and/or unwilling to provide back up for the financial records of the company.

23. Following the stock sale, Plaintiff repeatedly requested the prior years tax returns.

24. Contrary to the representations made by Defendant Reddy, Plaintiff learned that NBC was not a profitable company at all nor was it without debt. In addition, its status as a non-profit company was at best questionable.

25. After paying Defendant Reddy for the stock and "assets" of NBC, Plaintiff made several discoveries including that NBC's website was not owned by NBC; it was owned by David Weinstein.

26. After Plaintiff demanded the "software" that Defendant Reddy had touted as being part of the sale, Defendant Reddy informed Plaintiff that "there is no software".

27. Following payment by Plaintiff, Defendant Reddy also told Plaintiff that the "unique marketing methodology" was to hire David Weinstein to perform the marketing function.

28. As it was then disclosed by Defendant Reddy, the "marketing methodology" required paying David Weinstein forty thousand (\$40,000.00) dollars per month.

29. Subsequent to the stock sale, Plaintiff learned that Defendant Reddy and David Weinstein had incorporated another entity in Nevada called "National Billing Corporation" on November 14, 2008.

30. As discovered by Plaintiff following the fraudulent stock sale, NBC was in fact a sham corporation with no assets, no profitability, numerous liabilities and a questionable designation as a non-profit corporation under Delaware law.

31. In sum, Defendant Reddy, with others, engaged in a "confidence scheme" intended to defraud Plaintiff out of hundreds of thousands of dollars.

COUNT I
FRAUD, FRAUD IN THE INDUCEMENT
RECISSION

32. Plaintiff repeats by reference the preceding paragraphs by reference herein.

33. At all times relevant to this action, Defendant Reddy made representations to Plaintiff intending Plaintiff to rely upon those representations when entering into the two contracts described herein.

34. At all times relevant Defendant Reddy knew or should have known that the representations he and his agents were making to Plaintiff were misleading and/or deliberately false.

35. Plaintiff did rely upon Defendant Reddy's representations and in reliance thereon paid Reddy two hundred thousand (\$200,000.00) dollars.

36. As a direct and proximate cause, Plaintiff has been damage in that he has been defrauded of his money in the means set forth herein.

37. Based upon the intentional or reckless misrepresentations made by Defendant Reddy the two agreements at issue here are void and/or voidable.

38. Based upon the intentional and/or reckless misrepresentations made by Defendant Reddy Plaintiff is entitled to the return of the money taken by Defendant Reddy.

Wherefore, Plaintiff respectfully requests that this honorable Court enter Judgment in favor of this Plaintiff rescinding the contracts and entering an award of damages in an amount in excess of \$25,000.00 with reasonable attorney fees, costs, interest wrongfully incurred.

COUNT II

BREACH OF CONTRACT

39. Plaintiff repeats by reference the preceding paragraphs as if fully set forth herein.

40. Plaintiff entered into two contracts with Defendant Reddy through which Reddy represented that various assets would be sold to Plaintiff.

41. Plaintiff conveyed to Defendant Reddy the purchase price required for the transfer of the assets promised.

42. Defendant Reddy did not transfer the assets promised and/or the assets were not as represented under the terms of the agreements.

43. Defendant Reddy's conduct as described in herein constitutes a breach of the agreements between the parties.

44. Plaintiff has been damaged in the amount of \$200,000.00 as well as suffering lost profits, incurring additional costs, attorney fees and other damages as a consequence of Defendant's breach.

WHEREFORE, Plaintiff requests that this honorable Court enter judgment in Plaintiff's favor in an amount in excess of \$25,000.00 plus interest, reasonable attorney fees and costs wrongfully incurred.

COUNT III

UNJUST ENRICHMENT

45. Plaintiff repeats by reference herein the preceding paragraphs.

46. On the dates set forth herein the Defendant Reddy made certain promises to Plaintiff regarding the transfer of assets that were represented as having value to Plaintiff.

47. Defendant's promise was clear, definite and unequivocal and was specifically made to induce Plaintiff to render Plaintiff's performance, to wit, payment of two hundred thousand (\$200,000.00) dollars.

48. In reliance upon the promises made by Defendant, and to his substantial detriment, Plaintiff performed all that was expected of him.

49. Despite Plaintiff's repeated requests and demands, Defendant has failed to transfer the assets promised and/or to return Plaintiff's money.

50. As a direct and proximate result of Defendant's failure to perform, Plaintiff has suffered damages in excess of \$25,000.00.

51. Defendant has been unjustly enriched as a result of his actions.

52. Plaintiff is entitled to a judgment of this Court compelling Defendant to return his money unjustly received from Plaintiff along with costs, attorney fees and interest.

WHEREFORE, Plaintiff respectfully requests that this honorable Court enter Judgment in his favor and order that Defendant return Plaintiff's money unjustly received and award Plaintiff attorney fees, costs, interest and any and all other damages this honorable Court deems just and fair.

COUNT IV

EXEMPLARY DAMAGES

53. Plaintiff incorporates by reference the preceding paragraphs as if set forth herein.

54. Defendant's representations were made intentionally and maliciously and have caused Plaintiff to suffer humiliation, outrage and indignation.

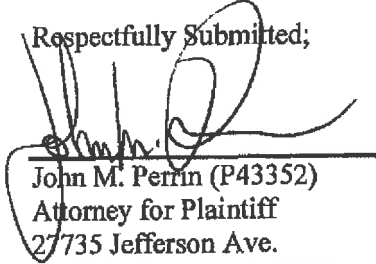
55. Defendant's conduct was intentional, improper, intended to defraud plaintiff and was at all times malicious and therein has cause Plaintiff to suffer harm in excess of what can be

compensated by ordinary damages, including mental anguish, stress, loss of sleep, and other emotional injuries which were and are the natural consequences of Defendant's actions.

WHEREFORE, Plaintiff Requests that this honorable Court enter judgment in his favor and against Defendant and award the following damages;

- a. Compensatory damages in an amount that is in excess of \$25,000.00 and that is sufficient to compensate Plaintiff for his actual, consequential and incidental losses sustained as a result of Defendant's wrongful actions.
- b. Exemplary damages in an amount in excess of \$25,000.00 resulting from Defendants intentional and malicious actions.
- c. Interest, costs and reasonable attorney fees.

Respectfully Submitted;



John M. Perrin (P43352)
Attorney for Plaintiff
27735 Jefferson Ave.
St. Clair Shores, MI 48081
(586) 773-9500

Dated: February 17, 2010

**AGREEMENT for the PURCHASE and SALE of CERTAIN BUSINESS ASSETS of
National Billing Corporation**

THIS AGREEMENT, made effective this 30th day of September, 2008, in the State of Michigan, and the County of Washtenaw.

WHEREAS, Tony Holmes or a corporate nominee (hereinafter known as "Buyer"), and National Billing Corporation, a Delaware Corporation, whose office is located at 110 W. 9th Street, Suite 302, Wilmington, DE 19801 (hereinafter known as "Seller") wishes to sell, and Buyer wishes to buy certain assets of National Billing Corporation (hereinafter known as the "Business") the following applies:

The total purchase price for the assets described below will be a total of \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon signing this contract, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 10 medical billing contracts, Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of a total of 20 clients, the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller.

Total purchase includes 20 medical billing contracts, where a minimum average of 7000 claims per month is received.

If the total average number of claims does not rise to a minimum of 7000 claims per month, after 20 clients have been assigned, then Seller will continue to provide additional clients until such a minimum is reached.

Seller will not receive any ongoing commissions, wages, franchise fees, or other accoutrements from Buyer after the total of \$100,000 has been paid. Seller will not independently contact clients after they have been assigned to Buyer, without the permission of Buyer.

Buyer will acquire on its own, a computer, high-speed Internet connection, a fax machine, and any other relevant items necessary for medical billing. Seller will provide a means to submit medical claims through the Internet.

EXHIBIT

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Buyer will be responsible for any costs incurred as part of the normal course of business, if he chooses not to use a subcontractor.

Seller will replace any lost clients (if at no fault of the Buyer, including but not limited to, not submitting claims within 48 hours, poor customer service, altering the contract, diverting checks, etc.) within 1 year of placement. Seller will have sole discretion in determining the cause of losing a client.

Furthermore, Buyer will have the option to purchase an additional 8000 claims (for a total of 15,000 claims). Buyer must exercise this option by February 1st, 2009, in writing. If the option is exercised, the following terms will apply:

The total purchase price of any claims through the option will be \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon exercising the option, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 13 medical billing contracts (under the option), Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of 12 more clients (a total of 25 clients under the option), the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller. If the total average number of claims does not rise to a minimum 15,000 claims per month, then additional medical billing contracts will be provided until such a minimum is reached.

Witness our Hands and Seals this 30th day of September, 2008.


Seller


Buyer

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement, dated as of February 4, 2009 (hereinafter referred to as "Agreement") is entered into by and among the Seller, Vijay Reddy, (hereinafter referred to as the "Seller"), National Billing Corporation (hereinafter referred to as the "Company") and Tony Holmes (hereinafter referred to as the "Purchaser"). The parties, intending to be legally bound, hereto as follows:

- 1. Sale of Common Stock. Subject to the terms and conditions of this Agreement, Seller agrees to sell and the Company agrees to transfer and the Purchaser agrees to purchase from Vijay Reddy an aggregate of 2000 shares of Seller's Common Stock (the "Shares") at the purchase price of \$75.00 (Seventy-Five dollars US) per share. This 2000 shares represents 100% of shares available of the Company.**
 - a) All parties acknowledge only a medical billing and marketing system is being sold. No other assets other than those relevant to medical billing and a medical marketing system for medical billing contracts are relevant to this agreement.**
 - b) Stock value of the Seller includes website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors.**
- 2. Payment of Purchase Price. The purchase price of the Shares is \$150,000 (One Hundred Fifty thousand dollars US). \$125,000 (One hundred twenty-five thousand dollars US) shall be paid by certified check at the time of the execution of this document and the balance of \$25,000 (Twenty-five thousand dollars US) will be paid and guaranteed by National Billing**

EXHIBIT

tabular

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Corporation as per the Note and Security Agreement, which are attached.

3. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that, the statements contained in the following paragraphs of this Section 4 are all true and correct as of the Closing Date:

- a) **Organization and Standing. Articles and Bylaws.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and Michigan and has all requisite corporate power and authority to carry on its business as now conducted.
- b) **Corporate Power.** Seller has all requisite legal and corporate power to enter into, execute and deliver this Agreement and the Warrant. This Agreement, and upon issuance, the Warrant will be valid and binding obligations of Company, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors rights.
- c) **Authorization.**
 - 1) **Corporation Action.** All corporate and legal action on the part of Seller, its officers, directors, and shareholders necessary for the execution and delivery of this Agreement, the sale and issuance of the Shares.
 - 2) **Valid Issuance.** The Shares Issued will be validly issued and will be free of any liens, encumbrances; provided however, that the Securities may be subject to restrictions on transfer under state

and/or federal securities laws as set forth herein, and as may be required by future changes in such laws.

- d) **Government Consent Etc.** No Consent, approval, order or authorization of, or designation, registration, declaration or filing with, any federal, state, local or other governmental authority on the part of the Seller is required in connection with the valid execution and delivery of, this Agreement, sale or issuance of the Securities, other than, if required, filings or qualifications under the Delaware Corporate Securities Law or other applicable Blue Sky Laws, which filings or qualifications, if required, will be timely filed or obtained by Seller.

4. Representation and Warranties by Purchaser. Purchaser represents and warrants to Seller as of the Closing Date as follows:

- a) **Investment Intent: Authority.** This Agreement is made with Purchaser in reliance upon Purchaser's representation to Seller, evidenced by Purchaser's execution of this Agreement, that Purchaser is acquiring the Securities for investment for Purchaser's own account, not as a nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof, within the meaning of the Securities Act of 1933, as amended, (the "Securities Act") or the California Law. Purchaser has the full right, power, authority and capacity to enter into and perform this Agreement and the Agreement will constitute a valid and binding obligation upon Purchaser, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

b) **Transfer Restrictions.** Purchaser covenants that in no event will it sell, transfer, dilute or otherwise dispose of any of the Securities without the express written consent of Mr. Vijay Reddy or until full satisfaction of the remaining \$25,000 which shall be paid by September 15, 2009.

c) **Indemnification.** Seller will indemnify any past acts or omissions with regard to the Stock Purchase including, but not limited to tax liability, and Purchaser will indemnify for all post sale acts and omissions.

5. Legends. Seller will place the following legends on each certificate representing Securities:

The Securities represented hereby have not been registered under the Securities Act of 1933 as amended ("ACT") or any applicable state securities laws ("Blue Sky Laws"). Any transfer of such securities will be invalid unless a registration statement under the ACT or as required by Blue Sky Laws is in effect as to such transfer or in the opinion of counsel satisfactory to the Seller such registration is unnecessary in order for such transfer to comply with the ACT of Blue Sky Laws.

6. Miscellaneous.

- (a) **Waivers and Amendments.** Any provision of this Agreement may be amended, waived or modified upon the written consent of Mr. Vijay Reddy and Purchaser.
- (b) **Governing Law.** This Agreement, and all actions arising out of or in connection with this Agreement,

shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the conflicts of law provisions of any other state. The parties acknowledge and agree that the exclusive venue and jurisdiction of any dispute arising out of this Agreement shall be a federal or state court located in the County of Washtenaw in the State of Michigan.

- (c) **Entire Agreement.** This Agreement, together with the exhibits attached hereto, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.
- (d) **Survival.** The representations, warranties, covenants, and agreements made herein shall survive the execution and delivery of this Agreement.
- (e) **Notices, etc.** Any notice request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) upon receipt of personally delivered (ii) three (3) days after being mailed by registered or certified mail, postage prepaid, or (iii) one day after being sent by recognized overnight courier or by facsimile, if to Purchaser at 618 Mesa Ridge, San Antonio, TX 78258 or such other address or number as Purchaser shall have furnished to Seller in writing or if to Seller at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 or at such other address or number as Seller shall have furnished to Purchaser in writing.
- (f) **Validity.** If any provision of this Agreement shall be judicially determined to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

- (g) **Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.
- (h) **The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.** Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities, under or by reason of this Agreement, except as expressly provided in this Agreement.
- (i) **Non-Compete.** The Seller owner(s) and employees agree not to compete for a period of 5 years in the medical billing business without the express written consent of the Purchaser. However, in case of default of this Agreement or its related Exhibits, the non-compete will become void. Recognizing the financial importance of this particular marketing system to this particular business, Seller will not disclose or disseminate without written consent of the Buyer.
- (j) **Training and Transition.** Seller will train Purchaser for a period of 60 days at no additional cost.
- (k) **If Purchaser requests, after the 60 day transition period, Mr. Vijay Reddy can be hired as a consultant for the business at a rate of \$20/hour. At the option of the Purchaser, no monies need to be paid to Mr. Vijay Reddy until such time the Purchaser draws a salary or other payment for himself or one of his assigns. Specific assignments, hours to be worked, and requests will be mutually determined by Purchaser and Mr. Vijay Reddy.**

WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

Vijay Reddy, Seller

Signature:

Name:

Vijay Reddy

National Billing Corporation, Company

By:

Signature:

Title:

President

Tony Holmes, Purchaser:

Signature:

Name:

Tony Holmes

Exhibit "A"

PROMISSORY NOTE

Twenty Five Thousand Dollars and 00/XX US.

Date: February 5, 2009

I, Tony Holmes, President, acting on behalf of National Billing Corporation, the undersigned, promises to pay to the order of Vijay Reddy, located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, in lawful money of the United States of America, the principal sum of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars, to be repaid as follows: One lump sum payment of \$25,000 US (Twenty Five Thousand Dollars and 00/xx US) shall be paid no later than September 15, 2009.

DEFAULT: If the above lump sum payment is not received by September 15th, 2009, a default will occur.

Security and repayment provisions are also contained in a document entitled "Security Agreement" as set forth in "Exhibit B" attached hereto.

If default be made in the performance of or compliance with any of said events, said principal sum thereon shall become at once due and payable at the option of holder thereof, and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate of bankrupt courts, then all cost of collection, including a reasonable sum for attorney fees shall be added hereto as attorney's fees secured and collectible as the principal hereof.


The undersigned agrees to remain and continue bound for the payment of the principal provided for under the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principle, or any change or changes in the amount or amounts agreed to be paid under

and by virtue of the obligation to pay provided for in this note and waive all and every kind of notice of such extension or extensions, change or changes, and agree that the same may be made without the joinder of the undersigned.

Each party understands that this is a legally binding document. Both parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to this agreement before signing it, have read this agreement and fully understand it. This note carries no interest.

It is expressly agreed and declared that this note is given for an actual loan of twenty Five Thousand Dollars and 00/xx (\$25,000.00).

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor: 

National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

Exhibit "B"

Security Agreement

This Agreement, made effective this 5th day of February, 2009 in the State of Michigan and the County of Washtenaw.

I, Tony Holmes, President, and acting on behalf of National Billing Corporation, Inc. located at 618 Mesa Ridge, San Antonio, TX 78258, for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to Vijay Reddy, located 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, (hereinafter called "SECURED PARTY") a purchase money security interest in the following properties (hereinafter called "COLLATERAL"): and all of the records, customer lists, vendors, subcontractors, goodwill, inventory, name, marketing and trade secrets, website, and other non-tangible assets used in the operation of the Business known as National Billing Corporation, Inc. located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 in the amount of the remaining balance due, as set forth hereto, to secure the payment of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars as provided in the said Promissory Note of DEBTOR to SECURED PARTY, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called the "OBLIGATIONS").

DEBTOR hereby warrants and covenants:

- 1. That the COLLATERAL is used primarily for business use;**
- 2. That the COLLATERAL shall be kept at the place of business; and the DEBTOR shall notify SECURED PARTY in writing of any change in the location of the COLLATERAL prior to such change, and the DEBTOR shall not remove the COLLATERAL from the country or countries in which the COLLATERAL is presumably located without the written consent of SECURED PARTY;**

3. That should the addresses shown at the beginning of this agreement change, DEBTOR shall notify SECURED PARTY in writing of any change prior to such change;
4. That DEBTOR will permit SECURED PARTY, upon 30 days written notice, permission to inspect the ongoing operation at DEBTOR's location, including but not limited to the books and records as well as general operation.

DEBTOR further covenants and agrees that they will maintain insurance at all time with respect to all the COLLATERAL against such risks, in such amount, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to SECURED PARTY, such insurance to be payable to SECURED PARTY and DEBTOR as their interest may appear, that at the request of the SECURED PARTY all policies of insurance shall be delivered to it and held by it, that SECURED PARTY may work directly with insuring parties in obtaining, adjusting, settling, and cancelling such insurance and endorsing any drafts; that DEBTOR will promptly pay when due all taxes and assessments upon the COLLATERAL; that at its option SECURED PARTY may discharge taxes, liens, or security interests or other encumbrances at any time levied or placed on the COLLATERAL, may pay for insurance on the COLLATERAL and may pay for the maintenance and preservation of the COLLATERAL; and that DEBTOR shall reimburse SECURED PARTY pursuant to the foregoing authorization.

DEBTOR shall keep the Franchise Fees, lease and/or mortgage payments on the business and premises current at all times. Should DEBTOR fail to do so, SECURED PARTY may declare DEBTOR to be in default and seek its remedies hereunder, and/or bring the lease payments current and add the amount of the principal balance remaining on the Note.

DEBTOR shall be free to transfer the COLLATERAL to any corporation in which the DEBTOR is the owner of at least two thirds (2/3) of the outstanding shares of stock, but any such transfer shall not be done in such manner so as to reduce the security of the SECURED PARTY in said assets, and SECURED PARTY may require personal guarantees from the DEBTOR.

DEBTOR shall not transfer any of the COLLATERAL to any other person or entity without the SECURED PARTY'S consent.

DEBTOR shall be in default if DEBTOR fails to pay any part of the remaining \$25,000 when due as set forth in the agreement dated this day. SECURED PARTY shall give written notice to DEBTOR that they are in default and DEBTOR shall have ten (10) days to make payment from date of written notice. This means that if the DEBTOR does not pay the debt and other obligations of the agreement when due, the COLLATERAL may be sold, repossessed, and/or removed in order to satisfy the debt under the agreements. Further, should the DEBTOR be in default at anytime, any and all non-compete and/or no solicitation agreements become null and void at the time of default. In the event of any default in the payment of the OBLIGATIONS secured by this Agreement or the performance of any covenant contained herein; or if any warranty, representation, or statement made or furnished to SECURED PARTY by DEBTOR proves to have been false in any material respect when made or furnished then SECURED PARTY under the laws of the State of Michigan, including, without limitation thereto, the right to take possession of the COLLATERAL and for that purpose SECURED PARTY may enter upon any premises on which the COLLATERAL or any part thereof may be situated and remove the same therefore. DEBTOR agrees, upon request of SECURED PARTY, to assemble the COLLATERAL and make it available to SECURED PARTY at a place designated by SECURED PARTY. Notice of the time and place of any public sale or of the time after which any private sale is made, when required by law, shall be deemed reasonable if given at least five (5) days before such sale. SECURED PARTY shall be entitled to reimbursement from DEBTOR for reasonable attorney's fees and costs incurred by SECURED PARTY in enforcing its rights hereunder.

The word DEBTOR, whenever used herein, shall be construed to mean and include the necessary grammatical changes required to make the provisions hereof apply to corporations or individual, men or women, singular or plural, as though in each case fully expressed. The provisions hereof shall, as the case may require, bind or inure to the benefit of, the respective heirs,

successors, legal representatives and assigns of DEBTOR and SECURED PARTY.

Each party to this agreement understands that this is a legally binding document. All parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to the agreement before signing it, have read this agreement and fully understand it.

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor:

Tony Holmes, PRESIDENT

National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

ADDENDUM TO CONTRACT DATED FEBRUARY 4, 2009

It is hereby stated and otherwise agreed that the following terms shall be applied to the stock purchase agreement dated February 4, 2009:

As part of this Agreement, and Addendum, Tony Holmes will void his agreement with regard to the block purchase dated on or about October 1, 2008, between him and National Billing Corporation that was signed and executed prior to this Stock Purchase Agreement. All clients as part of consideration of the Stock Purchase Agreement shall be assigned to Vijay Reddy individually.

Recognizing that Vijay Reddy will in turn work and sell this block of business, the restrictive covenant is hereby amended to allow Vijay Reddy to service and profit from the voided and assigned block of business described above. However, absence of this block, the full restrictive covenant will be deemed as in place and as written.

Vijay Reddy, Seller

Signature: *Vijay Reddy*

Name: Vijay Reddy

Date: 2/4/09

National Billing Corporation, Company

By: Vijay Reddy

Signature: *Vijay Reddy*

Title: 2/4/09

Tony Holmes, Purchaser:

Signature: *Tony Holmes*

Name: Tony Holmes

STATE OF MICHIGAN
JUDICIAL DISTRICT
22nd JUDICIAL CIRCUIT
COUNTY PROBATE

SUMMONS AND COMPLAINT

CASE NO.

15 - 098 - CK

Hon.

David S Swartz

Court address

101 E. Huron St., PO Box 8645 Ann Arbor, MI 48107-8645

Court telephone no.

(734) 222-3270

Plaintiff's name(s), address(es), and telephone no(s).

BLUESKY MED-OFFICE SOLUTIONS, LLC
5907 Lankershim Blvd., Ste. B
North Hollywood, CA 91601

Plaintiff's attorney, bar no., address, and telephone no.

Daniel P. Finley (P-65454)
FINLEY LAW FIRM
107 1/2 North Main Street
Chelsea, MI 48118
Ph. (734) 475-4659

v

Defendant's name(s), address(es), and telephone no(s).

REVENUE ASSET SERVICES, LLC
c/o: resident agent:
VIJAY REDDY
4569 HICKORY POINTE BLVD
YPSILANTI MI 48197FILED
JUN 28 2015
CLERK OF THE COURT
WASHTENAW COUNTY, MI**SUMMONS NOTICE TO THE DEFENDANT:** In the name of the people of the State of Michigan you are notified:

1. You are being sued.
2. **YOU HAVE 21 DAYS** after receiving this summons to **file a written answer with the court** and serve a copy on the other party or take other lawful action with the court (28 days if you were served by mail or you were served outside this state). (MCR 2.111(C))
3. If you do not answer or take other action within the time allowed, judgment may be entered against you for the relief demanded in the complaint.

Issued	This summons expires APR 30 2015	Court clerk
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*This summons is invalid unless served on or before its expiration date.

This document must be sealed by the seal of the court.

COMPLAINT *Instruction: The following is information that is required to be in the caption of every complaint and is to be completed by the plaintiff. Actual allegations and the claim for relief must be stated on additional complaint pages and attached to this form.***Family Division Cases**

- ☐ There is no other pending or resolved action within the jurisdiction of the family division of circuit court involving the family or family members of the parties.
- ☐ An action within the jurisdiction of the family division of the circuit court involving the family or family members of the parties has been previously filed in _____ Court.
- The action ☐ remains ☐ is no longer pending. The docket number and the judge assigned to the action are:

Docket no.	Judge	Bar no.
------------	-------	---------

General Civil Cases

- ☒ There is no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in the complaint.
- ☐ A civil action between these parties or other parties arising out of the transaction or occurrence alleged in the complaint has been previously filed in _____ Court.
- The action ☐ remains ☐ is no longer pending. The docket number and the judge assigned to the action are:

Docket no.	Judge	Bar no.
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VENUE

Plaintiff(s) residence (include city, township, or village) North Hollywood, CA (Los Angeles County)	Defendant(s) residence (include city, township, or village) Ypsilanti, MI (Washtenaw County)
Place where action arose or business conducted Ypsilanti, MI (Washtenaw County)	

01/19/2015

Date

Signature of attorney/plaintiff

P65454

Daniel P. Finley

If you require special accommodations to use the court because of a disability or if you require a foreign language interpreter to help you fully participate in court proceedings, please contact the court immediately to make arrangements.

STATE OF MICHIGAN
22nd JUDICIAL CIRCUIT – WASHTENAW COUNTY TRIAL COURT
SPECIALIZED BUSINESS DOCKET

BLUESKY MED-OFFICE SOLUTIONS, LLC,)				
)				
)				
)				
Plaintiff,)				
v.)	Case no.:	15 - 098		- CK
)	Judge:			
REVENUE ASSET SERVICES, LLC, and,)				
VIJAY REDDY,)				
)				
Defendants.)				
)				

David S Swartz

FINLEY LAW FIRM
Daniel P. Finley (P-65454)
Attorney for Plaintiff
107 ½ North Main Street
Chelsea, MI 48118
Ph. (734) 475-4659 / Fx. (734) 475-4672

COMPLAINT

NOW COMES, the Plaintiff, BLUESKY MED-OFFICE SOLUTIONS, LLC, by and through its attorney, Daniel P. Finley, Esq., and for its Complaint, states as follows:

1. There are no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in this complaint.
2. This cause is for rescission of the sale of a business contract because of fraud and misrepresentation.
3. Plaintiff is a California Limited Liability Company.

4. Defendant REVENUE ASSET SERVICES, LLC is a Michigan limited liability company, with its registered office in Ypsilanti, MI (Washtenaw County).
5. Defendant VIJAY REDDY is a nature person known to reside in Ypsilanti, MI (Washtenaw County).
6. This Court has jurisdiction, per MCL 600.605 and .8035, over this cause because it is a business or commercial dispute in which the amount in controversy exceeds \$25,000.00.
7. Venue is proper, per MCL 600.1621(a), as the Defendant resides in Washtenaw County.
8. June 25, 2014, Plaintiff entered into an agreement with REVENUE ASSET SERVICES, LLC to buy what Defendants represented to be fully transferable contracts with 40 doctors' offices, to handle their medical billing and medical collections services.

–[Exhibit 1: sales contract] –

9. March 24, 2014, Defendant VIJAY REDDY, through "Legalzoom", filed articles of organization with the State of Michigan to bring into existence Defendant REVENUE ASSET SERVICES, LLC, a single-member LLC.
10. April 18, 2014 Defendant VIJAY REDDY filed for and obtained a certificate of authority for Defendant REVENUE ASSET SERVICES, LLC to do business

under the assumed name, "American Billing Associates", the business identified in the June 25, 2014 sales contract.

11. Around that same time Defendant VIJAY REDDY held out American Billing Associates as a company with experience, a national network reach, national book of business, proven state-of-the-art, industry- leading software and training, and a guaranteed client base in the areas of medical billing, medical collection and medical answering service.

12. While the "Offering Memorandum" contained a number of conditional statements and disclaimers, it also contained affirmations of fact, e.g., that Defendant REVENUE ASSET SERVICES, LLC, believes the information in the Offering Memorandum to be accurate, guaranteed clients, a historical statement as to annual profits (odd for a company that's only been around a few months), and affirmed the number of doctor offices per contract.

– [Exhibit 2: Offering Memorandum] –

13. The above-reference facts are not disclaimable because they are statements about the profits realized and number of contracts to be assigned. There should be no guesswork or uncertainty involved with such representations.

14. In this case, however, Defendants misstated the facts with the intention of inducing Plaintiff to purchase a "business" that essentially was nothing more than the articles of organization, filed a few months prior the sale.

15. Contrary to the "Bill of Sale" there was no "intellectual properties", or "goodwill and client contracts" being sold.
16. In fact, many of the so-called "clients" had never heard of the Seller, much less had a contract to be assigned to Plaintiff.
17. Plaintiff has fully performed its obligations under the sales contract, including, inter alia, paying \$35,000.00 toward the purchase prices.
18. Defendant REVENUE ASSET SERVICES, LLC has failed to assign or deliver the subject client/doctor contracts to Plaintiff.
19. Defendant REVENUE ASSET SERVICES, LLC has failed to deliver the promised software, systems, knowledge base, training, assets, and intellectual property to Plaintiff.
20. Defendant's business was "fly-by-night" and the sale was a sham. There was no business to be sold, merely an individual who filed articles of organization with the State of Michigan, providing his home address as the business address, a few months prior to the sale, and concocking a flowery "Offering Memorandum" with grandiose and misleading statements, portraying his business as having national reach with a real book of business.
21. In fact, Defendant VIJAY REDDY misrepresented his "book of business", and misrepresented the scope and breadth of his 3-month-old LLC.

22. Defendants made false representations of material fact regarding the scope and breadth of the business being sold, including, inter alia, the guaranteed "book of business", existence of the 40 contracts, history of annual profits, state-of-the-art, industry-leading software, and the existence and qualifications of the training specialists.
23. It's dubious that Defendant VIJAY REDDY had employees, much less specialists who had undergone rigorous training, as represented by Defendant VIJAY REDDY.
24. Either Defendants made the aforementioned representations of fact as a positive assertion, knowing the statements of fact to be false or with reckless disregard for whether the statements were true.
25. Defendants made the aforementioned representations of fact with the intention of inducing the Plaintiff's reliance, i.e., assent to the sales contract.
26. Plaintiff acted in reliance upon the false representations by Defendants as part of the basis of the bargain or reason for entering into the sales contract.
27. Plaintiff was damaged as a result.

COUNT I

28. Plaintiff re-alleges and incorporates by reference the aforementioned paragraphs as if fully re-stated here.
29. By virtue of the aforementioned facts Defendants have committed fraud.

30. As a result of Defendants fraud Plaintiff has been damaged.

31. Plaintiff seeks a rescission of the sales contract, restitution of monies paid, approximately \$35,025.00, plus incidental damages, costs and attorney fees.

COUNT II

32. Plaintiff re-alleges and incorporates by reference the aforementioned paragraphs as if fully re-stated here.

33. By virtue of the aforementioned facts, Defendants have materially breached the sales contract with Plaintiff.

34. As a result of Defendant's material breach Plaintiff has been damaged.

35. Plaintiff seeks compensatory damages for Defendants material breach, presently estimated at \$83,520.00/year.

36. Plaintiff further requests all consequential damages naturally flowing from Defendant's breach, costs and attorney fees.

PRAYER FOR RELIEF

Plaintiff prays for a Judgment for Plaintiff and against Defendant, awarding the following damages:

(A) Rescission and restitution of all monies paid by Plaintiff to Defendants.

(B) All incidental costs and fees incurred by Plaintiff as a result of Defendants' fraud.

- (C) Compensatory damages for Defendant's breach of contract.
- (D) Consequential damages for Defendant's breach of contract.
- (E) Attorney fees, costs and judgment interest.
- (F) All relief to which Plaintiff is entitled, even if not demanded in its Complaint,
per MCR 2.601(A).
- (G) Such other and further relief as this Court deems appropriate or equitable.

Dated: January 19, 2015

Respectfully Submitted,
FINLEY LAW FIRM



Daniel P. Finley (P-65454)
Attorney for Plaintiff

BILL OF SALE OF BUSINESS ASSETS

For good and sufficient consideration, receipt of which is hereby acknowledged, the undersigned Revenue Asset Services, LLC, D/B/A American Billing Associates ("Seller") hereby sells, transfers and conveys to Blue Sky Med-Office Solution Inc., an California corporation ("Buyer"): All and singular, the goods and chattels, property and effects, listed as follows:

Restrictive Conveyance	\$20,000.00
Intellectual Properties	\$10,000.00
Goodwill and Client Contracts	<u>\$35,000.00</u>
Total	<u>\$65,000.00</u>

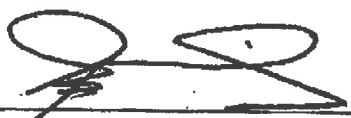
Which is incorporated herein and made a part hereof; and

2. The whole of the good will of the medical billing services as a business being transferred by the undersigned which is the subject of this sale.

The undersigned warrants that said goods and chattels are free and clear of all encumbrances, that it has full right and title to sell the same, and that it will warrant indemnify and defend the same against the claims and demands of all persons.

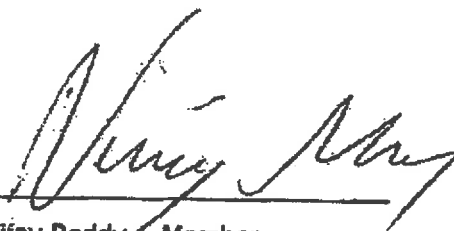
3. Included in sale of assets, Seller will provide to buyer a database 40 prospects not yet been contacted in order to present Medical Billing Services

Dated: June 23, 2014



Carlos Escobar, President
Blue Sky Med-Office Solutions, Inc.

6-25-14



Vijay Reddy Member
Revenue Asset Services, L.L.C.

