

4. Defendants admit that ALEJOS is an individual who resided during all relevant times in Cook County, Illinois.

JURISDICTION AND VENUE

5. Defendants admit that Transcend does business in Cook County, Illinois but further states that the allegations of Paragraph 5 contain legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

6. Defendants admit that a substantial part of the events as alleged in Plaintiff's Complaint occurred in Cook County, Illinois but further states that the allegations of Paragraph 6 contain legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

BACKGROUND INFORMATION

7. The document referenced in paragraph 7 speaks for itself and, therefore, no response is warranted.

8. The document transferring the assets speaks for itself and, therefore, no response is warranted. To the extent a response is required, Defendants deny that all of Defendants rights were transferred.

9. Defendants admit to the allegations in paragraph 9 but clarify it stating that Federal and state regulations govern Transcend's licenses, permits and regulatory approvals and require prior governmental authorizations, notices and consents (collectively referred to as "Regulatory Approvals"), in order to effectuate a transfer of such licenses, permits and regulatory approvals. Furthermore, certain assets, including customer accounts and the facilities and equipment utilized to provide regulated telecommunications services to customers

(collectively referred to as “Regulated Assets”), may not be transferred or assigned prior to receipt of Regulatory Approvals.

10. The document referenced in paragraph 10 speaks for itself and, therefore, no response is warranted.

11. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 11, so the same therefore are denied.

12. Defendants admit Transcend agreed to enable and permit Plaintiff, under the supervision and control of Sinclair and Danis, to manage the day-to-day operations of the Assets and Regulated Assets (“Business”) and to provide regulated telecommunications services to customers of Transcend with respect to the Business during the time it took Plaintiff to obtain the necessary Regulatory Approvals.

13. The document referenced in paragraph 13 speaks for itself and, therefore, no response is warranted.

Defendants’ Obligation To Cooperate

14. The document referenced in paragraph 14 speaks for itself and, therefore, no response is warranted.

15. Defendants deny the allegations in paragraph 15.

16. The document referenced in paragraph 16 speaks for itself and, therefore, no response is warranted.

MA Payment Provisions: Plaintiff’s Right To Management Fees

17. The document referenced in paragraph 17 speaks for itself and, therefore, no response is warranted.

18. The document referenced in paragraph 18 speaks for itself and, therefore, no response is warranted.

19. The document referenced in paragraph 19 speaks for itself and, therefore, no response is warranted.

20. The document referenced in paragraph 20 speaks for itself and, therefore, no response is warranted.

Defendants' Additional And Material Breadies Of The Parties' Agreements

21. The allegations of Paragraph 21 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

22. The allegations of Paragraph 22 contain legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

23. The allegations of Paragraph 23 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

24. The document referenced in paragraph 24 speaks for itself and, therefore, no response is warranted.

25. The allegations of Paragraph 25 contain legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

26. The allegations of Paragraph 26 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

COUNT I
BREACH OF APA

27. Defendants reallege and incorporate by reference the responses to the foregoing allegations as if fully set forth verbatim herein.

28. Defendants admit the allegations in paragraph 28.

29. The allegations of paragraph 29 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

30. Defendants deny the allegations in paragraph 30 and state that they were not required to return any deposit to Plaintiff.

31. The allegations in paragraph 31 contain legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

COUNT II
BREACH OF MA

32. Defendants reallege and incorporate by reference the foregoing answers to Paragraph 1 through Paragraph 31 as if fully set forth verbatim herein.

33. Defendants admit the allegations in paragraph 33.

34. The allegations in Paragraph 34 are legal conclusions to which no response is required. To the extent a response is required, Defendants deny the allegations.

35. The allegations in Paragraph 35 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

COUNT III
UNJUST ENRICHMENT

36. Defendants reallege and incorporate by reference the foregoing answers to Paragraph 1 through Paragraph 35 as if fully set forth verbatim herein.

37. The allegations in Paragraph 37 contain legal conclusions to which no response is required. To the extent a response is required, Defendants deny the allegations.

38. Defendants deny the allegations in paragraph 38.

39. Defendants deny the allegations in paragraph 39.

40. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 40, so the same therefore are denied.

41. The allegations in Paragraph 41 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

42. The allegations in Paragraph 42 are legal conclusions to which no response is required. To the extent a response is required, the allegations are denied.

AFFIRMATIVE DEFENSES

Defendants further allege the following affirmative defenses to the Complaint.

First Affirmative Defense

Plaintiff's Complaint fails to state a claim for which relief can be granted.

Second Affirmative Defense

Plaintiff's claims are barred by the doctrine of estoppel.

Third Affirmative Defense

Plaintiff's claims are barred by the doctrine of unjust enrichment.

Fourth Affirmative Defense

Plaintiff has suffered no damages.

Fifth Affirmative Defense

Plaintiff's claims are barred by the doctrine of unclean hands.

Sixth Affirmative Defense

Defendants further reserve the right to rely on any and all other defenses available at law or equity that might be identified through investigation, the process of discovery or otherwise.

COUNTERCLAIM

Counter-Plaintiff Transcend Multimedia, LLC. (“Transcend” or “Counter-Plaintiff”), by and through its undersigned counsel, brings this action against Counter-Defendant Airdis, LLC (“Airdis”), Scott J. Sinclair (“Sinclair”) and Michael Danis (“Danis”) (collectively referred to as “Counter-Defendants”) and complains as follows:

VENUE

1. Venue is proper in Cook County, because Airdis, an Illinois Limited Liability Company, has its principle place of business in Cook County, and because the wrongful acts arose here.

2. Venue is also proper in Cook County, because the underlying contracts at issue in the Counterclaim contain a forum selection clause providing that Counter-Plaintiff and Airdis irrevocably consent to the exclusive jurisdiction of this court.

PARTIES

3. Counter-Plaintiff is an Illinois Limited Liability Company with its principal place of business during the times relevant to this case in Chicago, Illinois, located in Cook County.

4. Counter-Defendant Airdis is an Illinois Limited Liability Company that conducts business in Cook County.

5. Counter-Defendant Sinclair, an individual, serves as Airdis’ Chairman and CEO and resides at 14741 Margust Lane, Homer Glen, Illinois.

6. Counter-Defendant Danis, an individual, serves as Airdis’ President and angel investor and resides at 247 Lakeland Drive, Palos Park, Illinois.

FACTS

7. Counter-Plaintiff is a full-service voice and data telecommunications company providing services to business customers in several states.

8. Airdis is a full-service telecommunications provider of local and long distance communication services and equipment in at least the Chicagoland area.

Parties' Business Relationship

9. In early 2007, Counter-Plaintiff decided to explore the possibility of selling its business.

10. Around the same time, representatives of Counter-Plaintiff were introduced to Danis and Sinclair as prospective buyers of Counter-Plaintiff's business.

11. On or about August 6, 2007, Counter-Plaintiff and Airdis entered into an Asset Purchase Agreement ("APA") whereby Counter-Plaintiff agreed to sell to Airdis, and Airdis agreed to buy from Counter-Plaintiff its telecommunications business ("Business"). A true and accurate copy of the APA is attached at **Exhibit A** and is incorporated by reference.

12. At the time of the execution of the APA, Counter-Plaintiff had been granted and maintained in good standing certain federal, state, and other licenses, permits, and regulatory approvals that authorized its provisioning of regulated telecommunications services.

13. Federal and state regulations govern Counter-Plaintiff's licenses, permits, and regulatory approvals and require prior governmental authorizations, notices, and consents (collectively referred to as "Regulatory Approvals"), in order to effectuate a transfer of such licenses, permits, and regulatory approvals. Furthermore, certain assets, including customer accounts, and the facilities and equipment utilized to provide regulated telecommunications services to customers (collectively referred to as "Regulated Assets"), may not be transferred or assigned prior to receipt of Regulatory Approvals.

14. Obtaining necessary Regulatory Approvals takes an undetermined amount of time, but generally can be secured in anywhere from one (1) to six (6) months.

15. Counter-Plaintiff agreed to enable and permit Airdis, under the supervision and control of Sinclair and Danis, to manage the day-to-day operations of its Business, including its Regulated Assets, and to provide regulated telecommunications services to the customers of Counter-Plaintiff with respect to the Business during the time it took Airdis to obtain the necessary Regulatory Approvals.

16. Accordingly, on or about August 14, 2007, Counter-Plaintiff and Airdis entered into a Management Agreement (“Mgt. Agreement”) to ensure the continued operation of Counter-Plaintiff’s Business and the associated billing, collection, and administrative functions, as required to provide uninterrupted telecommunications services to Counter-Plaintiff’s customers. A true and accurate copy of the Mgt. Agreement is attached at **Exhibit B** and is incorporated by reference.

17. The purpose and intent of the Mgt. Agreement was to enable Airdis, through the oversight of Sinclair and Danis to operate the day-to-day business while the parties waited for the relevant state and federal regulatory bodies to approve the transfer of the Regulatory Assets pursuant to the APA.

18. Pursuant to terms of the APA and by agreement, the parties agreed that Airdis, under the supervision and control of Sinclair and Danis, would be responsible for obtaining the necessary Regulatory Approvals.

19. Immediately after executing the APA and Mgt. Agreement, Sinclair made numerous assurances to Counter-Plaintiff that Counter-Defendants were taking the necessary

actions to obtain the required Regulatory Approvals and maintain Counter-Plaintiff's telecommunications licenses, permits, and authorizations in good standing.

20. Notwithstanding this, on or about November 21, 2007, Counter-Plaintiff was notified by the Universal Service Administrative Company ("USAC"), the administrator of the FCC's Universal Service Fund program, that Counter-Defendants had missed the deadline for filing Counter-Plaintiff's required November 2007 FCC 499Q report. **See Exhibit C.**

21. This notification from the FCC prompted Counter-Plaintiff to ask Sinclair about the status of Airdis obtaining the necessary Regulatory Approvals and making required regulatory filings needed to maintain Counter-Plaintiff's telecommunications licenses, permits and authorities in good standing.

22. Sinclair again assured Counter-Plaintiff that Counter-Defendants had made all the necessary regulatory filings needed to secure the required Regulatory Approvals and that Counter-Defendants were maintaining all of Counter-Plaintiff's state and federal licenses, permits and authorizations.

23. In early February 2008, Jesse Alejos, a member of Counter-Plaintiff, visited Airdis' office to review outstanding items related to the APA. At this meeting, Sinclair told Mr. Alejos that "the requests for Regulatory Approvals had been submitted and that [Mr. Alejos] should be patient." However, on or about February 22, 2008, Counter-Plaintiff again was notified by USAC that Counter-Defendants had missed the deadline for filing Counter-Plaintiff's required February 2008 FCC 499Q report for Filer ID 825497 (*i.e.* Transcend's Filer ID). **See Exhibit D.**

24. This notification prompted Counter-Plaintiff to perform independent research into the status of the Regulatory Approvals process.

25. On or about February 27, 2008, Counter-Plaintiff confirmed that, based on its research, Counter-Defendants had taken no action to obtain the necessary Regulatory Approvals.

February 2008 Letter

26. As a result of Counter-Plaintiff's discovery that Counter-Defendants were not fulfilling Airdis' obligations under the APA to obtain the necessary Regulatory Approvals, on or about February 29, 2008, Counter-Plaintiff sent a letter to Airdis ("February 2008 Letter") demanding, pursuant to the terms of the Mgt. Agreement and the APA the following:

- a. month-by-month status reports on the operations of the business for the period September 2007 through February 29, 2008. These reports should, at a minimum, include details and supporting records pertaining to:
 - i. Expenditures;
 - ii. Income;
 - iii. Transcend customer complaints and actions taken by Airdis with respect thereto;
 - iv. Transcend customer service-related or technical issues and actions taken by Airdis with respect thereto;
 - v. Any contracts entered into or cancelled by Airdis on behalf of, or in the name of Transcend Multimedia, LLC; and
 - vi. All fees, taxes and charges paid to any governmental body on behalf of, or in the name of Transcend Multimedia, LLC;
- b. Month-by-month reports for the period September 2007 through February 29, 2008 detailing all actions taken by Airdis in compliance with applicable FCC and state regulatory requirements, including, but not limited to reports on Airdis' compliance with FCC Form 499 filings and fees and state public utility reports and fees, including proof of compliance;
- c. Access to all books, records, or other information related to compliance with applicable federal and state rules and regulations; and
- d. Access to all books, records, or other information related to compliance with applicable federal and state rules and regulations; and a detailed report on all "good faith efforts" made by Airdis to obtain a final grant of all required approvals and consents of governmental authorities, including copies of any and all filings made with the FCC or state public utility commissions with respect thereto.

27. Counter-Plaintiff provided Airdis with ten (10) days to respond to Counter-Plaintiff's demands and in turn notified Counter-Defendants that their failure to fully respond to the February 2008 Letter constituted a breach by Airdis of the Mgt. Agreement and the APA. February 2008 Letter is attached at **Exhibit E** and is incorporated by reference.

28. Counter-Defendants did not respond to Counter-Plaintiff's February 2008 Letter.

29. Following its February 2008 Letter, Counter-Plaintiff made repeated requests to obtain information and proof that Airdis was meeting its regulatory and tax payment obligations under the APA and Mgt. Agreement.

30. Counter-Plaintiff continued to voice its concerns that Counter-Defendants had been more than derelict, throughout the previous eight (8) months, in their responsibilities to ensure Counter-Plaintiff's Business was managed in compliance with the company's telecommunications licenses.

31. In response to Counter-Plaintiff's complaints, in April 2008, Sinclair informed Counter-Plaintiff that Counter-Defendants had engaged the services of a regulatory compliance agent, Telecom Professionals, Inc. ("Telecom"), to handle all of Counter-Defendants' regulatory and tax obligations.

32. Based on information provided by Sinclair, Counter-Plaintiff was led to believe that Counter-Defendants had retained Telecom to manage all the legal, taxation, regulatory, and administrative aspects of the license transfer from Counter-Plaintiff to Airdis.

33. Sinclair also led Counter-Plaintiff to believe that Counter-Defendants would cure all regulatory delinquencies and any other deficiencies identified with respect to Counter-Plaintiff's telecommunications licenses and corporate registrations in the various states and before the FCC.

