

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

DAVID GROCHOCINSKI, not individually)	
but solely in his capacity as the Chapter 7)	
Trustee for the bankruptcy estate of)	
CMGT, INC.,)	
)	
Plaintiff,)	
)	No. 06 C 5486
v.)	
)	Judge Virginia M. Kendall
MAYER BROWN ROWE & MAW LLP and)	
RONALD B. GIVEN,)	Magistrate Judge Morton Denlow
)	
Defendants.)	

**DEFENDANTS' APPENDIX OF EXHIBITS IN SUPPORT OF THEIR MOTION
FOR SUMMARY JUDGMENT BASED ON THEIR UNCLEAN HANDS DEFENSES**

VOLUME I

<u>Exhibit</u>	<u>Description</u>
A	Complaint and its exhibits
B	Affidavit of Louis Franco
C	Affidavit of Wayne Baliga
D	Affidavit of Kim G. Quarles
E	Affidavit of James M. Wong
F	Transcript of Proceedings, <u>Spehar Capital, LLC v. CMGT, Inc.</u> , dated February 26, 2004.
G	Order of Relief, <u>In re CMGT, Inc.</u>
H	Memorandum Opinion, <u>Grochocinski v. Spehar Capital, LLC</u> , dated March 17, 2009.
I	Trustee David Grochocinski's Time Records and Affidavit.

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Mitchell L. Marinello
Steven J. Ciszewski
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EXHIBIT A

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

DAVID GROCHOCINSKI, not individually,)
but solely in his capacity as the Chapter 7)
Trustee for the bankruptcy estate of)
CMGT, INC.)
Plaintiff,)
v.)
MAYER BROWN ROWE & MAW LLP,)
RONALD B. GIVEN, and CHARLES W.)
TRAUTNER,)
Defendants.)

CLERK OF COURT
LAW DIVISION
JAN 11 2011
10:00 AM
1000 N. LAKE ST.
CHICAGO, IL 60611
773.752.1000
LEGAL MAIL PRACTICE

COMPLAINT

Plaintiff, DAVID GROCHOCINSKI, not individually, but solely in his capacity as the Chapter 7 Trustee for the bankruptcy estate of CMGT, Inc. (“CMGT”), by and through his attorneys, Edward T. Joyce & Associates, P.C., states as his Complaint against defendants, Mayer Brown Rowe & Maw, LLP, Ronald B. Given (“Given”) (collectively, “MBRM”), and Charles W. Trautner (“Trautner”) as follows:

I. NATURE OF THE CASE

1. This case arises out of (a) defendants MBRM and Given providing CMGT with negligent legal advice and representation, and (b) defendant Trautner’s breach of his fiduciary duty to CMGT, his interference with CMGT’s prospective business opportunities, and his inducement to MBRM and Given to breach their duties to CMGT.

2. MBRM was hired by CMGT to provide legal advice with respect to CMGT’s initial capitalization, formative activities, financing activities, and other general corporate activities. As CMGT’s legal counsel, MBRM regularly gave legal advice on a wide range of

subjects, including a dispute that arose between CMGT and a venture capital consulting firm, Spehar Capital, LLC ("SC"), which had been retained by CMGT to help it obtain financing.

3. While providing CMGT with these services, MBRM (a) rendered negligent advice with respect to CMGT's financing efforts and the dispute that arose with SC, (b) breached its duty to CMGT by abandoning CMGT after SC filed a suit against CMGT, and (c) accepted engagements which created irreconcilable conflicts between their clients CMGT and SC.

4. As a result of MBRM's negligence and Trautner's intentional interference and breach of fiduciary duty, CMGT had a \$17 million default judgment entered against it, lost valuable financing opportunities, filed for involuntary bankruptcy, and lost its substantial value.

II. PARTIES

5. Plaintiff David Grochocinski was appointed trustee in bankruptcy for CMGT on or about September 21, 2004. CMGT, a Delaware corporation, involuntarily petitioned for Chapter 7 bankruptcy in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, on or about August 24, 2004. On November 18, 2005, Edward T. Joyce & Associates, P.C., was appointed special counsel to investigate and, if appropriate, prosecute actions against professionals, shareholders, agents, officers and/or directors of CMGT on behalf of the estate and Trustee.

6. Defendant MBRM is a law firm formed as a limited liability partnership doing business in Illinois and elsewhere.

7. Defendant Given is and has at all relevant times been a partner at MBRM.

8. Defendant Trautner was at all relevant times one of CMGT's largest shareholders. As of June 30, 2003, Trautner owned approximately 146,790 preferred shares of CMGT stock.

III. JURISDICTION

9. This Court has subject matter jurisdiction over this matter and personal jurisdiction over the defendants under the common law of the State of Illinois and 735 ILCS §5/2-209(a)(1), (a)(2), (a)(7), (a)(11).

10. Venue is proper in this Court under 735 ILCS §5/2-101(1) and (2).

IV. FACTS

A. CMGT's History

11. CMGT, f/k/a Caremanagement.com, Inc., was founded in January 1999 to provide unique case/care management and third party administration services to the disability/healthcare insurance industry, and to implement an aggressive growth plan through key acquisitions. However, when one of CMGT's founders unexpectedly died in July 1999, CMGT found a replacement executive, Louis Franco ("Franco"), to run the company and reevaluate its business strategy.

12. CMGT's management underwent significant changes in or around July 1999. Among other changes, Franco became CMGT's chief operating officer ("COO").

13. At the time Franco was appointed CMGT's COO, he had a long-standing friendship with Given. Through Franco's relationship with Given, MBRM became CMGT's legal counsel. (As more fully described below, MBRM's engagement was memorialized in a letter agreement on January 31, 2000.) Franco relied heavily on Given's advice throughout Franco's tenure at CMGT.