6/24/2014



MarketPoint Advisors, LLC.
Novi, MI

PURCHASERS' CLOSING STATEMENT

Date: June 20, 2014

Purchaser: Blue Sky Med-Office Solutions
Carlos Escobar
President

Sellers: Revenue Assets, LLC
Vijay Reddy
Member

Business Entity: North American Billing Co.

Purchase Price:

Business.....	\$65,000.00
Trade Inventory.....	<u>\$0.00</u>
Total.....	\$65,000.00

Expenses:

The following items are to be
paid at closing.

Total Expenses.....	\$0.00
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Seller Note:

Note Due Seller per Contract....

\$0.00
<u>\$30,000.00</u>

Net Proceeds:

Amount Due Sellers

<u>\$35,000.00</u>

Accepted:



Carlos Escobar
President

Blue Sky Med-Office Solutions

MarketPoint Advisors, LLC
A. John Richwine Associate Broker

WHEREAS Revenue Asset Services, a limited liability company, whose address is 4569 Hickory Pointe Blvd, Ypsilanti, MI and whose law/venue is Michigan, (hereinafter known collectively as "The Seller") and who has agreed to sell certain systems, assets, as well as intellectual property and where Blue Sky Med-Office Solutions, Inc. (hereinafter known as "Buyer") agrees to buy certain systems, assets, as well as intellectual property (See Exhibit A for list of systems, assets, and intellectual property). Both parties agree to the following:

The total purchase price will be \$65,000.00 US (Sixty-Five Thousand Dollars and 00/xx US). Buyer will give The Seller \$35,000.00 US (Thirty-Five Thousand Dollars and 00/xx US) towards the purchase price at the time of signing this Agreement. A benchmark payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx) will be due when 8 medical offices have been assigned. A final payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx US) will be made when a total of 15 medical offices have been assigned and no earlier than November 1st, 2014. The first 15 client assignments must be delivered no later than January 1st, 2015.

The following are the Modules.

1. **Medical Billing:** Seller will deliver in the future 15 medical practices whose total monthly claims will average a goal of 3,000 claims in any 30-day period. If Buyer has not reached 3,000 claims in any 30-day period, then the Sole Remedy will be as follows: Seller will add a maximum of 5 additional medical offices after all other contract terms have been completed by both Buyer and Seller. The price for the service will be \$2.99/claim. If any other pricing system is used, Buyer must first agree to the alternative pricing method.

At the signing of this contract, Buyer agrees to the following performance guidelines including but not limited to:

Billing:

1. Buyer agrees to do the medical billing services to all clients within 24 hours of receipt of transferred contract.
2. Buyer agrees to abide by all contract provisions within the contracts assigned to the seller.
3. Buyer agrees not to illegally defer any money. This is defined as the Buyer taking money designated for the doctor's office for the Buyer's personal gain. Buyer must invoice the doctor monthly for their fee.
4. Buyer agrees to a high standard of customer service and to promptly return calls and all correspondence and contracts that were assigned to them.
5. Buyer agrees to accept all medical billing contracts assigned to them.
6. Buyer will be solely responsible for the ongoing customer service relationship with his/her clients, after the contracts have been transferred by the seller to the buyer.

Seller hereby represents:

1. **Corporate Status:** Seller has been duly created, validity exists, and is in good standing in the State of Michigan. (ID Number E4092R)
2. **Title to Assets:** Seller holds valid and marketable legal and beneficial title to the Assets and the Modules, which are free and clear of all liens, claims, encumbrances and security interests.
3. **Litigation:** There are no current actions, suits, or proceedings.

4. **Assignment:** Seller has the right and power to transfer clients to Buyer as contemplated herein. Seller's contracts with Clients permit the assignment of those contracts to Buyer.
5. **Contract Provided:** A copy of the assigned contract will be provided to the Buyer upon execution by the client.
6. **Transition:** Seller agrees to inform the client via fax, phone, email, or teleconference that the Buyer will be servicing their account no later than 1 business day after the assignment.

Buyer agrees to be trained for the above named companies for all systems, intellectual property and assets.

Terms:

Buyer will tender a check in the amount of \$35,000.00 US (Thirty-Five Thousand and 00/xx Dollars US) at the time of execution of this agreement. A benchmark payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx) will be due within 10 days after 8 medical offices have been assigned. A final payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx US) will be made within 10 days after a total of 15 clients have been assigned.

Seller will not assign buyer the same clients, if future agreements are made for other services (answering services, medical appeals, medical debt collection services, electronic medical records, etc.). Furthermore, Seller agrees not to offer anything else, except Medical Billing to a new client assigned to the buyer. These clients will not be assigned to any other company or buyers that the seller is dealing with, for the purpose of selling different units.

Once the new clients have been assigned to the buyer, there will be no further contact by the Seller, its associates, assigns, employees, contractors, or successors (with the exception of the Transition stated above, which must be completed in 1 business day). In the event that any of the Seller's employees leave the Seller's company and attempts to contact the Buyer's clients, it will be the responsibility of the Seller, if a medical office is lost as a result of such actions. In such cases, the Seller must replace any lost clients within a period of 3 years of assignment of the contract.

The Agreement including its exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and merges and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions. Neither of the Parties will be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof other than as expressly provided herein. No oral explanations or oral information by either party hereto will alter the meaning or interpretation of this Agreement. The terms and conditions of this Agreement will prevail notwithstanding any different, conflicting or additional terms and conditions that may appear on any letter, email or other communication or other writing not expressly incorporated into this Agreement. The Laws of the State of Michigan, County of Washtenaw, shall govern this Agreement.

Training and Transition:

At no additional cost to the Buyer, the Seller will train and transition for each of the modules chosen for up to two consecutive weeks. Buyer will make themselves available for training and

may not refuse the training. If Buyer is not available for training or refuses training, it will be considered as though they have been trained for the full period allotted.

Confidentiality:

At all times, the Buyer will respect the confidentiality and the extensive work put into the intellectual property, assets, and systems. Buyer will not attempt to reverse engineer the marketing methodology for personal gain or publishing purposes.

Commercial Transaction:

This transaction is considered a commercial transaction.

Default:

If the Buyer defaults with regard to any of the paragraphs above, individually or collectively, the Buyer will immediately return all systems and intellectual property that has been delivered and will hold harmless and indemnify the Seller.

Restrictive Covenant:

Unless a default occurs, the Seller will be prohibited, once the contract has been transferred to Buyer, from contacting or soliciting those clients. The only exceptions would be to verify the reason for the loss of a client or to verify the total claim count of all clients. Buyer will void this clause if Buyer chooses to use Seller's resources in order to service Buyer's clients. However, Seller will not solicit Buyer's clients. Buyer will not solicit Seller's third party resources.

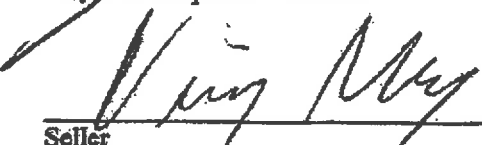
Option:

Buyer has a 90 day Option to request an additional block of medical billing. The total down payment required will be \$85,000 US (Eight Five Thousand Dollars and 00/xx US). The money provided under this completed Agreement will represent the first \$65,000 of the required down payment. Therefore, a total of \$20,000 US (Twenty Thousand Dollars and 00/xx US) will be required if this Option is exercised. The total price will be \$125,000, with the remaining \$40,000 to be paid over the course of 18 months at 5% interest. All other terms of this Agreement will continue to be in full force and effect if this Option is exercised.



Buyer or Corporate Nominee

DATE: 6-25-14



Seller
Revenue Asset Services, LLC
Vijay Reddy, MBA, MA, CBA

DATE: 6/24/2014

ALLOCATION OF PURCHASE PRICE

Intellectual Property \$10,000.00
Goodwill and Client Contracts \$35,000.00
Restrictive Covenant \$20,000.00



DATE: : June **25**, 2014

Buyer: Blue Sky Med-Office Solutions, Inc.
By its President; Carlos Escobar

DATE: : June , 2014

Seller: Revenue Asset Services, LLC
Vijay Reddy, MBA, MA, CBA

EXHIBIT A

Proprietary marketing methodology.

Medical Billing Clients.

Methodology for closing prospective clients.

Training.

Interaction with Clearinghouse.

Cost reduction methodologies.

Phone system deployment.

Compliance instructions.

Methods of generating referrals from existing billing clients.

Other non-tangible and non-specific methodologies developed and/or acquired by Revenue Asset Services.

40 medical billing generate prospect leads data base to be delivered at closing.

Medical Claims Recovery & Denial Solutions Overview

Number of physician offices	Gross Submitted per month/office	Total Annual Estimated Revenue
40 offices		
-Average 30 claims/month/office		All 40 offices
-Average \$300 per claim/office	\$9,000.00	\$106,920.00
Expenses	Expenses per month	Expenses per year
Toll Free Phone/Fax	\$50.00	\$600.00
Postage	\$1,650.00	\$19,800.00
Internet	\$50.00	\$600.00
Software	\$200.00	\$2400.00
Estimated Gross Revenue of Recovered Claims	\$106,920.00	
Total Expenses	\$23,400.00	
Cash Flow	\$83,520.00	

REVENUE ASSET SERVICES

A Complete Medical Solution

Medical Billing

Medical Collection

Medical Answering Service

***Tannenbaum
& Milask***
Business Brokers

www.revenueassetservices.com



Disclaimer

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The use of this report, including the identity of **Revenue Asset Services**, or the verbal or written reproduction of any part, is strictly controlled by execution of the Confidential Disclosure Agreement prior to access.

Executive Summary

REVENUE ASSET SERVICES

A Complete Medical Solution

Medical Billing

Medical Collection

Medical Answering Service

Category: Medical Services

Revenue Asset Services is presenting this business start-up opportunity in conjunction with expanding their national network. The opportunity arises from the Seller's experience in the medical industry, specifically in the medical billing, medical collections, and medical answering service. From a virtual office template, the unit buyer will operate a vertical medical service business in a combination of the disciplines mentioned above. No medical experience is necessary and all the tools, training, support and clients necessary for positive cash flow are provided by Revenue Asset Services.

First time offering outside of the Network

Limited Space Available

This business opportunity for sale is a book of business contracts with Medical Doctors to support their Medical Practices. This company supports physician's offices by performing their medical insurance billing; medical collections, and medical answering service. Included with your purchase of this business is the necessary software and training. In addition, Revenue Asset Services will introduce you to vendors providing support in the billing and answering service areas if you choose to use them.

What is for sale and what you are buying is a package of the above business disciplines or services to doctors. Each business discipline will have cash flow from the various doctors' offices, which the seller will provide you.

Seller will provide you complete training, manuals and contract assignments for each discipline.

Background and Overview:

Revenue Asset Services was established to offer medical billing, collection, and medical answering services to clients/doctors. All clients/doctors are under 100% transferable service agreements. Business owners are offered the opportunity to affiliate with Revenue Asset Services and to purchase access to the proven state-of-the-art, industry-leading software and training in a system that uses a proprietary streamlined approach. As you are being trained in your new business and becoming familiar with the systems for each discipline, Revenue Asset Services provides the clients/doctors to you under their transferable service agreement to fill your "books of business" in the disciplines you purchase. Once these service agreements are transferred, the client/doctor relationship is yours to 'own' and manage indefinitely.

Get a clear and direct approach to profitability with the ability to grow and expand in the healthcare field. Pairing this with the successful training methods and backup resources makes you uniquely prepared and qualified to enter the healthcare industry and become a profitable service provider in your own business. Each discipline has its own unique and proprietary system for you to follow with support provided by Revenue Asset Services.

Never before has there been a package that encompasses so much with no marketing or sales activity required from the owner to reach profitability.

- No need for health industry background.
- All training is received via standard web-based systems . . . no travel expenses.
- All software and equipment needed is supplied with your purchase.
- You bill and get paid directly by your clients/doctors.
- Each of the units purchased will be filled with a unique set of clients/doctors. You may cross-sell your doctors on other services.

Revenue Asset Services provides the buyer with all the tools, software, training and equipment to allow the buyer to succeed in the exploding field of healthcare.

Revenue Asset Services offers a new business owner a minimum of three business units. From a base of three units, you can 'mix and match' any of the functional service areas (subject to availability). The business owner has total flexibility as they design their business enterprise. In addition, the business owner may elect to add additional units at a later date. The initial 'book of business' for each unit is provided by Revenue Asset Services from the continuing flow of new clients generated by its medical client level sales and marketing efforts. The new business owner is provided a guaranteed client base with no marketing effort of their own. As each purchased unit matures, additional units can be acquired from the company's resources on a fee based arrangement, or the owner may develop their own client generating referral programs.

This business model success is based on delivering the absolute highest level of customer satisfaction. Therefore, it is important for the new business owner to grow the business as quickly as possible to provide cash flow and to fully comprehend any and all nuances of satisfying the clients/doctors to be serviced in any discipline. This is very much a relationship business managed primarily electronically via data or voice without face-to-face contact between the business owner and his geographically disbursed clients/doctors. Each unit will be filled with a diverse group of clients so the business owner will have a broad scope, not only geographically – but in range of types of practices as well.

REVENUE ASSET SERVICES

By utilizing Revenue Asset Services, you can take advantage of the benefits that were once only available to multi-million dollar companies. Small and large unit buyers alike can benefit from our streamline approach.

Unit buyers can choose from a vertical approach buy choosing all 3 areas or a combination - Medical Billing, Medical Collection, or Medical Answering Services.

When you purchase the three units from Revenue Asset Services, you are afforded the highest level possible of support and training. Below are just some of the benefits and resources:

- Have a clear and direct approach to profitability.
- All software provided free for instant access.
- Proven systems for managing your units of business.
- Revenue Asset Services will hold seller financing (if approved) for a vested interest in your success.
- All client/doctor contracts are 100% transferable and once transferred to you, you own the contracts outright.
- Medical practice cancellation guarantee* (see contract provisions).
- State-of-the-art training system.
- Ability to grow and expand to meet the explosive growth in the healthcare field.

Listing Information

Firm Name: Revenue Asset Services

Reason for Sale: Expansion

Category: Medical Services

Financial Information

Asking Price: \$150,000

Medical Billing Annual Profit: \$95,640

Medical Collection Annual Profit: \$78,300

Medical Answering Service Annual Profit: \$39,000



Annual Gross: \$433,080

Average Total Annual Gross Profit: \$227,460

Annual Payroll of 2 Employees(1 F/T, 1 P/T): \$55,000

Annual Profit: \$172,460

Software & Equipment: \$10,000 (included in asking price)

\$100,000 is the required down payment.

\$50,000 balance is due over 5yrs with a three-year balloon payment.

Debt service paced with your growth

The above set forth information has been secured from the seller.

Information provided is in no way guaranteed for accuracy of such information, nor is it warranting any assumptions as true and correct

Confidentiality Is Critical!

Description of Units:

Medical Billing Unit:

Revenue Asset Services provides the software, systems, knowledge base, training and client contacts for the buyer to be successful in the growing business of Medical Billing. The buyer/business owner has the option of processing claims themselves or they can use "back office billers" for the basic claims submission process.

If the buyer opts to use "back office billers" Revenue Asset Services can introduce the buyer to independent claims submission offices staffed with medical billing specialists and technical support teams experienced in the medical field. All specialists have undergone rigorous training prior to their employment by the office.

The business owner will be solely responsible for including but not limited to: the ongoing customer service relationship with clients through monitoring quality and accuracy of claims submitted, resolving any issues identified by the clearinghouse, and accuracy of documents and reports delivered through the system to the client/doctor's office.

Access to all software, training, and tools necessary are provided by Revenue Asset Services as well as the clearinghouse. All necessary software for operating this unit will be downloaded to the business owner's computer by Revenue Asset Services. The clients/doctors offices transferred to the individual business owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the client/doctor service relationship indefinitely.

Access to all software, formatting of that software, training, and tools necessary are provided by Revenue Asset Services. The list of transferred clients/doctors developed to support the owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the clients/doctors' service relationship indefinitely.

Medical Billing – once your contract is fulfilled

Number of doctor offices per your contract:	15 offices
Approximate number of claims per month:	3000 claims/month
Charge per claim:	\$2.99/ claim

Average Revenue – Monthly: \$8,970

Average Overhead – Monthly: \$1,000

Average Total Profit- Monthly: \$7,970

Average Annual Profit: \$95,640

NOTE: If back office (outsourced) is utilized, profit will be reduced accordingly

After all contracts are fulfilled*

Medical Collection Unit:

Revenue Asset Services provides all the software, systems, knowledge base, training and client contacts for the buyer to be successful in the growing business of Medical/Dental Collection. Using a unique state-of-the-art electronic collection software system created for Revenue Asset Services and available only through Revenue Asset Services, business owners will be trained to maintain a highly professional and courteous interface with delinquent medical accounts assigned to them by their clients/doctors. The business owner will manage all contact directly with the debtor on behalf of his/her clients/doctors.

The clients/doctor will submit delinquent accounts to the business owner by fax or electronic data transmission. Typically within 24 hours of receipt of the debtor/patient information, the business owner begins a contact chain using various methods of friendly communication with the debtor to encourage urgent payment. The client/doctor is advised of the status/activity on a regular scheduled basis using system generated detailed reports.

The business owner will be solely responsible for the ongoing customer service relationship with his clients/doctors, collection on accounts and accuracy of documents and reports delivered through the process to the clients/ doctors' offices.

Provided with the collection module is a stand-alone computer pre-loaded with the unique software, formatting of that software, training, and tools necessary to operate a successful collection business as well as support. The list of transferred clients/doctors developed to support the owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the client/doctor service relationship indefinitely.

Medical Collections – once your contract is fulfilled

Number of clinics per your contract:	100
Average # of Debtors per client/doctor:	24
Average debt:	\$700
Average contingency:	30%
Average collection rate:	20%

Average Revenue – Monthly: \$8,400

Average Overhead – Monthly: \$1,875

Average Profit- Monthly: \$6,525

Average Annual Profit: \$78,300

After all contracts are fulfilled*

Medical Answering Services Unit:

Revenue Asset Services provides all the software, systems, and knowledge base, training and client contracts for the buyer to be successful in the growing business of Medical Answering Service. Using a unique software system business owners will be trained to manage medical accounts.

Revenue Asset Services will introduce the buyer to call-center companies. The buyer can then enter into contracts with that company. The client/doctor will forward the office's incoming phone line to a number provided to them at the time they sign the services agreement. Those calls will then be answered by live operators at the call-center company under contract with the business owner at the end of each business day. Monitoring the answering services, quality of service, and message delivery will be the sole responsibility of the buyer.

Under the unit's contract, Revenue Asset Services will provide the business owner over a reasonable time period a client/doctor base capable of providing the annualized cash flow as noted in the attached documents. The business owner will be solely responsible for the ongoing customer service relationship with his/her clients/doctors.

Medical Answering Service – once your contract is fulfilled *

Number of physician offices per your contract:	100
Monthly charge per office:	\$69.00
Call-center estimated charge per month/per office:	\$30.00

Average Revenue – Monthly: \$6,900

Average Overhead – Monthly: \$3,619

Average Profit- Monthly: \$3,280

Average Annual Profit: \$39,000*

After all contracts are full filled*

Financial Model:

A financial overview model has been provided with this Offering Memorandum combining the anticipated annual cash flow for each of the four units along with expected start-up expenses and typical operating expenses.

The financial information is provided as an example only. It is considered reasonably reflective of typical business experience by successful operators.

While most of the Gross Revenue and Gross Profit information is reasonably predictable, your operating results could vary greatly depending on your ability to manage and operate any business and this business template in particular.

Business Owners:

Office:

All business units are designed to operate from a virtual office atmosphere. All client and customer contact is via electronic data, fax, and voice communication. There is no foot traffic to the business-operating site. Therefore, 'bricks and mortar' office facilities are not required.

Likewise, any employees/contractors will also correspond electronically and have no need for a certain physical location from which to perform their assigned responsibilities.

Additional computers to support the business operation (other than the computer supplied by Revenue Asset Services) are the choice of the business owner. They need to be PC based with at least Microsoft XP operating system as a minimum with Microsoft Office. Computer system operating speed and capacity is at the discretion of the owner, with the recommendation that it be of a capacity that will support timely data transfer and future growth within the multiple units that represent the owner's total enterprise.

Although there is nothing special about the computer supplied with the collections module, it is of a capacity to effectively operate the business. It is provided by Revenue Asset Services so the business owner is "up and running" immediately without any initial software purchase necessary. It is more cost effective and quality capable for that to be done by Revenue Asset Services at their location and shipped to the business owner's location ready to use.

Business Naming:

It is recommended that initially the business owner create business names or "dba" that are a derivative of that discipline's parent name or parent division name. This is to facilitate a seamless transfer of agreements. These contracts are then easily transferred to the new business owner. This is a very comfortable long-term operating template.

It is recognized that business owners may look for 'personal branding' at some point. This is easy to accomplish after 6 months or so and a solid rapport between the business owner and the transferred clients/doctors have been established. A simple letter announcing that "NEWCO" has acquired "OLDCO" leaving all contact information, account representatives, etc. identical is all that is necessary. Name changes have never caused a doctor to leave a solid service provider.

Operations:

Depending on the type of unit(s), the business owner's operation of each unit will be different.

Billing Unit:

The Billing unit operation will be primarily involved in managing the flow of outbound and inbound data between clients/doctors and the back office billers (if the owner is using a back office). Establishing the most time efficient process and assuring that it works seamlessly will be important as well as monitoring the back office billers with regard to timely submission of claims, etc. Any special requests from the clients/doctors will need to be handled on a timely and efficient manner without disrupting the normal daily process. Any quality issues or questions generated must be handled on a timely basis.

Collection Unit:

With regard to the Collection unit, the business owner's operation will involve a 'hands-on' business where they or their employees are involved daily with following the delinquent accounts that are acquired. While a more exciting process to manage, the income potential to a professionally oriented business owner is extremely rewarding.

Answering Service Unit:

With regard to the Answering Service unit, the business owner will be responsible for the initial client contact once the contract has been assigned. This will involve obtaining the client's office hours, preferences with regard to the message delivery, etc. The ongoing customer support and liaison with the call-center will be the business owner's responsibility.

As with all the units, the business owner will invoice his/her clients directly and manage the ongoing day-to-day operations of each unit and will be responsible for the quality of services provided.

It should become obvious that there is strong potential for growing relationships with each client by cross-selling the use of additional services based on the solid relationship generated from the core activity with that client. All of these service units compliment each other and provide the base for additional income from the same customer base. In addition, once client/service provider relationships are established; it is a perfect partnership for the encouragement of referrals from your existing client base. Revenue Asset Services will coach their new business owners in the process of referral generation.

Due Diligence Process:

The due diligence process consists of reviewing the basic proposal presented in this overview. With the assistance of Brokers handling initial Q&A activity and a decision that the overall concept is of interest, a conference call meeting with Revenue Asset Services will be arranged. Further in-depth Q&A will serve to validate your decision to move forward.

After initial discussions, you will formulate the vision for the enterprise you would like to build and make some initial decisions on the Business Unit(s) that will be included.

Once your decision has been made, an Agreement stating the terms and conditions will be presented for review by you and a mutual target closing date can be chosen. Pricing will be well defined as you make your unit selections. There will be a specified amount due at closing with the promissory note payments clearly noted in the Agreement.

ADDENDUM

Medical Claims Recovery & Denial Unit:

Revenue Asset Services has now added the service of Medical Claims Recovery and Denial Solutions to its portfolio of medical services. With new health insurance guidelines and policies implemented, there are a growing number of claims that are being denied for various reasons, and claims in need of appeal. These processes can be time consuming to the medical practice making it a premium service in order to maximize a medical practices' revenue. Increasing numbers of claims are coming back as either denied or requiring more information and due to all the changes in the industry, many practices simply do not have the time or resources to devote to claim recovery. This is an opportunity for the Unit Buyer to not only help these practices increase their profit and success with their claims submission, but an opportunity also for the Unit Buyer to generate a sound income while also creating the opportunity to "cross-sell" the other available disciplines.

Revenue Asset Services will introduce the buyer to industry-specific software to maximize your profit. The buyer can then enter into contracts with that company. The client/doctor will forward the office's denied claims or claims appeals to the Buyer. The Buyer will then followup on each claim provided and liaison with the insurance companies, TPA, Self-Funded plans, etc. in order to get the claim paid.

Under the unit's contract, Revenue Asset Services will provide the business owner over a reasonable time period a client/doctor base capable of providing the estimated annualized cash flow as noted in the attached documents. The business owner will be solely responsible for the ongoing customer service relationship with his/her clients/doctors.

Medical Claim Recovery & Denial – once your contract is fulfilled *

Number of clinics per your contract:	40
Average # of claims per client/doctor:	30
Average claim amount:	\$300
Average contingency:	9.9%
Average success rate:	25%

Average Revenue – Monthly: \$8,910

Average Overhead – Monthly: \$1,950

Average Profit- Monthly: \$6,960

After all contracts are full filled*



**SELLING MEMORANDUM
MEDICAL CLAIMS RECOVERY & DENIAL SOLUTIONS**

- 40 Doctors / Practices under contract
- Relocatable
- Seller provides two weeks training
- Computer/Printer/Fax – included

Financial Information:

Purchase Price: \$65,000

Number of clinics per your contract:	40
Average # of claims per client/doctor:	30
Average claim amount:	\$300
Average contingency:	9.9%
Average success rate:	25%

Average Revenue – Monthly: \$8,910

Average Overhead – Monthly: \$1,950

Average Profit- Monthly: \$6,960



The information, material and judgments have been prepared by the Seller. While Tannenbaum & Milask believes this document to be accurate, no warranty is implied, expressed or provided. Recast statements, comments of future potential, and financial projections are based on the assumptions that must be reasonably verified by the reader.

Approved, SCAO

Original - Court
1st copy - Defendant

2nd copy - Plaintiff
3rd copy - Return

STATE OF MICHIGAN

JUDICIAL DISTRICT

22nd JUDICIAL CIRCUIT

COUNTY PROBATE

SUMMONS AND COMPLAINT

CASE NO.

15 - 098

- CK

Hon.

David S Swartz

Court address

101 E. Huron St., PO Box 8645 Ann Arbor, MI 48107-8645

Court telephone no.

(734) 222-3270

Plaintiff's name(s), address(es), and telephone no(s).

BLUESKY MED-OFFICE SOLUTIONS, LLC
5907 Lankershim Blvd., Ste. B
North Hollywood, CA 91601

v

Defendant's name(s), address(es), and telephone no(s).

REVENUE ASSET SERVICES, LLC
c/o: resident agent:
VIJAY REDDY
4569 HICKORY POINTE BLVD
YPSILANTI MI 48197

Plaintiff's attorney, bar no., address, and telephone no.

Daniel P. Finley (P-65454)
FINLEY LAW FIRM
107 1/2 North Main Street
Chelsea, MI 48118
Ph. (734) 475-4659

FILED
JUN 28 2015
CLERK OF THE COURT
WASHTENAW COUNTY, MI

SUMMONS NOTICE TO THE DEFENDANT: In the name of the people of the State of Michigan you are notified:

1. You are being sued.
2. **YOU HAVE 21 DAYS** after receiving this summons to **file a written answer with the court** and serve a copy on the other party or take other lawful action with the court (28 days if you were served by mail or you were served outside this state). (MCR 2.111(C))
3. If you do not answer or take other action within the time allowed, judgment may be entered against you for the relief demanded in the complaint.

Issued

This summons expires

APR 30 2015

Court clerk

*This summons is invalid unless served on or before its expiration date.

This document must be sealed by the seal of the court.

COMPLAINT *Instruction: The following is information that is required to be in the caption of every complaint and is to be completed by the plaintiff. Actual allegations and the claim for relief must be stated on additional complaint pages and attached to this form.*

Family Division Cases

- ☐ There is no other pending or resolved action within the jurisdiction of the family division of circuit court involving the family or family members of the parties.
- ☐ An action within the jurisdiction of the family division of the circuit court involving the family or family members of the parties has been previously filed in _____ Court.
- The action ☐ remains ☐ is no longer pending. The docket number and the judge assigned to the action are:

Docket no.

Judge

Bar no.

General Civil Cases

- ☒ There is no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in the complaint.
- ☐ A civil action between these parties or other parties arising out of the transaction or occurrence alleged in the complaint has been previously filed in _____ Court.
- The action ☐ remains ☐ is no longer pending. The docket number and the judge assigned to the action are:

Docket no.

Judge

Bar no.

VENUE

Plaintiff(s) residence (include city, township, or village)
North Hollywood, CA (Los Angeles County)

Defendant(s) residence (include city, township, or village)
Ypsilanti, MI (Washtenaw County)

Place where action arose or business conducted
Ypsilanti, MI (Washtenaw County)

01/19/2015

Date

Signature of attorney/plaintiff

P65454

Daniel P. Finley

If you require special accommodations to use the court because of a disability or if you require a foreign language interpreter to help you fully participate in court proceedings, please contact the court immediately to make arrangements.

STATE OF MICHIGAN
22nd JUDICIAL CIRCUIT – WASHTENAW COUNTY TRIAL COURT
SPECIALIZED BUSINESS DOCKET

BLUESKY MED-OFFICE SOLUTIONS, LLC,)	
)	
)	
)	
Plaintiff,)	
v.)	Case no.: 15 - 098 - CK
)	Judge:
REVENUE ASSET SERVICES, LLC, and,)	David S Swartz
VIJAY REDDY,)	
)	
Defendants.)	
)	

FINLEY LAW FIRM
Daniel P. Finley (P-65454)
Attorney for Plaintiff
107 ½ North Main Street
Chelsea, MI 48118
Ph. (734) 475-4659 / Fx. (734) 475-4672

COMPLAINT

NOW COMES, the Plaintiff, BLUESKY MED-OFFICE SOLUTIONS, LLC, by and through its attorney, Daniel P. Finley, Esq., and for its Complaint, states as follows:

1. There are no other pending or resolved civil action arising out of the same transaction or occurrence as alleged in this complaint.
2. This cause is for rescission of the sale of a business contract because of fraud and misrepresentation.
3. Plaintiff is a California Limited Liability Company.

4. Defendant REVENUE ASSET SERVICES, LLC is a Michigan limited liability company, with its registered office in Ypsilanti, MI (Washtenaw County).
5. Defendant VIJAY REDDY is a nature person known to reside in Ypsilanti, MI (Washtenaw County).
6. This Court has jurisdiction, per MCL 600.605 and .8035, over this cause because it is a business or commercial dispute in which the amount in controversy exceeds \$25,000.00.
7. Venue is proper, per MCL 600.1621(a), as the Defendant resides in Washtenaw County.
8. June 25, 2014, Plaintiff entered into an agreement with REVENUE ASSET SERVICES, LLC to buy what Defendants represented to be fully transferable contracts with 40 doctors' offices, to handle their medical billing and medical collections services.

–[Exhibit 1: sales contract] –

9. March 24, 2014, Defendant VIJAY REDDY, through "Legalzoom", filed articles of organization with the State of Michigan to bring into existence Defendant REVENUE ASSET SERVICES, LLC, a single-member LLC.
10. April 18, 2014 Defendant VIJAY REDDY filed for and obtained a certificate of authority for Defendant REVENUE ASSET SERVICES, LLC to do business

under the assumed name, "American Billing Associates", the business identified in the June 25, 2014 sales contract.

11. Around that same time Defendant VIJAY REDDY held out American Billing Associates as a company with experience, a national network reach, national book of business, proven state-of-the-art, industry- leading software and training, and a guaranteed client base in the areas of medical billing, medical collection and medical answering service.
12. While the "Offering Memorandum" contained a number of conditional statements and disclaimers, it also contained affirmations of fact, e.g., that Defendant REVENUE ASSET SERVICES, LLC, believes the information in the Offering Memorandum to be accurate, guaranteed clients, a historical statement as to annual profits (odd for a company that's only been around a few months), and affirmed the number of doctor offices per contract.

– [Exhibit 2: Offering Memorandum] –

13. The above-reference facts are not disclaimable because they are statements about the profits realized and number of contracts to be assigned. There should be no guesswork or uncertainty involved with such representations.
14. In this case, however, Defendants misstated the facts with the intention of inducing Plaintiff to purchase a "business" that essentially was nothing more than the articles of organization, filed a few months prior the sale.

15. Contrary to the "Bill of Sale" there was no "intellectual properties", or "goodwill and client contracts" being sold.
16. In fact, many of the so-called "clients" had never heard of the Seller, much less had a contract to be assigned to Plaintiff.
17. Plaintiff has fully performed its obligations under the sales contract, including, inter alia, paying \$35,000.00 toward the purchase prices.
18. Defendant REVENUE ASSET SERVICES, LLC has failed to assign or deliver the subject client/doctor contracts to Plaintiff.
19. Defendant REVENUE ASSET SERVICES, LLC has failed to deliver the promised software, systems, knowledge base, training, assets, and intellectual property to Plaintiff.
20. Defendant's business was "fly-by-night" and the sale was a sham. There was no business to be sold, merely an individual who filed articles of organization with the State of Michigan, providing his home address as the business address, a few months prior to the sale, and concocking a flowery "Offering Memorandum" with grandiose and misleading statements, portraying his business as having national reach with a real book of business.
21. In fact, Defendant VIJAY REDDY misrepresented his "book of business", and misrepresented the scope and breadth of his 3-month-old LLC.

22. Defendants made false representations of material fact regarding the scope and breadth of the business being sold, including, inter alia, the guaranteed "book of business", existence of the 40 contracts, history of annual profits, state-of-the-art, industry-leading software, and the existence and qualifications of the training specialists.

23. It's dubious that Defendant VIJAY REDDY had employees, much less specialists who had undergone rigorous training, as represented by Defendant VIJAY REDDY.

24. Either Defendants made the aforementioned representations of fact as a positive assertion, knowing the statements of fact to be false or with reckless disregard for whether the statements were true.

25. Defendants made the aforementioned representations of fact with the intention of inducing the Plaintiff's reliance, i.e., assent to the sales contract.

26. Plaintiff acted in reliance upon the false representations by Defendants as part of the basis of the bargain or reason for entering into the sales contract.

27. Plaintiff was damaged as a result.

COUNT I

28. Plaintiff re-alleges and incorporates by reference the aforementioned paragraphs as if fully re-stated here.

29. By virtue of the aforementioned facts Defendants have committed fraud.

30. As a result of Defendants fraud Plaintiff has been damaged.

31. Plaintiff seeks a rescission of the sales contract, restitution of monies paid, approximately \$35,025.00, plus incidental damages, costs and attorney fees.