34. Sinclair further led Counter-Plaintiff to believe that Counter-Defendants would satisfy all ongoing tax obligations and would cure any tax delinquencies associated with Counter-Plaintiff's Business with the various states and the federal government.

35. Counter-Plaintiff reiterated the need that such corrective actions be taken at once, as it would be impossible to secure the necessary governmental authorization of the license transfers under any other circumstance.

36. Despite Sinclair's representations that Telecom was handling all the regulatory and administrative aspects necessary to obtain the Regulatory Approvals, on or about April 29, 2008, Telecom's President, Judith Riley, revealed that all efforts to obtain the Regulatory Approvals were stopped "over a month ago."

37. On this same date, Ms. Riley voiced her confusion as to whether or not she was seeking a transfer of licenses and customer base or merely a transfer of customers.

38. At this time, it became obvious to Counter-Plaintiff that over the previous eight (8) months Sinclair had blatantly misrepresented the efforts taken by Counter-Defendants to obtain the required Regulatory Approvals, maintain Counter-Plaintiff's telecommunications licenses, permits and authorities, and handle the required tax obligations.

39. Patrick Hafner, a member of Counter-Plaintiff, emailed Sinclair expressing his concern that Counter-Defendants were not fulfilling its obligations under the APA and Mgt. Agrmt.

40. In May 2008, in an effort to alleviate Counter-Defendants' delinquency in securing the necessary Regulatory Approvals, Counter-Plaintiff's agents provided Airdis and Telecom with all the information requested by Telecom.

41. On May 15, 2008, Mr. Alejos asked Sinclair if Telecom had everything needed to make the necessary regulatory filings.

42. Sinclair responded stating, "I can only tell you that Judy and I have been working through everything she has needed as she has needed it. So as of now, she has everything until she needs something." See email string between Scott Sinclair and Jesse Alejos dated May 15, 2008 – attached at **Exhibit F**.

43. On May 15, 2008, Mr. Alejos responded to Sinclair by stating "Please let us know if there is ANYTHING Judy needs."

44. On June 20, 2008, Mr. Alejos contacted Sinclair to check on the status of the regulatory filings.

45. Mr. Sinclair responded on June 20, 2008 stating, "[a]s far as an update goes, not much has changed. I was hoping to get a status update later today regarding the joint petition. When I do I will forward the info on."

46. On August 4, 2008, Mr. Hafner contacted Sinclair and notified him of a call he received from the Illinois Commerce Commission regarding their Form AR13 that was supposed to be filed by March 31, 2008 to which Sinclair responded "[o]n it."

47. Notwithstanding this, after months of being led to believe that the requisite corrective measures had been taken and Airdis was on track to receive the necessary governmental authorizations and Regulatory Approvals, in January 2009, Counter-Plaintiff received information regarding the status of Counter-Defendants' efforts to "fix" deficiencies with Counter-Plaintiff's authorizations and secure governmental approval of the Asset Transfer. See attachment "Transfer Application Draft".

48. Based on the styling of the pleading, “Transfer Application Draft,” Counter-Plaintiff’s further recognized that Counter-Defendants had not followed through as they had represented and had been derelict in their obligations under the APA and Mgt. Agreement to handle the Regulatory Approvals.

Negotiations to Enter into a Buy-Out Agreement

49. In the Spring of 2008, Messrs. Hafner, Alejos, Sinclair, and Danis met at Airdis’ office to discuss transitioning the business relationship to one where Counter-Defendants would purchase Counter-Plaintiff’s Business for a flat, one-time payment in the amount of \$200,000.00 (“Buy-Out”).

50. Counter-Plaintiff expressed that if the parties agreed to a Buy-Out the deal should close as quickly as possible.

51. Sinclair agreed and represented that securing financing for the Buy-Out would not be an issue given Danis’ involvement.

52. On May 15, 2008, Counter-Plaintiff asked Sinclair about Counter-Defendants’ intentions regarding the Buy-Out and asked for a response by the close of business on May 20, 2008.

53. Sinclair responded on the same date that “I make no guaranty on your time frame demand as it is unlikely that a decision will be made by then.”

54. On May 27, 2008, Mr. Alejos emailed Sinclair stating: “Another week has gone by without any contact or response to the buyout.”

55. On June 20, 2008, in response to Mr. Alejos’s inquiry, Sinclair stated that he has “not heard from the bank yet, but is generally good news.”

56. In the weeks that followed, Sinclair continued to lead Counter-Plaintiff to believe Counter-Defendants were taking the necessary steps to secure the financing to close the Buy-Out.

57. On July 10, 2008, Sinclair told Messrs. Alejos and Hafner, "I am meeting with the bank tomorrow. That doesn't mean I will have a check tomorrow, but I should have more info about when after the meaning. Everything else is status quo."

58. On July 11, 2008, Sinclair notified Messrs. Alejos and Hafner that "[t]he bank postponed our meeting until 2:20 PM on Monday. Therefore I am postponing our call until after then as I have nothing to report until I know the outcome of that meeting."

59. On July 15, 2008, Mr. Alejos contacted Sinclair seeking an update on his progress toward closing the Buy-Out deal.

60. Sinclair responded on July 15, 2008 stating "I have a conference call with the bank today as a follow up to a few questions from yesterday. Things are moving forward."

61. On July 16, 2008, Sinclair emailed Messrs. Alejos and Hafner notifying them that he was "[s]till waiting on bank answers. Our conference call didn't happen. It was rescheduled for Friday. More to come then."

62. On July 18, 2008, Mr. Alejos contacted Sinclair asking what time he was scheduled to speak with the bank about financing.

63. Sinclair responded on the same date stating "I have no idea yet. Still waiting on my contact. As soon as I hear anything I will contact you."

64. On August 15, 2008, Sinclair indicated to Mr. Alejos and Mr. Hafner that the bank status hadn't changed and his contact was on vacation. However, they, Danis and Sinclair,

were also working with another bank in the event their current contact does not get it “done ASAP.”

65. On August 19, 2008, Sinclair told Messrs. Alejos and Hafner that he was “[s]etting up a meeting with the bank this week. I hope to know more SOON!”

66. On August 22, 2008, Mr. Alejos emailed Sinclair again asking for an update on the funding. Sinclair responded this same date stating “[m]et with the bank today. Looking good. Hoping to close within about 40-days. Spoke to them about everything and they are on board.”

67. On September 20, 2008, during an email communication with Sinclair, Mr. Alejos mentioned the target close date of November 2, 2008 based on Sinclair’s representation on August 22.

68. On October 1, 2008 Sinclair responded “[t]hat’s if things go as planned. The banking climate is unpredictable at the moment as you probably have seen on the news.”

69. Mr. Alejos responded to Sinclair that he was under the impression, based on previous representations, that Counter-Defendants’ funding was already secured.

70. On this same date, Sinclair stated “[u]ntil we close on our funding and receive a check nothing is secure these days.”

71. In the months that followed, Sinclair continued to make representations to Counter-Plaintiff that Counter-Defendants were close to securing the necessary financing and Counter-Defendants’ desire to Buy-Out Counter-Plaintiff remained steadfast.

March 2009 Letter

72. In the months following its February 2008 Letter, Counter-Plaintiff made repeated requests to obtain complete and accurate reports on the status of the business, its income and its expenses.

73. Counter-Defendants ignored Counter-Plaintiff's requests.

74. As time passed, it became evident to Counter-Plaintiff that Counter-Defendants were not satisfying their regulatory and legal obligations and, in fact, were placing Counter-Plaintiff's compliance with such obligations in jeopardy.

75. It also became evident that Counter-Defendants were not paying the taxes it was billing and collecting from Counter-Plaintiff's customers.

76. In early 2009, Counter-Plaintiff again requested that Counter-Defendants provide Counter-Plaintiff with information, or any proof that Airdis had in the past met and was continuing to meet its regulatory obligations.

77. Counter-Defendants again ignored Counter-Plaintiff's request.

78. Around the same time, one of Counter-Plaintiff's customers moved its locations in California and New York. To serve this customer of Counter-Plaintiff, Airdis entered into service agreement with other providers with which TMM had no contractual relationship.

79. Counter-Defendants' execution of such contracts under these circumstances was unauthorized and violated the terms of the Mgt. Agreement.

80. At this point, Counter-Plaintiff had had enough of Counter-Defendants' intolerable behavior.

81. As a result, on or about March 11, 2009, Counter-Plaintiff sent a letter to Airdis ("March 2009 Letter") notifying Counter-Defendants that Counter-Plaintiff considered Airdis in default of the Mgt. Agreement, that Counter-Plaintiff was assuming control of the Business'

collection efforts and that Airdis' recent actions and inactions materially breached the Mgt. Agreement.

82. Counter-Plaintiff's March 2009 letter and resumption of the Business' collection efforts were supported by Airdis' continued failure to provide Counter-Plaintiff with the requested information, documentation and status of the efforts taken to secure the necessary Regulatory Approvals and Airdis' continued failure to provide the required reports on the operations of the Business.

83. The March 2009 Letter further claimed that Airdis had improperly passed on its customer service and billing expenses to Counter-Plaintiff during the September 2007 through February 2009 time period. As a result, Airdis underpaid the amounts owed to Counter-Plaintiff pursuant to the Mgt. Agreement.

84. Counter-Plaintiff provided Airdis with thirty (30) days to respond to its demands to cure its breaches of the Mgt. Agreement. Counter-Plaintiff's March 2009 Letter is attached at **Exhibit G** and is incorporated by reference.

85. On March 11, 2009, Airdis responded to Counter-Plaintiff's March 2009 Letter stating that it waived the thirty (30) day cure period provided by Counter-Plaintiff and acknowledged that Counter-Plaintiff would be resuming control of the Business' operations immediately. Airdis' March 11, 2009 response to Counter-Plaintiff's March 2009 Letter is attached as **Exhibit H** and is incorporated by reference.

Counter-Defendants' Course of Dealing

86. Throughout the term of the Agreements, Counter-Defendants have engaged in a pattern of deliberately misleading Counter-Plaintiff into believing that they intended to carry out

the terms of the APA and Mgt. Agreement, and that they were securing the necessary financing to purchase Counter-Plaintiff's Business.

87. Prior to entering into negotiations with Airdis, Counter-Plaintiff's Regulatory Approvals remained in good standing.

88. Pursuant to terms of the APA and by agreement, Airdis, under the supervision and control of Sinclair and Danis, was solely responsible for obtaining the necessary Regulatory Approvals to effectuate a transfer of Counter-Plaintiff's telecommunications business to Airdis.

89. Airdis, under the supervision and control of Sinclair and Danis, was responsible for day-to-day management of Counter-Plaintiff's Business.

90. Also, Airdis, under the supervision and control of Sinclair and Danis, was responsible for paying the appropriate taxing authorities those taxes it billed and collected from TMM's customers.

91. Counter-Defendants did not exercise the requisite good faith or fair dealing when executing their agreed to duties under the APA and Mgt. Agreement.

92. Throughout the nineteen (19) month period that Counter-Defendants managed Counter-Plaintiff's Business, Sinclair assured Counter-Plaintiff that Airdis had taken the necessary actions to obtain the required Regulatory Approvals.

93. Sinclair repeatedly represented to Counter-Plaintiff that Airdis' Regulatory Approvals had been submitted for approval.

94. However, Counter-Plaintiff later learned that all action needed to obtain the necessary Regulatory Approvals had ceased at Sinclair's direction.

95. Counter-Defendants did not make the agreed to good-faith efforts to obtain the necessary Regulatory Approvals.

96. Counter-Defendants neglected to pay the appropriate taxing authorities taxes owed and collected from TMM's customers.

97. Counter-Defendants ignored Counter-Plaintiff's requests to provide status updates on Regulatory Approvals and to demonstrate compliance with the APA and Mgt. Agreement.

98. Counter-Defendants ignored Counter-Plaintiff's requests for complete and accurate reports on the status of the business, its income, and expenses.

99. Counter-Defendants further violated the agreements by passing through customer service and billing expenses to Counter-Plaintiff.

100. Counter-Defendants did not manage the Counter-Plaintiff's Business prudently.

101. Counter-Defendants did not take the necessary steps to secure the financing needed to purchase the Business.

102. Instead, Counter-Defendants deliberately misled Counter-Plaintiff into believing that they were actively pursuing financing for the Buy-Out arrangement.

103. Counter-Defendants knew of Counter-Plaintiff's interest in quickly completing the Buy-Out arrangement but stalled in the pursuit of necessary financing.

104. Counter-Defendants did not notify Counter-Plaintiff that they were unable to secure the financing necessary to buy-out Counter-Plaintiff.

105. Sinclair repeatedly represented that Counter-Defendants were close to securing the necessary financing for the arrangement, failing to disclose Airdis' lack of funding and further postponing the consummation of the Buy-Out.

106. Counter-Defendants' actions have damaged and continue to damage Counter-Plaintiff.

COUNT I

**BREACH OF APA
(AIRDIS)**

107. Counter-Plaintiff incorporates by reference and realleges the foregoing allegations.

108. On or about August 6, 2007, Counter-Plaintiff and Airdis entered into the APA whereby Counter-Plaintiff agreed to sell to Airdis and Airdis agreed to buy Counter-Plaintiff's telecommunications business.

109. At the time of the execution of the APA, Counter-Plaintiff had been granted and maintained in good standing certain federal, state and other licenses, permits and regulatory approvals that authorized its provisioning of regulated telecommunications services.

110. At the time of the execution of the APA, Counter-Defendants recognized and agreed that Federal and state regulations govern Counter-Plaintiff's licenses, permits and regulatory approvals and require Regulatory Approvals, in order to effectuate a transfer of such licenses, permits and regulatory approvals.

111. Counter-Defendants further recognized and understood that Counter-Plaintiff's Regulated Assets could not be transferred or assigned to Airdis prior to receipt of the necessary Regulatory Approvals.

112. Obtaining necessary Regulatory Approvals for Airdis, takes an undetermined amount of time, but generally can be secured in anywhere from one (1) to six (6) months.