14. CMGT's new management team redesigned CMGT's business plan to focus on delivering integrated comprehensive absence, disability, and care management services. CMGT's software and services were used to track employee absences, which helps employers

minimize the cost of absences, maximize the value of time-off and disability programs, and ensure compliance with federal labor laws, such as the Family Medical Leave Act (“FMLA”). This new business strategy also replaced CMGT’s aggressive acquisition plan with one favoring strategic organic growth.

15. In furtherance of this new business plan, CMGT acquired Touch Speed Technology, Inc. (“Touch Speed”) on April 17, 2000. Touch Speed was a software development and absence management company that specialized in absence/disability management software and services. Touch Speed added significant value to CMGT, primarily because of its proprietary *Absence Expert*[™] software and its *First in Touch*[™] call center/live operator absence/disability intake service. In addition to its proprietary software and services, Touch Speed brought two existing and valuable clients to CMGT -- Sun Life of Canada and Packard Bell/NEC.

16. Touch Speed’s *Absence Expert*[™] software and *First in Touch*[™] call center provided three primary benefits to CMGT and CMGT’s clients/potential clients. First, the software could interface with the systems being used by CMGT’s clients to track employee absence data such as payroll, disability insurance, and absences. Unlike these systems, which tracked each category of employee absence data individually, the *Absence Expert*[™] software integrated all of the data submitted by a CMGT client so that the client could have a comprehensive review of its employee absence data. Second, the *First in Touch*[™] call center provided a live operator who was trained to respond to inquiries relating to absence management. Finally, Touch Speed’s *Absence Expert*[™] software and *First in Touch*[™] call center allowed CMGT’s services to be accessed from anywhere in the world. Thus, CMGT had great flexibility in determining where to base its call center and executive office.

17. In or around May 2000, CMGT's management was still redesigning its business plan and marketing strategy. At that time, CMGT decided to focus CMGT's marketing efforts on developing strategic partnerships with key insurance companies and insurance broker-consultants. This strategy was designed to leverage the relationships and reputations of CMGT's key principles, who were and are well-known in the insurance industry. Also, in October 2000, Franco (CMGT's COO) became CMGT's president and chief executive officer.

18. After CMGT acquired Touch Speed, it solidified and began implementing its new business plan and marketing strategy. As a result, CMGT became an established business with several significant clients and strategic partnerships.

19. For example, in or around May 2001, CMGT signed a binding letter of intent to establish a strategic partnership with The Hartford Life Insurance Companies ("The Hartford"). CMGT obtained several important clients through its relationship with The Hartford, including NCS Pearson, Honda Manufacturing of Alabama, Honda Manufacturing of Ohio, Platinum Equity and Ball Corporation. CMGT also developed strategic partnership relationships with several other major insurance companies, such as CIGNA, Liberty Mutual, ICS, and the Standard Insurance Company. CMGT also acquired clients such as Howard Hughes Medical Institute, McCord Travel, Atlanta Gas and Light Resources, ZiLOG and eBay, Inc. through these strategic partnerships/relationships.

20. Although CMGT had an established business plan and valuable relationships in place, it required approximately \$2,000,000 in additional financing to fully exploit its potential. Thus, while CMGT was developing strategic partnerships and a solid client base, it was also engaged in discussions with several financing prospects. CMGT conservatively projected that it would achieve a net profit of over \$10 million per year within four years of receiving

approximately \$2,000,000 in financing. CMGT also projected that it would have \$24,000,000 in working capital within four years of receiving additional financing.

B. The CMGT and MBRM Letter Agreement

21. CMGT and MBRM memorialized an agreement on or about January 31, 2000 for MBRM to render certain legal services to CMGT. (A copy of the January 31, 2000 letter agreement is attached hereto and incorporated herein as Exhibit 1).

22. Per the terms of this letter agreement, MBRM charged CMGT by the hour. However, MBRM agreed to defer payment until CMGT received an initial capitalization of at least \$1,000,000. The agreement provided that: (a) the deferred payment would be billed at 125% of MBRM's regular hourly rates, and (b) MBRM had the unilateral right to terminate the engagement if the balance of unpaid fees ever exceeded \$50,000, or if CMGT was not capitalized by May 1, 2000. MBRM also agreed not to be paid at all (except for reimbursement of costs) if CMGT did not receive necessary additional financing.

23. Given performed or supervised all of MBRM's work for CMGT.

C. The CMGT and SC Letter Agreement

24. In or around June 2001, CMGT retained SC to help CMGT obtain financing. CMGT's agreement with SC was memorialized in writing on October 1, 2001. The terms of CMGT's letter agreement with SC (as revised) are described in greater detail below.

25. CMGT and SC revised their October 1, 2001 letter agreement on or about September 30, 2002. (A copy of the September 30, 2002 letter agreement is attached hereto and incorporated herein by reference as Exhibit 2).

26. Under the terms of the revised letter agreement, SC agreed to facilitate introductions and provide advisory services relating to potential debt and/or equity financing

deals, sales, mergers, and other potential financing transactions. SC also agreed to perform certain “management consultant services.” CMGT agreed to pay SC a “success fee” for SC’s advice and introduction to the source of debt and/or equity financing upon the successful closing of a funding or a transaction. The success fee was to be payable in cash, and equal to 6% of the accepted capital. The agreement also provided for a \$100,000 management consulting fee and stock compensation, which was to be awarded upon CMGT’s acceptance of a term sheet, or other commitment.