COUNT II

32. Plaintiff re-alleges and incorporates by reference the aforementioned paragraphs as if fully re-stated here.

33. By virtue of the aforementioned facts, Defendants have materially breached the sales contract with Plaintiff.

34. As a result of Defendant's material breach Plaintiff has been damaged.

35. Plaintiff seeks compensatory damages for Defendants material breach, presently estimated at \$83,520.00/year.

36. Plaintiff further requests all consequential damages naturally flowing from Defendant's breach, costs and attorney fees.

PRAYER FOR RELIEF

Plaintiff prays for a Judgment for Plaintiff and against Defendant, awarding the following damages:

(A) Rescission and restitution of all monies paid by Plaintiff to Defendants.

(B) All incidental costs and fees incurred by Plaintiff as a result of Defendants' fraud.

- (C) Compensatory damages for Defendant's breach of contract.
- (D) Consequential damages for Defendant's breach of contract.
- (E) Attorney fees, costs and judgment interest.
- (F) All relief to which Plaintiff is entitled, even if not demanded in its Complaint,
per MCR 2.601(A).
- (G) Such other and further relief as this Court deems appropriate or equitable.

Dated: January 19, 2015

Respectfully Submitted,
FINLEY LAW FIRM



Daniel P. Finley (P-65454)
Attorney for Plaintiff

BILL OF SALE OF BUSINESS ASSETS

For good and sufficient consideration, receipt of which is hereby acknowledged, the undersigned Revenue Asset Services, LLC, D/B/A American Billing Associates ("Seller") hereby sells, transfers and conveys to Blue Sky Med-Office Solution Inc., an California corporation ("Buyer"): All and singular, the goods and chattels, property and effects, listed as follows:

Restrictive Conveyance	\$20,000.00
Intellectual Properties	\$10,000.00
Goodwill and Client Contracts	<u>\$35,000.00</u>
Total	<u>\$65,000.00</u>

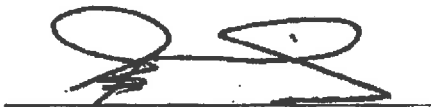
Which is incorporated herein and made a part hereof; and

2. The whole of the good will of the medical billing services as a business being transferred by the undersigned which is the subject of this sale.

The undersigned warrants that said goods and chattels are free and clear of all encumbrances, that it has full right and title to sell the same, and that it will warrant indemnify and defend the same against the claims and demands of all persons.

3. Included in sale of assets, Seller will provide to buyer a database 40 prospects not yet been contacted in order to present Medical Billing Services

Dated: June 23, 2014


Carlos Escobar, President
Blue Sky Med-Office Solutions. Inc.

6-25-14


Vijay Reddy Member
Revenue Asset Services, L.L.C.

6/24/2014



MarketPoint Advisors, LLC.
Novi, MI

PURCHASERS' CLOSING STATEMENT

Date: June 20, 2014

Purchaser: Blue Sky Med-Office Solutions
Carlos Escobar
President

Sellers: Revenue Assets, LLC
Vijay Reddy
Member

Business Entity: North American Billing Co.

Purchase Price:

Business.....	\$65,000.00
Trade Inventory.....	<u>\$0.00</u>
Total.....	\$65,000.00

Expenses: The following items are to be paid at closing.

Total Expenses.....	\$0.00
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Seller Note:	Note Due Seller per Contract....	\$0.00
		<u>\$30,000.00</u>

Net Proceeds:	Amount Due Sellers	<u>\$35,000.00</u>
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Accepted:


Carlos Escobar
President

Blue Sky Med-Office Solutions

MarketPoint Advisors, LLC
A. John Richwine Associate Broker

WHEREAS Revenue Asset Services, a limited liability company, whose address is 4569 Hickory Pointe Blvd, Ypsilanti, MI and whose law/venue is Michigan, (hereinafter known collectively as "The Seller") and who has agreed to sell certain systems, assets, as well as intellectual property and where Blue Sky Med-Office Solutions, Inc. (hereinafter known as "Buyer") agrees to buy certain systems, assets, as well as intellectual property (See Exhibit A for list of systems, assets, and intellectual property). Both parties agree to the following:

The total purchase price will be \$65,000.00 US (Sixty-Five Thousand Dollars and 00/xx US). Buyer will give The Seller \$35,000.00 US (Thirty-Five Thousand Dollars and 00/xx US) towards the purchase price at the time of signing this Agreement. A benchmark payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx) will be due when 8 medical offices have been assigned. A final payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx US) will be made when a total of 15 medical offices have been assigned and no earlier than November 1st, 2014. The first 15 client assignments must be delivered no later than January 1st, 2015.

The following are the Modules.

1. **Medical Billing:** Seller will deliver in the future 15 medical practices whose total monthly claims will average a goal of 3,000 claims in any 30-day period. If Buyer has not reached 3,000 claims in any 30-day period, then the Sole Remedy will be as follows: Seller will add a maximum of 5 additional medical offices after all other contract terms have been completed by both Buyer and Seller. The price for the service will be \$2.99/claim. If any other pricing system is used, Buyer must first agree to the alternative pricing method.

At the signing of this contract, Buyer agrees to the following performance guidelines including but not limited to:

Billing:

1. Buyer agrees to do the medical billing services to all clients within 24 hours of receipt of transferred contract.
2. Buyer agrees to abide by all contract provisions within the contracts assigned to the seller.
3. Buyer agrees not to illegally defer any money. This is defined as the Buyer taking money designated for the doctor's office for the Buyer's personal gain. Buyer must invoice the doctor monthly for their fee.
4. Buyer agrees to a high standard of customer service and to promptly return calls and all correspondence and contracts that were assigned to them.
5. Buyer agrees to accept all medical billing contracts assigned to them.
6. Buyer will be solely responsible for the ongoing customer service relationship with his/her clients, after the contracts have been transferred by the seller to the buyer.

Seller hereby represents:

1. **Corporate Status:** Seller has been duly created, validity exists, and is in good standing in the State of Michigan. (ID Number E4092R)
2. **Title to Assets:** Seller holds valid and marketable legal and beneficial title to the Assets and the Modules, which are free and clear of all liens, claims, encumbrances and security interests.
3. **Litigation:** There are no current actions, suits, or proceedings.

4. **Assignment:** Seller has the right and power to transfer clients to Buyer as contemplated herein. Seller's contracts with Clients permit the assignment of those contracts to Buyer.
5. **Contract Provided:** A copy of the assigned contract will be provided to the Buyer upon execution by the client.
6. **Transition:** Seller agrees to inform the client via fax, phone, email, or teleconference that the Buyer will be servicing their account no later than 1 business day after the assignment.

Buyer agrees to be trained for the above named companies for all systems, intellectual property and assets.

Terms:

Buyer will tender a check in the amount of \$35,000.00 US (Thirty-Five Thousand and 00/xx Dollars US) at the time of execution of this agreement. A benchmark payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx) will be due within 10 days after 8 medical offices have been assigned. A final payment of \$15,000.00 (Fifteen Thousand Dollars and 00/xx US) will be made within 10 days after a total of 15 clients have been assigned.

Seller will not assign buyer the same clients, if future agreements are made for other services (answering services, medical appeals, medical debt collection services, electronic medical records, etc.). Furthermore, Seller agrees not to offer anything else, except Medical Billing to a new client assigned to the buyer. These clients will not be assigned to any other company or buyers that the seller is dealing with, for the purpose of selling different units.

Once the new clients have been assigned to the buyer, there will be no further contact by the Seller, its associates, assigns, employees, contractors, or successors (with the exception of the Transition stated above, which must be completed in 1 business day). In the event that any of the Seller's employees leave the Seller's company and attempts to contact the Buyer's clients, it will be the responsibility of the Seller, if a medical office is lost as a result of such actions. In such cases, the Seller must replace any lost clients within a period of 3 years of assignment of the contract.

The Agreement including its exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and merges and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions. Neither of the Parties will be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof other than as expressly provided herein. No oral explanations or oral information by either party hereto will alter the meaning or interpretation of this Agreement. The terms and conditions of this Agreement will prevail notwithstanding any different, conflicting or additional terms and conditions that may appear on any letter, email or other communication or other writing not expressly incorporated into this Agreement. The Laws of the State of Michigan, County of Washtenaw, shall govern this Agreement.

Training and Transition:

At no additional cost to the Buyer, the Seller will train and transition for each of the modules chosen for up to two consecutive weeks. Buyer will make themselves available for training and

may not refuse the training. If Buyer is not available for training or refuses training, it will be considered as though they have been trained for the full period allotted.

Confidentiality:

At all times, the Buyer will respect the confidentiality and the extensive work put into the intellectual property, assets, and systems. Buyer will not attempt to reverse engineer the marketing methodology for personal gain or publishing purposes.

Commercial Transaction:

This transaction is considered a commercial transaction.

Default:

If the Buyer defaults with regard to any of the paragraphs above, individually or collectively, the Buyer will immediately return all systems and intellectual property that has been delivered and will hold harmless and indemnify the Seller.

Restrictive Covenant:

Unless a default occurs, the Seller will be prohibited, once the contract has been transferred to Buyer, from contacting or soliciting those clients. The only exceptions would be to verify the reason for the loss of a client or to verify the total claim count of all clients. Buyer will void this clause if Buyer chooses to use Seller's resources in order to service Buyer's clients. However, Seller will not solicit Buyer's clients. Buyer will not solicit Seller's third party resources.

Option:

Buyer has a 90 day Option to request an additional block of medical billing. The total down payment required will be \$85,000 US (Eight Five Thousand Dollars and 00/xx US). The money provided under this completed Agreement will represent the first \$65,000 of the required down payment. Therefore, a total of \$20,000 US (Twenty Thousand Dollars and 00/xx US) will be required if this Option is exercised. The total price will be \$125,000, with the remaining \$40,000 to be paid over the course of 18 months at 5% interest. All other terms of this Agreement will continue to be in full force and effect if this Option is exercised.


Buyer or Corporate Nominee

DATE: 6-25-14


Seller

Revenue Asset Services, LLC
Vijay Reddy, MBA, MA, CBA

DATE: 6/24/2014

nitroPDF

nitroPDF professional

ALLOCATION OF PURCHASE PRICE

Intellectual Property \$10,000.00
Goodwill and Client Contracts \$35,000.00
Restrictive Covenant \$20,000.00



DATE: : June 25, 2014

Buyer: Blue Sky Med-Office Solutions, Inc.
By Its President; Carlos Escobar

DATE: : June , 2014

Seller: Revenue Asset Services, LLC
Vijay Reddy, MBA, MA, CBA

EXHIBIT A

Proprietary marketing methodology.

Medical Billing Clients.

Methodology for closing prospective clients.

Training.

Interaction with Clearinghouse.

Cost reduction methodologies.

Phone system deployment.

Compliance instructions.

Methods of generating referrals from existing billing clients.

Other non-tangible and non-specific methodologies developed and/or acquired by Revenue Asset Services.

40 medical billing generate prospect leads data base to be delivered at closing.

Medical Claims Recovery & Denial Solutions Overview

Number of physician offices	Gross Submitted per month/office	Total Annual Estimated Revenue
40 offices		
-Average 30 claims/month/office		All 40 offices
-Average \$300 per claim/office	\$9,000.00	\$106,920.00
Expenses	Expenses per month	Expenses per year
Toll Free Phone/Fax	\$50.00	\$600.00
Postage	\$1,650.00	\$19,800.00
Internet	\$50.00	\$600.00
Software	\$200.00	\$2400.00
Estimated Gross Revenue of Recovered Claims	\$106,920.00	
Total Expenses	\$23,400.00	
Cash Flow	\$83,520.00	

REVENUE ASSET SERVICES

A Complete Medical Solution

Medical Billing

Medical Collection

Medical Answering Service

***Tannenbaum
& Milask***
Business Brokers

www.revenueassetservices.com



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Executive Summary

REVENUE ASSET SERVICES

A Complete Medical Solution

Medical Billing

Medical Collection

Medical Answering Service

Category: Medical Services

Revenue Asset Services is presenting this business start-up opportunity in conjunction with expanding their national network. The opportunity arises from the Seller's experience in the medical industry, specifically in the medical billing, medical collections, and medical answering service. From a virtual office template, the unit buyer will operate a vertical medical service business in a combination of the disciplines mentioned above. No medical experience is necessary and all the tools, training, support and clients necessary for positive cash flow are provided by Revenue Asset Services.

First time offering outside of the Network

Limited Space Available

This business opportunity for sale is a book of business contracts with Medical Doctors to support their Medical Practices. This company supports physician's offices by performing their medical insurance billing; medical collections, and medical answering service. Included with your purchase of this business is the necessary software and training. In addition, Revenue Asset Services will introduce you to vendors providing support in the billing and answering service areas if you choose to use them.

What is for sale and what you are buying is a package of the above business disciplines or services to doctors. Each business discipline will have cash flow from the various doctors' offices, which the seller will provide you.

Seller will provide you complete training, manuals and contract assignments for each discipline.

Background and Overview:

Revenue Asset Services was established to offer medical billing, collection, and medical answering services to clients/doctors. All clients/doctors are under 100% transferable service agreements. Business owners are offered the opportunity to affiliate with Revenue Asset Services and to purchase access to the proven state-of-the-art, industry-leading software and training in a system that uses a proprietary streamlined approach. As you are being trained in your new business and becoming familiar with the systems for each discipline, Revenue Asset Services provides the clients/doctors to you under their transferable service agreement to fill your "books of business" in the disciplines you purchase. Once these service agreements are transferred, the client/doctor relationship is yours to 'own' and manage indefinitely.

Get a clear and direct approach to profitability with the ability to grow and expand in the healthcare field. Pairing this with the successful training methods and backup resources makes you uniquely prepared and qualified to enter the healthcare industry and become a profitable service provider in your own business. Each discipline has its own unique and proprietary system for you to follow with support provided by Revenue Asset Services.

Never before has there been a package that encompasses so much with no marketing or sales activity required from the owner to reach profitability.

- No need for health industry background.
- All training is received via standard web-based systems . . . no travel expenses.
- All software and equipment needed is supplied with your purchase.
- You bill and get paid directly by your clients/doctors.
- Each of the units purchased will be filled with a unique set of clients/doctors. You may cross-sell your doctors on other services.

Revenue Asset Services provides the buyer with all the tools, software, training and equipment to allow the buyer to succeed in the exploding field of healthcare.

Revenue Asset Services offers a new business owner a minimum of three business units. From a base of three units, you can 'mix and match' any of the functional service areas (subject to availability). The business owner has total flexibility as they design their business enterprise. In addition, the business owner may elect to add additional units at a later date. The initial 'book of business' for each unit is provided by Revenue Asset Services from the continuing flow of new clients generated by it's medical client level sales and marketing efforts. The new business owner is provided a guaranteed client base with no marketing effort of their own. As each purchased unit matures, additional units can be acquired from the company's resources on a fee based arrangement, or the owner may develop their own client generating referral programs.

This business model success is based on delivering the absolute highest level of customer satisfaction. Therefore, it is important for the new business owner to grow the business as quickly as possible to provide cash flow and to fully comprehend any and all nuances of satisfying the clients/doctors to be serviced in any discipline. This is very much a relationship business managed primarily electronically via data or voice without face-to-face contact between the business owner and his geographically disbursed clients/doctors. Each unit will be filled with a diverse group of clients so the business owner will have a broad scope, not only geographically – but in range of types of practices as well.

REVENUE ASSET SERVICES

By utilizing Revenue Asset Services, you can take advantage of the benefits that were once only available to multi-million dollar companies. Small and large unit buyers alike can benefit from our streamline approach.

Unit buyers can choose from a vertical approach buy choosing all 3 areas or a combination - Medical Billing, Medical Collection, or Medical Answering Services.

When you purchase the three units from Revenue Asset Services, you are afforded the highest level possible of support and training. Below are just some of the benefits and resources:

- Have a clear and direct approach to profitability.
- All software provided free for instant access.
- Proven systems for managing your units of business.
- Revenue Asset Services will hold seller financing (if approved) for a vested interest in your success.
- All client/doctor contracts are 100% transferable and once transferred to you, you own the contracts outright.
- Medical practice cancellation guarantee* (see contract provisions).
- State-of-the-art training system.
- Ability to grow and expand to meet the explosive growth in the healthcare field.

Listing Information

Firm Name: Revenue Asset Services

Reason for Sale: Expansion

Category: Medical Services

Financial Information

Asking Price: \$150,000

Medical Billing Annual Profit: \$95,640

Medical Collection Annual Profit: \$78,300

Medical Answering Service Annual Profit: \$39,000

Annual Gross: \$433,080

Average Total Annual Gross Profit: \$227,460

Annual Payroll of 2 Employees(1 F/T, 1 P/T): \$55,000

Annual Profit: \$172,460

Software & Equipment: \$10,000 (included in asking price)

\$100,000 is the required down payment.

\$50,000 balance is due over 5yrs with a three-year balloon payment.

Debt service paced with your growth

The above set forth information has been secured from the seller.

Information provided is in no way guaranteed for accuracy of such information, nor is it warranting any assumptions as true and correct

Confidentiality Is Critical!

Description of Units:

Medical Billing Unit:

Revenue Asset Services provides the software, systems, knowledge base, training and client contacts for the buyer to be successful in the growing business of Medical Billing. The buyer/business owner has the option of processing claims themselves or they can use "back office billers" for the basic claims submission process.

If the buyer opts to use "back office billers" Revenue Asset Services can introduce the buyer to independent claims submission offices staffed with medical billing specialists and technical support teams experienced in the medical field. All specialists have undergone rigorous training prior to their employment by the office.

The business owner will be solely responsible for including but not limited to: the ongoing customer service relationship with clients through monitoring quality and accuracy of claims submitted, resolving any issues identified by the clearinghouse, and accuracy of documents and reports delivered through the system to the client/doctor's office.

Access to all software, training, and tools necessary are provided by Revenue Asset Services as well as the clearinghouse. All necessary software for operating this unit will be downloaded to the business owner's computer by Revenue Asset Services. The clients/doctors offices transferred to the individual business owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the client/doctor service relationship indefinitely.

Access to all software, formatting of that software, training, and tools necessary are provided by Revenue Asset Services. The list of transferred clients/doctors developed to support the owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the clients/doctors' service relationship indefinitely.

Medical Billing – once your contract is fulfilled

Number of doctor offices per your contract:	15 offices
Approximate number of claims per month:	3000 claims/month
Charge per claim:	\$2.99/ claim

Average Revenue – Monthly: \$8,970

Average Overhead – Monthly: \$1,000

Average Total Profit- Monthly: \$7,970

Average Annual Profit: \$95,640

NOTE: If back office (outsourced) is utilized, profit will be reduced accordingly

After all contracts are fulfilled*

Medical Collection Unit:

Revenue Asset Services provides all the software, systems, knowledge base, training and client contacts for the buyer to be successful in the growing business of Medical/Dental Collection. Using a unique state-of-the-art electronic collection software system created for Revenue Asset Services and available only through Revenue Asset Services, business owners will be trained to maintain a highly professional and courteous interface with delinquent medical accounts assigned to them by their clients/doctors. The business owner will manage all contact directly with the debtor on behalf of his/her clients/doctors.

The clients/doctor will submit delinquent accounts to the business owner by fax or electronic data transmission. Typically within 24 hours of receipt of the debtor/patient information, the business owner begins a contact chain using various methods of friendly communication with the debtor to encourage urgent payment. The client/doctor is advised of the status/activity on a regular scheduled basis using system generated detailed reports.

The business owner will be solely responsible for the ongoing customer service relationship with his clients/doctors, collection on accounts and accuracy of documents and reports delivered through the process to the clients/ doctors' offices.

Provided with the collection module is a stand-alone computer pre-loaded with the unique software, formatting of that software, training, and tools necessary to operate a successful collection business as well as support. The list of transferred clients/doctors developed to support the owner's unit will be distributed geographically across the country without concern for local or regional concentration. Once placed under agreement by Revenue Asset Services and transferred to the business owner, the business owner will retain the client/doctor service relationship indefinitely.

Medical Collections – once your contract is fulfilled

Number of clinics per your contract:	100
Average # of Debtors per client/doctor:	24
Average debt:	\$700
Average contingency:	30%
Average collection rate:	20%

Average Revenue – Monthly: \$8,400

Average Overhead – Monthly: \$1,875

Average Profit- Monthly: \$6,525

Average Annual Profit: \$78,300

After all contracts are fulfilled*

Medical Answering Services Unit:

Revenue Asset Services provides all the software, systems, and knowledge base, training and client contracts for the buyer to be successful in the growing business of Medical Answering Service. Using a unique software system business owners will be trained to manage medical accounts.

Revenue Asset Services will introduce the buyer to call-center companies. The buyer can then enter into contracts with that company. The client/doctor will forward the office's incoming phone line to a number provided to them at the time they sign the services agreement. Those calls will then be answered by live operators at the call-center company under contract with the business owner at the end of each business day. Monitoring the answering services, quality of service, and message delivery will be the sole responsibility of the buyer.

Under the unit's contract, Revenue Asset Services will provide the business owner over a reasonable time period a client/doctor base capable of providing the annualized cash flow as noted in the attached documents. The business owner will be solely responsible for the ongoing customer service relationship with his/her clients/doctors.

Medical Answering Service – once your contract is fulfilled *

Number of physician offices per your contract:	100
Monthly charge per office:	\$69.00
Call-center estimated charge per month/per office:	\$30.00

Average Revenue – Monthly: \$6,900

Average Overhead – Monthly: \$3,619

Average Profit- Monthly: \$3,280

Average Annual Profit: \$39,000*

After all contracts are full filled*

Financial Model:

A financial overview model has been provided with this Offering Memorandum combining the anticipated annual cash flow for each of the four units along with expected start-up expenses and typical operating expenses.

The financial information is provided as an example only. It is considered reasonably reflective of typical business experience by successful operators.

While most of the Gross Revenue and Gross Profit information is reasonably predictable, your operating results could vary greatly depending on your ability to manage and operate any business and this business template in particular.

Business Owners:

Office:

All business units are designed to operate from a virtual office atmosphere. All client and customer contact is via electronic data, fax, and voice communication. There is no foot traffic to the business-operating site. Therefore, 'bricks and mortar' office facilities are not required.

Likewise, any employees/contractors will also correspond electronically and have no need for a certain physical location from which to perform their assigned responsibilities.

Additional computers to support the business operation (other than the computer supplied by Revenue Asset Services) are the choice of the business owner. They need to be PC based with at least Microsoft XP operating system as a minimum with Microsoft Office. Computer system operating speed and capacity is at the discretion of the owner, with the recommendation that it be of a capacity that will support timely data transfer and future growth within the multiple units that represent the owner's total enterprise.

Although there is nothing special about the computer supplied with the collections module, it is of a capacity to effectively operate the business. It is provided by Revenue Asset Services so the business owner is "up and running" immediately without any initial software purchase necessary. It is more cost effective and quality capable for that to be done by Revenue Asset Services at their location and shipped to the business owner's location ready to use.

Business Naming:

It is recommended that initially the business owner create business names or "dba" that are a derivative of that discipline's parent name or parent division name. This is to facilitate a seamless transfer of agreements. These contracts are then easily transferred to the new business owner. This is a very comfortable long-term operating template.

It is recognized that business owners may look for 'personal branding' at some point. This is easy to accomplish after 6 months or so and a solid rapport between the business owner and the transferred clients/doctors have been established. A simple letter announcing that "NEWCO" has acquired "OLDCO" leaving all contact information, account representatives, etc. identical is all that is necessary. Name changes have never caused a doctor to leave a solid service provider.

Operations:

Depending on the type of unit(s), the business owner's operation of each unit will be different.

Billing Unit:

The Billing unit operation will be primarily involved in managing the flow of outbound and inbound data between clients/doctors and the back office billers (if the owner is using a back office). Establishing the most time efficient process and assuring that it works seamlessly will be important as well as monitoring the back office billers with regard to timely submission of claims, etc. Any special requests from the clients/doctors will need to be handled on a timely and efficient manner without disrupting the normal daily process. Any quality issues or questions generated must be handled on a timely basis.

Collection Unit:

With regard to the Collection unit, the business owner's operation will involve a 'hands-on' business where they or their employees are involved daily with following the delinquent accounts that are acquired. While a more exciting process to manage, the income potential to a professionally oriented business owner is extremely rewarding.

Answering Service Unit:

With regard to the Answering Service unit, the business owner will be responsible for the initial client contact once the contract has been assigned. This will involve obtaining the client's office hours, preferences with regard to the message delivery, etc. The ongoing customer support and liaison with the call-center will be the business owner's responsibility.

As with all the units, the business owner will invoice his/her clients directly and manage the ongoing day-to-day operations of each unit and will be responsible for the quality of services provided.

It should become obvious that there is strong potential for growing relationships with each client by cross-selling the use of additional services based on the solid relationship generated from the core activity with that client. All of these service units compliment each other and provide the base for additional income from the same customer base. In addition, once client/service provider relationships are established; it is a perfect partnership for the encouragement of referrals from your existing client base. Revenue Asset Services will coach their new business owners in the process of referral generation.

Due Diligence Process:

The due diligence process consists of reviewing the basic proposal presented in this overview. With the assistance of Brokers handling initial Q&A activity and a decision that the overall concept is of interest, a conference call meeting with Revenue Asset Services will be arranged. Further in-depth Q&A will serve to validate your decision to move forward.

After initial discussions, you will formulate the vision for the enterprise you would like to build and make some initial decisions on the Business Unit(s) that will be included.

Once your decision has been made, an Agreement stating the terms and conditions will be presented for review by you and a mutual target closing date can be chosen. Pricing will be well defined as you make your unit selections. There will be a specified amount due at closing with the promissory note payments clearly noted in the Agreement.

ADDENDUM

Medical Claims Recovery & Denial Unit:

Revenue Asset Services has now added the service of Medical Claims Recovery and Denial Solutions to its portfolio of medical services. With new health insurance guidelines and policies implemented, there are a growing number of claims that are being denied for various reasons, and claims in need of appeal. These processes can be time consuming to the medical practice making it a premium service in order to maximize a medical practices' revenue. Increasing numbers of claims are coming back as either denied or requiring more information and due to all the changes in the industry, many practices simply do not have the time or resources to devote to claim recovery. This is an opportunity for the Unit Buyer to not only help these practices increase their profit and success with their claims submission, but an opportunity also for the Unit Buyer to generate a sound income while also creating the opportunity to "cross-sell" the other available disciplines.

Revenue Asset Services will introduce the buyer to industry-specific software to maximize your profit. The buyer can then enter into contracts with that company. The client/doctor will forward the office's denied claims or claims appeals to the Buyer. The Buyer will then followup on each claim provided and liaison with the insurance companies, TPA, Self-Funded plans, etc. in order to get the claim paid.

Under the unit's contract, Revenue Asset Services will provide the business owner over a reasonable time period a client/doctor base capable of providing the estimated annualized cash flow as noted in the attached documents. The business owner will be solely responsible for the ongoing customer service relationship with his/her clients/doctors.

Medical Claim Recovery & Denial – once your contract is fulfilled *

Number of clinics per your contract:	40
Average # of claims per client/doctor:	30
Average claim amount:	\$300
Average contingency:	9.9%
Average success rate:	25%

Average Revenue – Monthly: \$8,910

Average Overhead – Monthly: \$1,950

Average Profit- Monthly: \$6,960

After all contracts are full filled*



SELLING MEMORANDUM MEDICAL CLAIMS RECOVERY & DENIAL SOLUTIONS

- 40 Doctors / Practices under contract
- Relocatable
- Seller provides two weeks training
- Computer/Printer/Fax – included

Financial Information:

Purchase Price: \$65,000

Number of clinics per your contract:	40
Average # of claims per client/doctor:	30
Average claim amount:	\$300
Average contingency:	9.9%
Average success rate:	25%

Average Revenue – Monthly: \$8,910

Average Overhead – Monthly: \$1,950

Average Profit- Monthly: \$6,960



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STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

ANTHONY E. HOLMES,

Plaintiff,

v.

10- 210 -CK

VIJAY REDDY,

Archie C. Brown

Defendant.

JOHN M. PERRIN, PC
JOHN M. PERRIN (P43352)
Attorney for Plaintiff
27735 Jefferson Ave.
St. Clair Shores, MI 48081
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FILED
WASHTENAW COUNTY, MI
2010 MAR - 2 P 4: 14
LAWRENCE M. STONE, JR.
COUNTY CLERK, WASHTENAW COUNTY

There is no other matter pending or resolved in this or any other court of competent jurisdiction between these parties and which arises out of the transactions and occurrences alleged herein.


John M. Perrin (P43352)

COMPLAINT
AND
DEMAND FOR JURY TRIAL

NOW COMES the Plaintiff, by and through his attorney, John M. Perrin, PC and for his Complaint states as follows;

Jurisdiction

1. The Plaintiff, Anthony E. Holmes is a resident of the State of Texas.

2. The Defendant Vijay Reddy is a resident of the State of Michigan, County of Washtenaw, City of Ypsilanti.

3. The underlying facts giving rise to this cause of action occurred within the State of Michigan, County of Washtenaw.

4. Jurisdiction and venue are properly laid with this Court.

GENERAL ALLEGATIONS

5. During the summer of 2008, the Defendant Reddy began soliciting through advertisements in newspapers for the sale of what he referred to as "assets"; these assets were represented to by medical billing contracts which Reddy represented would generate revenue through debt collections.

6. Essentially, Defendant Reddy was representing that he was in the medical billing/collection business, collecting medical debts for doctors throughout the United States through a corporation called "National Billing Company, Inc." which he represented was a "non-profit" corporation registered with the State of Delaware.

7. After Plaintiff responded to Reddy's add, Reddy represented to Plaintiff that he would sell Plaintiff bundles of medical billing contracts which Reddy claimed were assets held by his corporation, National Billing Company, Inc.

8. During several discussions Reddy described the financial benefits and mechanisms through which Plaintiff would receive passive income by utilizing Ann Sinha of Katonia Tech Solutions to process the claims. According to Reddy, Plaintiff would be able to charge \$2.99 for each claim collected and would split that fee with Sinha.

9. Based upon these representations, Plaintiff and Reddy entered into an *"Agreement for the Purchase and Sale of Certain Business Assets of National Billing*

Corporation" (herein after referred to as the "Asset Agreement") on September 30, 2008. (Attached Exhibit 1).

10. According to the terms of the Asset Agreement, Reddy would transfer to Plaintiff 20 medical billing contracts that would generate gross revenue of ten thousand five hundred (\$10,500.00) dollars per month. Reddy also guaranteed that these medical billing contracts would generate a minimum of 7,000 in claims per month.

11. After receiving Plaintiff's initial payment of fifty thousand dollars, Reddy represented that he began transferring the medical billing claims to Sinha/Katonia Tech Solutions.

12. In exchange for the "assets" Plaintiff paid Reddy seventy five thousand (\$75,000.00) dollars total in two payments. The last payment of twenty five thousand (\$25,000.00) was made by Plaintiff on December 8, 2009.

13. By December 8, 2009, the "assets" sold to Plaintiff and supposedly transferred to Sinha/Katonia had generated no revenues for Plaintiff but Reddy continued to provide assurances that revenues were in fact being generated and would shortly be recieved.

14. At or around this time, Reddy suggested to Plaintiff that he would be willing to sell Plaintiff his entire company, National Billing Corporation, Inc. (herein after referred to as "NBC"). Reddy proposed that this sale would be a sale of 100% of Reddy's stock in this company.

15. Defendant Reddy made numerous representations about NBC to Plaintiff to induce him to purchase the company, including;

- a. That for a "marketing cost" of \$40,000.00 per month, 40 new medical billing contracts would be generated each month;
- b. That "this [business] model has been tested for the last 2 years successfully";

- c. That NBC was a profitable company;
- d. That *"The company employs a handful of employees, who are able to attract more American based medical billing contracts and medical debt collection contracts than any other billing or collection company in the world, including publicly traded companies."*
- e. That the company's success was due to *"the unique marketing formula, which would be transferred to the new owner"* generating monthly income of at least Forty seven thousand (\$47,000.00) each month.
- f. Reddy represented that as part of the sale Plaintiff would receive NBC's *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."*
- g. That the company's "unique marketing methodology" would generate "more doctors (medical billing contracts) then you can handle..."
- h. That NBC had no liabilities whatsoever and had operated on as *"100% cash based business, with no loans or credit"* obligations; meaning the company was debt free, and;
- i. That Reddy and his employees would not compete with NBC for a period of five years.

16. Between January 1, 2009 and February 5, 2009, Defendant Reddy introduced Plaintiff to David Weinstein who Reddy represented was the prior owner of NBC and who would vouch for the profitability of the company.

17. Based upon the representation of Defendant Reddy, on February 5, 2009, Plaintiff entered into a second contract with Reddy, a *"Stock Purchase Agreement"*. (Exhibit 2).

18. According to the Stock Purchase Agreement Reddy represented that the Stock value of the Seller includes *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and*

future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."

19. Reddy represented to Plaintiff that he would apply the previously received seventy five thousand (\$75,000.00) dollars and would accept an additional one hundred twenty five thousand (\$125,000.00) for Reddy's 100% stock interest in NBC.

20. In total, Plaintiff had paid Defendant Reddy two hundred thousand (\$200,000.00) dollars for the stock and assets Reddy claimed he was selling to Plaintiff.

21. After receiving an additional one hundred twenty five thousand (\$125,000.00) dollars from Plaintiff on February 5, 2009, Defendant Reddy failed to transfer any of the "assets" he had claimed represented the value of the stock. Plaintiff never received the website, software, marketing methodology, trade secrets, or mailing lists.

22. After the sale was completed, Plaintiff questioned Defendant Reddy regarding irregularities about the sources of income and documentation for deductions. Defendant Reddy then represented that he was unable and/or unwilling to provide back up for the financial records of the company.

23. Following the stock sale, Plaintiff repeatedly requested the prior years tax returns.

24. Contrary to the representations made by Defendant Reddy, Plaintiff learned that NBC was not a profitable company at all nor was it without debt. In addition, its status as a non-profit company was at best questionable.

25. After paying Defendant Reddy for the stock and "assets" of NBC, Plaintiff made several discoveries including that NBC's website was not owned by NBC; it was owned by David Weinstein.