113. Counter-Plaintiff agreed that while Counter-Defendants were obtaining the necessary Regulatory Approvals, Airdis, under the supervision and control of Sinclair and Danis, would manage the day-to-day operations of the Business and provide regulated

114. Pursuant to terms of the APA and by agreement, the parties agreed that Airdis, under the supervision and control of Sinclair and Danis, would be responsible for obtaining the necessary Regulatory Approvals.

115. Airdis further agreed to “make good faith efforts to obtain such” Regulatory Approvals.

116. Airdis failed to use good faith efforts to obtain the necessary Regulatory Approvals. Counter-Defendants repeatedly misrepresented to Counter-Plaintiff that Airdis had taken the necessary steps to procure the required Regulatory Approvals when in fact, it failed to do so.

117. Airdis has failed to comply with the express terms and conditions agreed to in the APA.

118. Airdis’ actions constitute a breach of the APA.

119. As a result of Airdis’ actions, Counter-Plaintiff has been damaged.

WHEREFORE, Counter-Plaintiff, Transcend Multimedia, LLC, respectfully requests that this Honorable Court enter judgment in its favor against Defendant AIRDIS, LLC, for an amount of money damages to be proven as a result of their breach of the APA, reasonable attorneys’ fees, costs and such other relief as the Court deems just and proper.

COUNT II

BREACH OF MANAGEMENT AGREEMENT (AIRDIS)

120. Counter-Plaintiff incorporates by reference and realleges the foregoing allegations.

121. On or around August 6, 2007, Airdis agreed to acquire Counter-Plaintiff's Business, including Counter-Plaintiff's telecommunications licenses.

122. Due to certain regulatory and legal restrictions attached to Counter-Plaintiff's telecommunications licenses, the parties simultaneously entered into the Mgt. Agreement, wherein Airdis, under the supervision and direction of Sinclair and Danis, agreed to "manage" Counter-Plaintiff's Business pending receipt of regulatory approvals necessary to effectuate the purchase. Counter-Plaintiff agreed that while Counter-Defendants were obtaining the necessary Regulatory Approvals, Airdis, under the supervision and control of Sinclair and Danis, would manage the day-to-day operations of the Business and provide regulated telecommunications services to Counter-Plaintiff's customers during the time it took Airdis to obtain the necessary Regulatory Approvals.

123. Accordingly, on or about August 14, 2007, Counter-Plaintiff and Airdis entered into a Management Agreement ("Mgt. Agreement") to ensure the continued operation of Counter-Plaintiff's Business and the associated billing, collection, and administrative functions, as required to provide uninterrupted telecommunications services to Counter-Plaintiff's customers.

124. The purpose and intent of the Mgt. Agreement was to enable Airdis, under the supervision and control of Sinclair and Danis, to operate the day-to-day business while the parties waited for the relevant state and federal regulatory bodies to approve the transfer of the Regulatory Assets pursuant to the APA.

125. Counter-Plaintiff expected the transfer of its licenses to be approved within one (1) to six (6) months from the execution of the Mgt. Agreement.

126. Nearly nineteen (19) months passed while Counter-Defendants managed Counter-Plaintiff's business pending its efforts to transfer licenses and obtain governmental approval necessary to effectuate the closing of the APA, and Counter-Plaintiff is not aware of a single application or request being filed by, or on Airdis' behalf, with any state Public Utility Commission.

127. As part of its management, Airdis was obligated to remit those taxes it collected from TMM's customers to the appropriate taxing authority.

128. Airdis failed to pay the taxes collected.

129. The Mgt. Agreement requires Airdis to regularly report to Counter-Plaintiff regarding the status of Counter-Plaintiff's business operations.

130. Airdis failed to provide timely reports in accordance with its obligation the Mgt. Agreement.

131. Airdis repeatedly rejected Counter-Plaintiff's request for access to the Business' books and records as required by the Mgt. Agreement.

132. The Mgt. Agreement prohibits Airdis from entering into contracts or commitments in Counter-Plaintiff's name without Counter-Plaintiff's prior approval.

133. Airdis serviced TMM's customers, without Counter-Plaintiff's prior consent, through providers of which TMM had no contractual relationship.

134. The Mgt. Agreement charges Airdis with providing customer service and customer billing at its own expense.

135. Airdis improperly passed on its customer service and billing expenses to Counter-Plaintiff during the September 2007 through February 2009 time period.

136. The Mgt. Agreement obligated Airdis to pay all costs associated with the Business' operations during the management period and thereafter if the APA did not close within ninety (90) days.

137. Airdis failed to pay all costs and taxes associated operations of the business during the management period.

138. Airdis' failure to pay certain fees and otherwise comply with its obligations, as set forth in the Mgt. Agreement, rendered Counter-Plaintiff incapable of maintaining compliance with state and federal laws and regulations applicable to its telecommunications licenses.

139. Airdis' failure to obtain Regulatory Approvals further violates the Mgt. Agreement which requires compliance with applicable rules, regulations and policies of the Federal Communications Commission and state and local regulatory authorities.

140. Airdis has breached the terms of the parties' Mgt. Agreement through its repeated failure to fulfill its legal obligations and its continuous mismanagement of Counter-Plaintiff's Business.

141. As a result of Airdis' actions, Counter-Plaintiff has been damaged.

WHEREFORE, Counter-Plaintiff, Transcend Multimedia, LLC, respectfully requests that this Honorable Court enter judgment in its favor against Defendant AIRDIS, LLC, for an amount of money damages to be proven as a result of their breach of the Management Agreement, reasonable attorneys' fees, costs and such other relief as the Court deems just and proper.

COUNT III

FRAUD (SINCLAIR)

142. Counter-Plaintiff incorporates by reference and realleges the foregoing allegations.

143. On multiple occasions, Sinclair assured Counter-Plaintiff that he, on Airdis' behalf, had taken the necessary steps to secure the required Regulatory Approvals.

144. Sinclair misrepresented that Airdis' regulatory consultant would care for any deficiencies with its Regulatory Approvals.

145. In reality, Telecom, at Sinclair's direction, had ceased all efforts to secure Regulatory Approvals on behalf of Airdis.

146. Even after this inadvertent disclosure was made to Counter-Plaintiff, Sinclair continued to falsely represent to Counter-Plaintiff that its regulatory consultant, Telecom, was working to secure the Regulatory Approvals.

147. On May 15, 2008, when asked if Telecom had everything needed to make the necessary regulatory filings, Sinclair told Mr. Alejos that: "I can only tell you that Judy and I have been working through everything she has needed as she has needed it. So as of now, she has everything until she needs something." See email string between Scott Sinclair and Jesse Alejos dated May 15, 2008 – attached at **Exhibit F**.

148. On June 20, 2008, in response to Counter-Plaintiff's request of the status of the regulatory filings Sinclair stated, "[a]s far as an update goes, not much has changed. I was hoping to get a status update later today regarding the joint petition. When I do I will forward the info on."

149. On August 4, 2008, Mr. Hafner contacted Sinclair and notified him of a call he received from the Illinois Commerce Commission regarding its Form AR13 that was supposed to be filed by March 31, 2008 to which Sinclair responded "[o]n it."

150. Sinclair also made false representations regarding Counter-Defendants' alleged pursuit of financing for the Buy-Out agreement.

151. On multiple occasions Sinclair represented that financing could be swiftly and easily secured.

152. Sinclair later retracted stating that Counter-Defendants were unsure about their ability to meet Counter-Plaintiff's timeframe.

153. A month later, Sinclair responded to inquiries about the status of securing financing stating that Counter-Defendants had not yet heard from the bank.

154. There is no indication that during this period of silence, Counter-Defendants actively sought to learn the status of their financing request.

155. Sinclair fraudulently represented, however, that Counter-Defendants were close to securing financing.

156. Sinclair continued to mislead Counter-Plaintiff by misrepresenting that Counter-Defendants were taking the necessary steps to secure financing for several months.

157. On July 15, 2008, Sinclair falsely represented to Mr. Alejos that "things are moving forward."

158. On August 22, 2008, Sinclair misled Counter-Plaintiff to believe that Airdis had secured the necessary financing for the Buy-Out stating "[m]et with the bank today. Looking good. Hoping to close within 40-days. Spoke to them about everything and they are on board."

159. On October 1, 2008, Counter-Plaintiff explained to Sinclair its understanding that financing had been secured and Sinclair retracted his earlier statement by stating that "nothing is secure these days."

160. Thereafter, Sinclair continued to make representations to Counter-Plaintiff that Counter-Defendants were close to securing the necessary financing and Counter-Defendants' desire to complete the Buy-Out remained steadfast.

161. Despite these representations, Counter-Defendants neither obtained the required Regulatory Approvals nor secured the necessary financing.

162. Counter-Plaintiff reasonably relied on Sinclair's statements to its detriment.

163. Sinclair's fraudulent statements damaged Counter-Plaintiff.

WHEREFORE, Counter-Plaintiff, Transcend Multimedia, LLC, respectfully requests that this Honorable Court enter judgment in its favor against Defendant SINCLAIR, for an amount of money damages to be proven as a result of his fraud, costs and such other relief as the Court deems just and proper.

COUNT IV

FRAUD IN THE INDUCEMENT (COUNTER-DEFENDANTS)

164. Counter-Plaintiff incorporates by reference and realleges the foregoing allegations.

165. Prior to executing the APA, Sinclair and Danis represented to Counter-Plaintiff that they would make good faith efforts to obtain the required Regulatory Approvals to effectuate the transfer of Counter-Plaintiff's licenses to Airdis.

166. As a result of these representations, Counter-Plaintiff agreed to enter into the Mgt. Agreement permitting Airdis, under the supervision and control of Sinclair and Danis, to manage the day-to-day operations of the Business and Regulated Assets and to provide regulated telecommunications services to Counter-Plaintiff's customers during the time it took Airdis to obtain the necessary Regulatory Approvals.

167. As a result of Counter-Defendants' misrepresentations and actions, Counter-Plaintiff was fraudulently induced into executing the APA and Mgt. Agreement.

168. On numerous occasions following the parties' execution of the Mgt. Agreement and APA, Sinclair and Danis provided assurances to Counter-Plaintiff regarding Counter-Defendants' efforts to facilitate the closing of the APA through their pursuit of governmental approvals of the license transfers.

169. Notwithstanding these representations, Counter-Defendants have not been able to produce one shred of evidence that indicates they made a good faith effort to obtain the required Regulatory Approvals.

170. Counter-Defendants' repeated misrepresentations and false assurances were intended to purposely deceive Counter-Plaintiff into believing Airdis was obtaining the necessary governmental approvals to maintain the business relationship.

171. Counter-Defendants deliberately misled Counter-Plaintiff into believing that they had taken the requisite actions to secure Regulatory Approvals when in fact, such efforts had been abandoned.

172. Counter-Defendants further falsely represented that they would timely cure all regulatory deficiencies.

173. However, Counter-Defendants failed in good faith to follow through on their promises by neglecting their obligations to diligently pursue needed Regulatory Approvals.

174. Counter-Plaintiff reasonably relied upon Counter-Defendants' misrepresentations to its detriment.

175. Additionally, Counter-Defendants deliberately misled Counter-Plaintiff to believe that Counter-Defendants were actively pursuing steps to secure financing to close the Buy-Out transaction.

176. Counter-Defendants further falsely claimed that the receipt of needed financing was perpetually delayed.

177. Counter-Plaintiff reasonably relied on Counter-Defendants' false representations to its detriment.

178. Counter-Plaintiff continued to pursue the parties' relationship and the Buy-Out transaction despite a failure of financing, because it was unaware that Counter-Defendants failed to use good faith efforts to complete the Buy-Out transaction.

179. As a result of Counter-Defendants' misrepresentations and actions, Counter-Plaintiff was fraudulently induced into continuing the parties' relationship.

180. Counter-Defendants' misrepresentations and actions have harmed Counter-Plaintiff.

181. Because of Counter-Defendants' misrepresentations, Counter-Plaintiff was fraudulently induced into delaying its determination that Airdis had breached the APA and Mgt. Agreement, its resumption of the Business and its pursuit of a Buy-Out agreement with Counter-Defendants.

WHEREFORE, Counter-Plaintiff, Transcend Multimedia, LLC, respectfully requests that this Honorable Court enter judgment in its favor against Defendants SINCLAIR and DANIS, for an amount of money damages to be proven as a result of their fraudulent inducement, costs and such other relief as the Court deems just and proper.

COUNT V

**PROMISSORY ESTOPPEL
(COUNTER-DEFENDANTS)**

182. Counter-Plaintiff incorporates by reference and realleges the foregoing allegations.

183. In the spring of 2008, Sinclair and Danis, as representatives of Airdis, and Counter-Plaintiff negotiated an agreement whereby Airdis would purchase Counter-Plaintiff's Business in a direct Buy-Out for \$200,000.

184. During the negotiations, Sinclair and Danis unambiguously promised Counter-Plaintiff that Airdis had secured the necessary financing to purchase the Business.

185. It was reasonable and justifiable for Counter-Plaintiff to rely on the promises made by Sinclair and Danis.

186. Counter-Plaintiff's reliance on the promises made by Sinclair and Danis, on Airdis' behalf was expected and foreseeable by Counter-Defendants.

187. Counter-Plaintiff relied on the promises for almost a year and as a result delayed its termination of the Mgt. Agreement and APA given Counter-Defendants' promises that they intended to proceed with the buy-out of the Business.

188. During the period in which the Counter-Plaintiff relied upon the Counter-Defendant's promises, the Counter-Plaintiff's service contracts with many of its customers expired.

189. Counter-Plaintiff relied on the promises of Sinclair and Danis that they were purchasing Counter-Plaintiff's Business to Counter-Plaintiff's detriment.

190. As a result of Counter-Plaintiff's reliance, Counter-Plaintiff has been damaged.

WHEREFORE, Counter-Plaintiff, Transcend Multimedia, LLC, respectfully requests that this Honorable Court enter judgment in its favor against Defendants SINCLAIR and DANIS, for an amount of money damages to be proven as a result of their promises made and relied on by Counter-Plaintiff to its detriment, costs and such other relief as the Court deems just and proper.