27. The revised letter agreement between CMGT and SC included a chart (“Exhibit A”) that set forth the names of the third parties that CMGT had introduced to SC, or that CMGT had authorized SC to have discussions with. SC was entitled to payment if the third party with whom CMGT entered into a financing deal was listed on Exhibit A. However, it was SC’s and CMGT’s regular course of dealing to “orally” add third parties to the list without updating Exhibit A in writing.

D. SC and Franco Form Millennium Partnership

28. As described in more detail below, SC originally sought funding for CMGT from Alaska Native Corporations (“ANC’s”) and other minority investors because of the marketing advantages ANC minority status would provide.

29. Beginning in 2001, SC and Franco marketed the idea of forming a minority owned insurance company as “Millennium Partnership, LLC” with CMGT as a joint offering to various ANCs and their venture capital partners. Although SC and Franco described the minority owned insurance company in its proposals as “Millennium Partnership, LLC,” they did not create a legal entity known as Millennium Partnership until April 2003.

30. In April 2003, two of CMGT's shareholders, Wayne Baliga ("Baliga") and James Wong ("Wong"), joined SC's and Franco's efforts to market and launch a minority owned insurance company. Thus, on April 8, 2003, SC, Wong, Franco and Baliga formed Millennium Partnership as a general partnership ("MP").

31. MBRM was legal counsel for the minority owned insurance company project, first as counsel for SC and Franco and then as counsel for MP, from mid-2001 through April 2004. Thus, from mid-2001 through April 2004, MBRM was legal counsel for and owed fiduciary duties to both SC (through MP) and CMGT (directly).

E. CMGT's Financing Efforts in 2003

32. Between June 2001 and January 2003, CMGT discussed possible financing deals with several companies, individuals and/or venture capitalists.

33. One of the companies SC contacted to discuss financing for CMGT was Sealaska Corporation ("Sealaska"), which is an ANC. On or about February 5, 2003, Sealaska signed a letter of intent to purchase a 51% interest in CMGT for \$2,000,000. Sealaska was a particularly attractive investor for CMGT because of its minority status and its significant strategic relationships. Both Sealaska's minority status and its strategic relationships would have greatly increased CMGT's client base.

34. After submitting its February 2003 letter of intent, Sealaska engaged in extensive due diligence. Patrick Duke ("Duke"), Sealaska's treasurer, conducted due diligence by, *inter alia*, evaluating the market need for CMGT's services, contacting many of CMGT's clients, reviewing CMGT's industry contacts, evaluating CMGT's competition and reviewing the advantages CMGT would gain as a minority owned company.

35. In or around early April 2003, Duke concluded that: (a) there was a definite and growing awareness in the marketplace of the costs associated with absences and disability management, (b) there was a heightened awareness of the risks involved in the administration of the FMLA, (c) effective absence management can reduce costs and improve productivity, (d) employers lack the resources to track absences, and (e) companies were overwhelmed with the complexities of the FMLA. In other words, Duke concluded that there was great market demand for CMGT's services and software.

36. Duke also concluded that CMGT's clients, such as eBay, were extremely impressed with CMGT's software and services. Duke determined that CMGT's software, call center, and business plan gave it an advantage over its competitors, and that this advantage would be heightened if CMGT was a minority owned company. On information and belief, Duke submitted a glowing recommendation to Sealaska's president and chief executive officer that Sealaska invest in CMGT.

37. Over the next month, May 2003, CMGT and Sealaska engaged in extensive negotiations over proposed term sheets. Their primary impasse was Sealaska's unwillingness to pay CMGT more than \$950,000 for a 51% ownership interest in the company. Sealaska's proposed term sheet also severely subordinated and reduced by half the payment of MBRM's accrued attorney's fees; i.e., it was disadvantageous to MBRM. Although CMGT and Sealaska were on the brink of closing a deal, they ultimately were unable to reach mutually agreeable terms.

38. While CMGT was negotiating with Sealaska in 2003, CMGT was also discussing potential deals with other prospective investors. One of those prospective investors was a group headed by Trautner.

39. Trautner had approached Franco on a number of prior occasions with proposed funding deals. When Trautner first approached Franco about a funding deal, Franco introduced Trautner to SC and insisted that Trautner work through SC. Although SC worked with Trautner at Franco's insistence, Trautner was never formally added to the list (Exhibit A) attached to the CMGT/SC revised letter agreement.

40. In or around January 2003, Trautner approached Franco with a new funding idea. On January 27, 2003, a conference call took place between Trautner, Franco, Given and SC's owner, Gerry Spehar ("Spehar"), regarding Trautner's proposal to fund CMGT via an asset purchase deal he called "Newco." Franco instructed Spehar to vigorously question Trautner for details on that call, which Spehar did. Trautner's proposed deal, if consummated, would not have honored any of CMGT's investor's notes or other legitimate liabilities, and would have left CMGT's shareholders with only 20% equity. Thus, Franco summarily rejected Newco as an unacceptable "sweetheart" deal for Trautner and his investors.

41. In or around May 2003, Given and Trautner revived Trautner's Newco deal under the same terms that Franco had rejected in January. On information and belief, Given and Trautner did not tell Franco that they were reviving the Newco discussions. Given's discussions with Trautner quickly led to Given drafting a letter of intent for the Newco deal. (A copy of the Newco letter of intent is attached hereto as Exhibit 3). As set forth in the letter of intent, Newco agreed to purchase all of CMGT's assets by either, (a) paying CMGT \$500,000 in cash, or (b) giving CMGT 20% of the shares of Newco. Under the Newco letter of intent, if CMGT opted to accept 20% of the shares of Newco, then Trautner and his investors were required to provide Newco's shareholders with an assurance that Newco's initial capitalization would be at least \$2,500,000.