26. After Plaintiff demanded the "software" that Defendant Reddy had touted as being part of the sale, Defendant Reddy informed Plaintiff that "there is no software".

27. Following payment by Plaintiff, Defendant Reddy also told Plaintiff that the "unique marketing methodology" was to hire David Weinstein to perform the marketing function.

28. As it was then disclosed by Defendant Reddy, the "marketing methodology" required paying David Weinstein forty thousand (\$40,000.00) dollars per month.

29. Subsequent to the stock sale, Plaintiff learned that Defendant Reddy and David Weinstein had incorporated another entity in Nevada called "National Billing Corporation" on November 14, 2008.

30. As discovered by Plaintiff following the fraudulent stock sale, NBC was in fact a sham corporation with no assets, no profitability, numerous liabilities and a questionable designation as a non-profit corporation under Delaware law.

31. In sum, Defendant Reddy, with others, engaged in a "confidence scheme" intended to defraud Plaintiff out of hundreds of thousands of dollars.

COUNT I
FRAUD, FRAUD IN THE INDUCEMENT
RECISSION

32. Plaintiff repeats by reference the preceding paragraphs by reference herein.

33. At all times relevant to this action, Defendant Reddy made representations to Plaintiff intending Plaintiff to rely upon those representations when entering into the two contracts described herein.

34. At all times relevant Defendant Reddy knew or should have known that the representations he and his agents were making to Plaintiff were misleading and/or deliberately false.

35. Plaintiff did rely upon Defendant Reddy's representations and in reliance thereon paid Reddy two hundred thousand (\$200,000.00) dollars.

36. As a direct and proximate cause, Plaintiff has been damage in that he has been defrauded of his money in the means set forth herein.

37. Based upon the intentional or reckless misrepresentations made by Defendant Reddy the two agreements at issue here are void and/or voidable.

38. Based upon the intentional and/or reckless misrepresentations made by Defendant Reddy Plaintiff is entitled to the return of the money taken by Defendant Reddy.

Wherefore, Plaintiff respectfully requests that this honorable Court enter Judgment in favor of this Plaintiff rescinding the contracts and entering an award of damages in an amount in excess of \$25,000.00 with reasonable attorney fees, costs, interest wrongfully incurred.

COUNT II

BREACH OF CONTRACT

39. Plaintiff repeats by reference the preceding paragraphs as if fully set forth herein.

40. Plaintiff entered into two contracts with Defendant Reddy through which Reddy represented that various assets would be sold to Plaintiff.

41. Plaintiff conveyed to Defendant Reddy the purchase price required for the transfer of the assets promised.

42. Defendant Reddy did not transfer the assets promised and/or the assets were not as represented under the terms of the agreements.

43. Defendant Reddy's conduct as described in herein constitutes a breach of the agreements between the parties.

44. Plaintiff has been damaged in the amount of \$200,000.00 as well as suffering lost profits, incurring additional costs, attorney fees and other damages as a consequence of Defendant's breach.

WHEREFORE, Plaintiff requests that this honorable Court enter judgment in Plaintiff's favor in an amount in excess of \$25,000.00 plus interest, reasonable attorney fees and costs wrongfully incurred.

COUNT III

UNJUST ENRICHMENT

45. Plaintiff repeats by reference herein the preceding paragraphs.

46. On the dates set forth herein the Defendant Reddy made certain promises to Plaintiff regarding the transfer of assets that were represented as having value to Plaintiff.

47. Defendant's promise was clear, definite and unequivocal and was specifically made to induce Plaintiff to render Plaintiff's performance, to wit, payment of two hundred thousand (\$200,000.00) dollars.

48. In reliance upon the promises made by Defendant, and to his substantial detriment, Plaintiff performed all that was expected of him.

49. Despite Plaintiff's repeated requests and demands, Defendant has failed to transfer the assets promised and/or to return Plaintiff's money.

50. As a direct and proximate result of Defendant's failure to perform, Plaintiff has suffered damages in excess of \$25,000.00.

51. Defendant has been unjustly enriched as a result of his actions.

52. Plaintiff is entitled to a judgment of this Court compelling Defendant to return his money unjustly received from Plaintiff along with costs, attorney fees and interest.

WHEREFORE, Plaintiff respectfully requests that this honorable Court enter Judgment in his favor and order that Defendant return Plaintiff's money unjustly received and award Plaintiff attorney fees, costs, interest and any and all other damages this honorable Court deems just and fair.

COUNT IV

EXEMPLARY DAMAGES

53. Plaintiff incorporates by reference the preceding paragraphs as if set forth herein.

54. Defendant's representations were made intentionally and maliciously and have caused Plaintiff to suffer humiliation, outrage and indignation.

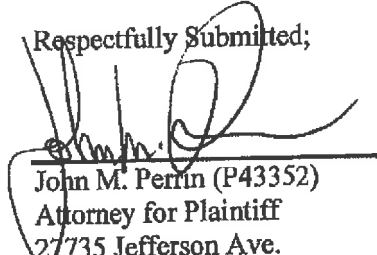
55. Defendant's conduct was intentional, improper, intended to defraud plaintiff and was at all times malicious and therein has cause Plaintiff to suffer harm in excess of what can be

compensated by ordinary damages, including mental anguish, stress, loss of sleep, and other emotional injuries which were and are the natural consequences of Defendant's actions.

WHEREFORE, Plaintiff Requests that this honorable Court enter judgment in his favor and against Defendant and award the following damages;

- a. Compensatory damages in an amount that is in excess of \$25,000.00 and that is sufficient to compensate Plaintiff for his actual, consequential and incidental losses sustained as a result of Defendant's wrongful actions.
- b. Exemplary damages in an amount in excess of \$25,000.00 resulting from Defendants intentional and malicious actions.
- c. Interest, costs and reasonable attorney fees.

Respectfully Submitted;



John M. Perrin (P43352)
Attorney for Plaintiff
27735 Jefferson Ave.
St. Clair Shores, MI 48081
(586) 773-9500

Dated: February 17, 2010

**AGREEMENT for the PURCHASE and SALE of CERTAIN BUSINESS ASSETS of
National Billing Corporation**

THIS AGREEMENT, made effective this 30th day of September, 2008, in the State of Michigan, and the County of Washtenaw.

WHEREAS, Tony Holmes or a corporate nominee (hereinafter known as "Buyer"), and National Billing Corporation, a Delaware Corporation, whose office is located at 110 W. 9th Street, Suite 302, Wilmington, DE 19801 (hereinafter known as "Seller") wishes to sell, and Buyer wishes to buy certain assets of National Billing Corporation (hereinafter known as the "Business") the following applies:

The total purchase price for the assets described below will be a total of \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon signing this contract, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 10 medical billing contracts, Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of a total of 20 clients, the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller.

Total purchase includes 20 medical billing contracts, where a minimum average of 7000 claims per month is received.

If the total average number of claims does not rise to a minimum of 7000 claims per month, after 20 clients have been assigned, then Seller will continue to provide additional clients until such a minimum is reached.

Seller will not receive any ongoing commissions, wages, franchise fees, or other accoutrements from Buyer after the total of \$100,000 has been paid. Seller will not independently contact clients after they have been assigned to Buyer, without the permission of Buyer.

Buyer will acquire on its own, a computer, high-speed Internet connection, a fax machine, and any other relevant items necessary for medical billing. Seller will provide a means to submit medical claims through the Internet.



Buyer will be responsible for any costs incurred as part of the normal course of business, if he chooses not to use a subcontractor.

Seller will replace any lost clients (if at no fault of the Buyer, including but not limited to, not submitting claims within 48 hours, poor customer service, altering the contract, diverting checks, etc.) within 1 year of placement. Seller will have sole discretion in determining the cause of losing a client.

Furthermore, Buyer will have the option to purchase an additional 8000 claims (for a total of 15,000 claims). Buyer must exercise this option by February 1st, 2009, in writing. If the option is exercised, the following terms will apply:

The total purchase price of any claims through the option will be \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon exercising the option, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 13 medical billing contracts (under the option), Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of 12 more clients (a total of 25 clients under the option), the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller. If the total average number of claims does not rise to a minimum 15,000 claims per month, then additional medical billing contracts will be provided until such a minimum is reached.

Witness our Hands and Seals this 30th day of September, 2008.


Seller


Buyer

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement, dated as of February 4, 2009 (hereinafter referred to as "Agreement") is entered into by and among the Seller, Vijay Reddy, (hereinafter referred to as the "Seller"), National Billing Corporation (hereinafter referred to as the "Company") and Tony Holmes (hereinafter referred to as the "Purchaser"). The parties, intending to be legally bound, hereto as follows:

1. Sale of Common Stock. Subject to the terms and conditions of this Agreement, Seller agrees to sell and the Company agrees to transfer and the Purchaser agrees to purchase from Vijay Reddy an aggregate of 2000 shares of Seller's Common Stock (the "Shares") at the purchase price of \$75.00 (Seventy-Five dollars US) per share. This 2000 shares represents 100% of shares available of the Company.

a) All parties acknowledge only a medical billing and marketing system is being sold. No other assets other than those relevant to medical billing and a medical marketing system for medical billing contracts are relevant to this agreement.

b) Stock value of the Seller includes website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors.

2. Payment of Purchase Price. The purchase price of the Shares is \$150,000 (One Hundred Fifty thousand dollars US). \$125,000 (One hundred twenty-five thousand dollars US) shall be paid by certified check at the time of the execution of this document and the balance of \$25,000 (Twenty-five thousand dollars US) will be paid and guaranteed by National Billing

EXHIBIT

2

Corporation as per the Note and Security Agreement, which are attached.

3. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that, the statements contained in the following paragraphs of this Section 4 are all true and correct as of the Closing Date:

- a) **Organization and Standing. Articles and Bylaws.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and Michigan and has all requisite corporate power and authority to carry on its business as now conducted.
- b) **Corporate Power.** Seller has all requisite legal and corporate power to enter into, execute and deliver this Agreement and the Warrant. This Agreement, and upon issuance, the Warrant will be valid and binding obligations of Company, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors rights.
- c) **Authorization.**
 - 1) **Corporation Action.** All corporate and legal action on the part of Seller, its officers, directors, and shareholders necessary for the execution and delivery of this Agreement, the sale and issuance of the Shares.
 - 2) **Valid Issuance.** The Shares issued will be validly issued and will be free of any liens, encumbrances; provided however, that the Securities may be subject to restrictions on transfer under state

and/or federal securities laws as set forth herein, and as may be required by future changes in such laws.

- d) **Government Consent Etc.** No Consent, approval, order or authorization of, or designation, registration, declaration or filing with, any federal, state, local or other governmental authority on the part of the Seller is required in connection with the valid execution and delivery of, this Agreement, sale or issuance of the Securities, other than, if required, filings or qualifications under the Delaware Corporate Securities Law or other applicable Blue Sky Laws, which filings or qualifications, if required, will be timely filed or obtained by Seller.

4. Representation and Warranties by Purchaser. Purchaser represents and warrants to Seller as of the Closing Date as follows:

- a) **Investment Intent: Authority.** This Agreement is made with Purchaser in reliance upon Purchaser's representation to Seller, evidenced by Purchaser's execution of this Agreement, that Purchaser is acquiring the Securities for investment for Purchaser's own account, not as a nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof, within the meaning of the Securities Act of 1933, as amended, (the "Securities Act") or the California Law. Purchaser has the full right, power, authority and capacity to enter into and perform this Agreement and the Agreement will constitute a valid and binding obligation upon Purchaser, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

- b) **Transfer Restrictions.** Purchaser covenants that in no event will it sell, transfer, dilute or otherwise dispose of any of the Securities without the express written consent of Mr. Vijay Reddy or until full satisfaction of the remaining \$25,000 which shall be paid by September 15, 2009.
- c) **Indemnification.** Seller will indemnify any past acts or omissions with regard to the Stock Purchase including, but not limited to tax liability, and Purchaser will indemnify for all post sale acts and omissions.

5. Legends. Seller will place the following legends on each certificate representing Securities:

The Securities represented hereby have not been registered under the Securities Act of 1933 as amended ("ACT") or any applicable state securities laws ("Blue Sky Laws"). Any transfer of such securities will be invalid unless a registration statement under the ACT or as required by Blue Sky Laws is in effect as to such transfer or in the opinion of counsel satisfactory to the Seller such registration is unnecessary in order for such transfer to comply with the ACT of Blue Sky Laws.

6. Miscellaneous.

- (a) **Waivers and Amendments.** Any provision of this Agreement may be amended, waived or modified upon the written consent of Mr. Vijay Reddy and Purchaser.
- (b) **Governing Law.** This Agreement, and all actions arising out of or in connection with this Agreement,

shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the conflicts of law provisions of any other state. The parties acknowledge and agree that the exclusive venue and jurisdiction of any dispute arising out of this Agreement shall be a federal or state court located in the County of Washtenaw in the State of Michigan.

- (c) **Entire Agreement.** This Agreement, together with the exhibits attached hereto, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.
- (d) **Survival.** The representations, warranties, covenants, and agreements made herein shall survive the execution and delivery of this Agreement.
- (e) **Notices, etc.** Any notice request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) upon receipt of personally delivered (ii) three (3) days after being mailed by registered or certified mail, postage prepaid, or (iii) one day after being sent by recognized overnight courier or by facsimile, if to Purchaser at 618 Mesa Ridge, San Antonio, TX 78258 or such other address or number as Purchaser shall have furnished to Seller in writing or if to Seller at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 or at such other address or number as Seller shall have furnished to Purchaser in writing.
- (f) **Validity.** If any provision of this Agreement shall be judicially determined to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

- (g) Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.
- (h) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.** Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities, under or by reason of this Agreement, except as expressly provided in this Agreement.
- (i) Non-Compete.** The Seller owner(s) and employees agree not to compete for a period of 5 years in the medical billing business without the express written consent of the Purchaser. However, in case of default of this Agreement or its related Exhibits, the non-compete will become void. Recognizing the financial importance of this particular marketing system to this particular business, Seller will not disclose or disseminate without written consent of the Buyer.
- (j) Training and Transition.** Seller will train Purchaser for a period of 60 days at no additional cost.
- (k) If Purchaser requests, after the 60 day transition period, Mr. Vijay Reddy can be hired as a consultant for the business at a rate of \$20/hour. At the option of the Purchaser, no monies need to be paid to Mr. Vijay Reddy until such time the Purchaser draws a salary or other payment for himself or one of his assigns. Specific assignments, hours to be worked, and requests will be mutually determined by Purchaser and Mr. Vijay Reddy.**

WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

Vijay Reddy, Seller

Signature:

Name:

Vijay Reddy

National Billing Corporation, Company

By:

Signature:

Title:

Vijay Reddy
Vijay Reddy
President

Tony Holmes, Purchaser:

Signature:

Name:

Tony Holmes
TONY HOLMES

Exhibit "A"

PROMISSORY NOTE

Twenty Five Thousand Dollars and 00/XX US.

Date: February 5, 2009

I, Tony Holmes, President, acting on behalf of National Billing Corporation, the undersigned, promises to pay to the order of Vijay Reddy, located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, in lawful money of the United States of America, the principal sum of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars, to be repaid as follows: One lump sum payment of \$25,000 US (Twenty Five Thousand Dollars and 00/xx US) shall be paid no later than September 15, 2009.

DEFAULT: If the above lump sum payment is not received by September 15th, 2009, a default will occur.

Security and repayment provisions are also contained in a document entitled "Security Agreement" as set forth in "Exhibit B" attached hereto.

If default be made in the performance of or compliance with any of said events, said principal sum thereon shall become at once due and payable at the option of holder thereof, and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate of bankrupt courts, then all cost of collection, including a reasonable sum for attorney fees shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned agrees to remain and continue bound for the payment of the principal provided for under the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principle, or any change or changes in the amount or amounts agreed to be paid under

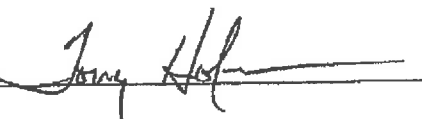
and by virtue of the obligation to pay provided for in this note and waive all and every kind of notice of such extension or extensions, change or changes, and agree that the same may be made without the joinder of the undersigned.

Each party understands that this is a legally binding document. Both parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to this agreement before signing it, have read this agreement and fully understand it. This note carries no interest.

It is expressly agreed and declared that this note is given for an actual loan of twenty Five Thousand Dollars and 00/xx (\$25,000.00).

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor: _____



National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

Exhibit "B"

Security Agreement

This Agreement, made effective this 5th day of February, 2009 in the State of Michigan and the County of Washtenaw.

I, Tony Holmes, President, and acting on behalf of National Billing Corporation, Inc. located at 618 Mesa Ridge, San Antonio, TX 78258, for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to Vijay Reddy, located 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, (hereinafter called "SECURED PARTY") a purchase money security interest in the following properties (hereinafter called "COLLATERAL"): and all of the records, customer lists, vendors, subcontractors, goodwill, inventory, name, marketing and trade secrets, website, and other non-tangible assets used in the operation of the Business known as National Billing Corporation, Inc. located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 in the amount of the remaining balance due, as set forth hereto, to secure the payment of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars as provided in the said Promissory Note of DEBTOR to SECURED PARTY, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called the "OBLIGATIONS").

DEBTOR hereby warrants and covenants:

- 1. That the COLLATERAL is used primarily for business use;**
- 2. That the COLLATERAL shall be kept at the place of business; and the DEBTOR shall notify SECURED PARTY in writing of any change in the location of the COLLATERAL prior to such change, and the DEBTOR shall not remove the COLLATERAL from the country or countries in which the COLLATERAL is presumably located without the written consent of SECURED PARTY;**

3. That should the addresses shown at the beginning of this agreement change, DEBTOR shall notify SECURED PARTY in writing of any change prior to such change;
4. That DEBTOR will permit SECURED PARTY, upon 30 days written notice, permission to inspect the ongoing operation at DEBTOR's location, including but not limited to the books and records as well as general operation.

DEBTOR further covenants and agrees that they will maintain insurance at all time with respect to all the COLLATERAL against such risks, in such amount, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to SECURED PARTY, such insurance to be payable to SECURED PARTY and DEBTOR as their interest may appear, that at the request of the SECURED PARTY all policies of insurance shall be delivered to it and held by it, that SECURED PARTY may work directly with Insuring parties in obtaining, adjusting, settling, and cancelling such insurance and endorsing any drafts; that DEBTOR will promptly pay when due all taxes and assessments upon the COLLATERAL; that at its option SECURED PARTY may discharge taxes, liens, or security interests or other encumbrances at any time levied or placed on the COLLATERAL, may pay for insurance on the COLLATERAL and may pay for the maintenance and preservation of the COLLATERAL; and that DEBTOR shall reimburse SECURED PARTY pursuant to the foregoing authorization.

DEBTOR shall keep the Franchise Fees, lease and/or mortgage payments on the business and premises current at all times. Should DEBTOR fail to do so, SECURED PARTY may declare DEBTOR to be in default and seek its remedies hereunder, and/or bring the lease payments current and add the amount of the principal balance remaining on the Note.

DEBTOR shall be free to transfer the COLLATERAL to any corporation in which the DEBTOR is the owner of at least two thirds (2/3) of the outstanding shares of stock, but any such transfer shall not be done in such manner so as to reduce the security of the SECURED PARTY in said assets, and SECURED PARTY may require personal guarantees from the DEBTOR.

DEBTOR shall not transfer any of the COLLATERAL to any other person or entity without the SECURED PARTY'S consent.

DEBTOR shall be in default if DEBTOR fails to pay any part of the remaining \$25,000 when due as set forth in the agreement dated this day. SECURED PARTY shall give written notice to DEBTOR that they are in default and DEBTOR shall have ten (10) days to make payment from date of written notice. This means that if the DEBTOR does not pay the debt and other obligations of the agreement when due, the COLLATERAL may be sold, repossessed, and/or removed in order to satisfy the debt under the agreements. Further, should the DEBTOR be in default at anytime, any and all non-compete and/or no solicitation agreements become null and void at the time of default. In the event of any default in the payment of the OBLIGATIONS secured by this Agreement or the performance of any covenant contained herein; or if any warranty, representation, or statement made or furnished to SECURED PARTY by DEBTOR proves to have been false in any material respect when made or furnished then SECURED PARTY under the laws of the State of Michigan, including, without limitation thereto, the right to take possession of the COLLATERAL and for that purpose SECURED PARTY may enter upon any premises on which the COLLATERAL or any part thereof may be situated and remove the same therefore. DEBTOR agrees, upon request of SECURED PARTY, to assemble the COLLATERAL and make it available to SECURED PARTY at a place designated by SECURED PARTY. Notice of the time and place of any public sale or of the time after which any private sale is made, when required by law, shall be deemed reasonable if given at least five (5) days before such sale. SECURED PARTY shall be entitled to reimbursement from DEBTOR for reasonable attorney's fees and costs incurred by SECURED PARTY in enforcing its rights hereunder.

The word DEBTOR, whenever used herein, shall be construed to mean and include the necessary grammatical changes required to make the provisions hereof apply to corporations or individual, men or women, singular or plural, as though in each case fully expressed. The provisions hereof shall, as the case may require, bind or inure to the benefit of, the respective heirs,

successors, legal representatives and assigns of DEBTOR and SECURED PARTY.

Each party to this agreement understands that this is a legally binding document. All parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to the agreement before signing it, have read this agreement and fully understand it.

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor:

Tony Holmes, PRESIDENT

National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

ADDENDUM TO CONTRACT DATED FEBRUARY 4, 2009

It is hereby stated and otherwise agreed that the following terms shall be applied to the stock purchase agreement dated February 4, 2009:

As part of this Agreement, and Addendum, Tony Holmes will void his agreement with regard to the block purchase dated on or about October 1, 2008, between him and National Billing Corporation that was signed and executed prior to this Stock Purchase Agreement. All clients as part of consideration of the Stock Purchase Agreement shall be assigned to Vijay Reddy individually.

Recognizing that Vijay Reddy will in turn work and sell this block of business, the restrictive covenant is hereby amended to allow Vijay Reddy to service and profit from the voided and assigned block of business described above. However, absence of this block, the full restrictive covenant will be deemed as in place and as written.

Vijay Reddy, Seller

Signature: *Vijay Reddy*

Name: Vijay Reddy

Date: 2/4/09

National Billing Corporation, Company

By: Vijay Reddy

Signature: *Vijay Reddy*

Title: 2/4/09

Tony Holmes, Purchaser:

Signature: *Tony Holmes*

Name: TONY HOLMES

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: Case No. 18-43079-mlo

Vijay Reddy, Chapter 7

Debtor. Hon. Maria L. Oxholm

Daniel M. McDermott,
United States Trustee, Adversary Case No.

Plaintiff,

v.

Vijay Reddy,

Defendant.

**COMPLAINT FOR REVOCATION OF DISCHARGE
UNDER 11 U.S.C. §§ 727(d)(1) and 727(a)(2), (3), (4) & (5)**

Daniel M. McDermott, United States Trustee, complains of the Defendant,
Vijay Reddy, as follows:

COMMON ALLEGATIONS

1. The Defendant is an individual who at the time his chapter 7 petition was originally filed, resided at 4269 Kingston, Milan, Michigan 48160.
2. The above-captioned proceeding was commenced by the filing of a voluntary Chapter 7 petition on March 8, 2018.

3. The Defendant were granted a discharge on August 24, 2018. This action is therefore timely under 11 U.S.C. § 727(e)(1).

4. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(J), over which this Court has jurisdiction pursuant to 28 U.S.C. § 1334.

5. Plaintiff Daniel M. McDermott is the United States Trustee for Region 9, comprised of the States of Michigan and Ohio.

6. The Defendant submitted bankruptcy schedules and a statement of financial affairs, signed under penalty of perjury. The Defendant also testified at his 341 Meeting of Creditors that his schedules and statement of financial affairs were true and correct.

7. The United States Trustee came into information, after Mr. Reddy's discharge was entered on August 24, 2018, that the Defendant knowingly and fraudulently failed to disclose required information in the course of his bankruptcy proceedings, and that assets had dissipated that could have otherwise been used to repay the Defendant's creditors.

8. Specifically, the United States Trustee became aware of the facts and subject matter giving rise to this cause of action on or after October 11, 2018 – the date that a putative creditor described below, Mr. Eli Johnson, left an initial telephone message for the U.S. Trustee trial attorney filing this complaint.

9. As further explained below, the Defendant ran a fraud scam along with several other individuals that duped unsuspecting investors into buying worthless corporate opportunities for significant sums of money. Those corporate opportunities were designed by Mr. Reddy and his co-conspirators to fail for the unsuspecting investors, and Mr. Reddy and his co-conspirators would abscond with the victim's investments – at least \$770,000 of which the United States Trustee knows about as of the date of this filing. When Mr. Reddy filed his bankruptcy case, he omitted these victims as creditors of his, and further failed to explain the dissipation of the \$770,000 or more of their investment money. Mr. Reddy also lied on his bankruptcy schedules and at his 341 meeting of creditors – he testified he had been unemployed since at least the year prior to his filing, when in fact he was still working in the same capacity he had previously been during the fraud scheme, and duped a new investor out of another \$75,000 only days after Mr. Reddy's meeting of creditors. His discharge should be revoked as a result.

The Fraud Scheme to Sell Worthless Corporate Opportunities.

10. Three main individuals were involved in the fraudulent scheme described in this complaint: David Weinstein, a resident of Nevada who has business interests in New Jersey, Kevin Brown, a resident of New Jersey, and the Defendant (collectively, "the Co-Conspirators").

11. The Co-Conspirators controlled various real or fake corporate entities described below, and would use those corporate entities to further the fraudulent scheme.

12. Generally, each victim known at this time by the United States Trustee would respond to an advertisement purporting to sell corporate opportunities – in every case known to the United States Trustee at this time, the corporate opportunity was generally for the purchase of answering service rights for doctor's offices, or to support their medical billing for their practices.

13. For example, many victims described below were induced to purchase answering-machine routing rights for medical offices. The victims believed they were purchasing guaranteed contracts to handle after-hours messages left at those offices, which they could charge between \$60 and \$70 monthly for those services. In turn, they would serve as a middle-man routing those calls to an overseas facility that would charge the victims roughly \$30 to \$40 monthly to handle each office's calls. In this way, the victims were induced to believe that money could be made simply by routing the medical office's calls overseas with very little effort on their own.

14. In most instances, the first individual that the victims would receive communication from was either Mr. Weinstein, through a brokerage company he

controlled called Tannenbaum & Milask, or Mr. Brown through either Tannenbaum & Milask or another company called Visionary Business Brokers.

15. From there, conference calls were often set up with the Co-Conspirators, and prospective materials about the business opportunities were transmitted to the victims outlining projected cash flow and likely returns on investment – both the materials themselves and the statements by the Co-Conspirators prior to the signing of purchase agreements were fraudulent inducements to close the sales.

16. The purchase agreements varied, but generally the victims would be buying a guaranteed number of medical offices that the Co-Conspirators were contractually obligated to bring to the victims during a specific time period. For example, one victim spent \$240,000 to purchase 1,200 client accounts for a 14-month time frame – which at \$60 per month per account, would net \$1,008,000 for the victim during that time. Factoring out \$40 per month for the overseas call center's cost, the victim would still expect to make \$336,000 during those 14 months on his original \$240,000 investment.

17. Generally, a purchase agreement would be signed between the victim and Mr. Reddy as the owner or operator of a third-party entity, and funds would change hands from the victims to the Co-Conspirators.

18. After consummating the deal, the Co-Conspirators would send only minimal medical office leads to the victims to be serviced, and when the victims complained about the lack of such medical offices being sent to them, the Co-Conspirators would generally blame the victims and accuse them of somehow breaching their agreement. The Co-Conspirators would eventually cease communication with the victims, and abscond with the funds received from the victims.

The Pre-Petition Fraud Victims.

Camille Batiste

19. Camille Batiste (“Batiste”) is a resident of the state of Illinois, residing at 600 Southbrooke Drive, Decatur, Illinois 62521.

20. In late 2016, Batiste invested \$75,000 in the Co-Conspirators’ fraud scheme.

21. Emails between Mr. Brown at Tannenbaum & Milask, and Batiste began on October 11, 2016, when Mr. Brown sent Batiste a non-disclosure agreement for a medical business opportunity.

22. Business prospectus materials were sent to Batiste with the Tannenbaum & Milask logo as well as an entity called Revenue Asset Services. Those materials outlined how, for \$75,000 down and an additional \$50,000 due over

three years, Batiste could expect to recoup net profits of \$135,600 per year over six years.

23. On December 13, 2016, a corporate entity Batiste controlled signed a purchase agreement with American Medical Answering Services, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling corporate entity.

24. In that purchase agreement, the seller agreed to deliver 300 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Batiste paid \$75,000 immediately, and pledged an additional \$50,000 from a promissory note.

25. In total, Batiste received only 12 such accounts, not the 300 contracted for.

26. When Batiste contacted the Co-Conspirators about their failure to perform, she received excuses originally and then later silence. They refused to return her money, and eventually stopped responding to her communications after a few months.

Nadeem Fatmi

27. Nadeem Fatmi ("Fatmi") is a resident of the state of Georgia, residing at 1225 Kincaid Road, Marietta, Georgia 30066.

28. In 2016, Fatmi invested \$75,000 in the Co-Conspirators' fraud scheme.

29. In late December 2016, Fatmi saw an advertisement on the internet for an opportunity to purchase after-hours call support for medical offices, through Mr. Brown as a broker with Tannenbaum & Milask.

30. On November 29, 2016, a corporate entity Fatmi controlled signed a purchase agreement with American Medical Answering Service, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity.

31. In that purchase agreement, the seller agreed to deliver 300 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Fatmi paid \$75,000 immediately, and pledged an additional \$50,000 from a promissory note.

32. In total, Fatmi received only 8 such accounts in the 3.5 months after the purchase agreement was signed, not the 300 contracted for.

33. When Fatmi contacted the Co-Conspirators about their failure to perform, she received excuses originally and then later silence. They refused to return her money, and eventually stopped responding to her communications after a few months.

Steven Sami

34. Steven Sami ("Sami") is a resident of the state of Florida, residing at 2502 Delaney Avenue, Orlando, Florida 32806.

35. In 2016, Fatmi invested \$75,000 in the Co-Conspirators' fraud scheme.

36. On November 1, 2016, Sami signed a purchase agreement with American Medical Answering Service, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity, but the signature line shows he is signing for an entity known as Revenue Asset Services, not American Medical Answering Service, LLC.

37. In that purchase agreement, the seller agreed to deliver 300 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Sami paid \$75,000 immediately, and pledged an additional \$50,000 from a promissory note.

38. In total, Sami received only 12 such accounts in the months after the purchase agreement was signed, not the 300 contracted for.

39. When Sami contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Sami's money, and eventually stopped responding to Sami's communications after a few months.

Gerson Benoit & Desiree Cortes

40. Gerson Benoit (“Benoit”) and Desiree Cortes (“Cortes”) are a married couple and residents of the State of Pennsylvania, residing at 965 Brookwood Drive, Pottstown, Pennsylvania 19464.

41. In 2016, Benoit and Cortes invested \$45,000 in the Co-Conspirators’ fraud scheme.

42. On November 1, 2016, Benoit signed a purchase agreement with an entity known as Revenue Asset Services. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity.

43. In that purchase agreement, the seller agreed to deliver 100 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Benoit paid \$45,000 immediately, and pledged an additional \$10,000 from a promissory note. The funds were wired from an account in Cortes’ name.

44. In total, Benoit received only 10 such accounts in the months after the purchase agreement was signed, not the 100 contracted for.

45. When Benoit and Cortes contacted the Co-Conspirators about their failure to perform, they received excuses originally and then later silence. They refused to return Benoit and Cortes’ money, and eventually stopped responding to their communications after a few months.

Paul Volen

46. Paul Volen ("Volen") is a resident of the state of Florida, residing at 215 Pablo Road, Ponte Vedra Beach, Florida 32082.

47. In 2016, Volen invested \$75,000 in the Co-Conspirators' fraud scheme.

48. On August 19, 2016, Volen signed a purchase agreement with Revenue Asset Services, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity.

49. In that purchase agreement, the seller agreed to deliver 300 medical collection contracts whose total annual uncollected receivables will average \$3,000,000. For this, Volen paid \$75,000 immediately, and pledged an additional \$50,000 from a promissory note.

50. In total, Volen received only 10 such accounts in the months after the purchase agreement was signed, not the 300 contracted for.

51. When Volen contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Volen's money, and eventually stopped responding to Volen's communications after a few months.

Michael Bradley

52. Michael Bradley (“Bradley”) is a resident of the state of Illinois, though his exact address is not known to the U.S. Trustee at the time of the filing of this complaint.

53. In 2016, Bradley invested \$240,000 in the Co-Conspirators’ fraud scheme.

54. On October 13, 2016, Bradley signed a purchase agreement with Revenue Asset Services, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity.

55. In that purchase agreement, the seller agreed to deliver 1200 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Bradley paid \$240,000 immediately, which he paid for by taking out a bank loan.

56. In total, Bradley received only 35 such accounts in the months after the purchase agreement was signed, not the 1200 contracted for.

57. When Bradley contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Bradley’s money, and eventually stopped responding to Bradley’s communications after a few months.

Craig Sylverston

58. Craig Sylverston (“Sylverston”) is a resident of the state of Florida, residing at 12366 Sunchase Drive, Jacksonville, Florida 32246.

59. In 2015, Sylverston invested \$30,000 in the Co-Conspirators’ fraud scheme.

60. On October 15, 2015, Sylverston signed a purchase agreement with MedAsset Management Company, LLC. Mr. Weinstein signed and initialed the purchase agreement on behalf of the selling entity.

61. In that purchase agreement, the seller agreed to deliver 100 medical debt accounts with total average uncollected receivables of \$1.5 million. For this, Sylverston paid \$30,000 immediately, and pledged an additional \$25,000 from a promissory note.

62. In total, Sylverston received only 43 such accounts in the months after the purchase agreement was signed, not the 300 contracted for.

63. When Sylverston contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Sylverston’s money, and eventually stopped responding to Sylverston’s communications after a few months.

Kaplana Dugar

64. Kaplana Dugar (“Dugar”) is a resident of the state of Pennsylvania, residing at 9004 Pembroke Court, Pittsburgh, Pennsylvania 15237.