JURY DEMAND

Counter-Plaintiff requests trial by jury of all claims that can be so tried.

Respectfully submitted,

Dated: August 5, 2009

By

Robert Tweedle
Law Offices of Robert J. Tweedle
500 S. Federal Street
Highland Park, Illinois
60605-1505
312-431-8774
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EXHIBIT A

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of this 6th day of August, 2007, by and between TRANSCEND MULTIMEDIA, LLC, an Illinois limited liability company, (hereinafter referred to as "Seller"), PATRICK B. HAPNER, individually (hereinafter referred to as "Hafner") and JESSE ALEJOS, individually (hereinafter referred to as ("Alejos")) and AIRDIS, LLC., an Illinois limited liability company (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, Seller is engaged in the telecommunications business and other related activities. The Seller's principal place of business is 869 N. LaSalle, Suite 300, Chicago, Illinois 60610; and

WHEREAS, Seller is the Owner of certain business Assets, as defined herein; and

WHEREAS, Seller desires to sell to Buyer and Buyer desires to buy from Seller said Assets in accordance with the terms, provisions, and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION ONE SALE AND PURCHASE

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, at the price and under the terms, provisions, and conditions set forth in this Agreement, the tangible and intangible assets, e.g., contracts, of Seller set forth on Exhibit A hereto (collectively, the "Assets") Unless otherwise expressly included in this Agreement, no other assets of Seller are included. Except for obligations under the contract Assets, Buyer assumes no liabilities or obligations of Seller.

SECTION TWO PURCHASE PRICE AND TERMS OF PAYMENT

The total price, including interest to be paid (if any) in connection with the Note referenced in paragraph 2 of this Section Two (the "Purchase Price") to be paid by Buyer to Seller for the Assets shall be Four Hundred Seventy Five Thousand Dollars (\$475,000.00). The Purchase Price shall be payable as follows:

1. At the Closing (as defined *infra*), Buyer shall pay to the Seller as a portion of the Purchase Price the sum of Thirty Thousand Dollars (\$37,500.00) plus or minus Prorations as provided in this Agreement (the "First \$37,500.00");
2. Buyer shall execute and deliver to Seller at Closing a Promissory Note in the amount of \$400,000.00 (which amount shall include the total of principal and interest remaining to be paid as the Purchase Price) in the form attached hereto and made a part hereof as Exhibit B (the "Note"), evidencing Buyer's obligation to pay the balance of the Purchase Price. The Note shall provide for payments in equal monthly installments of \$8,333.33 over a term of 48 months. The Management Credit of \$37,500.00 referenced in Exhibit G shall be applied at Closing to reduce the total due under the Note to \$400,000.00 from what would have otherwise have been \$437,500.00.
3. Buyer shall execute and deliver to Seller at Closing a UCC-1 in the form attached hereto and made a part hereof as Exhibit C ("UCC-1").

SECTION THREE DUE DILIGENCE

1. Within ten (10) business days following the date of execution and delivery of this Agreement (the "Effective Date"), Seller shall prepare and deliver to Buyer (i) those schedules or copies of documents listed on Exhibit D-1 attached hereto and made a part hereof and (ii) State and County UCC, federal and state tax lien, and judgment searches of Seller, Hafner and Alejos listed on Exhibit D-2 attached hereto and part hereof.
2. Within ten (10) business days following the date of execution and delivery of this Agreement (the "Effective Date"), Buyers shall prepare and deliver to Sellers those schedules or copies of documents listed on Exhibit E attached hereto and made a part hereof.
3. In addition to, but without limitation of, the other requirements and conditions of this Agreement, Buyer's obligations under this Agreement are expressly contingent and conditioned upon Buyer finding the above due diligence items satisfactory. If Buyer, in its sole and exclusive discretion, determines prior to August 31, 2007 that the due diligence items are not satisfactory, Buyer may by written notice to Sellers delivered August 31, 2007 terminate this Agreement, in which event Buyer shall have no further obligations hereunder. Buyer's obligations under this Agreement are also expressly conditioned upon Buyer's ability to obtain Final Grants as defined herein in connection with all Licenses listed on Exhibit F hereto on or before November 6, 2007. Buyer agrees to make good faith efforts to obtain such Final Grants. In the event that despite such good faith efforts, Buyer is unable to obtain all Final Grants prior to (date) Buyer may provide Seller with a written notice of Termination within ten (10) days thereafter and Buyer shall have no further obligations under this Agreement.

The parties acknowledge that, contemporaneously with the Agreement, they have executed and entered into a Management Agreement regarding the business activities of the Seller which will

permit Buyer to conduct operations on behalf of Seller until all Final Grants are obtained. A copy of the Management Agreement is attached hereto as Exhibit G. In the event that this Agreement is terminated pursuant to any provision of this Agreement, including but not limited to the terms of this Section Three, the Management Agreement shall be terminated simultaneously therewith, subject to any continuing obligations of the parties as set forth in the Management Agreement.

In addition to, but without limitation of, the other requirements and conditions of this Agreement, if Seller determines prior to the Closing that the information presented in the due diligence items reflects a material adverse change in Buyer's abilities to perform its obligations under this Agreement, Sellers shall provide written notice to Buyer at least 30 days prior to the Closing; if Buyer has not materially corrected the circumstance that has caused a material adverse change in Buyer's ability to perform its obligations under this agreement by the Closing Date, Sellers may terminate this Agreement, in which event Sellers shall have no further obligations hereunder.

SECTION FOUR THE CLOSING DATE AND THE CLOSING

The Closing shall be held at the offices of Schain, Burney, Ross & Citron, Ltd., 222 North La Salle Street, Chicago, Illinois. The accounting cut-off time and date shall be 11:59 p.m. on a regular business day (the "Closing Date") unless otherwise mutually agreed to by the Parties, thirty days after state regulatory agency and FCC approvals and consents to the transactions contemplated hereby shall have become a "Final Grant." The term "Final Grant" is defined for purposes of this Agreement to mean action by the FCC or state regulatory agency as to which no further steps (including those of appeal or certiorari) can be taken with respect to any action or proceeding, to review, modify, or set the determination aside.

At the Closing, Seller shall deliver to Buyer the following:

1. A good and sufficient General Conveyance, Bill of Sale and Assignment ("Bulk Bill of Sale") in the form attached hereto as Exhibit H, vesting in Buyer title in and to the Assets, free and clear of all encumbrances, except as expressly provided herein.
2. A copy of a Resolution of Seller, certified as true, accurate and completed by the Manager of Seller, approving and authorizing the execution of this Agreement, the Note, the Management Agreement, the UCC-1, and the performance by Seller under each and identifying the parties authorized to sign for Seller with respect to each;
3. Notice of Sale/Purchase of Business Assets directed to the Illinois Department of Revenue, Bulk Sales Unit, as provided by 35 ILCS 120/5j and 35 ILCS 5/902(d).
4. Notice of Sale/Purchase of Business Assets directed to the Department of Employment Security-Collection Unit, as provided by 820 ILCS 405/2600.
5. Certificate of Good Standing for the Company issued by the Illinois Secretary of State and dated within ten (10) days of the Closing.

6. Non-Competition Agreements upon the terms as set forth in the form attached hereto and made a part hereof as Exhibit I , executed by Patrick Hafner and Jesse Alejos (the "Non-Competition Agreements").
7. UCC, Federal Tax Lien and Judgment (Cook County and State of Illinois) searches of Seller and Patrick Hafner and Jesse Alejos showing no outstanding UCC's, liens or Judgments that will not be satisfied at or prior to Closing. Seller shall furnish the Searches to Purchaser at Seller's expense on or before the Closing Date.
8. An executed copy of the Management Agreement in the form attached as Exhibit G ("Management Agreement").
9. Such other documents or instruments as shall be reasonably required to consummate the transaction contemplated hereby in conformity with this Agreement.

At the Closing, Buyer shall deliver to Sellers the following:

1. The Note, as described in Section Two above;
2. Thirty thousand dollars (\$30,000) by wire transfer of immediately available funds to an account specified by the Seller;
3. An executed counterpart of the Non-Competition Agreements;
4. Certificate of Good Standing of Buyer issued by the Illinois Secretary of State and dated within ten (10) days of Closing;
5. A copy of a Resolution of Buyer, certified as true, accurate and completed by the Manager of Buyer, approving and authorizing the execution of this Agreement, the Note, the Management Agreements, the UCC-1, the Non-Competition Agreements and the performance by Buyer under each and identifying the parties authorized to sign for Buyer with respect to each;
6. An executed counterpart of the Management Agreement.
7. Such other documents or instruments as shall be reasonably required to consummate the transaction contemplated hereby in conformity with this Agreement.

SECTION FIVE PRORATIONS

The items listed on Exhibit L shall be prorated as of the date of Closing ("Prorations"). Such Prorations shall include vendor costs, billing system costs, tax compliance costs and other items normally prorated in substantially similar transactions.

**SECTION SIX
WARRANTIES AND REPRESENTATIONS OF SELLERS**

Each of Seller, Hafner and Alejos hereby warrant and represent to Buyer the following:

1. Seller has full, complete, and absolute title to the Assets and authority to execute and perform this Agreement.
2. Title of each of the Assets is free of any lien, charge, or encumbrances, and Buyer will receive good and absolute title to the Assets, free of any liens, charges or encumbrances on the Interests.
3. Seller is a limited liability company duly organized and existing under and by virtue of the laws of the State of Illinois, and is in good standing under the laws of the State of Illinois.
4. Seller is not licensed, authorized, or qualified to do business in any state other than the states of California, Illinois, Texas, Georgia, Wisconsin, Ohio, Michigan, and New York.
5. The sale of the Assets to Buyer does not violate any laws or the Articles of Organization or the Operating Agreement of Seller.
6. To the best of each Seller's, Hafner's and Alejos' knowledge, there are no material judgments, actions, or proceedings pending or threatened against Seller, or the business, Assets, or properties of the Seller.
7. To the best of each Seller's, Hafner's and Alejos' knowledge, the Seller is in material compliance with all applicable Federal and State laws and regulations and has not received any notice of any said violations.
8. As of the date of this Agreement, to the best of each Seller's, Hafner's and Alejos' knowledge, all federal, state, and local permits, licenses, and other authorizations required for the operations of the Company have been obtained, and are presently in full force and effect. The Seller is in material compliance with all such permits, licenses, and authorizations and there has been no default in the terms and provisions relating to the issuance of said permits, licenses, and authorizations.
9. All contracts identified on Exhibit A are in full force and effect and no material dispute exists in connection with any such contracts and Sellers are unaware of any circumstances that exist which may form the basis of any dispute in connection with any contracts of the company at any time now or in the future
10. To the best of each Seller's, Hafner's and Alejos' knowledge, the Company has paid all taxes, license fees, and other charges levied assessed or imposed upon it except those which are not yet due and payable.

11. The Seller, Hafner and Alejos have duly prepared and filed any and all tax returns and reports required by federal, state, and local tax authorities as related to the business or ownership of Seller. The returns so filed are true, correct, and complete in all material respects. Neither Sellers Hafner nor Alejos are presently involved in any active or outstanding dispute with any tax authority as to the amount of taxes due, nor has it received any notices of any deficiency, audit, or other indication of deficiency from any tax authority.
12. Seller does not have any employment contracts or collective bargaining agreements.
13. As of the date of this Agreement, the Company has no outstanding incentive compensation, deferred compensation, profit sharing, option, bonus, interest purchase, savings, employee, retirement, pension, or "fringe benefit" plan or arrangement with or for the benefit of any officer or employee (collectively, for purposes of this Section 6.15, "Benefit Plans"). The Company has no contract for, or contingent liability resulting from, the existence of any such Benefit Plans.
14. To the best of each Seller's, Hafner's and Alejos' knowledge, there are no actions, suits, proceedings (including any grievance or arbitration proceedings), orders, investigations or claims pending or, threatened against the Seller or its Members or pending or threatened by the Seller against any Person, at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality (including any actions, suits, proceedings or investigations with respect to the transactions contemplated by this Agreement), other than applications related to the governmental approvals required for the consummation of the transaction contemplated by this Agreement. The Seller is not subject to any grievance or arbitration proceedings under collective bargaining agreements or other wise.
15. Except for the FCC and state government agency approval required prior to the Closing contemplated by this Agreement, the execution, delivery and performance of this Agreement and the other agreements contemplated hereby by Sellers and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized and no other proceeding is necessary to authorize the execution, delivery or performance of this Agreement or the other agreements contemplated hereby.

The warranties and representations of Seller contained in this Agreement shall be continuous and shall survive the Closing. If any Material (as defined herein) loss or expense occurs to Buyer as a result of the untruth or falsity of any of the representations contained herein or breach of any of the representations or warranties contained here, Buyer shall have the right, in addition to any other action permitted by law, to offset the amount of any such loss or expense against the unpaid payments due under the Note. The Buyer's right of setoff against the unpaid payments due under the Note shall not be deemed the Buyer's exclusive remedy for the Sellers' breach of any representations or warranties, all of which shall survive any setoffs made by Buyer. The warranties and representations made by Hafner and Alejos shall not serve to impose personal liability upon Hafner or Alejos, in connection with any obligations under this Agreement.

**SECTION SEVEN
WARRANTIES AND REPRESENTATIONS OF BUYER**

Buyer hereby warrants and represents to Sellers the following:

1. Buyer has full and complete authority, to execute and reasonably expects to have the resources available to perform this Agreement according to its terms.
2. The execution of this Agreement does not violate any other agreement to which the Buyer is a party nor does it violate Buyer's Articles of Organization or Operating Agreement.

The warranties and representations of Buyer contained in this Agreement shall be continuous and shall survive the Closing.