42. The Given-drafted letter of intent also stated that Newco would not assume any of CMGT's liabilities, other than those associated with client contracts, but that MBRM's accrued fees would be paid at closing. The Given-drafted letter of intent required Newco to enter into an employment agreement with Franco and a transition services agreement with CMGT's outside accountant. The targeted closing date was September 30, 2003. On or about July 31, 2003, Trautner signed the letter of intent.

43. On information and belief, Given pressured Franco to agree to the Newco letter of intent without advising Franco that if similar terms that were nevertheless more favorable to CMGT were offered to Sealaska or other potential investors, CMGT would likely be able to close a deal that was better than the Newco deal for CMGT. On information and belief, Given failed to give Franco this advice because the Newco deal ensured that MBRM's accrued fees would be paid. On or about August 1, 2003, Franco signed the Newco letter of intent.

44. SC learned about the revived Newco deal on or about August 7, 2003. That same day, Franco sent CMGT's shareholders a letter notifying them about the Newco deal. At this same time, SC was in discussions with the Washoe Tribe about a financing deal. The Washoe Tribe deal would have been extremely beneficial to CMGT because CMGT would have gained minority status, financing, and would have retained more than twice the ownership it would have been left with in the Newco deal. SC kept Given and Franco fully apprised of its discussions with the Washoe. In fact, on August 14, 2003, Given and Franco pre-approved a letter of intent with the Washoe. (A copy of the August 14, 2003 pre-approved Washoe letter of intent is attached hereto as Exhibit 4.) The next day Franco sent CMGT's shareholders a letter (prepared by Given) soliciting proxies for the Newco deal and stating that there were no other alternatives.

(A copy of Franco's August 15, 2003 letter is attached hereto as Exhibit 5). Franco failed to tell CMGT's shareholders about the potential deal with the Washoe.

45. On or about August 29, 2003, the Washoe committed to deliver a signed letter of intent by September 2, 2003, which they did. This letter of intent mirrored the letter of intent that was pre-approved by Given and Franco on August 14, 2003. In the September 2 letter of intent, the Washoe requested a due diligence period that was set to end on September 30, 2003. (A copy of the Washoe's September 2, 2003 letter of intent is attached hereto as Exhibit 6). Although not reflected in the letter of intent, Franco verbally agreed to let the Washoe have until October 15, 2003 to complete their due diligence

46. On September 3, 2003, however, Given inexplicably modified the letter of intent to remove one day from the Washoe's requested due diligence time, and to state that the Washoe understood that, (a) CMGT expected to close the Newco deal by September 30, 2003, (b) CMGT would consider any other competing bids until such time as a transaction was consummated, (c) CMGT did not anticipate closing any other transactions before September 29, 2003, and (d) Franco was the only CMGT employee available to attend to all the various parties conducting due diligence. (A copy of the Given-modified Washoe letter of intent is attached hereto as Exhibit 7). Given did not offer any explanation for the modifications. Franco, in reliance on Given, agreed to the changes Given made. The Washoe rejected the modified letter of intent.

F. CMGT'S Dispute With SC – Before SC Filed Suit Against CMGT

47. After learning about the revived Newco deal, Spehar immediately sent Franco and Given a letter telling them that the Newco deal was within the scope of SC's letter agreement with CMGT. Spehar also asked Franco to acknowledge/confirm that, consistent with their

regular course of dealing, the Trautner/Newco deal was verbally added to Exhibit A of the letter agreement. (A copy of Spehar's August 8, 2003 letter is attached hereto as Exhibit 8).

48. On or about August 8, 2003, Given responded to Spehar on behalf of Franco and CMGT. Given stated that he had kept a "separate" channel of communications open with Trautner and that the Newco letter of intent was a result of those communications. Given also stated that Franco had not initiated or orchestrated the Newco letter of intent. With respect to SC's claim that the Newco deal fell within the scope of SC's letter agreement, Given said that he and Trautner had not discussed any of the prior communications to which Spehar had been a party, and that Spehar's assistance was neither required nor requested. Given did not confirm or deny that the Trautner/Newco deal had been verbally added to Exhibit A.

49. Finally, despite MBRM's obvious and irreconcilable conflict, Given said that he would be asking Franco to refer Spehar's questions regarding the Newco deal to him (Given). MBRM expressly undertook the responsibility of handling SC's dispute on behalf of CMGT *at the same time* that (a) MBRM was representing SC as one of MP's four general partners and (b) MBRM stood to gain financially from the Newco deal. (A copy of Given's August 8, 2003 email is attached hereto as Exhibit 9).

50. On or about August 9, 2003, Spehar replied to Given and explained why he believed the Newco deal was within the scope of SC's letter agreement with CMGT. (A copy of Spehar's August 9, 2003 email is attached hereto as Exhibit 10). Given responded to Spehar that same day, telling Spehar that, "there is nothing left to be said regarding the LOI...if you wish to pursue it, you will be in an adversarial position and should deal with us through counsel..." (A copy of Given's August 9, 2003 email is attached hereto as Exhibit 11).

51. In responding to Spehar about the Newco deal, Given made no effort to settle the dispute over the scope of SC's letter agreement with CMGT and thus negligently increased the likelihood that the dispute with CMGT would result in litigation that would harm CMGT's financing efforts.

52. Despite Given's adversarial responses, SC was determined to amicably resolve the dispute, and Spehar continued his attempts to settle the matter with CMGT. For example, on or about August 19, 2003, Spehar made a settlement call to Given. During this phone call, Given hurled obscenities, racial slurs and threats at Spehar, and steadfastly refused to negotiate any settlement with SC.