65. In 2016, Dugar invested \$155,000 in the Co-Conspirators’ fraud scheme.

66. On November 16, 2016, Dugar signed a purchase agreement with American Medical Answering Service, LLC. Mr. Reddy signed and initialed the purchase agreement on behalf of the selling entity.

67. In that purchase agreement, the seller agreed to deliver 1000 medical answering service contracts at a minimum charge of \$69 per office per month. For this, Dugar paid \$155,000 immediately, and pledged an additional \$75,000 from a promissory note.

68. In total, Dugar received only 11 such accounts in the months after the purchase agreement was signed, not the 1,000 contracted for.

69. When Dugar contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Dugar’s money, and eventually stopped responding to Dugar’s communications after a few months.

Mr. Reddy and the Other Co-Conspirators Defrauded the Victims.

70. Mr. Reddy, Mr. Weinstein and Mr. Brown, through the entities they either directly controlled or were associated with as described above, fraudulently

induced the above-described victims to give them significant sums in exchange for business opportunities the Co-Conspirators had no intention of ever making good on.

71. Each of the above-described victims has a “claim” against Mr. Reddy’s bankruptcy estate, as that term is defined in 11 U.S.C. § 101(5)(A). There are likely more such victims not known to the United States Trustee as of the filing of this complaint.

72. On information and belief, based on his communications with the victims and his responses to their demands for return of their money, Mr. Reddy is aware of the claims held by the victims described above.

73. None of the victims described above are listed as creditors in Mr. Reddy’s bankruptcy documents – despite what Mr. Reddy may argue is the unliquidated and/or disputed nature of those claims. Mr. Reddy’s failure to disclose these creditor claims constitute false oaths for each such victim.

74. The victims described above gave at least \$770,000 to Mr. Reddy and his co-conspirators in the years leading up to Mr. Reddy’s bankruptcy filing, as can be seen from the chart below summarizing the relevant paragraphs above:

Batiste:	\$75,000
Fatmi:	\$75,000
Sami:	\$75,000
Benoit & Cortes:	\$45,000
Volen:	\$75,000

Bradley:	\$240,000
Silverston:	\$30,000
<u>Dugar:</u>	<u>+\$155,000</u>
Total:	\$770,000

75. The \$770,000 received by Mr. Reddy and the Co-Conspirators, if still available, could otherwise have paid a significant portion of Mr. Reddy's creditor claims in this bankruptcy case.

76. To date, Mr. Reddy has offered no explanation, let alone a satisfactory explanation, for the dissipation of those funds.

77. To date, Mr. Reddy has provided no documents to explain the business transactions evidencing the dissipation of those funds.

Mr. Reddy's Bankruptcy Filing and 341 Meeting.

78. Mr. Reddy filed his bankruptcy petition on March 8, 2018.

79. Mr. Reddy filed his schedules and statement of financial affairs on or about March 21, 2018 [*see* Doc. No. 9]. All of those documents were signed by Mr. Reddy under penalty of perjury.

80. Mr. Reddy does not disclose the victims described above anywhere in his bankruptcy documents – most notably, they are omitted from his Schedule E/F list of unsecured creditors.

81. Mr. Reddy also does not disclose the \$770,000 as historical income in his Statement of Financial Affairs, which required disclosure of all income

received within the two years prior to the bankruptcy filing on Questions 4 and 5 of that document.

82. Mr. Reddy's Schedule I also discloses that he is unemployed.

83. Mr. Reddy appeared and testified under oath at his 341 meeting of creditors on April 18, 2018.

84. At that meeting of creditors, Mr. Reddy testified under oath that he has not worked since 2016. As described below, this was also false – Mr. Reddy continued to be involved in the fraud scam described above after that time, and defrauded at least one additional investor post-petition as described below. His 341 testimony about his employment was also false.

The Co-Conspirators Defraud Another Victim Post-Petition.

85. Seth Johnson is the Chief Operating Officer of an entity known as Liberty Consulting & Management Services, LLC.

86. In early 2018, *while Mr. Reddy's bankruptcy case was pending*, Mr. Johnson invested \$75,000 in the Co-Conspirators' fraud scheme.

87. On May 3, 2018 – less than three weeks after Mr. Reddy testified he had been unemployed since at least 2016, Mr. Johnson signed a purchase agreement with MedAsset Corporation. Mr. Weinstein signed the contract on behalf of the selling entity.

88. In that purchase agreement, the seller agreed to deliver 60 medical practice accounts with outstanding average annual receivables of \$5,000,000. For this, Mr. Johnson's company paid \$75,000 immediately, and signed a promissory note for an additional \$50,000.

89. Within days of Mr. Johnson signing the purchase agreement, Mr. Reddy ran the on-boarding meeting with Mr. Johnson to begin to implement the business asset transition – which, of course, was a scam just like the other victims described above were subjected to.

90. Mr. Reddy continued to communicate directly with Mr. Johnson on behalf of the Co-Conspirators until August 2018, when they ceased communications with Mr. Johnson.

91. In total, Mr. Johnson received only 3 such accounts in the months after the purchase agreement was signed, not the 60 contracted for.

92. When Mr. Johnson contacted the Co-Conspirators about their failure to perform, he received excuses originally and then later silence. They refused to return Mr. Johnson's money, and eventually stopped responding to Mr. Johnson's communications after a few months.

93. It therefore appears that Mr. Reddy's involvement with the fraud scam, and his likely derivation of income from that fraud scam, continued through

2017 and into 2018. Mr. Reddy's testimony at his meeting of creditors that he had no income sources and had not been employed since 2016 was therefore false.

94. To date, Mr. Reddy has not explained what became of the \$75,000 Mr. Johnson paid to the Co-Conspirators, nor has he provided any documentation to explain the dissipation of those assets.

95. The United States Trustee had no knowledge of the information included above until after the Court entered the Order Discharging Debtor on August 24, 2018.

**COUNT I
REVOCATION OF DISCHARGE PURSUANT
TO 11 U.S.C. § 727(d)(1) and 11 U.S.C. § 727(a)(2)**

96. Plaintiff hereby incorporates and restates paragraphs 1 through 95 as if fully stated herein.

97. In accordance with 11 U.S.C. § 727(d), on request of the trustee, a creditor, or the United States Trustee, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if "such discharge was obtained through fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge." 11 U.S.C. § 727(d)(1).

98. The Defendant's discharge was obtained through fraud by committing acts proscribed by 11 U.S.C. § 727(a)(2) that were not known by the United States Trustee before the Court granted the discharge on August 24, 2018.

99. In accordance with 11 U.S.C. § 727(a)(2), the Court shall grant the Debtor a discharge unless - -

the debtor, with the intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under this title, has transferred, removed, destroyed, mutilated or concealed, or has permitted to be transferred, removed, destroyed, mutilated, or concealed - -

(A) property of the debtor, within one year before the date of the filing of the petition; or

(B) property of the estate, after the date of the filing of the petition.

100. As set forth above, the Defendant, with the intent to hinder, delay or defraud a creditor, has transferred, removed, destroyed, mutilated or concealed property, before and after the filing of the Petition, and has continued to conceal his financial transactions and dealings after the filing of the Petition with the intent to further hinder, delay or defraud his creditors and their collection efforts.

101. The Defendant's failure to disclose and to continue to conceal the existence, transfer or disposition of assets as set forth above constitutes an intent to hinder, delay, or defraud a creditor or an officer of the estate, pursuant to 11 U.S.C. § 727(a)(2).

102. The United States Trustee did not know of the Defendant's fraudulent conduct described above until after the Court granted the Defendant's discharge on August 24, 2018.

WHEREFORE, Plaintiff Daniel M. McDermott, United States Trustee, respectfully requests that this Honorable Court revoke Defendant's discharge under 11 U.S.C. §§ 727(d)(1) and 727(a)(2).

COUNT II
REVOCATION OF DISCHARGE PURSUANT TO
11 U.S.C. § 727(d)(1) and 11 U.S.C. § 727(a)(3)

103. Plaintiff hereby incorporates and restates paragraphs 1 through 102 as if fully stated herein.

104. In accordance with 11 U.S.C. § 727(d), on request of the trustee, a creditor, or the United States Trustee, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if "such discharge was obtained through fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge." 11 U.S.C. § 727(d)(1).

105. The Defendant's discharge was obtained through fraud by committing acts proscribed by 11 U.S.C. § 727(a)(3) that were not known by the United States Trustee before the Court granted the discharge on August 24, 2018.

106. In accordance with 11 U.S.C. § 727(a)(3), the Court shall grant the Debtor a discharge unless - -

the debtor has concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which the debtor's financial condition or business transactions might be ascertained, unless such act or failure to act was justified under all of the circumstances of the case[.]

107. As set forth above, the Defendant has failed to provide, and thus either concealed, destroyed, falsified, or failed to keep information, including books, documents, records and papers from which his financial condition or business transactions might be ascertained for himself personally.

108. The Defendant's actions and/or failure to act as described herein do not appear justified under all of the circumstances of this case.

109. The United States Trustee did not know of the Defendant's fraudulent conduct described above until after the Court granted the Defendant's discharge on August 24, 2018.

WHEREFORE, Plaintiff, Daniel M. McDermott, United States Trustee, respectfully requests that this Honorable Court revoke Defendant's discharge under 11 U.S.C. §§ 727(d)(1) and 727(a)(3).

COUNT III
REVOCATION OF DISCHARGE PURSUANT TO
11 U.S.C. § 727(d)(1) and 11 U.S.C. § 727(a)(4)

110. Plaintiff hereby incorporates and restates paragraphs 1 through 109 as if fully stated herein.

111. In accordance with 11 U.S.C. § 727(d), on request of the trustee, a creditor, or the United States Trustee, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if “such discharge was obtained through fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge.” 11 U.S.C. § 727(d)(1).

112. The Defendant’s discharge was obtained through fraud by committing acts proscribed by 11 U.S.C. § 727(a)(4) that were not known by the United States Trustee before the Court granted the discharge on August 2, 2017.

113. In accordance with 11 U.S.C. § 727(a)(4), the Court shall grant the Debtors a discharge unless - -

the debtor knowingly and fraudulently, in or in connection with the case

- -

- (A) made a false oath or account;
- (B) presented or used a false claim;
- (C) gave, offered, received, or attempted to obtain money, property, or advantage or a promise of money, property or advantage, for acting or forbearing to act; or

(D) withheld from an officer of the estate entitled to possession under this title, any recorded information, including books, documents, records and papers relating to the debtor's property or financial affairs.

114. As set forth above, it appears that the Debtor has not fully and accurately described his assets, financial dealings, creditors, employment history, and transfers of assets, and thus has made numerous false oaths in his written and oral statements under oath in violation of 11 U.S.C. § 727(a)(4)(A).

115. The United States Trustee did not know of the Defendant's fraudulent conduct described above until after the Court granted the Defendant's discharge on August 24, 2018.

WHEREFORE, Plaintiff Daniel M. McDermott, United States Trustee, respectfully requests that this Honorable Court revoke Defendant's discharge under 11 U.S.C. §§ 727(d)(1) 727(a)(4).

**COUNT III
REVOCATION OF DISCHARGE PURSUANT TO
11 U.S.C. § 727(d)(1) and 11 U.S.C. § 727(a)(5)**

116. Plaintiff hereby incorporates and restates paragraphs 1 through 115 as if fully stated herein.

117. In accordance with 11 U.S.C. § 727(d), on request of the trustee, a creditor, or the United States Trustee, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if "such discharge

was obtained through fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge.” 11 U.S.C. § 727(d)(1).

118. The Defendant’s discharge was obtained through fraud by committing acts proscribed by 11 U.S.C. § 727(a)(4) that were not known by the United States Trustee before the Court granted the discharge on August 24, 2018.

119. In accordance with 11 U.S.C. § 727(a)(5), the Court shall grant the Debtor a discharge unless - -

the debtor has failed to explain satisfactorily, before determination of denial of discharge under this paragraph, any loss of assets or deficiency of assets to meet the debtor's liabilities[.]

120. As set forth above, the Defendant has failed to explain satisfactorily the loss of deficiency of assets to meet his liabilities, including but not limited to the dissipation of the \$770,000 in pre-petition funds and the \$75,000 in post-petition funds from the fraud scheme described above.

121. The United States Trustee did not know of the Defendant’s fraudulent conduct described above until after the Court granted the Defendant’s discharge on August 24, 2018.

WHEREFORE, Plaintiff Daniel M. McDermott, United States Trustee, respectfully requests that this Honorable Court revoke Defendant’s discharge under 11 U.S.C. §§ 727(d)(1) 727(a)(5).

Respectfully submitted,

DANIEL M. McDERMOTT
UNITED STATES TRUSTEE
Region 9

By /s/ Sean M. Cowley
Trial Attorney
Office of the U.S. Trustee
211 West Fort St - Suite 700
Detroit, Michigan 48226
(313) 226-3432
Sean.Cowley@usdoj.gov
[P72511]

Dated: November 15, 2018

Exhibit 12

Exhibit 12

BREAKING NEWS Boy dies after being struck by SEPTA bus in Wissinoming

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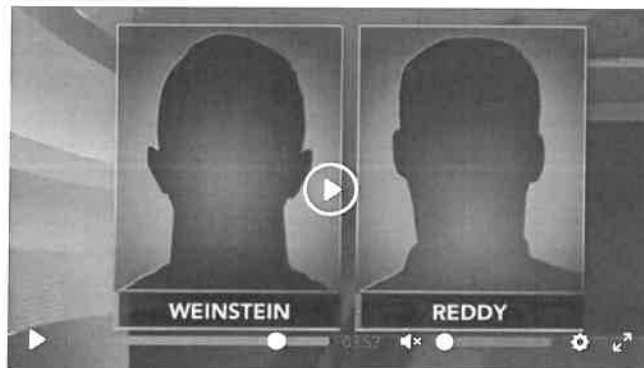
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Investigation: Men accused of selling bogus businesses



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MORE VIDEOS

Investigation: Men accused of selling bogus businesses. Chad Pradelli reports during Action News at 11pm on June 1, 2018.

By Chad Pradelli

Friday, June 01, 2018

CHERRY HILL, N.J. (WPVI) -- Two men are accused of selling fraudulent businesses, and Action News identified more than a dozen alleged victims around the country during a year-long investigation.

As it turns out, one of the alleged con artists has been operating out of Cherry Hill, New Jersey.

Steve Sami is an alleged victim out of Florida.

"They will take your money, they will string you along. They have no morals and conscience and you will lose every penny you have."

David Weinstein of Cherry Hill, New Jersey and Jay Reddy of Michigan say they sign medical practices up for billing, transcription, and/or collection services and then sell those contracts to investors who want to manage the businesses.

But some investors tell Action News those companies are bogus, and that they've lost more than \$1.3 million with one or both of these men since 2010.

Sami says, "I've made probably, in the whole process, a couple hundred dollars."

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Father of missing 6-year-old boy: 'I thought they

EXHIBIT 5
1903

Weinstein's marketing materials say, "We do the hard part. We get the doctors under contract for you." Buyers get what's called a Triple Play of all three businesses for \$125,000.

According to a sales brochures, buyers get "a clear and direct approach to profitability." Steve Sami says his contract with Jay Reddy promised 300 medical answering service contracts.

But in the two years since, he says he's received just a few. Sami and others have filed complaints with their state attorneys general.

"Within a month I texted him and said something feels strange and the contracts aren't coming, and he basically said he had a death in the family and it's the holidays. He told me it will pick up."

But he says it never did and that when he threatened to expose Reddy after learning of other alleged victims, a man claiming to be David Weinstein called out of the blue and left a profanity-laced voicemail.

Action News has learned at least three alleged victims have sued Weinstein and or Reddy over the years. Attorney John Perrin represented an alleged victim out of Michigan who sued Reddy in 2010.

"It was really just an empty shell and there was nothing to it," Perrin said.

He says Reddy was constantly reselling the business but never delivering contracts with physicians, "There were literally dozens of these entities and when you looked at who created them, it was coming back to either Vijay Reddy or David Weinstein."

Perrin won \$200,000 in court but says he's never been able to collect and just last month Reddy filed for bankruptcy.

Two Georgia men sued Weinstein in Federal court in 2012. In court papers, Weinstein denied any wrongdoing. He and other defendants later agreed to a confidential settlement. Action News has also learned Weinstein was convicted of health insurance fraud in 2002.

Sami says he wants his money back and justice for himself and other victims.

"I believe the FBI should be involved, the IRS. Money should be recouped and given back to the people who lost it," Sami said.

Both Reddy and Weinstein refused our request for comment. We tracked down Weinstein to a Cherry Hill condo and he actually called police on us, accusing us of harassment.

Officially, the FBI says it cannot confirm or deny they're investigating. But since our investigation began, several alleged victims tell us they've been interviewed by agents.

Weinstein is still selling the business model and living in Las Vegas.

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1

TRENDING



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MORE NEWS

Exhibit 13

Exhibit 13

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

ANTHONY E. HOLMES,

Plaintiff,

v.

10- 210 -CK

VIJAY REDDY,

Archie C. Brown

Defendant.

JOHN M. PERRIN, PC
JOHN M. PERRIN (P43352)
Attorney for Plaintiff
27735 Jefferson Ave.
St. Clair Shores, MI 48081
586-773-9500
Fax: 586-773-3475
johnmperrin@sbcglobal.net

FILED
WASHTENAW COUNTY, MI
2010 MAR - 2 P 4: 14
LAWRENCE M. PERRIN, PC
COUNTY CLERK/RECORDS

There is no other matter pending or resolved in this or any other court of competent jurisdiction between these parties and which arises out of the transactions and occurrences alleged herein.


John M. Perrin (P43352)

COMPLAINT
AND
DEMAND FOR JURY TRIAL

NOW COMES the Plaintiff, by and through his attorney, John M. Perrin, PC and for his Complaint states as follows;

Jurisdiction

1. The Plaintiff, Anthony E. Holmes is a resident of the State of Texas.

2. The Defendant Vijay Reddy is a resident of the State of Michigan, County of Washtenaw, City of Ypsilanti.

3. The underlying facts giving rise to this cause of action occurred within the State of Michigan, County of Washtenaw.

4. Jurisdiction and venue are properly laid with this Court.

GENERAL ALLEGATIONS

5. During the summer of 2008, the Defendant Reddy began soliciting through advertisements in newspapers for the sale of what he referred to as "assets"; these assets were represented to by medical billing contracts which Reddy represented would generate revenue through debt collections.

6. Essentially, Defendant Reddy was representing that he was in the medical billing/collection business, collecting medical debts for doctors throughout the United States through a corporation called "National Billing Company, Inc." which he represented was a "non-profit" corporation registered with the State of Delaware.

7. After Plaintiff responded to Reddy's add, Reddy represented to Plaintiff that he would sell Plaintiff bundles of medical billing contracts which Reddy claimed were assets held by his corporation, National Billing Company, Inc.

8. During several discussions Reddy described the financial benefits and mechanisms through which Plaintiff would receive passive income by utilizing Ann Sinha of Katonia Tech Solutions to process the claims. According to Reddy, Plaintiff would be able to charge \$2.99 for each claim collected and would split that fee with Sinha.

9. Based upon these representations, Plaintiff and Reddy entered into an *"Agreement for the Purchase and Sale of Certain Business Assets of National Billing*

Corporation" (herein after referred to as the "Asset Agreement") on September 30, 2008. (Attached **Exhibit 1**).

10. According to the terms of the Asset Agreement, Reddy would transfer to Plaintiff 20 medical billing contracts that would generate gross revenue of ten thousand five hundred (\$10,500.00) dollars per month. Reddy also guaranteed that these medical billing contracts would generate a minimum of 7,000 in claims per month.

11. After receiving Plaintiff's initial payment of fifty thousand dollars, Reddy represented that he began transferring the medical billing claims to Sinha/Katonia Tech Solutions.

12. In exchange for the "assets" Plaintiff paid Reddy seventy five thousand (\$75,000.00) dollars total in two payments. The last payment of twenty five thousand (\$25,000.00) was made by Plaintiff on December 8, 2009.

13. By December 8, 2009, the "assets" sold to Plaintiff and supposedly transferred to Sinha/Katonia had generated no revenues for Plaintiff but Reddy continued to provide assurances that revenues were in fact being generated and would shortly be recieved.

14. At or around this time, Reddy suggested to Plaintiff that he would be willing to sell Plaintiff his entire company, National Billing Corporation, Inc. (herein after referred to as "NBC"). Reddy proposed that this sale would be a sale of 100% of Reddy's stock in this company.

15. Defendant Reddy made numerous representations about NBC to Plaintiff to induce him to purchase the company, including;

- a. That for a "marketing cost" of \$40,000.00 per month, 40 new medical billing contracts would be generated each month;
- b. That "*this [business] model has been tested for the last 2 years successfully*";

- c. That NBC was a profitable company;
- d. That *"The company employs a handful of employees, who are able to attract more American based medical billing contracts and medical debt collection contracts than any other billing or collection company in the world, including publicly traded companies."*
- e. That the company's success was due to *"the unique marketing formula, which would be transferred to the new owner"* generating monthly income of at least Forty seven thousand (\$47,000.00) each month.
- f. Reddy represented that as part of the sale Plaintiff would receive NBC's *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."*
- g. That the company's "unique marketing methodology" would generate "more doctors (medical billing contracts) then you can handle..."
- h. That NBC had no liabilities whatsoever and had operated on as *"100% cash based business, with no loans or credit"* obligations; meaning the company was debt free, and;
- i. That Reddy and his employees would not compete with NBC for a period of five years.

16. Between January 1, 2009 and February 5, 2009, Defendant Reddy introduced Plaintiff to David Weinstein who Reddy represented was the prior owner of NBC and who would vouch for the profitability of the company.

17. Based upon the representation of Defendant Reddy, on February 5, 2009, Plaintiff entered into a second contract with Reddy, a *"Stock Purchase Agreement"*. (Exhibit 2).

18. According to the Stock Purchase Agreement Reddy represented that the Stock value of the Seller includes *"website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and*

future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors."

19. Reddy represented to Plaintiff that he would apply the previously received seventy five thousand (\$75,000.00) dollars and would accept an additional one hundred twenty five thousand (\$125,000.00) for Reddy's 100% stock interest in NBC.

20. In total, Plaintiff had paid Defendant Reddy two hundred thousand (\$200,000.00) dollars for the stock and assets Reddy claimed he was selling to Plaintiff.

21. After receiving an additional one hundred twenty five thousand (\$125,000.00) dollars from Plaintiff on February 5, 2009, Defendant Reddy failed to transfer any of the "assets" he had claimed represented the value of the stock. Plaintiff never received the website, software, marketing methodology, trade secrets, or mailing lists.

22. After the sale was completed, Plaintiff questioned Defendant Reddy regarding irregularities about the sources of income and documentation for deductions. Defendant Reddy then represented that he was unable and/or unwilling to provide back up for the financial records of the company.

23. Following the stock sale, Plaintiff repeatedly requested the prior years tax returns.

24. Contrary to the representations made by Defendant Reddy, Plaintiff learned that NBC was not a profitable company at all nor was it without debt. In addition, its status as a non-profit company was at best questionable.

25. After paying Defendant Reddy for the stock and "assets" of NBC, Plaintiff made several discoveries including that NBC's website was not owned by NBC; it was owned by David Weinstein.

26. After Plaintiff demanded the "software" that Defendant Reddy had touted as being part of the sale, Defendant Reddy informed Plaintiff that "there is no software".

27. Following payment by Plaintiff, Defendant Reddy also told Plaintiff that the "unique marketing methodology" was to hire David Weinstien to perform the marketing function.

28. As it was then disclosed by Defendant Reddy, the "marketing methodology" required paying David Weinstein forty thousand (\$40,000.00) dollars per month.

29. Subsequent to the stock sale, Plaintiff learned that Defendant Reddy and David Weinstein had incorporated another entity in Nevada called "National Billing Corporation" on November 14, 2008.

30. As discovered by Plaintiff following the fraudulent stock sale, NBC was in fact a sham corporation with no assets, no profitability, numerous liabilities and a questionable designation as a non-profit corporation under Delaware law.

31. In sum, Defendant Reddy, with others, engaged in a "confidence scheme" intended to defraud Plaintiff out of hundreds of thousands of dollars.

COUNT I
FRAUD, FRAUD IN THE INDUCEMENT
RECISSION

32. Plaintiff repeats by reference the preceding paragraphs by reference herein.

33. At all times relevant to this action, Defendant Reddy made representations to Plaintiff intending Plaintiff to rely upon those representations when entering into the two contracts described herein.

34. At all times relevant Defendant Reddy knew or should have known that the representations he and his agents were making to Plaintiff were misleading and/or deliberately false.

35. Plaintiff did rely upon Defendant Reddy's representations and in reliance thereon paid Reddy two hundred thousand (\$200,000.00) dollars.

36. As a direct and proximate cause, Plaintiff has been damage in that he has been defrauded of his money in the means set forth herein.

37. Based upon the intentional or reckless misrepresentations made by Defendant Reddy the two agreements at issue here are void and/or voidable.

38. Based upon the intentional and/or reckless misrepresentations made by Defendant Reddy Plaintiff is entitled to the return of the money taken by Defendant Reddy.

Wherefore, Plaintiff respectfully requests that this honorable Court enter Judgment in favor of this Plaintiff rescinding the contracts and entering an award of damages in an amount in excess of \$25,000.00 with reasonable attorney fees, costs, interest wrongfully incurred.

COUNT II

BREACH OF CONTRACT

39. Plaintiff repeats by reference the preceding paragraphs as if fully set forth herein.

40. Plaintiff entered into two contracts with Defendant Reddy through which Reddy represented that various assets would be sold to Plaintiff.

41. Plaintiff conveyed to Defendant Reddy the purchase price required for the transfer of the assets promised.

42. Defendant Reddy did not transfer the assets promised and/or the assets were not as represented under the terms of the agreements.

43. Defendant Reddy's conduct as described in herein constitutes a breach of the agreements between the parties.

44. Plaintiff has been damaged in the amount of \$200,000.00 as well as suffering lost profits, incurring additional costs, attorney fees and other damages as a consequence of Defendant's breach.

WHEREFORE, Plaintiff requests that this honorable Court enter judgment in Plaintiff's favor in an amount in excess of \$25,000.00 plus interest, reasonable attorney fees and costs wrongfully incurred.

COUNT III

UNJUST ENRICHMENT

45. Plaintiff repeats by reference herein the preceding paragraphs.

46. On the dates set forth herein the Defendant Reddy made certain promises to Plaintiff regarding the transfer of assets that were represented as having value to Plaintiff.

47. Defendant's promise was clear, definite and unequivocal and was specifically made to induce Plaintiff to render Plaintiff's performance, to wit, payment of two hundred thousand (\$200,000.00) dollars.

48. In reliance upon the promises made by Defendant, and to his substantial detriment, Plaintiff performed all that was expected of him.

49. Despite Plaintiff's repeated requests and demands, Defendant has failed to transfer the assets promised and/or to return Plaintiff's money.

50. As a direct and proximate result of Defendant's failure to perform, Plaintiff has suffered damages in excess of \$25,000.00.

51. Defendant has been unjustly enriched as a result of his actions.

52. Plaintiff is entitled to a judgment of this Court compelling Defendant to return his money unjustly received from Plaintiff along with costs, attorney fees and interest.

WHEREFORE, Plaintiff respectfully requests that this honorable Court enter Judgment in his favor and order that Defendant return Plaintiff's money unjustly received and award Plaintiff attorney fees, costs, interest and any and all other damages this honorable Court deems just and fair.

COUNT IV

EXEMPLARY DAMAGES

53. Plaintiff incorporates by reference the preceding paragraphs as if set forth herein.

54. Defendant's representations were made intentionally and maliciously and have caused Plaintiff to suffer humiliation, outrage and indignation.

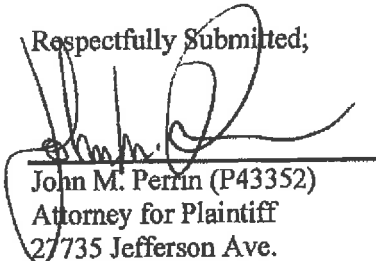
55. Defendant's conduct was intentional, improper, intended to defraud plaintiff and was at all times malicious and therein has caused Plaintiff to suffer harm in excess of what can be

compensated by ordinary damages, including mental anguish, stress, loss of sleep, and other emotional injuries which were and are the natural consequences of Defendant's actions.

WHEREFORE, Plaintiff Requests that this honorable Court enter judgment in his favor and against Defendant and award the following damages;

- a. Compensatory damages in an amount that is in excess of \$25,000.00 and that is sufficient to compensate Plaintiff for his actual, consequential and incidental losses sustained as a result of Defendant's wrongful actions.
- b. Exemplary damages in an amount in excess of \$25,000.00 resulting from Defendants intentional and malicious actions.
- c. Interest, costs and reasonable attorney fees.

Respectfully Submitted;



John M. Perrin (P43352)
Attorney for Plaintiff
27735 Jefferson Ave.
St. Clair Shores, MI 48081
(586) 773-9500

Dated: February 17, 2010

**AGREEMENT for the PURCHASE and SALE of CERTAIN BUSINESS ASSETS of
National Billing Corporation**

THIS AGREEMENT, made effective this 30th day of September, 2008, in the State of Michigan, and the County of Washtenaw.

WHEREAS, Tony Holmes or a corporate nominee (hereinafter known as "Buyer"), and National Billing Corporation, a Delaware Corporation, whose office is located at 110 W. 9th Street, Suite 302, Wilmington, DE 19801 (hereinafter known as "Seller") wishes to sell, and Buyer wishes to buy certain assets of National Billing Corporation (hereinafter known as the "Business") the following applies:

The total purchase price for the assets described below will be a total of \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon signing this contract, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 10 medical billing contracts, Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of a total of 20 clients, the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller.

Total purchase includes 20 medical billing contracts, where a minimum average of 7000 claims per month is received.

If the total average number of claims does not rise to a minimum of 7000 claims per month, after 20 clients have been assigned, then Seller will continue to provide additional clients until such a minimum is reached.

Seller will not receive any ongoing commissions, wages, franchise fees, or other accoutrements from Buyer after the total of \$100,000 has been paid. Seller will not independently contact clients after they have been assigned to Buyer, without the permission of Buyer.

Buyer will acquire on its own, a computer, high-speed Internet connection, a fax machine, and any other relevant items necessary for medical billing. Seller will provide a means to submit medical claims through the Internet.

EXHIBIT

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Buyer will be responsible for any costs incurred as part of the normal course of business, if he chooses not to use a subcontractor.

Seller will replace any lost clients (if at no fault of the Buyer, including but not limited to, not submitting claims within 48 hours, poor customer service, altering the contract, diverting checks, etc.) within 1 year of placement. Seller will have sole discretion in determining the cause of losing a client.

Furthermore, Buyer will have the option to purchase an additional 8000 claims (for a total of 15,000 claims). Buyer must exercise this option by February 1st, 2009, in writing. If the option is exercised, the following terms will apply:

The total purchase price of any claims through the option will be \$100,000 US (One-hundred thousand dollars and 00/xx). The payments will be as follows: Upon exercising the option, the Buyer will give the Seller a check in the amount of \$50,000 US (Fifty-Thousand dollars and 00/xx) towards the purchase price of the assets and promises as described below of Seller. Upon the acquisition of 13 medical billing contracts (under the option), Buyer will tender an additional check in the amount \$25,000 US (Twenty-five thousand dollars and 00/xx) to Seller. Upon the acquisition of 12 more clients (a total of 25 clients under the option), the final payment of \$25,000 US (Twenty-five thousand dollars and 00/xx) will be made to Seller. If the total average number of claims does not rise to a minimum 15,000 claims per month, then additional medical billing contracts will be provided until such a minimum is reached.

Witness our Hands and Seals this 30th day of September, 2008.


Seller


Buyer

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement, dated as of February 4, 2009 (hereinafter referred to as "Agreement") is entered into by and among the Seller, Vijay Reddy, (hereinafter referred to as the "Seller"), National Billing Corporation (hereinafter referred to as the "Company") and Tony Holmes (hereinafter referred to as the "Purchaser"). The parties, intending to be legally bound, hereto as follows:

- 1. Sale of Common Stock. Subject to the terms and conditions of this Agreement, Seller agrees to sell and the Company agrees to transfer and the Purchaser agrees to purchase from Vijay Reddy an aggregate of 2000 shares of Seller's Common Stock (the "Shares") at the purchase price of \$75.00 (Seventy-Five dollars US) per share. This 2000 shares represents 100% of shares available of the Company.**
 - a) All parties acknowledge only a medical billing and marketing system is being sold. No other assets other than those relevant to medical billing and a medical marketing system for medical billing contracts are relevant to this agreement.**
 - b) Stock value of the Seller includes website, software, marketing methodology, trade secrets, future cash flow, existing unfulfilled contracts, all mailing lists, customer lists, past, present, and future relationships with subcontractors, buyers of contracts, marketing consultants, and raw material vendors.**
- 2. Payment of Purchase Price. The purchase price of the Shares is \$150,000 (One Hundred Fifty thousand dollars US). \$125,000 (One hundred twenty-five thousand dollars US) shall be paid by certified check at the time of the execution of this document and the balance of \$25,000 (Twenty-five thousand dollars US) will be paid and guaranteed by National Billing**

EXHIBIT

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Corporation as per the Note and Security Agreement, which are attached.

3. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser that, the statements contained in the following paragraphs of this Section 4 are all true and correct as of the Closing Date:

- a) **Organization and Standing. Articles and Bylaws.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and Michigan and has all requisite corporate power and authority to carry on its business as now conducted.
- b) **Corporate Power.** Seller has all requisite legal and corporate power to enter into, execute and deliver this Agreement and the Warrant. This Agreement, and upon issuance, the Warrant will be valid and binding obligations of Company, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors rights.
- c) **Authorization.**
 - 1) **Corporation Action.** All corporate and legal action on the part of Seller, its officers, directors, and shareholders necessary for the execution and delivery of this Agreement, the sale and issuance of the Shares.
 - 2) **Valid Issuance.** The Shares issued will be validly issued and will be free of any liens, encumbrances; provided however, that the Securities may be subject to restrictions on transfer under state

and/or federal securities laws as set forth herein, and as may be required by future changes in such laws.

- d) **Government Consent Etc.** No Consent, approval, order or authorization of, or designation, registration, declaration or filing with, any federal, state, local or other governmental authority on the part of the Seller is required in connection with the valid execution and delivery of, this Agreement, sale or issuance of the Securities, other than, if required, filings or qualifications under the Delaware Corporate Securities Law or other applicable Blue Sky Laws, which filings or qualifications, if required, will be timely filed or obtained by Seller.