SECTION EIGHT CONTINUATION OF BUSINESS PRIOR TO CLOSING

During the period from the Effective Date to the Closing Date, Seller shall continue to cause the conduct of the business and operations of the Company in the same manner as they have been conducted previously, subject to any Management Agreement entered into by the parties hereto, and shall maintain its respective books of account in substantial accordance with generally accepted accounting principles consistently applied and in a manner that fairly and accurately reflects their respective income, expenses, and liabilities. During that period, unless Buyer shall have given written consent thereto, Seller will not do any of the following:

1. Incur any obligation or liability, outside the ordinary course of business without notice and approval of Buyer prior to Closing.
2. Subject any of the Assets to a mortgage, pledge, or lien, except encumbrances previously incurred in the ordinary and usual course of business.
3. Sell or transfer any of the Assets (other than in the ordinary and usual course of business).
4. Modify, amend, cancel, or terminate any existing agreement, without the prior written consent of Buyer.

**SECTION NINE
SELLERS' INDEMNIFICATION:**

Seller shall hold Buyer harmless from, against and in respect of each of the following:

1. Any and all Material loss, liability or damage, including reasonable attorneys fees, suffered or incurred by Buyer by reason of any untrue representation, breach of warranty or non-fulfillment of a covenant by Seller, Hafner or Alejos, contained herein or in any certificate, document or instrument delivered to Buyer pursuant hereto or in connection herewith;

2. Any and all Material loss, liability or damage, including reasonable attorneys fees, suffered or incurred by Buyer in respect of or in connection with any of the Excluded Contracts listed on Exhibit K;
3. Any and all debts, liabilities or obligations of Sellers, direct or indirect, fixed, contingent or otherwise, which exist at or as of the date of Closing hereunder;
4. Any and all Material loss, liability or damage, including reasonable attorneys fees, suffered or incurred by Buyer by reason of or in connection with any claim for finder's fee or brokerage or other commission arising by reason of any services alleged to have been rendered to or at the instance of Seller with respect to this Agreement or any of the transactions contemplated hereby;
5. Any and all Material loss, liability or damage, including reasonable attorneys fees, suffered or occurred by Buyer by reason of any claim for compensation, severance pay, or other benefits accruing or incurred at any time on, before, or after the date hereof, it being the intent of the parties that the Buyer assumes no obligations for any employment or employee benefits for any existing employees of the Seller;
6. Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expense, including, without limitation, legal fees and expenses incident to any of the foregoing or to oppose imposition thereof, or in enforcing this indemnity;
7. In the event that Buyer incurs any loss or expense requiring indemnification pursuant to this Section Ten, then Buyer shall have the right, in addition to any other action permitted by law, to offset the amount of any such loss or expense against unpaid payments due under the Note. The Buyer's right of set off against the unpaid payments shall not be deemed the Buyer's exclusive remedy regarding Buyer's rights pursuant to this Section Nine; and
8. For purposes of this Section Nine and Section Six of this Agreement, the term Material, when referencing monetary loss, liability or damages shall mean damages in excess of \$5,000.00, and in all other cases shall have the meaning consistent with customary usage of the term in substantially similar commercial transactions as refined by the facts and circumstances then pertaining.

SECTION TEN BUYER'S INDEMNIFICATION

Buyer shall indemnify and hold Seller harmless after the Closing Date against any and all Material loss, liability, cost, damage, or deficiency, including reasonable attorney fees, resulting from, arising out of, or connected with any misrepresentation, breach of warranty, or nonfulfillment of any agreement on the part of Buyer under this Agreement, and from any misrepresentation in, or occasioned by, any certificate or other instrument furnished or to be furnished by Buyer to Seller.

**SECTION ELEVEN
ACCESS TO BOOKS AND RECORDS**

During the period from the Effective Date to the Closing Date, Sellers shall afford Buyer and its representatives free access to the Company's offices, records, files, books of account, and tax returns, provided that Buyer gives Seller not less than one (1) business days prior written notice of Buyer's investigation and provided further that Buyer's inspections and investigations shall not unreasonably interfere with the Seller's normal business operations.

**SECTION TWELVE
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS**

Buyer's obligation to perform and complete the transaction provided for in this Agreement shall be subject to Sellers performing, on or before the Closing Date, all acts required of Seller, and shall be further subject to the accuracy and correctness of the representations and warranties of Seller and contained in this Agreement in all material respects, and to the further conditions that:

1. Seller shall deliver to Buyer, at the Closing, a certificate of Seller to the effect that the representations and warranties of Seller contained in this Agreement are substantially true as of the Effective Date and as of the Closing.
2. Sellers shall deliver to Buyer, at the Closing, a certificate of Seller that as of the Closing, to the best of Seller's knowledge, there has been no change in facts or circumstances that would change or alter the results of the State and County UCC, federal and state tax lien, and judgment searches each of the Sellers and the Seller, theretofore delivered pursuant to the Section Three above.
3. Sellers shall deliver to Buyer, at the Closing, a certificate of Seller as of the Closing that there has been no Material adverse change in the contracts identified on Exhibit A.
4. Each required state and FCC approval and consent to the transactions contemplated hereby shall have become a Final Grant.

**SECTION THIRTEEN
ADDITIONAL COVENANTS**

1. Tax Return Preparation and Verification. Seller shall file all federal, state and local tax returns which Seller may be required to file after the Closing Date prepared in accordance with law and consistent with Seller's past practices for similar returns, and shall timely pay all taxes required thereby.
2. Stop Orders. Seller shall be responsible for complying with all requirements of the Illinois Department of Revenue regarding Bulk Sales Stop Orders. If stop orders are issued by either the Illinois Department of Revenue or the Illinois Department of Labor, or both, then the sum of such stop orders shall be withheld from the Purchase Price and held in Escrow by Buyer's

counsel until a final determination has been reached by each of the departments that Seller is not subject to or has paid all of its income, sales, use and unemployment taxes. Seller reserves the right within ten (10) days of the stop order to apply for a reduction thereof, and if so reduced, the amount withheld by Buyer shall also be reduced.

SECTION FOURTEEN LAW GOVERNING AND JURISDICTION

This Agreement shall be interpreted in accordance with the laws of the State of Illinois applicable to agreements made and to be wholly performed within the State of Illinois. The parties irrevocably consent to the exclusive jurisdiction and venue of the Courts of the State of Illinois, County of Cook, and of any Federal Court located in the State of Illinois, County of Cook, in connection with any action or proceeding arising out of or relating to this Agreement.

SECTION FIFTEEN ENTIRE CONTRACT

This Agreement, including the Exhibits attached hereto, contains the entire understanding of the parties and supersedes all previous verbal and written agreements. There are no other agreements, representations, or warranties that are not set forth or referred to herein.

SECTION SIXTEEN SUCCESSION

This Agreement and all of its terms, provisions, and conditions shall be fully binding upon and inure to the benefit of and be enforceable by the parties' representatives, heirs, successors, and assigns. Prior to Closing, subject to prior notice to Seller and the written consent of Seier, which shall not be unreasonably withheld, Buyer may assign this Agreement to any person, firm, or Company and said assignee shall acquire and possess all of the powers, rights, and interests of this Agreement.

SECTION SEVENTEEN NOTICES

Any notices, requests, consents, and other communications to be given under this Agreement by one party to the other party shall be in writing and may be served on the party, or his, her or its agent, by facsimile transmission to the fax numbers listed below, personally served or served by registered or certified mail, postage prepaid, return receipt requested, or via Federal Express or a similar overnight delivery service or hand delivery, addressed to the party, or his, her or its agent, at the address listed below. It shall be sufficient that any notice be delivered to a party, or his agent, at the address below unless such party shall have notified the other party, or his agent, in writing, that any such notice shall be delivered to a different address:

1. For Seller:

Transcend Multimedia, LLC
869 N. LaSalle, Suite 300, Chicago, IL 60610
Attn: Patrick B. Hafner and Jesse Alejos
Fax: (301) 777-1234
Telephone: (312) 777-1111

With a copy to:

Jonathan S. Marashlian
Helein & Marashlian, LLC
1483 Chain Bridge Road, Suite 301
McLean, VA 22101
Fax: (703) 714-1330
Telephone: (703) 714-1300

2. For Buyer:

Airdis, LLC
246 Janata Blvd., Suite 262
Lombard, IL 60148
Attn: Scott Sinclair
Fax: 630-921-4145

With a copy to:

Schain, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street
Suite 1910
Chicago, IL 60601
Attn: Harry E. Bartosiak
Fax: (312)332-4514
Telephone: (312) 332-0200

**SECTION EIGHTEEN
COUNTERPARTS**

This Agreement may be executed simultaneously or in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

SECTION NINETEEN

SEVERABILITY

If any clause, phrase, provision, or portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Agreement nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

**SECTION TWENTY
ATTORNEYS' FEES**

In the event it is necessary for any one of the parties to bring any action to enforce any of the terms and covenants of his Agreement, it is agreed that the prevailing party shall be entitled to a reasonable attorney fee to be set by the court.

IN WITNESS THEREOF, the parties have executed this Agreement as of the date first above written.

SELLERS:

TRANSCEND MULTIMEDIA, LLC

By: Patrick Hafner
Its: President

Jesse Alejos
Jesse Alejos, individually
Patrick B. Hafner
Patrick B. Hafner, individually
President

BUYER:

Airdis, LLC, an Illinois Company,

By: [Signature]
Title: Managing Member

EXHIBITS

EXHIBIT A	-	ASSETS
EXHIBIT B	-	PROMISSORY NOTE
EXHIBIT C	-	UCC-1
EXHIBIT D1&2	-	DUE DILIGENCE DELIVERIES BY SELLERS TO BUYER
EXHIBIT E	-	DUE DILIGENCE DELIVERIES BY BUYER TO SELLERS
EXHIBIT F	-	LICENSES
EXHIBIT G	-	MANAGEMENT AGREEMENT
EXHIBIT H	-	NON-COMPETITION AGREEMENTS
EXHIBIT I	-	EMPLOYEE BENEFIT PLANS
EXHIBIT J	-	DEBTS AND LIABILITIES
EXHIBIT K	-	EXCLUDED CONTRACTS
EXHIBIT L	-	PRORATED ITEMS

EXHIBIT B

MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

This Management Agreement (this "Agreement") is effective as of August 14, 2007 (the "Effective Date"), and is made by and between TRANSCEND MULTIMEDIA, LLC (hereinafter referred to as the "Seller") and AIRDIS, LLC, an Illinois Company (hereinafter referred to as "the Manager").

RECITALS

WHEREAS, pursuant to the Asset Purchase Agreement (the "APA") effective August 6, 2007, the Seller has agreed to sell to the Manager, and the Manager has agreed to purchase from the Seller, certain assets of the Assets of Transcend Multimedia, LLC, an Illinois limited liability company (the "Business");

WHEREAS, Seller has been granted and presently maintains certain federal, state and other Permits and Regulatory Approvals (each as defined in the APA) that authorize the ownership and operation of the regulated aspects of Seller's business (as defined in the APA); and

WHEREAS, applicable Permits, Regulatory Approvals and other federal and/or state regulatory requirements require prior governmental authorizations, notices and consents in order to effect a transfer of such Permits and Regulatory Approvals, Customers of regulated telecommunications services, and facilities and equipment utilized to provide such regulated telecommunications services, in each case included in the acquired assets (as defined in the APA), and all Assumed Liabilities associated with the foregoing (referred to collectively herein as ("Regulated Assets") to Manager as contemplated by the APA; and

WHEREAS, Manager and Seller desire to establish terms and conditions on which the Parties shall, during the Term hereof, seek to comply with applicable federal and state regulations and enter into contractual or other legal arrangements necessary for the consummation of the transactions contemplated by, and as a condition to the Closing under, the APA; and

WHEREAS, Seller desires, in conformity with the rules and policies of state and federal regulatory, judicial (including, without limitation, the Bankruptcy Court (as defined in the APA) and other governmental authorities, and the terms and conditions of this Management Agreement, to enable and permit Manager to manage and operate the Assets, including the Regulated Assets and the provision of telecommunications services to customers of Seller (the "Customers") with respect to such Assets during the Term hereof; and

WHEREAS, the Membership Interests will be transferred from Sellers to Buyer at the Closing, which will not occur until after a Final Grant of certain approvals and consents of governmental authorities; and

WHEREAS, the Parties desire to enter into this Management Agreement to ensure the continued operation of Seller's Business and the Assets, and the associated billing, collection, and administrative functions, as required to provide uninterrupted telecommunications services to the Customers during the Term; on and subject to the terms and conditions contained herein;

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and mutual promises and covenants contained herein, the parties, intending to be legally bound, agree as follows:

ARTICLE I DEFINITIONS

Any term capitalized herein and not otherwise defined shall have the meaning assigned to it in the APA.

ARTICLE II APPOINTMENT AND TERM OF THE AGREEMENT

Section 2.1 *Appointment.* The Seller hereby grants to the Manager on the terms and conditions set forth herein, the right to manage the Business during the Term (as defined below).

Section 2.2 *Term.* The term of this Agreement (the "Term") shall commence on the Effective Date and shall expire upon the Closing Date or upon termination of the APA, whichever occurs first.

ARTICLE III MANAGEMENT OF THE BUSINESS

Section 3.1 *Management.* During the Term, the Manager shall have the right to manage the Business, including, without limitation, the following:

(a) The Manager shall administer all agreements and contracts with customers and vendors, it being expressly agreed and understood, however, that the Manager shall not, and shall not have the power or authorization, to enter into any new agreements, contracts or commitments in the name of the Seller without Seller's approval;

(b) The Manager shall be responsible for customer service, at its expense; and

(c) The Manager shall arrange for customer billing, at its expense, and shall be responsible for the collection of all accounts receivable of the Business with respect to periods prior to and after the Effective Date.

Notwithstanding the foregoing, the parties agree that the Seller retains the right and ability to direct the day-to-day control of the Business and that material documents, checks, budgets, non-recurring expenses and major agreements will be subject to the Seller's review. The Manager agrees to report regularly to the Seller or other designee of the Seller the status of the operations of the Business.

Section 3.2 *Billing, Collections and Payments.*

(a) Commencing on the Effective Date, the Manager shall assume responsibility for billing customers of the Business for services rendered during the Term, including bills related to services rendered, but unbilled, prior to the Effective Date. In this connection, the Manager shall issue invoices on behalf of the Seller in accordance with the Seller's existing billing policies to Seller's customers and instruct such customers to make payment to and in the name of a segregated bank account established by Manager for collecting all payments from Seller's customers and Seller shall instruct all banking institutions at which it maintains accounts to direct any customer payments on billings issued by the Manager to the segregated bank account established by Manager.