53. After the call, Spehar sent Given and Franco a series of emails that again tried to resolve the dispute. Given responded to these emails with an email of his own stating that "from a legal point of view, we simply cannot play your game of throwing E-Mails back and forth. We have talked to you. We have listened to you. We have told you our view. I'm sorry, but we can do no more. I think you need to listen and think a bit more. In any event, you have told us you have counsel. I will henceforth deal only with him or her, as is appropriate." (A copy of Given's August 19, 2003 email is attached hereto as Exhibit 12).

54. Given's hard-line responses to Spehar's attempts to settle negligently exposed CMGT to an on-going dispute that CMGT could not afford to be undertaken.

55. Given continued to provide CMGT with negligent advice regarding the SC dispute throughout August 2003. For example, on or about August 26, 2003, Franco sent a letter to all of CMGT's shareholder regarding the Newco deal. This letter states, in part, that:

Gerry Spehar/Spehar Capital has claimed that he is entitled to compensation as a result of the Newco transaction under a contract he has with CMGT, Inc. Your management and legal counsel strongly disagree with this contention. Unfortunately, our numerous conversations with Gerry on this topic have not been

productive...even if their claims were deemed to have merit, the appropriate venue for the resolution of those claims will be in the winding up of CMGT, Inc. That is not before us today...I am confident that any claims against the transaction will not succeed and, as a practical matter, the only substantive effect we will be facing is additional documentation complexity and a delay in the winding up of CMGT, Inc. until such time as the escrow is released...

(A copy of Franco's August 26, 2003 letter is attached hereto as Exhibit 13).

56. Given's advice to Franco was negligent in that Given knew and/or should have known that SC would file a lawsuit if CMGT did not settle, and that litigation with SC would be fatal to CMGT's attempts to obtain financing. Given's advice was also negligent because Given failed to: (a) properly assess the risk of SC prevailing in litigation on its claim, (b) inform CMGT's shareholders that SC had expressed willingness to settle the claim, (c) inform CMGT's shareholders that CMGT had *not* made a good-faith attempt to resolve the dispute through settlement, or (d) inform CMGT's shareholders that MBRM would not defend CMGT if SC filed suit.

57. On or about September 1, 2003, Franco prepared an internal risk assessment document regarding the SC dispute. (A copy of the September 1, 2003 memorandum is attached hereto as Exhibit 14). In this document, Franco rated the degree of risk of SC filing suit as "high," and said that there was "no curative action required." Franco called SC's claim "meritless" and noted that "All legal issues subject to opinion of Mayer Brown Rowe & Maw (legal counsel for CMGT, Inc.)." On information and belief, Franco's statement that all legal issues were subject to the opinion of MBRM meant that Franco's evaluation of the SC dispute was based on opinions already expressed by MBRM.

G. CMGT Dispute with Spehar -- After SC Lawsuit Commenced

58. Because of Given's negligent advice and handling of the SC dispute, SC filed a lawsuit against CMGT in California in September 2003. Initially, SC requested injunctive relief

seeking to stop the Newco deal. On information and belief, Given negligently advised CMGT not to appear and defend the SC lawsuit because: (a) he erroneously believed that California court's had no jurisdiction over CMGT, and (b) if CMGT filed an appearance, it would be in danger of submitting itself to California's jurisdiction.

59. On September 12, 2003, the California court held a hearing on SC's request for a temporary restraining order ("TRO"). No one appeared on behalf of CMGT, and the court awarded SC a TRO preventing the Newco deal from proceeding. On information and belief, CMGT failed to appear and defend at the TRO hearing because of the negligent advice provided by Given as described in paragraph 58, *supra*.

60. After the TRO hearing, the court scheduled a preliminary injunction hearing for October 3, 2003. On September 17, 2003, Given sent a copy of the TRO order and an email to CMGT's shareholders. In that regard, even though Given's advice had been directly responsible for the SC lawsuit, Given asserted that MBRM had not been retained to deal with the SC litigation, and that he did not believe MBRM would be retained to defend the suit. (A copy of Given's September 17, 2006 email is attached hereto and incorporated herein by reference as Exhibit 15). Even though Given stated that MBRM was not going to defend CMGT in the SC lawsuit, Given nevertheless continued to negligently opine on SC's claim. For example, in a September 19, 2003 email to CMGT's shareholders, Given opined that:

...we believed, and continue to believe, that Gerry Spehar's claim is absolutely spurious...It seems obvious that there is no jurisdictional basis for Gary Spehar to bring his lawsuit in Los Angeles when CMGT is a Delaware corporation operating from Illinois. Moreover, injunctions are only appropriate if regular "legal" remedies are inadequate...Injunctive action is also clearly inappropriate if, as seems likely, all Gerry Spehar is really seeking is money...

(A copy of Given's September 19, 2003 email is attached hereto and incorporated herein as Exhibit 16).

61. On or about October 2, 2003 Given notified CMGT's shareholders that because of the SC lawsuit, Newco had terminated the letter of intent with CMGT.

62. No one from CMGT appeared at the October 3, 2003 preliminary injunction hearing, and the court entered a preliminary injunction. On information and belief, CMGT did not appear and defend at the preliminary injunction hearing because of the negligent advice provided by Given as described in paragraph 58, *supra*.

63. On October 4, 2003, Spehar sent Given and Franco an email, informing them that the preliminary injunction was entered and asking for cooperation in trying to find funding for CMGT. Given and Franco never responded. On December 1, 2003, SC served CMGT with an amended complaint seeking damages. On February 26, 2004, SC obtained a default judgment for \$17 million. (A copy of the order awarding SC a \$17 million judgment is attached hereto as Exhibit 17). On information and belief, CMGT did not appear and defend SC's amended lawsuit because of the negligent advice provided by Given as described in paragraph 58, *supra*.