4. Representation and Warranties by Purchaser. Purchaser represents and warrants to Seller as of the Closing Date as follows:

- a) **Investment Intent: Authority.** This Agreement is made with Purchaser in reliance upon Purchaser's representation to Seller, evidenced by Purchaser's execution of this Agreement, that Purchaser is acquiring the Securities for investment for Purchaser's own account, not as a nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof, within the meaning of the Securities Act of 1933, as amended, (the "Securities Act") or the California Law. Purchaser has the full right, power, authority and capacity to enter into and perform this Agreement and the Agreement will constitute a valid and binding obligation upon Purchaser, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

- b) **Transfer Restrictions.** Purchaser covenants that in no event will it sell, transfer, dilute or otherwise dispose of any of the Securities without the express written consent of Mr. Vijay Reddy or until full satisfaction of the remaining \$25,000 which shall be paid by September 15, 2009.
- c) **Indemnification.** Seller will indemnify any past acts or omissions with regard to the Stock Purchase including, but not limited to tax liability, and Purchaser will indemnify for all post sale acts and omissions.

5. Legends. Seller will place the following legends on each certificate representing Securities:

The Securities represented hereby have not been registered under the Securities Act of 1933 as amended ("ACT") or any applicable state securities laws ("Blue Sky Laws"). Any transfer of such securities will be invalid unless a registration statement under the ACT or as required by Blue Sky Laws is in effect as to such transfer or in the opinion of counsel satisfactory to the Seller such registration is unnecessary in order for such transfer to comply with the ACT of Blue Sky Laws.

6. Miscellaneous.

- (a) **Waivers and Amendments.** Any provision of this Agreement may be amended, waived or modified upon the written consent of Mr. Vijay Reddy and Purchaser.
- (b) **Governing Law.** This Agreement, and all actions arising out of or in connection with this Agreement,

shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to the conflicts of law provisions of any other state. The parties acknowledge and agree that the exclusive venue and jurisdiction of any dispute arising out of this Agreement shall be a federal or state court located in the County of Washtenaw in the State of Michigan.

- (c) **Entire Agreement.** This Agreement, together with the exhibits attached hereto, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.
- (d) **Survival.** The representations, warranties, covenants, and agreements made herein shall survive the execution and delivery of this Agreement.
- (e) **Notices, etc.** Any notice request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) upon receipt of personally delivered (ii) three (3) days after being mailed by registered or certified mail, postage prepaid, or (iii) one day after being sent by recognized overnight courier or by facsimile, if to Purchaser at 618 Mesa Ridge, San Antonio, TX 78258 or such other address or number as Purchaser shall have furnished to Seller in writing or if to Seller at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 or at such other address or number as Seller shall have furnished to Purchaser in writing.
- (f) **Validity.** If any provision of this Agreement shall be judicially determined to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

- (g) Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.
- (h) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.** Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities, under or by reason of this Agreement, except as expressly provided in this Agreement.
- (i) Non-Compete.** The Seller owner(s) and employees agree not to compete for a period of 5 years in the medical billing business without the express written consent of the Purchaser. However, in case of default of this Agreement or its related Exhibits, the non-compete will become void. Recognizing the financial importance of this particular marketing system to this particular business, Seller will not disclose or disseminate without written consent of the Buyer.
- (j) Training and Transition.** Seller will train Purchaser for a period of 60 days at no additional cost.
- (k) If Purchaser requests, after the 60 day transition period, Mr. Vijay Reddy can be hired as a consultant for the business at a rate of \$20/hour. At the option of the Purchaser, no monies need to be paid to Mr. Vijay Reddy until such time the Purchaser draws a salary or other payment for himself or one of his assigns. Specific assignments, hours to be worked, and requests will be mutually determined by Purchaser and Mr. Vijay Reddy.**

WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

Vijay Reddy, Seller

Signature:

Name:

Vijay Reddy

National Billing Corporation, Company

By:

Signature:

Title:

Vijay Reddy
Vijay Reddy
President

Tony Holmes, Purchaser:

Signature:

Name:

Tony Holmes
TONY HOLMES

Exhibit "A"

PROMISSORY NOTE

Twenty Five Thousand Dollars and 00/XX US.

Date: February 5, 2009

I, Tony Holmes, President, acting on behalf of National Billing Corporation, the undersigned, promises to pay to the order of Vijay Reddy, located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, in lawful money of the United States of America, the principal sum of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars, to be repaid as follows: One lump sum payment of \$25,000 US (Twenty Five Thousand Dollars and 00/xx US) shall be paid no later than September 15, 2009.

DEFAULT: If the above lump sum payment is not received by September 15th, 2009, a default will occur.

Security and repayment provisions are also contained in a document entitled "Security Agreement" as set forth in "Exhibit B" attached hereto.

If default be made in the performance of or compliance with any of said events, said principal sum thereon shall become at once due and payable at the option of holder thereof, and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate of bankrupt courts, then all cost of collection, including a reasonable sum for attorney fees shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned agrees to remain and continue bound for the payment of the principal provided for under the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principle, or any change or changes in the amount or amounts agreed to be paid under

and by virtue of the obligation to pay provided for in this note and waive all and every kind of notice of such extension or extensions, change or changes, and agree that the same may be made without the joinder of the undersigned.

Each party understands that this is a legally binding document. Both parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to this agreement before signing it, have read this agreement and fully understand it. This note carries no interest.

It is expressly agreed and declared that this note is given for an actual loan of twenty Five Thousand Dollars and 00/xx (\$25,000.00).

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor: _____



National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

Exhibit "B"

Security Agreement

This Agreement, made effective this 5th day of February, 2009 in the State of Michigan and the County of Washtenaw.

I, Tony Holmes, President, and acting on behalf of National Billing Corporation, Inc. located at 618 Mesa Ridge, San Antonio, TX 78258, for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to Vijay Reddy, located 3830 Packard Street, Suite 220, Ann Arbor, MI 48180, or his assigns, (hereinafter called "SECURED PARTY") a purchase money security interest in the following properties (hereinafter called "COLLATERAL"): and all of the records, customer lists, vendors, subcontractors, goodwill, inventory, name, marketing and trade secrets, website, and other non-tangible assets used in the operation of the Business known as National Billing Corporation, Inc. located at 3830 Packard Street, Suite 220, Ann Arbor, MI 48180 in the amount of the remaining balance due, as set forth hereto, to secure the payment of Twenty Five Thousand Dollars and 00/xx US (\$25,000) dollars as provided in the said Promissory Note of DEBTOR to SECURED PARTY, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called the "OBLIGATIONS").

DEBTOR hereby warrants and covenants:

- 1. That the COLLATERAL is used primarily for business use;**
- 2. That the COLLATERAL shall be kept at the place of business; and the DEBTOR shall notify SECURED PARTY in writing of any change in the location of the COLLATERAL prior to such change, and the DEBTOR shall not remove the COLLATERAL from the country or countries in which the COLLATERAL is presumably located without the written consent of SECURED PARTY;**

3. That should the addresses shown at the beginning of this agreement change, DEBTOR shall notify SECURED PARTY in writing of any change prior to such change;
4. That DEBTOR will permit SECURED PARTY, upon 30 days written notice, permission to inspect the ongoing operation at DEBTOR's location, including but not limited to the books and records as well as general operation.

DEBTOR further covenants and agrees that they will maintain insurance at all time with respect to all the COLLATERAL against such risks, in such amount, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to SECURED PARTY, such insurance to be payable to SECURED PARTY and DEBTOR as their interest may appear, that at the request of the SECURED PARTY all policies of insurance shall be delivered to it and held by it, that SECURED PARTY may work directly with Insuring parties in obtaining, adjusting, settling, and cancelling such insurance and endorsing any drafts; that DEBTOR will promptly pay when due all taxes and assessments upon the COLLATERAL; that at its option SECURED PARTY may discharge taxes, liens, or security interests or other encumbrances at any time levied or placed on the COLLATERAL, may pay for insurance on the COLLATERAL and may pay for the maintenance and preservation of the COLLATERAL; and that DEBTOR shall reimburse SECURED PARTY pursuant to the foregoing authorization.

DEBTOR shall keep the Franchise Fees, lease and/or mortgage payments on the business and premises current at all times. Should DEBTOR fail to do so, SECURED PARTY may declare DEBTOR to be in default and seek its remedies hereunder, and/or bring the lease payments current and add the amount of the principal balance remaining on the Note.

DEBTOR shall be free to transfer the COLLATERAL to any corporation in which the DEBTOR is the owner of at least two thirds (2/3) of the outstanding shares of stock, but any such transfer shall not be done in such manner so as to reduce the security of the SECURED PARTY in said assets, and SECURED PARTY may require personal guarantees from the DEBTOR.

DEBTOR shall not transfer any of the COLLATERAL to any other person or entity without the SECURED PARTY'S consent.

DEBTOR shall be in default if DEBTOR fails to pay any part of the remaining \$25,000 when due as set forth in the agreement dated this day. SECURED PARTY shall give written notice to DEBTOR that they are in default and DEBTOR shall have ten (10) days to make payment from date of written notice. This means that if the DEBTOR does not pay the debt and other obligations of the agreement when due, the COLLATERAL may be sold, repossessed, and/or removed in order to satisfy the debt under the agreements. Further, should the DEBTOR be in default at anytime, any and all non-compete and/or no solicitation agreements become null and void at the time of default. In the event of any default in the payment of the OBLIGATIONS secured by this Agreement or the performance of any covenant contained herein; or if any warranty, representation, or statement made or furnished to SECURED PARTY by DEBTOR proves to have been false in any material respect when made or furnished then SECURED PARTY under the laws of the State of Michigan, including, without limitation thereto, the right to take possession of the COLLATERAL and for that purpose SECURED PARTY may enter upon any premises on which the COLLATERAL or any part thereof may be situated and remove the same therefore. DEBTOR agrees, upon request of SECURED PARTY, to assemble the COLLATERAL and make it available to SECURED PARTY at a place designated by SECURED PARTY. Notice of the time and place of any public sale or of the time after which any private sale is made, when required by law, shall be deemed reasonable if given at least five (5) days before such sale. SECURED PARTY shall be entitled to reimbursement from DEBTOR for reasonable attorney's fees and costs incurred by SECURED PARTY in enforcing its rights hereunder.

The word DEBTOR, whenever used herein, shall be construed to mean and include the necessary grammatical changes required to make the provisions hereof apply to corporations or individual, men or women, singular or plural, as though in each case fully expressed. The provisions hereof shall, as the case may require, bind or inure to the benefit of, the respective heirs,

successors, legal representatives and assigns of DEBTOR and SECURED PARTY.

Each party to this agreement understands that this is a legally binding document. All parties have had full opportunity to consult legal counsel and receive legal advice of their choice with respect to the agreement before signing it, have read this agreement and fully understand it.

IN WITNESS WHEREOF, the DEBTOR has hereunto set his hand this 5th day of February, 2009

Debtor:

Tony Holmes, PRESIDENT

National Billing Corporation,

Tony Holmes, President of National Billing Corporation

Witness: _____

Acknowledged

Vijay Reddy

ADDENDUM TO CONTRACT DATED FEBRUARY 4, 2009

It is hereby stated and otherwise agreed that the following terms shall be applied to the stock purchase agreement dated February 4, 2009:

As part of this Agreement, and Addendum, Tony Holmes will void his agreement with regard to the block purchase dated on or about October 1, 2008, between him and National Billing Corporation that was signed and executed prior to this Stock Purchase Agreement. All clients as part of consideration of the Stock Purchase Agreement shall be assigned to Vijay Reddy individually.

Recognizing that Vijay Reddy will in turn work and sell this block of business, the restrictive covenant is hereby amended to allow Vijay Reddy to service and profit from the voided and assigned block of business described above. However, absence of this block, the full restrictive covenant will be deemed as in place and as written.

Vijay Reddy, Seller

Signature: [Handwritten Signature]
Name: Vijay Reddy
Date: 2/4/09

National Billing Corporation, Company

By: Vijay Reddy
Signature: [Handwritten Signature]
Title: 2/4/09

Tony Holmes, Purchaser:

Signature: [Handwritten Signature]
Name: TONY HOLMES

Exhibit 14

Exhibit 14

DECLARATION OF TAMMY DECKER

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

I Tammy Decker, being first duly sworn, upon oath deposes and says:

1. I am over the age of 18 and competent to testify to my own knowledge on the following:

2. I was a purchaser of David Weinstein's medical billing "business opportunity". I have knowledge of and am competent to testify as to the details of my interactions with David Weinstein.

3. In the Fall of 2017, I contacted Kevin Brown of Visionary Business Brokers to discuss a listing for the sale of assignable Medical Billing contracts. I am experienced in the field of medical billing and saw this as an opportunity to grow.

4. In October 2017 I agreed to purchase a package of 30 assignable contracts for Medical Billing from Mr. Weinstein and his company. I sent a wire for \$55,000 to Visionary Business Brokers as payment. Kevin Brown acknowledged receipt of my money.

5. From signing the contract in 2017 to present, I have only received approximately 5 of the 30 promised contracts.

6. I have contacted Mr. Weinstein in writing and by telephone numerous times to discuss his failure to perform. Mr. Weinstein provided a variety of excuses for his inability to perform as promised. Eventually Mr. Weinstein completely stopped communicating with me.

7. Mr. Weinstein has not refunded my money nor fulfilled the terms of the agreement.

8. A true and accurate copy of four emails between myself and Mr. Weinstein are attached as *Exhibit A*. The dates of these emails span from May 8, 2018 to

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March 6, 2019. The subject of these emails is Mr. Weinstein's continual nonperformance.

9. I later discovered that at the time Mr. Weinstein was supposed fulfill my contract for medical billing contracts he had conflicting obligations to provide others with client accounts which he also did not fulfill.

10. I declare under penalty of perjury, under the law of the State of Nevada, that the foregoing statements are true and correct.

Further declarant sayeth naught.

Tammra J Decker
TAMMY DECKER



Tammy Decker <billing@pinnaclemedbill.com>

phone call

1 message

Tammy Decker <billing@americanmedbill.com>
To: David Weinstein <davidsunbelt@gmail.com>

Wed, Mar 6, 2019 at 11:49 AM

Hi David

I just wanted to send a quick email.. you were suppose to check in with me every 10 days to let me know where you were at with getting providers, and I only heard from you once.

We are also schedule to have a call today, but I am out with an appointment.

Can we talk sometime tomorrow or Friday?

--

Thanks so much and have a great day!

THIS EMAIL HAS BEEN SENT ENCRYPTED AND SECURE BY G SUITE

Tammy Decker
Billing
844-335-0418 **TOLL FREE**
888-965-0636 FAX
402-884-9612 office
402-598-4118 cell phone

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Tammy Decker <billing@pinnaclemedbill.com>

clients

1 message

Tammy Decker <billing@americanmedbill.com>
To: David Weinstein <davidsunbelt@gmail.com>

Thu, Nov 1, 2018 at 9:55 AM

Good Morning David

I hope all is well with you.

I just wanted to check in, as its has been quite a while since we got a new provider for billing services.

—

Thanks so much and have a great day!

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Tammy Decker
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Tammy Decker <billing@pinnaclemedbill.com>

ckecking in

1 message

Tammy Decker <billing@americanmedbill.com>
To: David Weinstein <davidsunbelt@gmail.com>

Mon, Aug 27, 2018 at 12:06 PM

Happy Monday David!

I am just checking in. Its been a while since I have received any new providers.

I'm sure summer is a slower time for marking with people out on vacation. I am hoping to get something soon, as the few providers I do have are not even making my payment on my loan. Their volume is so low.

—
Thanks so much and have a great day!

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Tammy Decker <billing@pinnaclemedbill.com>

checking in

1 message

Tammy Decker <billing@americanmedbill.com>

Wed, May 9, 2018 at 10:25 AM

To: David Weinstein <davidsunbelt@gmail.com>

Hi David

I am just checking in. The last time we talked you had me send you back Dr Biggs info she was the one that never got back to me about billing and was emailing me weird requests

I am still not getting billing from Daleece Sleep Diagnostics either. She could not even bill insurance companies and started the CAQH process and was going to start her own credentialing. I have reached out to her and have not heard back. Her message states she is out until May 16th, so I will reach out to her again at that time.

I am hopeful new provider contracts start coming in soon, as what I currently have their volume is extremely low and I am not even making \$500.00 a month and I have one that did not send over any billing at all in April and was over a month late in paying me the \$35.88 that she owed for March billing.

The other new one, Jennifer Smith, stayed her with her old billing company and was suppose to start billing with me this month. This is the one we did all the set up for her eob's to come into Office Ally.

--
Thanks so much and have a great day!

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Exhibit 15

Exhibit 15



AANS
HECTOR J. CARBJAL II
Nevada Bar No. 6247
CARBAJAL LAW
10001 Park Run Drive
Las Vegas, Nevada 89145
Telephone: (702) 846-0040
Facsimile: (702) 846-1329
Hector@CLaw.Vegas
*Attorneys for David Weinstein
and Medasset Corporation*

DISTRICT COURT
CLARK COUNTY, NEVADA

MEDAPPEAL, LLC, an Illinois Limited Liability
Company,

Plaintiff,

v.

DAVID WEINSTEIN, VIJAY REDDY,
MARGARET REDDY, MOHAN
THALMARLA, KEVIN BROWN, MAX
GLOBAL, INC., VISIONARY BUSINESS
BROKERS LLC, MEDASSET CORPORATION,
and DOES 1-50,

Defendants.

MEDASSET CORPORATION, a Nevada
Corporation,

Counterclaimant,

v.

MEDAPPEAL, LLC, an Illinois Limited Liability
Company,

Counter-Defendant;

MEDASSET CORPORATION, a Nevada
Corporation,

Third-Party Plaintiff,

v.

LIBERTY CONSULTING & MANAGEMENT
SERVICES, LLC, an Illinois Limited Liability
Company,

Third-Party Defendant.

Case No.: A-19-792836-C

Dept. No.: XIV

**FIRST AMENDED ANSWER,
AFFIRMATIVE DEFENSES,
COUNTERCLAIM, AND THIRD-
PARTY COMPLAINT**

COMES NOW, Defendants David Weinstein and Medasset Corporation (collectively, “Defendants”), by and through their attorney of record, Hector J. Carbajal II, Esq. of Carbajal Law, and hereby amends its answer to Plaintiff’s First Amended Complaint (the “FAC”) as follows:

1. Defendants admit the allegations of paragraph 1 of the FAC.
2. Defendants admit the allegations of the first sentence of paragraph 2 of the FAC. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of the second sentence of paragraph 2 of the FAC.
3. Defendants admit the allegations of paragraph 3 of the FAC.
4. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 4, 5, 6, 7, and 8 of the FAC.
5. Defendants admit the allegations of paragraph 9 of the FAC.
6. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 10 of the FAC.
7. Defendants admit the allegations of paragraphs 11 and 12 of the FAC.
8. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 13 and 14 of the FAC.
9. Defendants admit the allegations of paragraph 15 of the FAC.
10. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 16 of the FAC. Defendants object to the use of the word “victim” in paragraph 16 of the FAC.
11. Defendants deny the allegations of paragraphs 17 and 18 of the FAC.
12. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 19, 20, 21, 22, 23, and 24 of the FAC.
13. Defendants deny the allegations of paragraphs 25 and 26 of the FAC.
14. Defendants assert that the document referenced in paragraph 27 of the FAC speaks for itself and thus, no response to paragraph 27 is required. To the extent the allegations

in paragraph 27 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

15. Defendants deny the allegations of paragraphs 28, 29, 30, and 31 of the FAC.

16. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 32 of the FAC.

17. Defendants deny the allegations of paragraphs 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, and 47 of the FAC.

18. Defendant admits the allegations of paragraph 44.

19. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 48 and 49 of the FAC.

20. Defendants deny the allegations of paragraph 50 of the FAC.

21. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 51, 52, 53, 54, and 55 of the FAC.

22. Defendants deny the allegations of paragraph 56 of the FAC.

23. Defendants admit the allegations of paragraphs 57 and 58 of the FAC.

24. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 59 of the FAC.

25. Defendants deny the allegations of paragraphs 60, 61, and 62 of the FAC.

26. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 63, 64, and 65 of the FAC.

27. Defendants deny the allegations of paragraphs 66, 67, 68, and 69 of the FAC.

28. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 70 and 71 of the FAC.

29. Defendants assert that the document referenced in paragraphs 72 and 73 of the FAC speaks for itself and thus, no response to paragraphs 72 and 73 is required. To the extent the allegations in paragraphs 72 and 73 of the FAC are deemed to require a response, Defendants deny the allegations contained in paragraphs 72 and 73.

30. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 74 of the FAC.

31. Defendants assert that the documents referenced in paragraph 75 of the FAC speak for themselves and thus, no response to paragraph 75 of the FAC is required. To the extent the allegations in paragraph 75 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

32. Defendants assert that the document referenced in paragraph 76 of the FAC speaks for itself and thus, no response to paragraph 76 of the FAC is required. To the extent the allegations in paragraph 76 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

33. Defendants assert that the document referenced in the first sentence of paragraph 77 of the FAC speaks for itself and thus, no response to the first sentence of paragraph 77 of the FAC is required. To the extent the allegations in the first sentence of paragraph 77 of the FAC are deemed to require a response, Defendants deny the allegations contained therein. Defendants deny the allegations of the second sentence of paragraph 77 of the FAC.

34. Defendants assert that the document referenced in paragraph 78 of the FAC speaks for itself and thus, no response to paragraph 78 of the FAC is required. To the extent the allegations in paragraph 78 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

35. Defendants assert that the document referenced in paragraph 79 of the FAC speaks for itself and thus, no response to paragraph 79 of the FAC is required. To the extent the allegations in paragraph 79 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

36. Defendants assert that the documents referenced in paragraph 80 of the FAC speak for themselves and thus, no response to paragraph 80 of the FAC is required. To the

extent the allegations in paragraph 80 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

37. Defendants assert that the document referenced in paragraphs 81 and 82 of the FAC speaks for itself and thus, no response to paragraphs 81 or 82 of the FAC is required. To the extent the allegations in paragraphs 81 and 82 of the FAC are deemed to require a response, Defendants deny the allegations contained in paragraphs 81 and 82.

38. Defendants assert that the documents referenced in paragraph 83 of the FAC speak for themselves and thus, no response to paragraph 83 of the FAC is required. To the extent the allegations in paragraph 83 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

39. Defendants deny the allegations of paragraphs 84 and 85 of the FAC.

40. Defendants assert that the document referenced in paragraph 86 of the FAC speaks for itself and thus, no response to paragraph 86 of the FAC is required. To the extent the allegations in paragraph 86 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

41. Defendants assert that the document referenced in paragraph 87 of the FAC speaks for itself and thus, no response to paragraph 87 of the FAC is required. To the extent the allegations in paragraph 87 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

42. Defendants deny the allegations of paragraph 88 of the FAC.

43. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 89 of the FAC.

44. Defendants deny the allegations of paragraph 90 of the FAC.

45. Defendants assert that the documents referenced in paragraph 91 of the FAC speak for themselves and thus, no response to paragraph 91 of the FAC is required. To the extent the allegations in paragraph 91 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

46. Defendants assert that the document referenced in paragraph 92 of the FAC speaks for itself and thus, no response to paragraph 92 of the FAC is required. To the extent the allegations in paragraph 92 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

47. Defendants assert that the documents referenced in paragraph 93 of the FAC speak for themselves and thus, no response to paragraph 93 of the FAC is required. To the extent the allegations in paragraph 93 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

48. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraphs 94 and 95 of the FAC.

49. Defendants assert that the document referenced in paragraph 96 of the FAC speaks for itself and thus, no response to paragraph 96 of the FAC is required. To the extent the allegations in paragraph 96 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

50. Defendants deny the allegations of paragraphs 97 and 98 of the FAC.

51. Defendants assert that the documents referenced in paragraph 99 of the FAC speak for themselves and thus, no response to paragraph 99 of the FAC is required. To the extent the allegations in paragraph 99 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

52. Defendants deny the allegations of paragraphs 100, 101, and 102 of the FAC.

53. Defendants lack knowledge or information sufficient to form a belief about the truth of the allegations of paragraph 103 of the FAC.

54. Defendants assert that the court record referenced in paragraph 104 of the FAC speaks for itself and thus, no response to paragraph 104 of the FAC is required. To the extent the allegations in paragraph 104 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

55. Defendants assert that the court record referenced in paragraph 105 of the FAC speaks for itself and thus, no response to paragraph 105 of the FAC is required. To the extent the allegations in paragraph 105 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

56. Defendants deny the allegations of paragraphs 106 and 107 of the FAC.

57. Answering paragraph 108 of the FAC, Defendants repeat their answers contained in the preceding paragraphs set forth above as though fully set forth herein.

58. Defendants deny the allegations of paragraphs 109, 110, 111, and 112 of the FAC.

59. Answering paragraph 113 of the FAC, Defendants repeat their answers contained in the preceding paragraphs set forth above as though fully set forth herein.

60. Defendants deny the allegations of paragraph 114 of the FAC.

61. Defendants assert that the document referenced in paragraphs 115 and 116 of the FAC speaks for itself and thus, no response to paragraphs 115 and 116 of the FAC is required. To the extent the allegations in paragraphs 115 and 116 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

62. Defendants deny the allegations of paragraphs 117, 118, 119, 120, 121, 122, and 123 of the FAC.

63. Answering paragraph 124 of the FAC, Defendants repeat their answers contained in the preceding paragraphs set forth above as though fully set forth herein.

64. Defendants deny the allegations of paragraphs 125, 126, 127, 128, 129, 130, and 131 of the FAC.

65. Answering paragraph 132 of the FAC, Defendants repeat their answers contained in the preceding paragraphs set forth above as though fully set forth herein.

66. Defendants assert that the statute referenced in paragraph 133 of the FAC speaks for itself and thus, no response to paragraph 133 of the FAC is required. To the extent

the allegations in paragraph 133 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

67. Defendants assert that the statute referenced in paragraph 134 of the FAC speaks for itself and thus, no response to paragraph 134 of the FAC is required. To the extent the allegations in paragraph 134 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

68. Defendants assert that the statute referenced in paragraph 135 of the FAC speaks for itself and thus, no response to paragraph 135 of the FAC is required. To the extent the allegations in paragraph 135 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

69. Defendants deny the allegations of paragraphs 136 and 137 of the FAC.

70. Defendants assert that the document referenced in paragraphs 138 and 139 of the FAC speaks for itself and thus, no response to paragraphs 138 and 138 of the FAC is required. To the extent the allegations in paragraphs 138 and 139 of the FAC are deemed to require a response, Defendants deny the allegations contained therein.

71. Defendants deny the allegations of paragraphs 140 and 141 of the FAC.

72. Answering paragraph 142 of the FAC, Defendants repeat their answers contained in the preceding paragraphs set forth above as though fully set forth herein.

73. Defendants deny the allegations of paragraphs 143, 144, 145, 146, 147, and 148 of the FAC.

74. Defendants deny any and all allegations set forth in Plaintiffs' prayer for relief on pages 23-24 of the FAC, and Defendants further deny that Plaintiffs are entitled to any damages whatsoever.

75. Defendants deny each and every allegation of the FAC not expressly admitted above.

...

AFFIRMATIVE DEFENSES

1. Plaintiff fails to state a claim upon which relief can be granted.
2. Plaintiff's claims are barred, in whole or in part, because Plaintiff anticipatorily breached its contract with Defendant Medasset Corporation.
3. Plaintiff's claims are barred, in whole or in part, because Plaintiff prevented Defendant Medasset Corporation from performing under the parties' contract.
4. Plaintiff's claims are barred, in whole or in part, by the parol evidence rule.
5. Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.
6. Plaintiff's claims are barred, in whole or in part, by the ripeness doctrine.
7. Any damages which Plaintiff may have suffered, which Defendants continue to deny, were the direct and proximate result of the conduct of Plaintiff. Therefore, Plaintiff is estopped and barred from recovery of any damages.
8. Plaintiff is not entitled to relief from or against Defendants, as it has not sustained any loss, injury or damage that resulted from any act, omission, or breach by Defendants.
9. Plaintiff's damages, if any, were the result of intervening, superseding, concurrent and/or contributing causes. Any alleged action or alleged omission on the part of Defendants was not the proximate cause of Plaintiff's alleged damages.
10. Plaintiff has failed to state a claim for the recovery of attorney's fees and costs.
11. The alleged injuries to Plaintiff, if any, were caused in whole or in part by Plaintiff's own acts or contributory negligence. Plaintiff's damages, if any, must therefore be reduced proportionately.
12. The claims have been brought without reasonable grounds and/or to harass Defendants.
13. Any and all acts alleged to have been committed by Defendants were reasonably undertaken to protect the tangible and intangible assets of Defendants and, therefore, were

justified and/or privileged.

14. Defendants acted reasonably and in good faith at all times material to this action, based upon all relevant facts and circumstances known by them at the time they so acted and, accordingly, Plaintiff is barred from any recovery in this action.

15. Plaintiff was not injured or damaged in the manner or to the extent claimed by Plaintiff and/or such damages were not proximately caused by any actions or inactions on the part of Defendants.

16. Defendants did not breach any statutory or common law duties allegedly owed to Plaintiff.

17. Plaintiff's claims are barred or reduced by the doctrine of assumption of the risk.

18. Plaintiff's claims are barred or reduced because of Plaintiff's failure to mitigate damages.

19. Plaintiff's claims are barred because Defendants complied with applicable statutes and with the requirements and regulations of the State of Nevada.

20. Plaintiff's causes of action are barred in whole or in part by the applicable statutes of limitations or repose, or by operation of the equitable doctrines of laches, waiver, estoppel, and ratification.

21. Plaintiff's claims are barred because Defendants did not owe any legal duty to Plaintiff or, if Defendants did owe such a legal duty, Defendants did not breach that duty.

22. Plaintiff's claims are barred, in whole or in part, by accord and satisfaction.

23. To the extent Plaintiff seeks equitable relief, Plaintiff is not entitled to such relief because there is an adequate remedy at law.

24. Defendants deny each and every allegation of the FAC that is not specifically admitted herein.

25. Plaintiff has failed to allege facts which, if proven, would establish that the alleged conduct, if any such conduct occurred, was the proximate cause of Plaintiff's alleged damages and/or injuries.

26. Plaintiff's breach of contract claims are barred by Plaintiff's own breach of contract.

27. Plaintiff's breach of contract claims are barred by the statute of frauds.

28. Defendants discharged each and every obligation, if any, which they may have owed to Plaintiff, and otherwise owes no duty to Plaintiff.

29. If Defendants did not fully perform any contractual obligations, which they specifically deny, the duty of full performance under any contract was excused by virtue of the material breach of any such contract by Plaintiff.

30. Plaintiff's claims against Defendants are barred by the doctrine of substantial compliance.

31. Plaintiff cannot be heard to complain of any breach of any alleged agreement due to the failure of Plaintiff to fully perform under the terms of any alleged agreement and/or by Plaintiff's failure of consideration.

32. Defendants are informed and believe that Plaintiff breached the implied covenant of good faith and fair dealing owed to Defendants.

33. Plaintiff's breach of contract claims are barred by mutual mistake.

34. Plaintiff's breach of contract claims are barred by uni-lateral mistake.

35. Plaintiff's breach of contract claims are barred by a failure to allow time to cure.

36. Plaintiff's breach of contract claims are barred by a failure of conditions precedent.

37. Plaintiff's causes of action are barred and/or Plaintiff's remedies are limited on grounds that Defendants had innocent intent in the alleged acts in Plaintiff's FAC.

38. Plaintiff should not be allowed to recover the relief requested in the FAC because it would be unjustly enriched.

39. Plaintiff should not be allowed to recover for its alleged claims because it is *in pari delicto*.

40. All possible affirmative defenses may not have been alleged herein in so far as sufficient facts are not available after reasonable inquiry upon the filing of this Answer; Defendants, therefore, reserve the right to amend this Answer to allege additional affirmative defenses as subsequent investigation warrants.

COUNTERCLAIM AND THIRD-PARTY COMPLAINT

Defendant Medasset Corporation (“Defendant or Medasset”) counterclaim against Plaintiff and Counter-Defendant Medappeal, LLC (“Medappeal”) and Third-Party Defendant Liberty Consulting & Management Services, LLC (“Liberty”) as follows:

PARTIES AND JURISDICTION

1. Medasset Corporation is a Nevada corporation operating and conducting business in Clark County, Nevada.

2. Medappeal, LLC is, and at all relevant times was, upon information and belief, an Illinois Limited Liability Company.

3. Liberty Consulting & Management Services, LLC is, and at all relevant times was, upon information and belief, an Illinois Limited Liability Company.

4. This Court has jurisdiction pursuant to Nev. Rev. Stat. 13.040.

5. This Court has jurisdiction over this matter pursuant to Nev. Const. art. VI, § 6, as this Court has original jurisdiction in all cases not assigned to the justices’ courts.

6. This Court has subject matter jurisdiction over this matter pursuant to NRS § 4.370(1), as the matter in controversy exceeds \$15,000, exclusive of attorney fees, interest, and costs.

GENERAL FACTUAL ALLEGATIONS

7. On May 3, 2018, Medappeal’s putative predecessor, Liberty, entered into a contract with Medasset Corporation to buy Medical Appeals billing business opportunity for \$125,000 (herein referred to as the “Agreement”).

8. The Agreement states that venue is in the State of Nevada and County of Clark.

9. The Agreement also provides that it will be governed by the laws of Nevada and County of Clark.

10. Liberty made a \$75,000 down payment at the time of signing the agreement and tendered a promissory note for the payment of the \$50,000 balance of the purchase price upon completion of the Agreement.

11. The Agreement states that Medasset Corporation would provide sixty medical appeal practices and thirty medical offices for credentialing services “over the course of nine months from the date of signing this Agreement.”

12. Nine months from the contract-execution date of May 3, 2018 is February 3, 2019.

13. Liberty was provided with a clearing house which they would typically have been charged for to process its claims, but were not because of Medasset Corporation’s efforts on their behalf.

14. Liberty was also provided with all required software and updates for free.

15. Liberty and its representatives and/or employees were extensively trained and instructed in the use of the software and billing practices for Medical Appeals billing by Medasset Corporation.