(b) The Manager also hereby agrees to pay all actual costs and expenses of the ongoing operations of the Business arising after the Effective Date and during the Term. If the APA is terminated without Closing of the transactions contemplated thereby, Manager shall be entitled to recoup costs and expenses it advances to support the ongoing operations of the Business related to the Acquired Assets arising after the Effective Date only out of Monthly Interim Revenues, as defined below, and shall have no recourse against the Seller to recoup its advances of any such costs and expenses.

(c) The Manager agrees to collect, on behalf of the Seller, all accounts receivable related to the Business outstanding as of the Effective Date and all accounts receivable arising from the bills rendered by the Manager pursuant to the terms of this Agreement (collectively, the "Accounts Receivable"). On or before the 30th day of each month during the Term, the Manager shall furnish the Seller with a detailed statement of all revenues received from Seller's accounts receivable during the prior month (the "Monthly Interim Revenues"), together with a detailed statement of all the Manager's Costs (as that term is defined below) paid by Manager for the provisioning of service to Seller's customers. The detailed statements described in this Section 3.2(c) shall be accompanied by payment by Manager to the Seller, in a bank account designated by the Seller, of an amount equal to the Monthly Interim Revenues less the sum of (a) the Manager's Costs and (b) the Management Fee described below. For the purposes of this Agreement, the term "Manager's Costs" shall mean actual costs and expenses of the ongoing operations of the Business and all of the accounts payable of the Business outstanding as of the Effective Date that are included in the Assumed Liabilities.

Section 3.3 *Management Fee.* In consideration for Manager's management of the Business pursuant to this Agreement, the Manager shall receive a monthly management fee as follows:

(a) For the first ninety (90) days from the Effective Date, the Management Fee shall be Thirty Seven Thousand Five Hundred Dollars (\$37,500.00), payable as follows:

(i) \$30,000.00 within ten (10) calendar days of the Effective Date;

(ii) \$3,750.00 within sixty (60) days of the Effective Date; and

(iii) \$3,750.00 within ninety calendar (90) days of the Effective Date.

(b) If and only if this Agreement remains in full force and effect subsequent to the ninetieth (90th) calendar day from the Effective Date, the Monthly Management Fee shall be equal to fifty (50%) of the monthly net collections from Business of Seller.

In the event that the Closing occurs in connection with the APA, the amount of \$37,500.00 shall be credited to Airdis, LLC in the manner specified in the APA, toward the Purchase Price for the assets being purchased pursuant to the APA ("Management Credit").

Section 3.4 Compliance with Applicable Laws and Regulations. Seller and Manager intend and agree that this Management Agreement and the obligations to be performed hereunder shall be in full compliance with (i) the terms and conditions of all Permits and Regulatory Approvals; (ii) all applicable rules, regulations and policies of the Federal Communications Commission (the "FCC"); (iii) the Communications Act of 1934, as amended, 47 U.S.C. § 151, et seq. (the "Communications Act"); and (iv) any other applicable federal, state and local law or regulation. If the FCC or any state body of competent jurisdiction determines that any provision of this Management Agreement violates any applicable rules, regulations, policies, Permits or Regulatory Approvals, the Parties shall use all commercially reasonable efforts immediately to bring this Management Agreement into compliance, consistent with the remaining terms and provisions of this Management Agreement and consistent in all respects with the terms of the Asset Purchase Agreement. It is expressly understood by Seller and Manager that nothing in this Management Agreement is intended to give Manager any right which would be deemed to constitute a transfer by Seller of "control" (as defined in the Communications Act and/or any applicable FCC or state regulations, rules or case law) of or over its operations or Acquired Assets or a transfer of one or more of the Permits or Regulatory Approvals from Seller to Manager. Manager shall not represent itself as the holder of any of the Permits or as the representative of Seller before the FCC or the state regulatory commissions.

Manager acknowledges and agrees that Seller are subject to certain specific obligations and conditions with respect to the ownership, use and operation of the Business and the Acquired Assets as are reflected in the terms of their Permits and Regulatory Approvals relating thereto, in addition to their general obligations of compliance with the Communications Act and the rules and regulations of the FCC and state regulatory commissions. As such, Manager's management and operation of the Assets hereunder is not intended to diminish or restrict Seller's compliance with their obligations before the FCC, applicable state regulatory commissions and other applicable governmental authorities, and this Management Agreement shall not be construed to diminish or interfere with Seller's obligation or ability to comply with the rules, regulations or directives of any governmental or jurisdictional authority with respect to Seller's Permits or Regulatory Approvals or the Acquired Assets generally.

Obligation to Renegotiate. In the event of any order or decree of an administrative agency or court of competent jurisdiction or any other action or determination by any governmental authority, including, without limitation, any material change or clarification in FCC or state regulatory commission rules, policies, or precedent, that would cause this Management Agreement to be invalid or violate any applicable law, the Parties shall use their respective best efforts and negotiate in good faith to modify this Management Agreement to the minimum extent necessary so as to comply with such order or decree without material economic detriment to either Party (and without deviation from the terms of the Asset Purchase

Agreement), and this Management Agreement, as so modified, shall then continue in full force and effect.

Section 3.5 *Ongoing Rights and Obligations of the Seller.* The Manager acknowledges and agrees that the Seller have certain rights and obligations pursuant to its state regulatory licenses with respect to the use of the various operations authorized thereunder, which include compliance with the rules, regulations, and policies of the state regulatory commissions. As a result, the Manager's management of the Business is not intended to diminish or restrict the Seller's compliance with its obligations before any Governmental Entity, and this Agreement shall not be construed to interfere with the Seller's ability to comply with the rules, regulations or directives of any Governmental Entity.

Section 3.6 *Access.* Manager shall grant to Seller and his representative(s) (which term shall be deemed to include its independent accountants and counsel) reasonable access to all books, records, or other information with respect to the Business related to the Acquired Assets as the Seller may from time to time reasonably request in order to ensure compliance in all material respects with applicable federal and state rules and regulations and with this Agreement.

Section 3.7 *Service to Customers.* During the Term, the Manager shall be responsible for providing a minimum level of care to Seller's customers of the Business and shall provide services in compliance with the Seller's existing tariffs and service contracts, and all applicable laws, including, without limitation, tariffs in effect from time to time. The Manager shall perform the management of the Business during the Term in a professional manner and in accordance with applicable professional or industry standards. Notwithstanding anything to the contrary contained herein or in the APA, the Manager shall have no obligation hereunder to maintain service to any customer if the termination of such service is the consequence of actions by a third party which is not the result of a breach by the Manager of its obligations hereunder.

Section 3.8 *Use of Tradenames.* The Manager shall be entitled to use the brand name and other trademarks of the Seller in its management of the Business then being managed by the Manager hereunder during the Term.

ARTICLE IV OBLIGATION TO RENEGOTIATE

In the event of any order or decree of an administrative agency or court of competent jurisdiction that would cause this Agreement to be invalid or violate any applicable law, and such order or decree has become effective and has not yet been stayed, the parties will use their respective best efforts and negotiate in good faith to modify this agreement to the minimum extent necessary so as to comply with such order or decree without material economic detriment to either party and this Agreement, as so modified, shall then continue in full force and effect.

ARTICLE V

MISCELLANEOUS

Section 5.1 *Amendment and Modification.* This Agreement may be amended, modified or supplemented only by written agreement of the Seller and the Manager.

Section 5.2 *Waiver of Compliance: Consents.* Except as otherwise provided in this agreement, any failure of any of the parties to comply with any obligation, covenant or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, or condition shall not operate as a waiver of or estoppel with respect to any subsequent or other failure.

Section 5.3 *Notices.* All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) one Business Day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) four Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Seller Patrick B. Hafner and Jesse Alejos
869 N. LaSalle, Suite 300
Chicago, IL 60610
Telephone: (312) 777-1111
Fax: (312) 777-1234

With a copy to: Jonathan S. Marashlian
Helein & Marashlian, LLC
1483 Chain Bridge Road
McLean, VA 22101
Telephone: (703) 714-1300
Fax: (703) 714-1330

If to Manager: Airdis, LLC
246 Janata Blvd., Suite 262
Lombard, IL 60148
Attn: Scott Sinclair
Fax: 630-921-4145

With a copy to: Schain, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street
Suite 1910
Chicago, IL 60601
Attn: Harry E. Bartosiak
Fax: (312)332-4514

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

Section 5.4 Power of Attorney. The Seller hereby irrevocably makes, constitutes, and appoints the Manager (and any of the Manager's officers, employees, or agents designated by the Manager) as its true and lawful attorney, with power to (a) to sign the name of the Seller on any invoice or notices to customers, (b) send requests for verification of accounts receivable, (c) endorse the Seller's name on any checks, notes, instruments, and other items of payment that may come into the Manager's possession and (d) settle and adjust disputes and claims respecting accounts payable directly with customers, for amounts and upon terms that the Manager determines to be reasonable, and the Manager may cause to be executed and delivered any documents and releases that the Manager determines to be necessary. The appointment of the Manager as the Seller's attorney, and each and every one of its rights and powers, being coupled with an interest, is irrevocable during the Term of this agreement.

Section 5.5 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto, including by operation of law, without the prior written consent of the other party. Any assignment of this Agreement or any of the rights, interests or obligations hereunder in contravention of this Section 5.5 shall be null and void and shall not bind or be recognized by either the Seller or the Manager.

Section 5.6 Third-Party Beneficiaries; Limitation of Liability. Nothing in this Agreement shall be construed as giving any person other than the parties hereto any legal or equitable right, remedy or claim under or with respect to this Agreement.

Section 5.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 5.8 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois (regardless of the laws that might otherwise govern under applicable Illinois principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

Section 5.9 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties

hereto in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 5.10 *Entire Agreement.* This Agreement and the APA (including the Exhibits) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto.

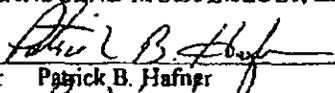
Section 5.11 *Headings.* The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this agreement.

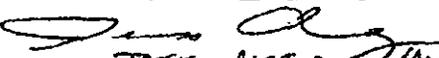
Section 5.12 *No Partnership or Joint Venture Created.* Nothing in this Agreement shall be construed or interpreted to make the Manager and the Seller partners or joint venturers, or to make one an agent or representative of the other, or to afford any rights to any third party other than as expressly provided herein. None of the Manager and the Seller is authorized to bind the other to any contract, agreement or understanding.

IN WITNESS WHEREOF, the parties hereto have executed this Management Agreement effective the day and year first written above.

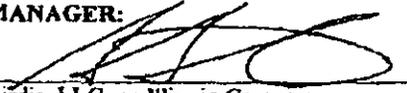
SELLER:

TRANSCEND MULTIMEDIA, LLC


By: Patrick B. Hafner
Its: President


JESSY ALJOS PARTNER

MANAGER:


Airdis, LLC, an Illinois Company

By: Scott Sinclair
Its: Manager

EXHIBIT C

USAC NOVEMBER 2007 NOTICE

From: Form499 [mailto:form499@usac.org]
Sent: Wednesday, November 21, 2007 10:59 AM
To: jsm@commlawgroup.com
Subject: NONRESPONDER NOTICE - November 2007 FCC Form 499Q - 825497

Dear Jonathan:

NOTICE! USAC has not received the November 2007 499Q for filer id 825497 - Transcend Multimedia, LLC. An estimate has been generated for your company from the 2007 499A and based on an estimated contribution factor they potentially could be a contributor. If your company qualifies for the De Minimis exemption please respond to this email stating that you are a De Minimis company or complete the Form 499-Q and mail it to:

Form 499 Data Collection Agent
Attn: USAC Customer Service
2000 L St NW
Suite 200
Washington, DC 20036

Please note: That if you do not contact USAC in 7 days USAC will use the estimate generated from the 2007 499A as the company's November 2007 499Q filing.

Thank you and I hope you are having a great day.

Sincerely,
USAC
(888)641-8722 Option 2, Option 1
E-Mail: form499@universalservice.org

EXHIBIT D

USAC FEBRUARY 2008 NOTICE

From: Form499 [<mailto:form499@usac.org>]

Sent: Friday, February 22, 2008 3:26 PM

To: [jrm@commmlawgroup.com](mailto:jsm@commmlawgroup.com)

Subject: NONRESPONDER NOTICE - February 2008 FCC Form 499Q - 825497

Dear Jonathan:

NOTICE! USAC has not received the February 2008 499Q for filer id 825497 - Transcend Multimedia, LLC. An estimate has been generated for your company from the 2007 499A and based on an estimated contribution factor they potentially could be a contributor. If your company qualifies for the De Minimis exemption please respond to this email stating that you are a De Minimis company or complete the Form 499-Q and mail it to:

Form 499 Data Collection Agent
Attn: USAC Customer Service
2000 L St NW
Suite 200
Washington, DC 20036

Please note: That if you do not contact USAC in 7 days USAC will use the estimate generated from the 2007 499A as the company's February 2008 499Q filing.

Thank you and I hope you are having a great day.

Sincerely,

USAC

(888)641-8722 Option 2, Option 1

E-Mail: form499@universalservice.org

EXHIBIT E

COUNTER-PLAINTIFF'S FEBRUARY 2008 LETTER



The *Comm*Law Group

HELEIN & MARASHLIAN, LLC
1483 Chain Bridge Road
Suite 301
McLean, Virginia 22101

Telephone: (703) 714-1300
Facsimile: (703) 714-1330
E-mail: mail@CommLawGroup.com
Website: www.CommLawGroup.com

Writer's Direct Dial Number
703-714-1313

Writer's E-mail Address
jsm@CommLawGroup.com

February 29, 2008

VIA FIRST CLASS MAIL, FACSIMILE & E-MAIL

E-mail: ssinclair@airdis.com; hbartosiak@schainlaw.com
Fax: 630-921-4145; 312-332-4514

Airdis, LLC
246 Janata Blvd., Suite 262
Lombard, IL 60148
Attn: Scott Sinclair
Fax: 630-921-4145

Schain, Burney, Ross & Citron, Ltd.
222 N. LaSalle Street
Suite 1910
Chicago, IL 60601
Attn: Harry E. Bartosiak
Fax: (312)332-4514

RE: Request for Compliance with Terms of Management Agreement and Asset Purchase Agreement

Dear Mr. Sinclair:

On behalf of Transcend Multimedia, LLC ("Transcend" or "Seller"), its undersigned counsel hereby requests Airdis, LLC ("Airdis" or "Manager") compliance with the following terms of the parties' Management Agreement ("Mgt. Agreement") and Asset Purchase Agreement ("APA").