64. If Given/MBRM had (a) not abandoned CMGT after SC filed suit, (b) advised CMGT to file a special and limited appearance to contest California's jurisdiction, (c) defended CMGT in the SC litigation, and/or (d) advised CMGT to contest SC's motion for an injunction, SC would not have obtained injunctive relief or damages against CMGT.

65. If SC had not obtained its injunction, CMGT would have closed the financing deal with Newco and would have received funding. If CMGT had received funding, it would have become a highly profitable company. Instead, CMGT is now bankrupt as a result of Given/MBRM's negligence and Trautner's breach of fiduciary duty and intentional interference.

Count I
(Legal Malpractice Preventing CMGT from Receiving Funding)

66. Plaintiff incorporates by reference paragraphs 1-65 as through fully set forth herein.

67. An attorney-client relationship existed between CMGT and defendants Given and MBRM from at least January 31, 2000 to August 2004.

68. As a result of the attorney-client relationship between Given/MBRM and CMGT, Given and MBRM had a duty:

- a. to provide CMGT with competent representation, which required the legal knowledge, skill, thoroughness and preparation necessary for the representation;
- b. to represent CMGT with the reasonable care, skill, diligence and promptness ordinarily possessed and exercised by other attorneys in the community in similar circumstances;
- c. to inform CMGT (including its shareholders) of its options with regard to the SC dispute before SC sued CMGT, as well as to explain the foreseeable risks and benefits of such, thus allowing CMGT to make informed decisions regarding its legal matters.
- d. to timely inform CMGT (including its shareholders) that MBRM would not defend CMGT if SC filed suit;
- e. to keep CMGT (including its shareholders) reasonably informed about the status of the various financing discussions/negotiations Given was engaging in on behalf of CMGT, and to explain these discussions/negotiations to the extent reasonably necessary to permit CMGT to make informed decisions regarding the potential deal(s);

- f. to disclose to CMGT (including its shareholders) all facts and circumstances within their knowledge which might be likely to affect the performance of their (MBRM's) duties.
- g. not to represent CMGT when such representation was materially limited by their responsibilities to other clients, third persons and their own interests;
- h. to act in accordance with their fiduciary responsibilities; and,
- i. not to represent interests, i.e., Trautner/Newco, versus the interests of CMGT.

69. Given and MBRM failed to exercise their duties as described above and failed to provide the minimum, reasonable standard of care in the performance of their duties on behalf of CMGT. Given and MBRM's negligent advice/representation includes, but is not limited to, its failure to advise CMGT:

- a. that it was likely SC would sue CMGT if the dispute was not settled;
- b. that CMGT could lose the SC claim in litigation;
- c. that MBRM would not defend CMGT if SC filed suit;
- d. that a very probable consequence of a lawsuit by SC, regardless of its merit, would be that CMGT would not receive funding from any source;
- e. to settle the SC dispute;
- f. to offer terms similar to the Newco terms, but ones that were more favorable to CMGT, to Sealaska and/or other potential investors before committing to a deal with Newco; and,

- g. that MBRM favored the Newco deal because, (i) it ensured MBRM would receive payment of its accrued fees, and (ii) it was in the best interest of its Trautner/Newco client.

70. As a result of Given and MBRM's negligent failure to comply with and fulfill their duties to CMGT, CMGT sustained damages, including but not limited to its inability to obtain financing from Sealaska, the Washoe, Newco, and/or other potential sources of funding, and its eventual bankruptcy. Defendants' negligence caused CMGT to lose its substantial value.

71. The damage sustained by CMGT was proximately caused by Given's and MBRM's negligence as set out above. But for Given's and MBRM's negligence, CMGT would not have sustained these losses.

WHEREFORE, Plaintiff respectfully requests the following relief:

- a. Judgment against Given and MBRM for actual damages in an amount to be proven at trial, but in no event less than \$50,000.00;
- b. the costs of this action; and
- c. such other relief that this Court deems appropriate.

Count II

(Legal Malpractice Causing SC to Receive a \$17 Million Default Judgment)

72. Plaintiff incorporates by reference paragraphs 1-71 as through fully set forth herein.

73. An attorney-client relationship existed between CMGT and defendants Given and MBRM from at least January 31, 2000 to August 2004.

74. As a result of the attorney-client relationship between CMGT and MBRM, and the legal advice repeatedly provided by Given regarding the SC dispute, Given and MBRM had a duty:

- a. to provide CMGT with competent representation, which required the legal knowledge, skill, thoroughness and preparation necessary for the representation;
- b. to represent CMGT in the SC litigation with the reasonable care, skill, diligence and promptness ordinarily possessed and exercised by other attorneys in the community in similar circumstances;
- c. to timely inform CMGT (including its shareholders) that MBRM would not defend CMGT if SC filed suit;
- d. to inform CMGT (including its shareholders) of its options with regard to the SC dispute after SC sued CMGT, as well as to explain the foreseeable risks and benefits of such, thus allowing CMGT to make informed decisions regarding its legal matters;
- e. to disclose to CMGT (including its shareholders) all facts and circumstances within their knowledge which might be likely to affect the performance of their (MBRM's) duties; and,
- f. to act in accordance with their fiduciary responsibilities.

75. Given and MBRM failed to exercise their duties as described above and failed to provide the minimum, reasonable standard of care in the performance of their duties on behalf of CMGT. Given and MBRM's negligent advice/representation includes, but is not limited to, its failure:

- a. to defend CMGT in the SC litigation, or at least timely notify CMGT that it would not defend CMGT in the SC litigation;

- b. to advise CMGT to file an appearance in the SC litigation for the purpose of contesting jurisdiction;
- c. to advise CMGT to appear and defend at the TRO hearing, the preliminary injunction hearing, and the default judgment hearing;
- d. to advise CMGT of the consequences of its failure to appear in the SC litigation;
- e. to advise CMGT to defend SC's claims; and,
- f. to advise CMGT that MBRM favored the Newco deal because, (i) it ensured MBRM would receive payment of its accrued fees, and (ii) it was in the best interest of its Trautner/Newco client.