16. On June 12, 2018, Seth D. Johnson, Esq., the Chief Operating Officer of Liberty, acknowledged receiving medical practices and stated that “[t]he client also started today to send over claims to work on.”

17. From May through September 2018, Medasset Corporation provided Liberty and Medappeal with 26 out of 60 required medical practices due and owing to them under the Agreement.

18. In July and August of 2018, the Medical Appeals market had slowed down. When it looked like the Medical Appeal could possibly run behind, Medasset Corporation prudently offered to include Medical Billing work, in addition to Medical Appeals practices, that Medasset Corporation had a great and steady track record with. Medappeal initially agreed

to have Medasset Corporation supplementing the Medical Appeals practices with Medical Billing work. Subsequently, Medappeal refused Medical Billing work despite Medasset Corporations offer to it of that work.

19. However, when presented with Medical Billing work, Medappeal refused to take the same.

20. At or about the end of August, Mr. Weinstein unbeknownst to him, developed severe case of adult whooping cough. This was misdiagnosed for a few weeks and eventually he ended up in the emergency room ICU. Due to the severe coughing, Mr. Weinstein later developed severe sciatic nerve damage that immobilized him and which fentanyl and oxycontin were prescribed for the pain.

21. From the end of August through September, Mr. Weinstein was unable to speak and relied strictly on email to communicate, however his ability to communicate at all was compromised at the time during his medical circumstances because of the medication he had been prescribed and because of the nature of the illness. This severely impacted Mr. Weinstein and thus Medappeal's ability to work with Medasset or to conduct any business whatsoever.

22. From late August through the end of September, Mr. Weinstein was in the hospital no fewer than 3 times (whooping cough and twice for sciatic nerve damage resulting from sever coughing episodes).

23. On September 13, 2018, Mr. Weinstein informed Seth Johnson of his health issues, trips to the emergency room, and possible need for admittance to address his illness.

24. On or about September 18, 2018, Medappeal threatened Medasset and Mr. Weinstein with legal action if the terms of the Agreement were not fulfilled.

25. Medappeal anticipatorily repudiated and breached the parties' Agreement shortly thereafter when it filed a lawsuit against Mr. Weinstein and Medappeal, and well in advance of the contracts term.

...

26. In November 2018—three months before the contract deadline—Medappeal commenced its lawsuit in Illinois state court, against Mr. Weinstein and Medasset Corporation and others.

27. At that time, Medappeal and Liberty knew that Medasset was exceedingly close to meeting its contractual obligations with 26 of the 60 required medical practices due and owing by Medasset having been provided.

28. Had Medasset not anticipatorily repudiated the parties' Agreement, Medappeal would have not only completed, but exceeded, its obligations under the Agreement within the next three months remaining before the contract term.

29. Medappeal failed in their efforts to sue Defendants in Illinois and the matter was renewed against them in Nevada.

30. In addition to setting forth the terms of the Agreement, the language of the underlying contract provides that the Agreement is fully integrated. Page 3 states that “[t]he Agreement including all exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and merges and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions.”

31. The Agreement continues, “[n]either of the Parties will be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof other than as expressly provided herein. No oral explanations or oral information by either party hereto will alter the meaning or interpretation of this Agreement.”

32. The sole remedy for a breach of the contract was a refund not to exceed \$45,000.

33. In the event of Default of the Agreement or the Promissory Note, Liberty was required to “immediately return all contracts, assets and systems and intellectual property provided to them by Medasset Corporation. This provision is equally applicable to Medappeal as successor in interest to Liberty.

ALTER EGO ALLEGATIONS

34. Medasset Corporation is informed and believes, and based thereon alleges, that Liberty formed and assigned or transferred the parties' contract to Medappeal for the express purpose of avoiding liability for any breach of the parties' Agreement.

35. There is a unity of interest and ownership which makes Liberty inseparable from Medappeal.

36. In its First Amended Complaint, Medappeal contends that it "is the 'company to be formed later' and is the successor in interest and/or assignee of Liberty Consulting & Management Services, LLC."

37. The Agreement was entered into by and between Liberty and Medasset Corporation on May 3, 2018.

38. Medappeal was formed in Illinois on May 11, 2018.

39. Seth D. Johnson is identified on the Illinois Secretary of State as the Registered Agent for both Liberty and Medappeal.

40. On the Illinois Secretary of state, Liberty and Medappeal have the exact same address of 1000 Skokie Blvd., Suite. 225, Wilmette, IL 600910000.

41. The Illinois Secretary of State, does not list or identify the members and owners of either Liberty or Medappeal.

42. In paragraphs 56 and 57 of the First Amended Complaint, Medappeal admits that Liberty is its parent company.

43. Upon information and belief, Liberty is, and always was, the sole owner and member of Medappeal.

44. Upon information and belief, Liberty and Medappeal, share the same management and corporate structure and the officers and representatives of each share the same titles and positions at each.

45. Seth Johnson and Eli Johnson are listed as the managers of Liberty on the Illinois Secretary of state.

46. Seth Johnson and Eli Johnson are listed as the managers of Medappeal on the Illinois Secretary of State.

47. Communications both pre-contract and post-contract formation were between Medasset Corporation's representatives and Liberty's representatives.

48. On May 3, 2018, Liberty wired its initial payment under the Agreement to Medasset Corporation.

49. The vast majority of Medappeal's factual allegations in its Amended Complaint concern business dealings between Liberty and Medasset Corporation.

50. The vast majority of Medappeal's interrogatories and requests for production of documents in this matter are directed at the business dealings between Medasset Corporation and Liberty.

51. Medasset Corporation is informed and believes, and based thereon alleges, that allowing Liberty and Medappeal to maintain a distinction between themselves and their business entities would sanction a fraud or promote injustice and result in an abuse of the corporate form.

FIRST CLAIM FOR RELIEF
(Breach of Contract by Medappeal and Liberty)

52. Medasset Corporation incorporates every preceding paragraph as though fully set forth herein.

53. On May 3, 2018, Medasset Corporation entered into a contract and associated Promissory Note with Medappeal's putative predecessor, Liberty.

54. Pursuant to the Agreement Medasset Corporation provided Liberty and Medappeal with 26 out of 60 required medical practices for Medical Appeals work and attempted to provide them with Medical Billing work.

55. Contrary to the terms of the Agreement, Liberty and Medappeal breached the Agreement and Promissory Note by (1) refusing to take additional assigned work from Medasset, (2) anticipatory repudiating the Agreement 3 months prior to the term of the

Agreement ending, (3) failing to pay Medasset Corporation \$50,000 remaining due and owing under the Agreement, and (4) failing and/or refusing to return all contracts, assets and systems, and intellectual property provided to them by Medasset Corporation.

56. By their own intentional actions and breach, Liberty and Medappeal frustrated and stopped Medasset Corporation's efforts to fulfill its obligations under the Agreement.

57. Liberty and Medappeal owe an outstanding balance in excess of \$50,000 plus attorney fees, costs, and interests.

58. As a result of Liberty and Medappeal's wrongful conduct, Medasset Corporation has suffered damages in an amount in excess of \$15,000.

59. Medasset Corporation has been required to engage the services of an attorney to commence this action and is entitled, pursuant to the Agreement and associated Promissory Note, to recover its attorney fees and costs. Liberty and Medappeal's failure to perform in accordance with the express terms and obligations of the Agreement and Promissory Note have caused Medasset Corporation proximate and foreseeable special damages hereby specifically plead as special damages in accordance with NRCP 9(g).

SECOND CLAIM FOR RELIEF

(Breach of the Implied Covenant of Good Faith and Fair Dealing against Medappeal and Liberty)

60. Medasset Corporation incorporates every preceding paragraph as though fully set forth herein.

61. The covenant of good faith and fair dealing is implied in the Agreement and the associated Promissory Note entered into between Medappeal's putative predecessor Liberty and Medasset Corporation, and the covenant obligated Liberty and Medappeal to comply with the terms of the Agreement and Promissory Note and to not frustrate those terms and conditions by (1) refusing to take additional assignments, (2) anticipatory repudiating the Agreement 3 months prior to the term of the Agreement ending, (3) by failing to pay Medasset Corporation \$50,000 remaining due and owing under the Agreement, and (4) failing and/or refusing to

return all contracts, assets and systems, and intellectual property provided to them by Medasset Corporation.

62. Liberty and Medappeal have unequivocally shown, by their actions and communications that they do not intend to perform their obligations under the Agreement and associated Promissory Note.

63. Such failure and refusal constitute a breach of the Agreement and associated Promissory Note, including the implied covenant of good faith and fair dealing.

64. As a result of Liberty and Medappeal's wrongful conduct, Medasset Corporation has suffered damages in an amount in excess of \$15,000.

65. Medasset Corporation has been required to engage the services of an attorney to commence this action and is entitled, pursuant to the Agreement and associated Promissory Note, to recover its attorney fees and costs. Liberty and Medappeal's failure to perform in accordance with the express terms and obligations of the Agreement and associated Promissory Note have caused Medasset Corporation proximate and foreseeable special damages hereby specifically plead as special damages in accordance with NRCP 9(g).

THIRD CLAIM FOR RELIEF
(Attorney Fees and Costs as Special Damages)

66. Medasset Corporation incorporates every preceding paragraph as though fully set forth herein.

67. As a direct and proximate result of Medappeal and Liberty's actions, Medasset Corporation has been required to engage the services of an attorney to commence this action and are entitled, pursuant to the Agreement and Promissory Note, to recover its attorney fees and costs. Medappeal and Liberty's failure to perform in accordance with the express terms and obligations of the Agreement and Promissory Note have caused Medasset Corporation proximate and foreseeable special damages hereby specifically plead as special damages in accordance with NRCP 9(g).

WHEREFORE, Defendant/Third-Party Plaintiff and Counterclaimant Medasset prays for relief as follows:

1. That Medappeal be awarded nothing for each and every one of its claims;
2. For judgment in its favor as to all of Medappeal's claims;
3. For general damages in excess of \$15,000;
4. For special damages to be determined by the Court at trial;
5. For costs incurred in this action;
6. For attorney fees incurred in this action; and,
7. For such other and further relief as the Court deems proper.

Dated this 8th day of October 2020.

CARBAJAL LAW

By: /s/ Hector J. Carbajal II
HECTOR J. CARBAJAL II, ESQ.
Nevada Bar No. 6247
10001 Park Run DR
Las Vegas, Nevada 89145
*Attorneys for Defendants/Counterclaimants
and Third-Party Plaintiffs David Weinstein
and Medasset Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that pursuant to NRCP 5(b) and EDCR 8.05 on October 8, 2020, I caused service of the foregoing *First Amended Answer, Affirmative Defenses, Counterclaim, and Third-Party Complaint* to be made by depositing a true and correct copy of same in the United States Mail, postage fully prepaid, and/or via electronic mail through the Eighth Judicial District Court's E-Filing system to all parties and counsel set up to receive e-service.

/s/ Brittany Friedman
Employee of Carbajal Law

Exhibit 16

Exhibit 16

1 Leah Martin, Esq.
Nevada Bar No. 7982
2 Kevin Hejmanowski, Esq.
Nevada Bar No. 10612
3 LEAH MARTIN LAW
3100 W Sahara Ave. #202
4 Las Vegas, Nevada 89102
Telephone: (702) 420-2733
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lmartin@leahmartinlv.com
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Attorneys for Defendants

7
8 DISTRICT COURT
9 CLARK COUNTY, NEVADA

10 MEDAPPEAL, LLC, An Illinois Limited Liability) Case No.: A-19-792836-C
Company,)
11 Plaintiff,) Dept. No.: XIV
12 vs.)
13 DAVID WEINSTIEN, VIJAY REDDY,)
MARGARET REDDY, MOHAN)
14 THALAMARLA, KEVIN BROWN, MAX)
GLOBAL, INC., VISIONARY BUSINESS)
15 BROKERS LLC, MEDASSET CORPORATION,)
16 AND DOES 1-50,)
17 Defendants;)

18
19 **DEFENDANT MARGARET REDDY'S SUPPLEMENTAL RESPONSES TO**
PLAINTIFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

20 Defendant Margaret Reddy ("Defendant."), by and through her attorney of record, Leah
21 Martin Law, hereby supplements her response (**in bold**) to Plaintiff's First Request for
22 Production of Documents as follows:

23 **DEFINITIONS**

24 A. "Nondiscoverable/Irrelevant." The request in question concerns a matter that
25 is not relevant to the subject matter and the matters that remain at issue in this litigation and is
26 not reasonably calculated to lead to the discovery of admissible evidence.

27 B. "Unduly burdensome." The request in question seeks discovery which is
28 unduly burdensome or expensive, taking into account the needs of the case, the amount in

1 controversy, the limitations on the parties' resources, and the importance of the issues at stake
2 in the litigation.

3 C. "Vague." The request in question contains a work or phrase which is not
4 adequately defined, or the overall request is confusing, and Plaintiff is unable to reasonably
5 ascertain what information or documents Defendant seeks in the request.

6 D. "Overly broad." The request seeks information beyond the scope of, or beyond
7 the time period relevant to, the subject matter of this litigation and, accordingly, seeks
8 information which is non-discoverable/irrelevant and is unduly burdensome.

9 **GENERAL OBJECTIONS**

10 1. Objects to Plaintiff's requests to the extent that they seek documents that are
11 protected by any absolute or qualified privilege or exemption, including, by not limited to, the
12 attorney-client privilege, the attorney work-product exemption, and the consulting-expert
13 exemption. Specifically, Defendant objects to Plaintiff's requests on the following grounds.

14 a. Defendant objects to Plaintiff's requests to the extent they seek
15 documents that are protected from disclosure by the attorney-client privilege.

16 b. Defendant objects to Plaintiff's requests to the extent they seek
17 documents that are protected from disclosure by the work-product exemption in accordance
18 with Rule 26(b)(1)(3) and (4) of the Federal Rules of Civil Procedure and applicable case law.

19 c. Defendant objects to Plaintiff's requests to the extent they seek
20 documents that are protected from disclosure pursuant to the consultant/expert exemption in
21 accordance with Rule 26(b)(3) and (4) of the Federal Rules of Civil Procedure and applicable
22 case law.

23 d. Defendant objects to Plaintiff's requests to the extent they seek trade
24 secrets, commercially sensitive information, or confidential proprietary data entitled to
25 protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure.

26 2. This response is made on the basis of information and writings available to and
27 located by Defendant upon reasonable investigation of its records. There may be other and
28 further information respecting the requests propounded by Plaintiff of which Defendant,

1 despite its reasonable investigation and inquiry, is presently unaware. Defendant reserves the
2 right to modify or enlarge any response with such pertinent additional information as it may
3 subsequently discover.

4 3. No incidental or implied admissions will be made by the responses to Plaintiff's
5 requests. The fact that Defendant may respond or object to any request or any part thereof
6 shall not be deemed an admission that Defendant accepts or admits the existence of any fact
7 set forth or assumed by such request, or that such response constitutes admissible evidence.
8 The fact that Defendant responds to a part of any request is not to be deemed a waiver by
9 Defendant of its objections, including privilege, to other parts to such request.

10 4. Defendant objects to any instruction to the extent that it would impose upon it
11 greater duties than are set forth under the Federal Rules of Civil Procedure. Defendant will
12 supplement its responses to the requests as required by the Federal Rules of Civil Procedure.

13 5. All responses will be made solely for the purpose of this action. Each response
14 will be subject to all objections as to competence, relevance, materiality, propriety and
15 admissibility, and to any and all other objections on any ground which would require the
16 exclusion from evidence of any statement herein if any such statements were made by a witness
17 present and testifying at trial, all of which objections and grounds are expressly reserved and
18 may be interposed at such hearings.

19 **REQUEST FOR PRODUCTION NO. 1:**

20 All civil complaints that have been filed against you since January 1, 2008.

21 **RESPONSE TO REQUEST FOR PRODUCTION NO. 1:**

22 Defendant objects to this request on the ground that it is overbroad and unduly
23 burdensome in that it requests the production of all civil complaints over a twelve-year period
24 of time. Notwithstanding Defendant's objection, Defendant responds as follows: Apart from
25 the Complaint filed against me in this lawsuit, none.

1 **REQUEST FOR PRODUCTION NO. 2:**

2 All civil judgments that have been entered against you since January 1, 2008.

3 **RESPONSE TO REQUEST FOR PRODUCTION NO. 2:**

4 Defendant objects to this request on the ground that it is overbroad and unduly
5 burdensome in that it requests the production of all civil judgments over a twelve-year period
6 of time. Notwithstanding Defendant's objection, Defendant responds as follows: None.

7 **REQUEST FOR PRODUCTION NO.3:**

8 All agreements resolving civil litigation that you have entered into since January 1,
9 2008.

10 **RESPONSE TO REQUEST FOR PRODUCTION NO. 3:**

11 Defendant objects to this request on the ground that it is overbroad and unduly
12 burdensome in that it requests the production of all agreements over a twelve-year period of
13 time. Notwithstanding Defendant's objection, Defendant responds as follows: None.

14 **REQUEST FOR PRODUCTION NO.4:**

15 All documents that concern, refer or relate to the transfer of \$330,000 from defendant
16 Mohan Thalmarla to defendant Vijay Reddy.

17 **RESPONSE TO REQUEST FOR PRODUCTION NO. 4:**

18 Defendant objects to this request on the ground that it is not reasonably calculated to
19 lead to the discovery of admissible evidence. Notwithstanding Defendant's objection,
20 Defendant responds as follows: None.

21 **REQUEST FOR PRODUCTION NO.5:**

22 All documents that concern, refer or relate to the transfer of \$325,000 from you to
23 defendants Mohan Thalmarla and Max Global.

24 **RESPONSE TO REQUEST FOR PRODUCTION NO. 5:**

25 Defendant objects to this request on the ground that it is not reasonably calculated to
26 lead to the discovery of admissible evidence. Notwithstanding Defendant's objection,
27 Defendant responds as follows: This was a private transaction back in 2017, which is before
28 the 2018 events which are subject to the lawsuit.

1 **There are no documents. Mohan Thalarla is my husband's uncle. All**
2 **discussions about the transfer were oral. I no longer have access to the online bank**
3 **records either because my current employer was a victim of the MY HR Payroll scandal.**
4 **My banker recommended that I close my bank account and open up a new one because**
5 **my bank account number was compromised. I did not realize at that time that once they**
6 **closed my old account that I would not be able to access my statements or accounts again.**
7 **I believe I closed the account in September 2019.**

8 **REQUEST FOR PRODUCTION NO.6:**

9 All documents that concern, refer or relate to the sale of the business referenced in
10 paragraph 38 of your Answer to Plaintiff's First Amended Complaint.

11 **RESPONSE TO REQUEST FOR PRODUCTION NO. 6:**

12 After a diligent search, Defendant does not have the requested documents in her
13 possession, custody, or control.

14 **REQUEST FOR PRODUCTION NO. 8:**

15 All documents that concern, refer or relate to complaints you received from any clients
16 or customers prior to May 1, 2018.

17 **RESPONSE TO REQUEST FOR PRODUCTION NO. 8 :**

18 Defendant objects to this request on the ground that it is vague and ambiguous as it
19 fails to identify any specific company. Notwithstanding Defendant's objection, Defendant
20 responds as follows: After a diligent search, Defendant does not have the requested documents
21 in her possession, custody, or control.

22 **REQUEST FOR PRODUCTION NO. 9:**

23 All documents that concern, refer or relate to business you conducted with or performed
24 for defendant David Weinstein from January 1, 2008 to May 1, 2018.

25 **RESPONSE TO REQUEST FOR PRODUCTION NO. 9 :**

26 Defendant objects to this request on the ground that it is overbroad and unduly
27 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
28 to satisfy. Defendant further objects to this request on the ground that it is overbroad and

1 unduly burdensome in that it requests the production of "[a]ll documents" over a ten-year
2 period of time. Defendant further objects to this request on the ground that it is not reasonably
3 calculated to lead to the discovery of admissible evidence. To the extent, that this request
4 would include the production of proprietary and/or trade secrets, Defendant further objects to
5 this request. Notwithstanding Defendant's objections, Defendant responds as follows: As
6 written, and without being severely narrowed in scope, Defendant cannot adequately respond
7 to this request.

8 **No such documents are in my custody, control, or possession. When I finished**
9 **work for him on April 20, 2018, any such documents were returned to David Weinstein**
10 **per my agreement with him. Any records in my possession were destroyed. All**
11 **brochures that I created were already mailed to the doctors. I do not control the websites**
12 **or pay for them.**

13 **REQUEST FOR PRODUCTION NO. 10:**

14 All documents that concern, refer or relate to business you conducted with or performed
15 for businesses owned, controlled or managed by defendant David Weinstein from January 1,
16 2008 to May 1, 2018.

17 **RESPONSE TO REQUEST FOR PRODUCTION NO. 10:**

18 Defendant objects to this request on the ground that it is overbroad and unduly
19 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
20 to satisfy. Defendant further objects to this request on the ground that it is overbroad and
21 unduly burdensome in that it requests the production of "[a]ll documents" over a ten-year
22 period of time. Defendant further objects to this request on the ground that it is not reasonably
23 calculated to lead to the discovery of admissible evidence. To the extent that this request would
24 include the production of proprietary and/or trade secrets, Defendant further objects to this
25 request. Notwithstanding Defendant's objections, Defendant responds as follows: As written,
26 and without being severely narrowed in scope, Defendant cannot adequately respond to this
27 request.

28 **Please see Response to request for Production No. 9.**

1 **REQUEST FOR PRODUCTION NO. 11:**

2 All documents that concern, refer or relate to business you conducted with or performed
3 for defendant Kevin Brown from January 1, 2008 to May 1, 2018.

4 **RESPONSE TO REQUEST FOR PRODUCTION NO. 11:**

5 Defendant objects to this request on the ground that it is overbroad and unduly
6 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
7 to satisfy. Defendant further objects to this request on the ground that it is overbroad and
8 unduly burdensome in that it requests the production of "[a]ll documents" over a ten-year
9 period of time. Defendant further objects to this request on the ground that it is not reasonably
10 calculated to lead to the discovery of admissible evidence. To the extent that this request would
11 include the production of proprietary and/or trade secrets, Defendant further objects to this
12 request. Notwithstanding Defendant's objections, Defendant responds as follows: None.

13 **REQUEST FOR PRODUCTION NO. 12:**

14 All documents that concern, refer or relate to business you conducted with or performed
15 for businesses owned, controlled or managed by defendant Kevin Brown from January 1, 2008
16 to May 1, 2018.

17 **RESPONSE TO REQUEST FOR PRODUCTION NO. 12:**

18 Defendant objects to this request on the ground that it is overbroad and unduly
19 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
20 to satisfy. Defendant further objects to this request on the ground that it is overbroad and
21 unduly burdensome in that it requests the production of "[a]ll documents" over a ten-year
22 period of time. Defendant further objects to this request on the ground that it is not reasonably
23 calculated to lead to the discovery of admissible evidence. To the extent that this request would
24 include the production of proprietary and/or trade secrets, Defendant further objects to this
25 request. Notwithstanding Defendant's objections, Defendant responds as follows: None.

26 ////

1 **REQUEST FOR PRODUCTION NO. 13:**

2 All documents that concern, refer or relate to YOUR business dealings with Camile
3 Batiste. (For the purposes of this Request, the term YOUR includes Vijay Reddy and anyone
4 else acting on his behalf.)

5 **RESPONSE TO REQUEST FOR PRODUCTION NO. 13:**

6 None.

7 **REQUEST FOR PRODUCTION NO. 14:**

8 All documents that concern, refer or relate to your business dealings with Medasset
9 Corporation between January 1, 2008 and December 31, 2018.

10 **RESPONSE TO REQUEST FOR PRODUCTION NO. 14:**

11 Defendant objects to this request on the ground that it is overbroad and unduly
12 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
13 to satisfy. Defendant further objects to this request on the ground that it overbroad and unduly
14 burdensome in that it requests the production of "[a]ll documents" over a ten-year period of
15 time. Defendant further objects to this request on the ground that it is not reasonably calculated
16 to lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
17 Defendant responds as follows: As written, and without being severely narrowed in scope,
18 Defendant cannot adequately respond to this request.

19 **I have no business dealings with Medasset. I was unaware this corporation even**
20 **existed until this lawsuit was filed. Therefore, there are no documents.**

21 **REQUEST FOR PRODUCTION NO. 15:**

22 All documents that concern, refer or relate to compensation you received from
23 Medasset Corporation between January 1, 2008 and December 31, 2018.

24 **RESPONSE TO REQUEST FOR PRODUCTION NO. 15:**

25 Defendant objects to this request on the ground that it is overbroad and unduly
26 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
27 to satisfy. Defendant further objects to this request on the ground that it overbroad and unduly
28 burdensome in that it requests the production of "[a]ll documents" over a ten-year period of

1 time. Defendant further objects to this request on the ground that it is not reasonably calculated
2 to lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
3 Defendant responds as follows: As written, and without being severely narrowed in scope,
4 Defendant cannot adequately respond to this request.

5 **I have never received any compensation from Medasset Corporation.**

6 **REQUEST FOR PRODUCTION NO. 16:**

7 All documents that concern, refer or relate to compensation you received from David
8 Weinstein between January 1, 2008 and December 31, 2018.

9 **RESPONSE TO REQUEST FOR PRODUCTION NO. 16:**

10 Defendant objects to this request on the ground that it is overbroad and unduly
11 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
12 to satisfy. Defendant further objects to this request on the ground that it overbroad and unduly
13 burdensome in that it requests the production of "[a]ll documents: over a ten-year period of
14 time. Defendant further objects to this request on the ground that it is not reasonably calculated
15 to lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
16 Defendant responds as follows: As written, and without being severely narrowed in scope,
17 defendant cannot adequately respond to this request.

18 **I did not receive any compensation from David Weinstein. I received all my**
19 **compensation from Tannenbaum & Milask. I no longer have any documents in my**
20 **possession due to the change of bank accounts.**

21 **REQUEST FOR PRODUCTION NO. 17:**

22 All documents that concern, refer or relate to your business dealings with Visionary
23 Business Brokers between January 1, 2008 and December 31, 2018.

24 **RESPONSE TO REQUEST FOR PRODUCTION NO. 17:**

25 Defendant objects to this request on the ground that it is overbroad and unduly
26 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
27 to satisfy. Defendant further objects to this request on the ground that it overbroad and unduly
28 burdensome in that it requests the production of "[a]ll documents" over a ten-year period of

1 time. Defendant further objects to this request on the ground that it is not reasonably calculated
2 to lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
3 Defendant responds as follows: None.

4 **REQUEST FOR PRODUCTION NO. 18:**

5 All documents that concern, refer or relate to compensation you received from
6 Visionary Business Brokers between January 1, 2008 and December 31, 2018.

7 **RESPONSE TO REQUEST FOR PRODUCTION NO. 18:**

8 Defendant objects to this request on the ground that it is overbroad and unduly
9 burdensome as it requests the production of "[a]ll documents," which is an impossible standard
10 to satisfy. Defendant further objects to this request on the ground that it overbroad and unduly
11 burdensome in that it requests the production of documents over a ten-year period of time.
12 Defendant further objects to this request on the ground that it is not reasonably calculated to
13 lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
14 Defendant responds as follows: None.

15 **REQUEST FOR PRODUCTION NO. 19:**

16 All documents that concern, refer or relate to compensation you received from Kevin
17 Brown between January 1, 2008 and December 31, 2018.

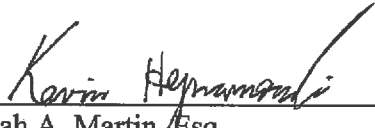
18 ///

1 **RESPONSE TO REQUEST FOR PRODUCTION NO. 19:**

2 Defendant objects to this request on the ground that it is overbroad and unduly
3 burdensome as it requests "[a]ll documents," which is an impossible standard to satisfy.
4 Defendant further objects to this request on the ground that it overbroad and unduly
5 burdensome in that it requests the production of "[a]ll documents" over a ten-year period of
6 time. Defendant further objects to this request on the ground that it is not reasonably calculated
7 to lead to the discovery of admissible evidence. Notwithstanding Defendant's objections,
8 Defendant responds as follows: None.

9 DATED this 12 day of August, 2020.

10 LEAH MARTIN LAW

11
12 
13 Leah A. Martin, Esq.
14 Kevin Hejmanowski, Esq.
15 3100 W. Sahara Ave. #202
16 Las Vegas, Nevada 89102
17 Attorneys for Defendants
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28

CERTIFICATE OF SERVICE

I hereby certify that on the 12 day of August, 2020, the foregoing **DEFENDANT**
MARGARET REDDY'S SUPPLEMENTAL RESPONSES TO PLAINTIFF'S FIRST
REQUEST FOR PRODUCTION OF DOCUMENTS was served via the Odyssey E-File &
Serve system, to the following:

Zachary Ball
Nevada Bar No. 8364
1707 Village Center Circle, Suite 140
Las Vegas, NV 89134
Attorney for Medappeal, LLC

Hector Carbajal II
Nevada Bar No. 6247
10001 Park Run Drive
Las Vegas, NV 89145
Attorney for Medasset Corporation and
David Weinstein

Zachary Takos
Nevada Bar No. 11293
1980 Festival Plaza Drive, Suite 300
Las Vegas, NV 89135
Attorney for Kevin Brown and Visionary
Business Brokers, LLC


On behalf of LEAH MARTIN LAW

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6 khejmanowski@leahmartinlv.com
7 *Attorneys for Defendants*

8 **DISTRICT COURT**
9 **CLARK COUNTY, NEVADA**

10 MEDAPPEAL, LLC, An Illinois Limited) Case No.: A-19-792836-C
Liability Company,)
11 Plaintiff,) Dept. No.: XIV
vs.)
12)
13 DAVID WEINSTIEN, VIJAY REDDY,)
MARGARET REDDY, MOHAN)
14 THALAMARLA, KEVIN BROWN, MAX)
GLOBAL, INC., VISIONARY BUSINESS)
15 BROKERS LLC, MEDASSET)
16 CORPORATION, AND DOES 1-50,)
17 Defendants;)
18)

19 **DEFENDANT MARGARET REDDY'S SUPPLEMENTAL RESPONSES TO**
20 **PLAINTIFF'S FIRST SET OF INTERROGATORIES**

21 Defendant Margaret Reddy ("Defendant"), by and through her attorney of record,
22 Leah Martin Law, hereby supplements her responses (**in bold**) to Plaintiff Medappeal, LLC's
23 ("Plaintiff") First Set of Interrogatories.

24 These responses and objections are not intended to be, and should not be interpreted
25 as, a waiver of any objection to the admissibility of any such information on the grounds of
26 privilege, work-product doctrine, hearsay, relevance or any other objection. Information
27 considered privileged or covered by the work-product doctrine will not be disseminated.

1 The inadvertent release of any information protected by any privilege or by the work-
2 product doctrine should not be construed as a waiver of that privilege or the work-product
3 doctrine.

4 **ANSWERS TO INTERROGATORIES**

5 **INTERROGATORY NO. 1:**

6 Identify by plaintiff's name, state of filing, name of court and case number all
7 lawsuits that have been filed against YOU since January 1, 2008. (For the purposes of this
8 Interrogatory, the term YOU includes Margaret Reddy and any entity that she owned,
9 controlled or managed.)

10 **RESPONSE TO INTERROGATORY NO. 1:**

11 None.

12 **INTERROGATORY NO. 2:**

13 Identify by name, address and phone number all persons or entities for whom you
14 were employed between January 1, 2008 and May 1, 2018.

15 **RESPONSE TO INTERROGATORY NO. 2:**

16 I do not have the addresses and phone numbers for my previous employers. I have
17 worked for Optum (a division of United Health Group) and Bank of America. I currently
18 work for a pension planning company. I object to providing my current employer's name
19 and contact information as I do not want Plaintiff to spread rumors to my current employer,
20 or jeopardize my employment. It has come to my attention that Plaintiff has already
21 attempted to interfere with Mr. Weinstein's businesses. I have worked for David Weinstein's
22 company.

23 I was employed by Tannenbaum & Milask from early 2016 until April 30, 2018,
24 as an independent contractor (1099 employee). Tannenbaum & Milask's phone
25 number is 800-691-1722 and its address is 125 East Harmon Ave., Unit 322, Las Vegas,
26 Nevada 89109.

27 **INTERROGATORY NO. 3:**

28 Identify by name, address and phone number all persons or entities to whom you

1 worked as an independent contractor between January 1, 2008 and May 1, 2018.

2 **RESPONSE TO INTERROGATORY NO. 3:**

3 I have worked for David Weinstein's company.

4 Please see Response to Interrogatory No. 2.

5 **INTERROGATORY NO. 4:**

6 Identify by name, address and phone number all persons or entities that provided you
7 money or other compensation for services rendered to those persons or entities between
8 January 1, 2008 and May 1, 2018.

9 **RESPONSE TO INTERROGATORY NO. 4:**

10 Please see Defendant's Response to Interrogatory No. 2.

11 **INTERROGATORY NO. 5:**

12 State all facts upon which you based your belief that Medasset Corporation was
13 capable of honoring its contract with Liberty Consulting & Management Services, LLC at the
14 time the contract was executed in May of 2018.

15 **RESPONSE TO INTERROGATORY NO. 5:**

16 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
17 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
18 extent that this interrogatory would invade upon the attorney-client privilege and/or work
19 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
20 premature as discovery is ongoing.

21 I have never seen the contract between Medasset and the Plaintiff.

22 **INTERROGATORY NO. 6:**

23 Describe your business relationship with defendant David Weinstein.

24 **RESPONSE TO INTERROGATORY NO. 6:**

25 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
26 what "business relationship" means. Notwithstanding Defendant's objection, Defendant
27 responds as follows: I was an independent contractor for David's company.

28 ////

1 **INTERROGATORY NO. 7:**

2 Describe your business relationship with defendant Kevin Brown.

3 **RESPONSE TO INTERROGATORY NO. 7:**

4 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
5 what "business relationship" means. Notwithstanding Defendant's objection, Defendant
6 responds as follows: None.

7 **INTERROGATORY NO. 8:**

8 Describe your business relationship with Tannenbaum & Milask.

9 **RESPONSE TO INTERROGATORY NO. 8:**

10 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
11 what "business relationship" means. Notwithstanding Defendant's objection, Defendant
12 responds as follows: I was an independent contractor for the company.