MANAGEMENT AGREEMENT

Section 3.1 of the Mgt. Agreement requires Manager “to report regularly to the Seller... the status of the operations of the Business.”

Section 3.1(a) states that “Manager shall administer all agreements and contracts with customers and vendors, it being expressly agreed and understood, however, that the Manager shall not, and shall not have the power or authorization, to enter into any new agreements, contracts or commitments in the name of the Seller without Seller’s approval.”

Section 3.2(c) states that “[o]n or before the 30th day of each month during the Term, the Manager shall furnish the Seller with a detailed statement of all revenues received from Seller’s accounts during the prior month... together with a detailed statement of all the Manager’s Costs...

Wherefore, Transcend hereby demands month-by-month status reports on the operations of the business for the period September 2007 through February 29, 2008. These reports should, at a minimum, include details and supporting records pertaining to:

- Expenditures;
- Income;
- Transcend customer complaints and actions taken by Manager with respect thereto;
- Transcend customer service-related or technical issues and actions taken by Manager with respect thereto;
- Any contracts entered into or cancelled by Manager on behalf of, or in the name of Transcend Multimedia, LLC;
- All fees, taxes and charges paid to any governmental body on behalf of, or in the name of Transcend Multimedia, LLC; and

Airdis shall have ten (10) days to respond to Transcend’s demands. Failure to respond constitutes a breach of the Mgt. Agreement.

Sections 3.4 and 3.5 require compliance with all Permits and Regulatory Approvals and all applicable rules, regulations and policies of the Federal Communications Commission (“FCC”) and other applicable federal, state and local law or regulation. Furthermore, that Manager’s management and operation of the Assets is not intended to diminish or restrict Seller’s compliance with their regulatory and legal obligations.

Section 3.6 states that Manager shall grant to Seller “reasonable access to all books, records, or other information with respect to the Business related to the Acquired Assets as the Seller may from time to time reasonably request in order to ensure compliance in all material respects with applicable federal and state rules and regulations”.

Wherefore, Transcend hereby demands the following:

- Month-by-month reports for the period September 2007 through February 29, 2008 detailing all actions taken by Manager in compliance with applicable FCC and state

regulatory requirements, including, but not limited to reports on Manager's compliance with FCC Form 499 filings and fees and state public utility reports and fees, including proof of compliance; and

- Access to all books, record, or other information related to compliance with applicable federal and state rules and regulations.

Airdis shall have ten (10) days to respond to Transcend's demands. Failure to respond constitutes a breach of the Mgt. Agreement.

ASSET PURCHASE AGREEMENT

Section 3.1 of the APA states that "Buyer's obligations under this Agreement [APA] are also expressly conditioned upon Buyer's ability to obtain Final Grants as defined herein in connection with all Licenses listed on Exhibit F hereto on or before November 6, 2007. Buyer agrees to make good faith efforts to obtain such Final Grants."

Transcend hereby requests a detailed report on all "good faith efforts" made by Airdis to obtain Final Grants, including copies of any and all filings made with the FCC or state public utility commissions with respect thereto.

Airdis shall have ten (10) days to respond to Transcend's demands. Failure to respond constitutes a breach of the APA.

Please provide your responses to the above demands to Transcend's legal representative, at the office address listed below:

Helein & Marashlian, LLC
1483 Chain Bridge Road, Suite 301
McLean, VA 22101
Fax: 703-714-1330

We look forward to your prompt and thorough compliance with the demands set forth in this letter. Should you fail to respond in an inadequate or untimely manner, Transcend reserves and shall pursue all rights to enforce the terms of the Mgt. Agreement and APA.

Yours truly,

/s/

Jonathan S. Marashlian
Counsel for Transcend Multimedia, LLC

cc: Jesse Alejos (via e-mail)
Patrick Hafner (via e-mail)

EXHIBIT F

**EMAIL STRING BETWEEN SCOTT SINCLAIR AND JESSE
ALEJOS DATED MAY 15, 2008**

-----Original Message-----

From: Scott Sinclair [mailto:ssinclair@airdis.com]

Sent: Tuesday, May 27, 2008 04:55 PM

To: jesse@alejos.com

Subject: Re: Revenue Report

Ok. See you then Scott Sinclair Airdis Telecom 630.925.4141 Direct 630.925.4131 Fax 630.925.4455 Main www.airdis.com or see our Blog at: www.airdis.com/blog Who do you Trust with the Lifeline to YOUR Business? This e-mail, and any attachments thereto, is intended only for the use of the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this email in error, please notify me via return e-mail and via telephone at 630.925.4141 and permanently delete the original and any copy of any e-mail and any printout thereof. Thank you -----Original Message----- From: jesse@alejos.com Date: Tue, 27 May 2008 20:26:15 To: "Scott Sinclair" , "Patrick Hafner" Subject: Re: Revenue Report Scott- Thursday 5/29 @ 8am in your new office will be fine. We can meet there. If you want to meet somewhere else, then let us know. Topics: -Airdis update with filings status -Customer and revenue review -Buyout option Thanks, Jesse (312) 804-8362 Sent from my BlackBerry® wireless handheld -----Original Message----- From: "Scott J. Sinclair" Date: Tue, 27 May 2008 13:33:29 To: "Patrick" Cc: Subject: RE: Revenue Report I can do it, but it will have to be near Westchester or Oakbrook. Please send me some topics you want to discuss. Scott Sinclair Airdis Telecom 630.925.4141 Direct 630.925.4455 Main 630.925.4131 Fax View Scott Sinclair's profile on LinkedIn www.airdis.com Who do you Trust with the Lifeline to YOUR Business? Telecom Business Daily ↑ Grab this Headline Animator This e-mail, and any attachments thereto, is intended only for the use of the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this email in error, please notify me via return e-mail and via telephone at 630.925.4455 and permanently delete the original and any copy of any e-mail and any printout thereof. Thank you -----Original Message----- From: Patrick [mailto:patrick@strateg.net] Sent: Tuesday, May 27, 2008 1:22 PM To: Scott J. Sinclair; jesse@alejos.com Cc: 'Jonathan Marshlian'; 'Harry Bartosiak' Subject: RE: Revenue Report What about Thursday morning (May 29) at 8am? -----Original Message----- From: Scott J. Sinclair [mailto:ssinclair@airdis.com] Sent: Tuesday, May 27, 2008 11:40 AM To: jesse@alejos.com Cc: Patrick Hafner; Jonathan Marshlian; Harry Bartosiak Subject: RE: Revenue Report At the moment I have some availability on Wednesday or Thursday before 1pm. Scott Sinclair Airdis Telecom 630.925.4141 Direct 630.925.4455 Main 630.925.4131 Fax View Scott Sinclair's profile on LinkedIn www.airdis.com Who do you Trust with the Lifeline to YOUR Business? Telecom Business Daily ↑ Grab this Headline Animator This e-mail, and any attachments thereto, is intended only for the use of the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this email in error, please notify me via return e-mail and via telephone at 630.925.4455 and permanently delete the original and any copy of any e-mail and any printout thereof. Thank you -----Original Message----- From: jesse@alejos.com [mailto:jesse@alejos.com] Sent: Tuesday, May 27, 2008 10:30 AM To: Scott J. Sinclair Cc: Patrick Hafner;

Jonathan Marashlian Subject: Re: Revenue Report Scott, Another week has gone by without any contact or response to the buyout. Patrick will be in town later this week and WE are both available to meet on Friday morning. Please let us know your availability. -Jesse Sent from my BlackBerry(r) wireless handheld ----- Original Message----- From: "Scott Sinclair" Date: Thu, 15 May 2008 21:59:29 To: jesse@alejoes.com, "Scott Sinclair" Cc: "Patrick Hafner" Subject: Re: Revenue Report I make no guaranty on your time frame demand as it is unlikely that a decision will be made by then.. Scott Sinclair Airdis Telecom 630.925.4141 Direct 630.925.4131 Fax 630.925.4455 Main www.airdis.com or see our Blog at: www.airdis.com/blog Who do you Trust with the Lifeline to YOUR Business? This e-mail, and any attachments thereto, is intended only for the use of the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this email in error, please notify me via return e-mail and via telephone at 630.925.4141 and permanently delete the original and any copy of any e-mail and any printout thereof. Thank you -----Original Message----- From: jesse@alejoes.com Date: Thu, 15 May 2008 21:48:23 To: "Scott Sinclair" Cc: "Patrick Hafner" , jesse@alejoes.com Subject: Re: Revenue Report Scott, -Please let us know if there is ANYTHING Judy needs. - Please let us know the details and wire info as soon as you have it completed. I imagine this should be done shortly. -Please let us know your response or intentions regarding the buyout no later than Tuesday 5/20/08 "close of business". Thank you, Jesse Sent from my BlackBerry(r) wireless handheld -----Original Message----- From: "Scott J. Sinclair" Date: Thu, 15 May 2008 15:29:04 To: Cc: "Patrick Hafner" Subject: RE: Revenue Report I am out today. I can only tell you that Judy and I have been working through everything she has needed as she has needed it. So as of now, she has everything until she needs something. The report isn't done because I don't have all the payables info in-house yet. I am not delaying these reports. As soon as I have everything I generate the report and send the wire. I have no comment on the buy-out at this time. Scott Sinclair Airdis Telecom 630.925.4141 Direct 630.925.4455 Main 630.925.4131 Fax www.airdis.com Check out our Technology Blog at: www.telecombusinessdaily.com Who do you Trust with the Lifeline to YOUR Business? This e-mail, and any attachments thereto, is intended only for the use of the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this email in error, please notify me via return e-mail and via telephone at 630.925.4455 and permanently delete the original and any copy of any e-mail and any printout thereof. Thank you -----Original Message----- From: jesse@alejoes.com [mailto:jesse@alejoes.com] Sent: Thursday, May 15, 2008 3:24 PM To: Scott J. Sinclair Cc: Patrick Hafner Subject: Fw: Revenue Report Scott, - Does Judy have everything she needs? -Patrick and I have heard nothing back after your short reply last week. Please let us know your response or what is going on. -As of today, the 15th, I have not received last month's detail and wired amount yet. Please update us on all 3 items. Thanks, Jesse Sent from my BlackBerry(r) wireless handheld -----Original Message----- From: jesse@alejoes.com Date: Wed, 14 May 2008 14:46:14 To: "Judy Riley" Cc: "Jonathan Marashlian" , "Patrick Hafner" Subject: Re: Revenue Report Judy, I am in transit returning from being out of the country for 3 weeks...sorry about the delay. I will be back in office on Friday. Here are the contacts I have for Tax Partners: Carnisha Mack Shared Account Associate (770) 956-7525 x1454 carnisha.mack@thomson.com Andy Harris Compliance Manager Thomson RIA/TaxPartners (770) 956-7525x1237 Thanks, Jesse (312) 804-8362 Sent from my BlackBerry(r) wireless handheld -----Original Message----- From: "Jonathan S. Marashlian" Date: Wed, 7 May 2008 14:56:39 To: "Jesse Alejos" , Subject: FW: Revenue Report Please communicate to Judy the name of the consultant that worked on TMM at TP. Jonathan S. Marashlian Helein & Marashlian, LLC The CommLaw Group Tel: 703-714-1313 E-Fax: 703-991-2557 E-mail: jsm@CommLawGroup.com From: Judy Riley [mailto:jriley@telecompliance.net] Sent: Wednesday, May 07, 2008 3:48 PM To: 'Jonathan S. Marashlian' Subject: RE: Revenue Report I will need to know who to contact on this at Tax Partners. Judith A. Riley, President Telecom Professionals, Inc. 5909 Northwest Expressway, Suite 101 Oklahoma City, OK 73132 405-755-8177 voice 405-755-8377 facsimile www.telecompliance.net CONFIDENTIALITY NOTICE: This email message is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the