76. As a result of Given's and MBRM's negligent failure to comply with and fulfill their duties to CMGT, CMGT sustained damages, including but not limited to (a) the \$17 million default judgment obtained by SC, and (b) the destruction of CMGT's valuable relationships.

77. The damage sustained by CMGT was proximately caused by Given's and MBRM's negligence as set out above. But for Given's and MBRM's negligence, CMGT would not have sustained these losses.

WHEREFORE, Plaintiff respectfully requests the following relief:

- a. Judgment against Given and MBRM for actual damages in the amount of \$17,000,000.00;
- b. the costs of this action; and
- c. such other relief that this Court deems appropriate.

**Count III
(Trautner – Breach of Fiduciary Duty)**

78. Plaintiff incorporates by reference paragraphs 1-77 as through fully set forth herein.

79. Trautner owed CMGT and its shareholders the fiduciary duties of honesty, loyalty, fair dealing, and full disclosure as one of CMGT's dominant shareholders.

80. Trautner breached his fiduciary duties to CMGT by:

- a. Engaging in discussions regarding the Newco deal with Given without Franco's (or CMGT's) knowledge or consent for the purpose of causing CMGT to accept the Trautner/Newco financing proposal, which Franco had previously rejected and which was not in CMGT's best interests; and,
- b. Inducing MBRM to breach its fiduciary duty to CMGT by including favorable terms to MBRM in the Newco letter of intent so that MBRM would convince Franco and CMGT's shareholders to accept the Newco deal, which was not in CMGT's best interests.

81. As a result of Trautner's breaches of fiduciary duty, CMGT sustained damages, including but not limited to its inability to obtain financing from Sealaska, the Washoe, Newco, and/or other potential sources of funding, and its eventual bankruptcy. Trautner's breaches of fiduciary duty caused CMGT to lose its substantial value.

82. The damage sustained by CMGT was proximately caused by Trautner's breaches of fiduciary duty as set out above. But for Trautner's breaches of fiduciary duty, CMGT would not have sustained these losses.

WHEREFORE, Plaintiff respectfully requests the following relief:

- a. Judgment against Trautner for actual damages in an amount to be proven at trial, but in no event less than \$50,000.00;
- b. the costs of this action; and
- c. such other relief that this Court deems appropriate.

Count IV
(Trautner – Intentional Interference)

83. Plaintiff incorporates by reference paragraphs 1-82 as through fully set forth herein.

84. On information and belief, at the time Trautner and Given were secretly negotiating and drafting the Newco letter of intent, Trautner knew that CMGT was also in discussions for financing with the Washoe.

85. Trautner intentionally interfered with the prospective Washoe deal by inducing MBRM, through the inclusion of favorable terms to MBRM in the Newco letter of intent, to convince Franco to: (a) accept and recommend the Trautner/Newco deal over the Washoe deal, and (b) modify the agreed upon Washoe letter of intent so that the Washoe would decline to invest in CMGT.

86. As a result of Trautner's intentional interference, CMGT sustained damages, including but not limited to its inability to obtain financing from the Washoe and its eventual bankruptcy. Trautner's intentional interference caused CMGT to lose its substantial value.

87. The damage sustained by CMGT was proximately caused by Trautner's intentional interference as set out above. But for Trautner's intentional interference, CMGT would not have sustained these losses.

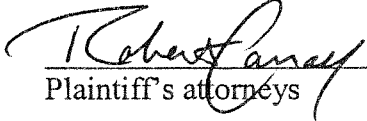
WHEREFORE, Plaintiff respectfully requests the following relief:

- a. Judgment against Trautner for actual damages in an amount to be proven at trial, but in no event less than \$50,000.00;
- b. the costs of this action; and
- c. such other relief that this Court deems appropriate.

Dated: August 23, 2006

Respectfully submitted,
DAVID GROCHOCINSKI,
not individually, but solely as
the trustee in bankruptcy, for
THE ESTATE OF CMGT,
INC.,

BY:


Plaintiff's attorneys

Edward T. Joyce
Arthur W. Aufmann
Robert D. Carroll
EDWARD T. JOYCE & ASSOC., P.C.
11 South LaSalle Street, Ste., 1600
Chicago, Illinois 60603
Telephone – (312) 641-2600
Atty No. 32513

EXHIBIT 1

RONALD B. GIVEN
Direct Dial (312) 764-7182
Direct Fax (312) 764-6187
rgiven@mayerbrown.com

January 31, 2000

TO: Richard M. Ross
Louis J. Franco
William W. Walker

CareManagement.com, Inc.
7369 East Krall Street
Scottsdale, AZ 85250

Re: Engagement Letter

Gentlemen:

This letter confirms our agreement for the provision of legal services to CareManagement.com, Inc. ("CareManagement") in connection with its initial capitalization, formative acquisition activities, and other related general corporate activities. You may limit or expand the scope of our representation at any time, provided that any expansion must be by mutual consent. We are very pleased that you have retained us and will, of course, answer any questions you may have about these arrangements.

Our fees for services are based on time (at quarter hour increments) spent on specific projects, computed at our hourly rates for those persons performing the services required. My current hourly rate is \$350. Hourly rates are all subject to adjustment by the Firm from time to time. Other charges for which you will be billed are described on the attached current schedule of charges, which is also subject to adjustment from time to time. I will be leading this engagement on behalf of the Firm and anticipate calling upon the services of other Firm lawyers on an "as-needed" basis. Of course, all staffing decisions are subject to your approval.