13 **INTERROGATORY NO. 9:**

14 Describe your business relationship with defendant Visionary Business Brokers.

15 **RESPONSE TO INTERROGATORY NO. 9:**

16 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
17 what "business relationship" means. Notwithstanding Defendant's objection, Defendant
18 responds as follows: None.

19 **INTERROGATORY NO. 10:**

20 Describe the circumstances surrounding the transfer of \$325,000 from you to
21 defendants Mohan Thalmarla and Max Global.

22 **RESPONSE TO INTERROGATORY NO. 10:**

23 Defendant objects to this interrogatory on the ground that it is not reasonably
24 calculated to lead to the discovery of admissible evidence. Notwithstanding Defendant's
25 objection, Defendant responds as follows: The transfer of \$325,000 from me to Mohan
26 Thalmarla and Max Global was a private transaction in 2017, before the events which are the
27 subject of this lawsuit, and that transaction has nothing to do with this lawsuit.

28 **My husband's uncle offered us an opportunity to invest in their chrome mining**

1 project in Africa. He indicated we could get a better return on investment than
2 investing in the stock market in the United States. After reviewing the project, I
3 accepted his offer. The money was transferred as an investment opportunity. None of
4 the Plaintiff's money is represented in the \$325,000 transfer.

5 **INTERROGATORY NO. 11:**

6 Describe the circumstances surrounding the transfer of \$330,000 from defendant
7 Mohan Thalmara to defendant Vijay Reddy.

8 **RESPONSE TO INTERROGATORY NO. 11:**

9 The transfer was made to me, not Vijay Reddy. It was a loan so I could purchase my
10 current home.

11 **INTERROGATORY NO. 12:**

12 State all facts that support your denial of the allegation contained in paragraph 16 of
13 Plaintiff's First Amended Complaint that "Brown sold the business opportunities on behalf of
14 ... defendant V. Reddy."

15 **RESPONSE TO INTERROGATORY NO. 12:**

16 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
17 burdensome in that it asks for "all facts," which is an impossible standard to satisfy. To the
18 extent that this interrogatory would invade upon the attorney-client privilege and/or work
19 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
20 premature as discovery is ongoing.

21 The complete paragraph 16 states that "Since at least 2016, Brown has sold the
22 same or similar business opportunity through VBB or Tannenbaum & Milask, a New
23 Jersey brokerage company owned by defendant Weinstein. Depending upon the time
24 and victim, Brown sold the business opportunities on behalf of either defendant
25 Weinstein or defendant V. Reddy." To be clear, Brown sold "medical appeals and
26 medical credentialing services" to the Plaintiff on behalf of David Weinstein. Brown
27 sold answering services and a debt collection business on behalf of Vijay Reddy.
28 Answering services and debt collection services are not "similar or the same" as a

1 **medical credentialing and medical appeals services.**

2 **INTERROGATORY NUMBER 13:**

3 State all facts that support your denial of the allegation contained in paragraph 46 of
4 Plaintiff's First Amended Complaint that "the allegations contained in the Holmes matter are
5 remarkably similar to the allegations asserted against Defendants in this action. The plaintiff
6 alleged that V. Reddy 'represented to Plaintiff that he would sell Plaintiff bundles of medical
7 billing contracts.' (Ex. 3, ¶ 7.) The plaintiff further alleged that after several months, his
8 purchase had not generated any revenues. (Ex. 3, ¶ 13.)"

9 **RESPONSE TO INTERROGATORY NO. 13:**

10 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
11 burdensome in that it asks for "all facts," which is an impossible standard to satisfy. To the
12 extent that this interrogatory would invade upon the attorney-client privilege and/or work
13 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
14 premature as discovery is ongoing.

15 I was not a defendant in the Holmes matter and never read any of the legal
16 filings in that case. It is my understanding the allegations were false and that the judge
17 determined there was no fraud on Vijay Reddy's part. Mr. Holmes also bought medical
18 billing (not medical appeals and credentialing) and outsourced all work to a third
19 party. My recollection is that the third party was assigned approximately 40 billing
20 clients over six months and stole the money that should have been paid to Mr. Holmes.
21 If Mr. Holmes did not generate any revenues, it was because of his lack of oversight of
22 the third party he hired to do his billing. Furthermore, Mr. Holmes bought a medical
23 marketing system so he could bring in his own clients and not "bundles of medical
24 billing contracts."

25 **INTERROGATORY NUMBER 14:**

26 State all facts that support your denial of the allegation contained in paragraph 47 of
27 Plaintiff's First Amended Complaint that "[a]ccording to the complaint, V. Reddy made
28 representations as to the number of client accounts and revenue the plaintiff would receive.

1 The plaintiff also alleged V. Reddy made multiple serious misrepresentations and omissions
2 to induce the sale. As a result of this lawsuit, V. Reddy was ordered to pay the Holmes
3 plaintiff an amount equal to or greater than \$200,000."

4 **RESPONSE TO INTERROGATORY NO. 14:**

5 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
6 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
7 extent that this interrogatory would invade upon the attorney-client privilege and/or work
8 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
9 premature as discovery is ongoing.

10 **I do not know what representations were made. I do not know what the plaintiff**
11 **alleged. I did not read any of the legal filings from that time. I was not involved in that**
12 **business. The judge determined there was no fraud.**

13 **INTERROGATORY NUMBER 15:**

14 State all facts that support your denial of the allegation contained in paragraph 53 of
15 Plaintiff's First Amended Complaint that "[s]ince 2016, V. Reddy sold or was involved in the
16 sale of the same or similar business packages to: Camile Batiste, Nadeem Fatmi, Steven
17 Sami, Gerson Benoit and Desiree Cortes, Paul Volen, Michael Bradley, Craig Sylverston,
18 and Kalpana Dugar. V. Reddy never successfully fulfilled any of the contracts as agreed to
19 with these individuals."

20 **RESPONSE TO INTERROGATORY NO. 15:**

21 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
22 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
23 extent that this interrogatory would invade upon the attorney-client privilege and/or work
24 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
25 premature as discovery is ongoing.

26 **I do not know any of these people or the specifics of what they bought, or in**
27 **what quantities. I have never spoken, texted, faxed, emailed, called, negotiated with,**
28 **represented to, or otherwise interacted with any of these people in any capacity. I**

1 heard about Steve Sami because he threatened my husband and Mr. Weinstein. I did
2 not work for Vijay Reddy to do any marketing or sales work for any of these people.
3 My understanding is that all of these people bought an answering service business. The
4 Plaintiff in this case bought a medical appeals and medical credentialing business,
5 which is neither similar or the same as an answering services business.

6 **INTERROGATORY NUMBER 16:**

7 State all facts that support your denial of the allegations contained in paragraph 54 of
8 Plaintiff's First Amended Complaint that "[a]ll of the above listed individuals complained to
9 V. Reddy about his inability to perform, their financial loss due to his misrepresentations,
10 and some threatened to take legal action."

11 **RESPONSE TO INTERROGATORY NO. 16:**

12 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
13 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
14 extent that this interrogatory would invade upon the attorney-client privilege and/or work
15 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
16 premature as discovery is ongoing.

17 I am unaware of any complaints from any of these people. Vijay Reddy did not
18 share them with me. To my knowledge, none of these people have taken any legal
19 action.

20 **INTERROGATORY NUMBER 17:**

21 State all facts that support your denial of the allegations contained in paragraph 55 of
22 Plaintiff's First Amended Complaint that "at no point did V. Reddy disclose to Plaintiff the
23 vested interest and financial relationship he and his wife, Margaret Reddy, had with
24 Weinstein. At all times, V. Reddy passed himself off as a business reference and longtime
25 satisfied customer."

26 **RESPONSE TO INTERROGATORY NO. 17:**

27 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
28 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the

1 extent that this interrogatory would invade upon the attorney-client privilege and/or work
2 product doctrine, Defendant would further object to this interrogatory. This interrogatory is
3 premature as discovery is ongoing.

4 **I was not on the call between Vijay Reddy and Plaintiff. I have no idea what was**
5 **disclosed. The last check that I received from David Weinstein's company was at the**
6 **end of April 2018, for work previously completed. Plaintiff signed its contract and sent**
7 **it its initial deposit in May 2018. Therefore, there was no longer a vested interest or**
8 **financial relationship for either myself or Vijay Reddy at the time that Plaintiff signed**
9 **its contract.**

10 **INTERROGATORY NUMBER 18:**

11 Describe any work that you performed for David Weinstein prior to May 1, 2018.

12 **RESPONSE TO INTERROGATORY NO. 18:**

13 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
14 burdensome as it requests any work prior to 2018. Defendant further objects to this
15 interrogatory on the ground that it is not reasonably calculated to lead to the discovery of
16 admissible evidence. Defendant further objects to this interrogatory on the ground that it is
17 vague and ambiguous what "work" means. As written, Defendant cannot adequately respond
18 to this interrogatory.

19 **I built most of the websites for billing, collection, and transcription. I created**
20 **and mailed brochures to doctors. I created lists based on states, specialties, addresses,**
21 **area codes, zip codes, and other demographic criteria. I put my voice on all the 800**
22 **numbers for greetings and menu listings. I trained people on using early debt collection**
23 **software. If there was an overflow of clients (collection, transcription, or billing) and**
24 **there was no one to assign the client to, I would take care of the client until there was**
25 **someone else available. I did other secretarial work (answer phones, take messages,**
26 **etc.).**

27 **INTERROGATORY NUMBER 19:**

28 Describe any services that you performed for David Weinstein prior to May 1, 2018.

1 **RESPONSE TO INTERROGATORY NO. 19:**

2 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
3 burdensome as it requests any services prior to 2018. Defendant further objects to this
4 interrogatory on the ground that it is not reasonably calculated to lead to the discovery of
5 admissible evidence. Defendant further objects to this interrogatory on the ground that it is
6 vague and ambiguous what "services" means. As written, Defendant cannot adequately
7 respond to this interrogatory.

8 **Please see the Response to Interrogatory No. 18.**

9 **INTERROGATORY NUMBER 20:**

10 Describe defendant Vijay Reddy's business relationship with David Weinstein.

11 **RESPONSE TO INTERROGATORY NO. 20:**

12 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
13 what "business relationship" means. As written, Defendant cannot adequately respond to this
14 interrogatory.

15 **I was an independent contractor for David Weinstein's company, Tannenbaum**
16 **& Milask.**

17 **INTERROGATORY NUMBER 21:**

18 Identify by date and dollar amount all payments you received from David Weinstein
19 between January 1, 2008 and the present.

20 **RESPONSE TO INTERROGATORY NO. 21:**

21 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
22 burdensome as it asks for "all payments," which is an impossible standard to satisfy.
23 Defendant further objects to this interrogatory on the ground that it is overbroad and unduly
24 burdensome in that requests all payments over a ten-year period. Defendant further objects
25 to this interrogatory on the ground that it is not reasonably calculated to lead to the discovery
26 of admissible evidence. Notwithstanding Defendant's objections, Defendant responds as
27 follows: Responding to this interrogatory would require me to review all payments over a
28 ten-year period, which is extremely burdensome, and most of the payments requested are not

1 within 2018, which is the only time period relevant to this lawsuit.

2 I was not paid anything from David Weinstein or any company owed by him
3 after April 20, 2018. I believe all payments came from Tannenbaum & Milask, and not

4 David Weinstein. The payments are as follows:

5	5/12/16	\$35,000
6	5/25/16	\$17,250
7	6/1/16	\$5,250
8	6/30/16	\$75,625
9	6/30/16	\$16,250
10	8/23/16	\$34,375
11	9/8/16	\$62,500
12	10/11/16	\$7,625
13	11/8/16	\$36,000
14	11/22/16	\$75,500
15	11/23/16	\$110,500
16	1/6/17	\$52,125
17	2/21/17	\$13,250
18	3/28/17	\$45,950
19	4/18/17	\$42,500
20	5/16/17	\$12,250
21	7/31/17	\$28,000
22	9/20/17	\$21,250
23	9/26/17	\$12,250
24	10/10/17	\$9,000
25	12/6/17	\$21,250
26	4/20/18	\$21,250

27 **INTERROGATORY NUMBER 22:**

28 Describe any work that you performed for Kevin Brown prior to May 1, 2018.

RESPONSE TO INTERROGATORY NO. 22:

None.

INTERROGATORY NUMBER 23:

Describe any services that you performed for Kevin Brown prior to May 1, 2018.

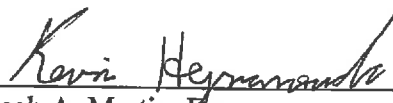
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1 **RESPONSE TO INTERROGATORY NO. 23:**

2 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
3 what "services" means. Notwithstanding Defendant's objection, Defendant responds as
4 follows: None.

5 DATED this 12 day of August, 2020.

6 LEAH MARTIN LAW

7 
8 _____
9 Leah A. Martin, Esq.
10 Kevin Hejmanowski, Esq.
11 3100 W. Sahara Ave. #202
12 Las Vegas, Nevada 89102
13 *Attorneys for Defendants*
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VERIFICATION

MARGARET REDDY, under penalty of perjury of the laws of the State of Nevada, makes the following declarations: that she has read the foregoing DEFENDANT MARGARET REDDY'S SUPPLEMENTAL RESPONSES TO PLAINTIFF'S FIRST SET OF INTERROGATORIES to which this verification is attached and she knows the contents thereof; and that the same are true to the best of her knowledge and belief.

DATED this 29 day of July, 2020.


Margaret Reddy

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on the 12 day of August, 2020, the foregoing **DEFENDANT**
3 **MARGARET REDDY'S SUPPLEMENTAL RESPONSES TO PLAINTIFF'S FIRST**
4 **SET OF INTERROGATORIES** was served via the Odyssey E-File & Serve system, to the
5 following:

6 Zachary Ball
7 Nevada Bar No. 8364
8 1707 Village Center Circle, Suite 140
9 Las Vegas, NV 89134
10 *Attorney for Medappeal, LLC*

11 Hector Carbajal II
12 Nevada Bar No. 6247
13 10001 Park Run Drive
14 Las Vegas, NV 89145
15 *Attorney for Medasset Corporation and*
16 *David Weinstein*

17 Zachary Takos
18 Nevada Bar No. 11293
19 1980 Festival Plaza Drive, Suite 300
20 Las Vegas, NV 89135
21 702-856-4629
22 *Attorney for Kevin Brown and Visionary*
23 *Business Brokers, LLC*

24
25
26
27
28

On behalf of LEAH MARTIN LAW

1 Leah Martin, Esq.
Nevada Bar No. 7982
2 Kevin Hejmanowski, Esq.
Nevada Bar No. 10612
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lmartin@leahmartinlv.com
6 khejmanowski@leahmartinlv.com
7 *Attorneys for Defendants*

8 **DISTRICT COURT**
9 **CLARK COUNTY, NEVADA**

10 MEDAPPEAL, LLC, An Illinois Limited) Case No.: A-19-792836-C
Liability Company,)
11 Plaintiff,) Dept. No.: XIV
12 vs.)
13 DAVID WEINSTIEN, VIJAY REDDY,)
MARGARET REDDY, MOHAN)
14 THALAMARLA, KEVIN BROWN, MAX)
GLOBAL, INC., VISIONARY BUSINESS)
15 BROKERS LLC, MEDASSET)
16 CORPORATION, AND DOES 1-50,)
17 Defendants;)
18)

19 **DEFENDANT VIJAY REDDY'S SUPPLEMENTAL RESPONSES TO PLAINTIFF'S**
20 **AMENDED FIRST SET OF INTERROGATORIES**

21 Defendant Vijay Reddy ("Defendant"), by and through his attorney of record, Leah
22 Martin Law, hereby supplements his responses (**in bold**) to Plaintiff Medappeal, LLC's
23 ("Plaintiff") Amended First Set of Interrogatories.

24 These responses and objections are not intended to be, and should not be interpreted
25 as, a waiver of any objection to the admissibility of any such information on the grounds of
26 privilege, work-product doctrine, hearsay, relevance or any other objection. Information
27 considered privileged or covered by the work-product doctrine will not be disseminated.
28

1 The inadvertent release of any information protected by any privilege or by the work-
2 product doctrine should not be construed as a waiver of that privilege or the work-product
3 doctrine.

4 **ANSWERS TO INTERROGATORIES**

5 **INTERROGATORY NO. 1:**

6 Identify by plaintiff's name, state of filing, name of court and case number all
7 lawsuits that have been filed against YOU since January 1, 2008. (For the purposes of this
8 Interrogatory, the term YOU includes Vijay Reddy and any entity that he owned, controlled
9 or managed.)

10 **RESPONSE TO INTERROGATORY NO. 1:**

11 Defendant objects to this interrogatory on the ground that it is not reasonably
12 calculated to lead to the discovery of admissible evidence. Notwithstanding Defendant's
13 objection, Defendant responds as follows: All lawsuits were based in Michigan. I do not
14 know the names of the particular courts or case numbers. I have been sued by Anthony
15 Holmes, Ray Fritz, and Carlos (I have forgotten his last name).

16 **INTERROGATORY NO. 2:**

17 Identify by name, address and phone number all persons or entities for whom you
18 were employed between January 1, 2008 and May 1, 2018.

19 **RESPONSE TO INTERROGATORY NO. 2:**

20 Defendant objects to this interrogatory on the ground that it is not reasonably
21 calculated to lead to the discovery of admissible evidence. Notwithstanding Defendant's
22 objection, Defendant responds as follows: I have been self-employed. I have worked for
23 Blue Cross Blue Shield. I do not have an address or phone number for Blue Cross Blue
24 Shield. I do not keep records that far back in time. I have worked for the Veteran's
25 Administration. I do not have an address or phone number for the Veteran's Administration.
26 I do not keep records that far back in time. I have worked for David Weinstein. I do not
27 recall which of David's companies gave me a 1099, as it was many years ago. I do not have
28 an address or phone number for David's companies.

1 **INTERROGATORY NO. 3:**

2 Identify by name, address and phone number all persons or entities to whom you
3 worked as an independent contractor between January 1, 2008 and May 1, 2018.

4 **RESPONSE TO INTERROGATORY NO. 3:**

5 Defendant objects to the interrogatory on the ground that it is not reasonably
6 calculated to lead to the discovery of admissible evidence. Notwithstanding Defendant's
7 objection, Defendant responds as follows: Please see Defendant's Response to Interrogatory
8 No. 2.

9 **INTERROGATORY NO. 4:**

10 Identify by name, address and phone number all persons or entities that provided you
11 money or other compensation for services rendered to those persons or entities between
12 January 1, 2008 and May 1, 2018.

13 **RESPONSE TO INTERROGATORY NO. 4:**

14 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
15 burdensome in that it asks for all the identities and contact information for persons or entities
16 that provided Defendant compensation over a ten-year period of time. Notwithstanding
17 Defendant's objection, Defendant responds as follows: I have been self-employed. I do not
18 recall all of the people I have done business with or that paid me. I do not keep records that
19 far back in time. It would be very difficult to assemble such a list without going through
20 every email that I have ever received within the last ten years. I never received any
21 compensation from Medasset Corporation and/or David Weinstein regarding the contract
22 with Plaintiff.

23 I do not have a record or recall all persons or entities that provided me money or
24 other compensation for services. To the best of my recollection and available data, the
25 persons and/or entities are as follows:

26 Nadeem Fatmi;
27 Camile Batiste;
28 Michael Bradley;
Tony Holmes;

1 Ray Fritz;
2 Blue Sky Solutions;
3 Steven Sami;
4 Gerson Benoit & Desiree Cortes;
5 Paul Volen;
6 Kaplana Dugar;
7 David Weinstein company (not sure which entity or entities issued a 1099);
8 Blue Cross Blue Shield; and
9 Veteran's Administration

10 I do not have any of their phone numbers or addresses.

11 **INTERROGATORY NO. 5:**

12 Identify by name, address and phone number all persons or entities for whom you
13 provided training services between January 1, 2008 and May 1, 2018.

14 **RESPONSE TO INTERROGATORY NO. 5:**

15 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
16 burdensome in that it requests all the identities and contact information of all persons or
17 entities over a ten-year period of time. Notwithstanding Defendant's objection, Defendant
18 responds as follows: I provided training to Plaintiff in May, 2018, for two weeks and made
19 myself available after the training for any additional questions.

20 I did not keep a database about whom I trained. From my recollection and
21 available data, I know that I provided training to the following people:

22 Nadeem Fatmi;
23 Camile Batiste;
24 Michael Bradley;
25 Tony Holmes;
26 Ray Fritz;
27 Blue Sky Solutions;
28 Steven Sami;
Gerson Benoit & Desiree Cortes;
Paul Volen;
Kaplana Dugar;
Liberty CMS; and
Joseph Bernardo

I do not have any of their phone numbers or addresses.

////

1 **INTERROGATORY NO. 6:**

2 State all facts upon which you based your belief that Medasset Corporation was
3 capable of honoring its contract with Liberty Consulting & Management Services, LLC at the
4 time the contract was executed in May of 2018.

5 **RESPONSE TO INTERROGATORY NO. 6:**

6 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
7 burdensome as it asks for "all facts," which is an impossible standard to satisfy.
8 Notwithstanding Defendant's objection: I was not part of the negotiations, representations,
9 or discussions between Liberty Consulting (now Plaintiff) and Medasset Corporation.

10 **INTERROGATORY NO. 7:**

11 Describe your business relationship with defendant David Weinstein.

12 **RESPONSE TO INTERROGATORY NO. 7:**

13 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
14 what is meant by "business relationship." As written, Defendant cannot adequately respond
15 to this interrogatory.

16 I have served as an independent contractor for David in the past. Likewise,
17 David (or one of his companies) has served as an independent contractor for me. David
18 and I are also friends.

19 **INTERROGATORY NO. 8:**

20 Describe your business relationship with defendant Kevin Brown.

21 **RESPONSE TO INTERROGATORY NO. 8:**

22 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
23 what is meant by "business relationship." As written, Defendant cannot adequately respond
24 to this interrogatory.

25 I have no relationship to Kevin Brown. I have not spoken, texted, called,
26 emailed, faxed or otherwise communicated with him since early 2017. He acted as a
27 broker for me in 2016.

28 ////

1 **INTERROGATORY NO. 9:**

2 Describe all blocks of accounts that you purchased from defendant David Weinstein
3 between January 1, 2008 and May 1, 2018.

4 **RESPONSE TO INTERROGATORY NO. 9:**

5 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
6 what "blocks of accounts" means. Defendant further objects to this interrogatory on the
7 ground that it is overbroad and unduly burdensome in that it asks for "all blocks of accounts"
8 over a ten-year period of time. As written, Defendant cannot adequately respond to this
9 interrogatory.

10 I have bought blocks of medical billing, medical collection, medical appeals, and
11 medical transcription from David in various sizes over the years. I do not recall nor do
12 I have records about specific blocks of accounts.

13 **INTERROGATORY NO. 10:**

14 Describe all business packages that you purchased from defendant David Weinstein
15 between January 1, 2008 and May 1, 2018.

16 **RESPONSE TO INTERROGATORY NO. 10:**

17 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
18 what "business packages" means. Defendant further objects to this interrogatory on the
19 ground that it is overbroad and unduly burdensome in that it requests "all business packages"
20 over a ten-year period of time. As written, Defendant cannot adequately respond to this
21 interrogatory.

22 I have bought business packages from David Weinstein that include medical
23 billing, medical collection, medical transcription, and medical appeals. I do not recall
24 nor do I have records about specific business packages.

25 **INTERROGATORY NO. 11:**

26 Identify by full name, address and phone number all individuals that complained to
27 you about businesses that they purchased from David Weinstein and/or Kevin Brown January
28 1, 2008 to the present.

1 **RESPONSE TO INTERROGATORY NO. 11:**

2 Defendant objects to this interrogatory on the ground that it is overbroad and unduly
3 burdensome in that it asks for the identities and contact information for all individuals who
4 complained about businesses over a ten-year period of time. Defendant further objects to this
5 interrogatory on the ground that it is not reasonably calculated to lead to the discovery of
6 admissible evidence. Notwithstanding Defendant's objections, Defendant responds as
7 follows: Plaintiff did not complain to me about the opportunities that it bought from
8 Medasset Corporation.

9 To my knowledge, Kevin Brown did not sell any business, he was always a
10 broker. I do not keep a database of complaints. I do not recall full names, addresses or
11 phone numbers of people who complained, except for the Plaintiff in this matter and
12 Mr. Craig Sylverston. I do not have Mr. Sylverston's address or phone number.

13 **INTERROGATORY NO. 12:**

14 Identify by date and general substance all conversations you have had with
15 PLAINTIFF or its principals. (For the purpose of this Interrogatory, the term PLAINTIFF
16 means Medappeal, LLC along with its predecessor Liberty Consulting & Management
17 Services, LLC.)

18 **RESPONSE TO INTERROGATORY NO. 12:**

19 On or about May 1, 2018, I took a phone call from Plaintiff. I gave my opinion about
20 the business Plaintiff asked about. I told Plaintiff not to buy into the medical transcription
21 business or the medical answering service, because those businesses were not viable. I
22 further gave factual information about the year I met Mr. Weinstein, my work history, and I
23 gave my opinion about the questions that were asked.

24 On or about May 7, 2018, I was asked to train Plaintiff, whereupon I spent
25 approximately two weeks training Plaintiff on medical billing, medical appeals, and how to
26 run the software. I continued to make myself available for additional time beyond the two
27 weeks. I spent approximately 10-15 hours training Plaintiff, answering questions. To the
28 best of my recollection, I returned all phone calls promptly.

1 I do not recall the exact date, but an individual (who refused to identify himself)
2 called me and threatened me, and said that he and Plaintiff were upset with David Weinstein.
3 I told the person that I would pass along the message and that David Weinstein was in the
4 hospital due to a serious health issue. I assured the caller that he would be contacted when
5 David Weinstein was able to do so.

6 **INTERROGATORY NUMBER 13:**

7 Describe all of the training that you provided to PLAINTIFF. (For the purpose of this
8 Interrogatory, the term PLAINTIFF means Medappeal, LLC along with its predecessor
9 Liberty Consulting & Management Services, LLC.)

10 **RESPONSE TO INTERROGATORY NO. 13:**

11 Please see Defendant's Response to Interrogatory No. 13.

12 **INTERROGATORY NUMBER 14:**

13 Describe all office equipment that you recommended that PLAINTIFF purchase.
14 (For the purpose of this Interrogatory, the term PLAINTIFF means Medappeal, LLC along
15 with its predecessor Liberty Consulting & Management Services, LLC.)

16 **RESPONSE TO INTERROGATORY NO. 14:**

17 I did not recommend that Plaintiff purchase any office equipment. Rather, I told
18 Plaintiff about different ways to run the business. Some people prefer to keep everything
19 digital and others prefer to print everything. I told Plaintiff that it would need a computer
20 and basic office supplies to run the business. I told Plaintiff that it probably already had all
21 of the office equipment that would be needed if Plaintiff is an established company. I told
22 Plaintiff that it needed to decide what worked best for the business.

23
24 **INTERROGATORY NUMBER 15:**

25 Describe your business relationship with Tannenbaum & Milask.

26 **RESPONSE TO INTERROGATORY NO. 15:**

27 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
28 what "business relationship" means. As written, Defendant cannot adequately respond to this

1 interrogatory.

2 **INTERROGATORY NUMBER 16:**

3 Describe your business relationship with defendant Visionary Business Brokers.

4 **RESPONSE TO INTERROGATORY NO. 16:**

5 Defendant objects to this interrogatory on the ground that it is vague and ambiguous
6 what "business relationship" means. As written, Defendant cannot adequately respond to this
7 interrogatory.

8 **Tannenbaum & Milask is a business broker company that I have used to help**
9 **me find people who may be interested in business opportunities that I have sold in the**
10 **past.**

11 **INTERROGATORY NUMBER 17:**

12 Describe the circumstances surrounding the transfer of \$325,000 from defendant
13 Margaret Reddy to defendants Mohan Thalmarla and Max Global.

14 **RESPONSE TO INTERROGATORY NO. 17:**

15 Defendant objects to this interrogatory on the ground that it is not reasonably
16 calculated to lead to the discovery of admissible evidence. Notwithstanding Defendant's
17 object, Defendant responds \$330,000 was not transferred from Margaret to Mohan Thalmarla
18 and Max Global.

19 **INTERROGATORY NUMBER 18:**

20 Describe the circumstances surrounding the transfer of \$330,000 from defendant
21 Mohan Thalmarla to you.

22 **RESPONSE TO INTERROGATORY NO. 18:**

23 I did not receive \$330,000. My wife received the money. This was a loan which was
24 used to pay for our house.

25 **INTERROGATORY NUMBER 19:**

26 State all facts that support your denial of the allegation contained in paragraph 16 of
27 Plaintiff's First Amended Complaint that "Brown sold the business opportunities on behalf of
28 . . . defendant V. Reddy."

1 **RESPONSE TO INTERROGATORY NO. 19:**

2 Defendants objects to this interrogatory on the ground that it is overbroad and unduly
3 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
4 extent that this interrogatory would invade the attorney-client and/or work product doctrine
5 privilege, Defendant would further object to this interrogatory. This interrogatory is
6 premature as discovery is ongoing.

7 **INTERROGATORY NUMBER 20:**

8 State all facts that support your denial of the allegation contained in paragraph 46 of
9 Plaintiff's First Amended Complaint that "the allegations contained in the Holmes matter are
10 remarkably similar to the allegations asserted against Defendants in this action. The plaintiff
11 alleged that V. Reddy 'represented to Plaintiff that he would sell Plaintiff bundles of medical
12 billing contracts.' (Ex. 3, ¶ 7.) The plaintiff further alleged that after several months, his
13 purchase had not generated any revenues. (Ex. 3, ¶ 13.)"

14 **RESPONSE TO INTERROGATORY NO. 20:**

15 Defendants objects to this interrogatory on the ground that it is overbroad and unduly
16 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
17 extent that this interrogatory would invade the attorney-client and/or work product doctrine
18 privilege, Defendant would further object to this interrogatory. This interrogatory is
19 premature as discovery is ongoing.

20 **INTERROGATORY NUMBER 21:**

21 State all facts that support your denial of the allegation contained in paragraph 47 of
22 Plaintiff's First Amended Complaint that "[a]ccording to the complaint, V. Reddy made
23 representations as to the number of client accounts and revenue the plaintiff would receive.
24 The plaintiff also alleged V. Reddy made multiple serious misrepresentations and omissions
25 to induce the sale. As a result of this lawsuit, V. Reddy was ordered to pay the Holmes
26 plaintiff an amount equal to or greater than \$200,000."

27 **RESPONSE TO INTERROGATORY NO. 21:**

28 Defendants objects to this interrogatory on the ground that it is overbroad and unduly

1 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
2 extent that this interrogatory would invade the attorney-client and/or work product doctrine
3 privilege, Defendant would further object to this interrogatory. This interrogatory is
4 premature as discovery is ongoing.

5 **INTERROGATORY NUMBER 22:**

6 Identify by buyer's name, address and phone number all business packages you sold
7 on behalf of or in conjunction with defendant David Weinstein as alleged in paragraph 52 of
8 Plaintiff's First Amended Complaint and admitted in paragraph 28 of your answer to
9 Plaintiff's First Amended Complaint.

10 **RESPONSE TO INTERROGATORY NO. 22:**

11 Defendant objects to this interrogatory on the ground that it is not reasonably
12 calculated to lead to the discovery of admissible evidence. Defendant further objects to this
13 interrogatory on the ground that it vague and ambiguous what "business packages" means.
14 Notwithstanding Defendant's objections, Defendant responds as follows: I do not have
15 records from twelve years ago.

16 **INTERROGATORY NUMBER 23:**

17 State all facts that support your denial of the allegation contained in paragraph 53 of
18 Plaintiff's First Amended Complaint that "[s]ince 2016, V. Reddy sold or was involved in the
19 sale of the same or similar business packages to: Camile Batiste, Nadeem Fatmi, Steven
20 Sami, Gerson Benoit and Desiree Cortes, Paul Volen, Michael Bradley, Craig Sylverston,
21 and Kalpana Dugar. V. Reddy never successfully fulfilled any of the contracts as agreed to
22 with these individuals."

23 **RESPONSE TO INTERROGATORY NO. 23:**

24 Defendants objects to this interrogatory on the ground that it is overbroad and unduly
25 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
26 extent that this interrogatory would invade the attorney-client and/or work product doctrine
27 privilege, Defendant would further object to this interrogatory. This interrogatory is
28 premature as discovery is ongoing.

1 **INTERROGATORY NUMBER 24:**

2 State all facts that support your denial of the allegations contained in paragraph 54 of
3 Plaintiff's First Amended Complaint that "[a]ll of the above listed individuals complained to
4 V. Reddy about his inability to perform, their financial loss due to his misrepresentations,
5 and some threatened to take legal action."

6 **RESPONSE TO INTERROGATORY NO. 24:**

7 Defendants objects to this interrogatory on the ground that it is overbroad and unduly
8 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
9 extent that this interrogatory would invade the attorney-client and/or work product doctrine
10 privilege, Defendant would further object to this interrogatory. This interrogatory is
11 premature as discovery is ongoing.

12 **INTERROGATORY NUMBER 25:**

13 State all facts that support your denial of the allegations contained in paragraph 55 of
14 Plaintiff's First Amended Complaint that "at no point did V. Reddy disclose to Plaintiff the
15 vested interest and financial relationship he and his wife, Margaret Reddy, had with
16 Weinstein. At all times, V. Reddy passed himself off as a business reference and longtime
17 satisfied customer."

18 **RESPONSE TO INTERROGATORY NO. 25:**

19 Defendants objects to this interrogatory on the ground that it is overbroad and unduly
20 burdensome as it asks for "all facts," which is an impossible standard to satisfy. To the
21 extent that this interrogatory would invade the attorney-client and/or work product doctrine
22 privilege, Defendant would further object to this interrogatory. This interrogatory is
23 premature as discovery is ongoing.

24 **INTERROGATORY NUMBER 26:**

25 Describe the business that you sold in 2016 as referenced in paragraph 38 of your
26 Answer to Plaintiff's First Amended Complaint.

27 **RESPONSE TO INTERROGATORY NO. 26:**

28 I had a company called Revenue Asset Services. I sold that company to an individual

1 in Chicago, Illinois.

2 DATED this 12 day of August, 2020.

3 LEAH MARTIN LAW

4 

5 Leah A. Martin, Esq.

6 Kevin Hejmanowski, Esq.

7 3100 W. Sahara Ave. #202

8 Las Vegas, Nevada 89102

9 *Attorneys for Defendants*

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