sender by reply email and destroy all copies of the original message. If you are the intended recipient but do not wish to receive communications through this medium, please so advise the sender immediately. -----Original Message----- From: Jonathan S. Marashlian [mailto:jsm@commlawgroup.com] Sent: 05/06/2008 2:13 PM To: 'Judy Riley' Subject: FW: Revenue Report Judy - See below. It appears the Georgia Revenue Report you requested from our firm is a "tax" filing and something that we have never handled on behalf of TMM. For this information, I would recommend contacting Tax Partners. If you don't have a contact person at Tax Partners, let me know and I'll confer with my client to determine the best way to handle this particular filing. Jonathan S. Marashlian The CommLaw Group Tel: 703-714-1313 E-mail: jsm@CommLawGroup.com Web: www.CommLawGroup.com From: Meghan Ruwet [mailto:mtr@commlawgroup.com] Sent: Tuesday, May 06, 2008 4:05 PM To: 'Jonathan S. Marashlian' Cc: 'Audrey Glenn' Subject: FW: Revenue Report Just FYI - Airdis had requested a copy of the Georgia Revenue Report due with the PSC. My records didn't show that such a report existed and I had just recently contacted all the Commissions about filing requirements. I thought it best to just make sure and per the following, there isn't a revenue report due with the PSC. If a revenue report is required, it must be filed with the Department of Revenue and therefore isn't something we handle. Thanks! Meghan Ruwet The CommLaw Group Home Office Tel: 303-663-0102 E-mail: mtr@CommLawGroup.com Web: www.CommLawGroup.com -----Original Message----- From: Rachel Perry [mailto:RACHELP@psc.state.ga.us] Sent: Tuesday, May 06, 2008 1:18 PM To: Meghan Ruwet Subject: RE: Revenue Report Importance: High I am not exactly sure the type report you are referring to. Could this be tax related? Sometimes this Commission has received reports from telecommunications companies that should have been sent to the GA Department of Revenue. Listed below are 4 reports that are required by this Commission involving revenue. The Annual Report (financial) due by the last day of April of each year. (contact Leon Bowles 404-656-0949) Docket 5825: Universal Access Fund quarterly report (contact Gigi McGhee 404-656-4559) Non-docket: Telecommunications Relay Service monthly report (contact Michael Russell 404-656-0995) Docket No. 9108: Prepaid Local Exchange carriers' escrow report (contact Shaun Rosemond 404-463-4212) Rachel Perry Telecommunications Section, GA PSC 404-651-9402 voice 404-656-0980 fax ----- From: Meghan Ruwet [mailto:mtr@commlawgroup.com] Sent: Monday, May 05, 2008 11:29 AM To: Rachel Perry Subject: Revenue Report Dear Ms. Perry: Is there a revenue report that is due for either IXCs or CLECs with the Georgia PSC? Thank you for your help! Meghan Ruwet Helein & Marashlian, LLC The CommLaw Group 3600 Sawgrass Trail Castle Rock, CO 80109 Home Office Tel: 303-663-0102 Home Office Fax: 303-663-0084 E-Mail: mtr@CommLawGroup.com Website: www.CommLawGroup.com Pursuant to Treasury Regulations, any U.S. federal tax advice contained in this communication, unless otherwise stated, is not intended and cannot be used for the purpose of avoiding tax-related penalties. This message contains confidential information belonging to the sender, which is intended to be legally privileged and confidential and/or a purely private communication between the sender and the recipient(s). The information contained herein, including any attachments, is intended only for the use of the recipient(s). If you are not a named recipient(s), or an employee or agent responsible for delivering it to a named recipient, you are advised and placed on notice that any disclosure, copying, distribution, the taking of any action or refraining from an action in reliance on the contents or information contained in this message and any attachment is strictly prohibited and may be legally actionable. If you have received this message or any portion of it in error, please immediately advise the sender by return email to mtr@CommLawGroup.com, with a copy to mail@CommLawGroup.com and delete the message and any attachments and destroy any hardcopies made by you or others. If you have forwarded this message or any portion of it to another or others, you must notify us immediately of their proper email or other addresses and you are to notify them of the privileged and confidential nature of this message and to take action to delete the message and its attachments and to destroy any hardcopies. Thank you.

EXHIBIT G

COUNTER-PLAINTIFF'S MARCH 2009 LETTER



The CommLaw Group

HELEIN & MARASHLIAN, LLC
1483 Chain Bridge Road
Suite 301
McLean, Virginia 22101

Telephone: (703) 714-1300
Facsimile: (703) 714-1330
E-mail: mail@CommLawGroup.com
Website: www.CommLawGroup.com

Writer's Direct Dial Number
703-714-1313

Writer's E-mail Address
jsm@CommLawGroup.com

March 11, 2009

VIA FIRST CLASS MAIL, FACSIMILE & E-MAIL
E-mail: ssinclair@airdis.com; HBartosiak@tsmp.com
Fax: 630-921-4145; 630-668-3303

Airdis, LLC
246 Janata Blvd., Suite 262
Lombard, IL 60148
Attn: Scott Sinclair
Fax: 630-921-4145

Harry E. Bartosiak
Tressler, Soderstrom, Maloney and Priess, LLP
2100 Manchester Road, Suite 950
Wheaton, IL 60187
Fax: 630-668-3303

**RE: Default Notice
Notice Of Assumption Of Business' Collection Efforts
Notice Of Additional Breaches
Final Demand**

Dear Mr. Sinclair:

On behalf of Transcend Multimedia, LLC ("Transcend" or "Seller"), its undersigned counsel hereby serves Airdis, LLC ("Airdis" or "Manager") with this **Notice of Default, Notice of Assumption of the Business' Collection Efforts, Notice of Additional Breaches and Final Demand.**

As set forth below, Airdis has defaulted on the terms of the parties' Management Agreement ("Mgt. Agreement") through its repeated failure to fulfill its legal obligations and its

continuous mismanagement of Transcend's assets. Aridis' actions have harmed and continue to harm Transcend.

As a result of Airdis' actions, Transcend is exercising its right to assume control of the Business' collections efforts. To that end, Transcend hereby notifies Airdis that, as of March 11, 2009 at 11:59 p.m., Transcend shall take back the management and control of all collection efforts and such management and control shall continue until Airdis has cured, to Transcend's satisfaction, its breaches of the Mgt. Agreement.

ARIDIS' DEFAULT

On February 29, 2008, Transcend served Airdis with a letter demanding that Airdis comply with several identified provisions of the Mgt. Agreement.¹ In particular, Airdis was required to provided to Transcend, within ten (10) days, month-by-month status reports on the operations of the business for the period September 2007 through February 29, 2008, as well as month-by-month status reports for the period September 2007 through February 29, 2008 detailing all actions taken by Airdis in compliance with applicable FCC and state regulatory requirements.

To date, Airdis has not responded to Transcend's February 29, 2008 demands. Airdis' failure to respond constitutes a material breach of the Mgt. Agreement.

ADDITIONAL BREACHES

1. Contracting without Transcend's approval.

Section 3.1(a) of the Mgt. Agreement provides that Airdis "shall administer all agreements and contracts with customers and vendors, it being expressly agreed and understood, however, that the Manager shall not, and shall not have the power or authorization, to enter into any new agreements, contracts or commitments in the name of the Seller without Seller's approval."

Upon information and belief, Airdis has entered into contracts with Qwest Communications ("Qwest") and XO Communications ("XO") under Transcend's name. In the alternative, upon information and belief, Airdis has improperly used contracts with Qwest and XO to service Transcend's customers.

2. Underpayment of fees owed under Mgt. Agreement.

Section 3.1(b) of the Mgt. Agreement provides that Airdis "shall be responsible for customer service, at its expense; and Section 3.1(c) provides that Airdis "shall arrange for customer billing, at its expense, and shall be responsible for the collection of all accounts receivable of the Business with respect to periods prior to and after the Effective Date." (Emphasis added).

¹ Transcend's February 29, 2008 letter demanded compliance with Sections 3.1, 3.1(a), 3.2(c), 3.4, 3.5 and 3.6 of the Mgt. Agreement. See February 29, 2008 letter.

Section 3.3(b) of the Mgt. Agreement provides that “[I]f and only if this Agreement remains in full force and effect subsequent to the ninetieth (90th) calendar day from the Effective Date, the Monthly Management Fee shall be equal to fifty (50%) of the monthly net collections from Business of Seller.” (Emphasis added).

For the time period September 2007 through February 2009, Airdis has improperly passed on its customer service and billing expenses to Transcend. As a result, Airdis has underpaid the amounts it owes under the Mgt. Agreement.

3. Failure to report regularly on the business’ operations and its revenues.

Section 3.1 of the Mgt. Agreement requires Airdis “to report regularly to the Seller... the status of the operations of the Business.”

Section 3.2(c) of the Mgt. Agreement states that “[o]n or before the 30th day of each month during the Term, the Manager shall furnish the Seller with a detailed statement of all revenues received from Seller’s accounts during the prior month... together with a detailed statement of all the Manager’s Costs...

Airdis has ignored Transcend’s repeated requests to obtain complete and accurate reports on the status of the business, its income and its expenses.

4. Failure to ensure Seller’s compliance with regulatory and legal obligations.

Sections 3.4 and 3.5 require compliance with all Permits and Regulatory Approvals and all applicable rules, regulations and policies of the Federal Communications Commission (“FCC”) and other applicable federal, state and local law or regulation. Furthermore, that Manager’s management and operation of the Assets is not intended to diminish or restrict Seller’s compliance with their regulatory and legal obligations.

Section 3.6 states that Manager shall grant to Seller “reasonable access to all books, records, or other information with respect to the Business related to the Acquired Assets as the Seller may from time to time reasonably request in order to ensure compliance in all material respects with applicable federal and state rules and regulations”.

Upon information and belief, Airdis not satisfied its regulatory and legal obligations and in fact, has placed Transcend’s compliance with such obligations in jeopardy. In addition, Airdis has refused to provide Transcend with any information or other proof that it has in the past met and continues to meet its regulatory obligations.

FINAL DEMAND

In an effort to resolve this matter and avoid litigation, Transcend presents Airdis with its final demand to cure the above identified breaches. Transcend demands that, within thirty (30) calendar days, Airdis provide the following:

1. Month-by-month status reports on the operations of the business for the period September 2007 through February 28, 2009. These reports should include, at a minimum, details and supporting records pertaining to:

- Expenditures;
- Income;
- Transcend customer complaints and actions taken by Airdis with respect thereto;
- Transcend customer service-related or technical issues and actions taken by Airdis with respect thereto;
- All customer invoices;
- Any contracts entered into or cancelled by Airdis on behalf of, or in the name of Transcend Multimedia, LLC;
- Any contracts between Airdis and XO Communications that relate to services provided to Transcend customers;
- Any contracts between Airdis and Qwest Communications that relate to services provided to Transcend customers; and
- All fees, taxes and charges paid to any governmental body on behalf of, or in the name of Transcend Multimedia, LLC.

2. Month-by-month reports for the period September 2007 through February 28, 2009 detailing all actions taken by Airdis in compliance with applicable FCC and state regulatory requirements, including, but not limited to reports on Airdis' compliance with CPNI certification filings, FCC Form 499 filings and fees and state public utility reports and fees, including proof of compliance; and access to all books, records, or other information related to compliance with applicable federal and state rules and regulations.

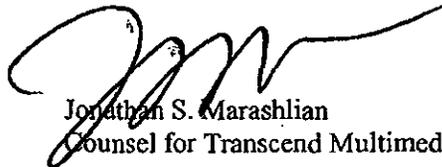
Provide your responses to the above demands to Transcend's legal representative, at the office address listed below:

Helein & Marashlian, LLC
1483 Chain Bridge Road, Suite 301
McLean, VA 22101
Fax: 703-714-1330

If, within thirty (30) calendar days, Transcend has not received the requested information, documentation and access the Mgt. Agreement shall terminate in full.

If Transcend's demands are not met, Transcend will pursue its rights, to the fullest extent permitted by law and equity, in the Circuit Court for Cook County and such pursuit will be against Airdis and against you, in your individual capacity.

Yours truly,



Jonathan S. Marashlian
Counsel for Transcend Multimedia, LLC

cc: Jesse Alejos (via e-mail)
Patrick Hafner (via e-mail)

EXHIBIT H

COUNTER-DEFENDANT'S RESPONSE TO COUNTER- PLAINTIFF'S MARCH 2009 LETTER



TRESSLER, SODERSTROM, MALONEY & PRIESS, LLP
ATTORNEYS AT LAW

2100 Manchester Road
Suite 950
Wheaton, Illinois 60187-4532
630/668-2800
Fax 630/668-3003
www.tsmp.com

Harry E. Bartosiak
(630) 668-2800, ext. 1052
hbartosiak@tsmp.com

March 11, 2009

Mr. Jonathan S. Marashlian
Helein & Marashlian, LLC
1483 Chain Bridge Road
Suite 301
McLean, VA 22101

RE: Airdis/Transcend
Our File # 5671-1

Dear Mr. Marashlian:

I am in receipt of your letter of March 11, 2009 in which you declare Airdis, LLC ("Airdis") to be in default of the Management Agreement entered into between Airdis and Transcend Multimedia, LLC ("Transcend"). You are hereby put on notice that Airdis disputes any contention that it is in default of the Management Agreement and, in particular, vigorously disputes your unfounded allegation that Airdis' actions have harmed and continue to harm Transcend." To the contrary, Airdis' actions have saved Transcend a substantial amount of money by reducing insufficiencies and eliminating wasteful practices, in comparison to the manner in which Transcend's operations were being maintained prior to Airdis' involvement. The result has been an increase in the fees that have been paid to Messrs. Hafner and Alejos. What's more, Airdis accomplished this despite its discovery that the financial and operational status of Airdis was in a far worse condition than was represented originally by Hafner and Alejos.

The specific allegations of default set forth in your letter are utterly without basis in fact or law. Airdis has provided your client with regular reports and accountings with respect to its activities. Further, the Seller (your client) is responsible for maintenance of Transcend's Licenses. Airdis has not improperly passed along any costs to Transcend (Section 3.2 of the Management Agreement provides that the Manager shall be reimbursed for its actual costs). Finally, Airdis has not separately contracted with Transcend's clients, and this will be proven in court, if necessary.

CHICAGO, ILLINOIS

BOLINGBROOK, ILLINOIS

ORANGE COUNTY, CALIFORNIA

LOS ANGELES, CALIFORNIA

NEWARK, NEW JERSEY

NEW YORK, NEW YORK

March 11, 2009

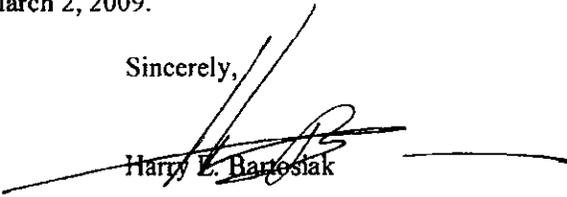
Page 2

Your letter is also unclear in that you state that Transcend will resume its management of Transcend's operations, yet you do not state how Transcend will resume this function. Are you proposing that Airdis simply stop pursuing any actions on behalf of Transcend as of 11:59 PM tonight?

We will begin the process of preparing a suit against your clients for breach of the Management Agreement and for collection of monies owed to Airdis in connection with the Management Agreement. We will also be seeking a return of the \$37,500.00 paid to your clients as an advance on the proposed asset purchase transaction. You do not need to wait 30 days.

Notwithstanding the foregoing, and assuming Marcus Evans will agree, Airdis remains ready, willing and able to close the asset purchase transaction in a consistent manner with the timing of my last e-mail to you of March 2, 2009.

Sincerely,



Harry E. Bartosiak

HEB/djw
#91037