Although you have indicated confidence in obtaining your initial capitalization, we understand that CareManagement is a start-up and have agreed to a special billing arrangement until such initial capitalization is obtained. Our normal practice is to invoice for our services on a monthly basis and we will follow that practice from the onset of this engagement. You may at

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CMGT-01200

Messrs. Ross, Franco & Walker

January 31, 2000

Page 2

any time request further details specifying the individuals involved, their positions here, the hours and work performed and an itemization of other charges. Payment is generally due upon receipt of our detailed statement and in no event later than 30 days thereafter, and we will expect you to observe this requirement once you have obtained your initial capitalization. However, you may delay payment of our invoices until the closing of your initial capitalization *provided, that* (x) you agree to pay an amount equal to 125% of our regular hourly rates for all of our professional (lawyer and paralegal) services rendered to you from the date hereof until payment is received, *and* (y) we will have the unilateral right to terminate this engagement immediately if the balance of our unpaid fees and other charges incurred on your behalf (whether billed or unbilled) ever exceeds \$50,000 *or* you do not obtain your initial capitalization by May 1, 2000. In the event that your initial capitalization is never obtained, we understand that we will not be paid for our legal fees but nonetheless you will reimburse us for out-of-pocket costs and other charges we incur on your behalf.

For purposes of this engagement, we will consider your cumulative gross receipt of \$1,000,000 or more of third-party debt or equity (or combination of debt and equity) as obtaining your initial capitalization. You have committed to us that you intend to accept any commercially reasonable offer or offers to provide you with your initial capitalization.

As you know, we are a large firm with a number of offices and a very diverse practice. As a result, circumstances giving rise to a conflict of interest may arise (because of a prospective transaction, threatened litigation or otherwise) affecting CareManagement. If the conflict circumstances involve another person or entity which was a client of our firm (or an affiliate of such a client) before this year and we cannot reach a mutually acceptable resolution, you would permit us to resign as CareManagement's counsel, and would engage other counsel. We would not bill you for the transition. You would not seek to disqualify us so long as (i) the new matter is not substantially related to any engagement of our Firm by you, (ii) we screen our lawyers who have done your work from the new, conflicting engagement, and (iii) our representation of the other client does not involve the assertion against CareManagement of fraud or other dishonest conduct (although it might otherwise involve litigation of any type or severity).

Following termination of our engagement, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you; our own files, including lawyer work product, pertaining to the matter will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such items retained by us within a reasonable time after the termination of the engagement.

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Messrs. Ross, Franco & Walker
January 31, 2000
Page 3

Our attorney-client relationship will be considered terminated if more than 12 months have elapsed from the last time you requested and we furnished any services to you. If you later retain us to perform further or additional services, our attorney-client relationship will be revived, subject to these and any supplemental terms of engagement.

This letter constitutes the entire understanding between you and Mayer, Brown & Platt and supersedes all prior understandings, written or oral, relating to its subject matter. Any change must be made or confirmed in writing. If this letter correctly reflects your understanding of the terms and conditions of our engagement, please indicate your acceptance by signing the enclosed copy of this letter in the space provided below and returning it to our office, to my attention.

On behalf of Mayer, Brown & Platt, I thank you for the opportunity to be of service.

Cordially yours,

Ronald B. Given

We agree to the foregoing terms as of the date hereof:

CAREMANAGEMENT.COM, INC.

Richard M. Ross

Louis J. Franco

William W. Walker

EXHIBIT 2

LOUIS J. FRANCO, RHU
Chairman, President and Chief Executive Officer

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September 30, 2002,

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Mr. Gerry Spehar
SPEHAR CAPITAL LLC
1625 Grandview Avenue
Glendale, CA 91201

Re: Letter Agreement Between CMGT, Inc. and Spehar Capital, LLC
Representation of CMGT, Inc. In Equity/Debt Financing Discussion(s)/Transaction(s)

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Dear Gerry:

This Letter Agreement ("Agreement"), dated September 30, 2002, supercedes all previous correspondence and/or proposed agreement(s) between Spehar Capital, LLC ("Spehar Capital") and CMGT, Inc. ("CMGT"). This Agreement, and the Exhibit(s) attached hereto and incorporated herein, constitute the entire agreement and understanding between Spehar Capital and CMGT and may not be changed, modified or amended without the express written consent of the parties hereto. Furthermore, this letter is to confirm (i) CMGT wishes to engage Spehar Capital on a non-exclusive basis to (a) facilitate introductions to and perform certain advisory services pertaining to certain discussions Spehar Capital may have with third parties that may lead to debt and/or equity financing, sale, merger, acquisition, financial incentive grant(s) or other business relationship or other beneficial transaction between CMGT and others; (b) perform certain management consultant services, and (ii) our mutual understanding and agreement to a non-exclusive agreement between CMGT and Spehar Capital pertaining to these discussions, as follows:

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SCOPE OF WORK AND RESPONSIBILITIES:

1) Arranging Debt and/or Equity Capital Financing and/or Incentive Grant Financing And Related Advisory Services:

a) Spehar Capital agrees to use its best efforts in a timely manner, to assist and advise CMGT in packaging and presenting business proposals, if needed, and to facilitate introductions to accredited investment firms, corporations and/or individual investors for debt and/or equity capital financing, sale, merger, acquisition, financial incentive grant(s) or to a business relationship, or other mutually beneficial transaction between CMGT and others.

b) CMGT agrees to provide Spehar Capital with CMGT's most current Business Plan, as may be amended from time to time, and forecasts, including its product, market and distribution analyses and forecasts (the "Evaluation Material", as defined in and subject to the terms and conditions delineated in that certain Confidentiality Agreement mutually agreed to by Spehar Capital and CMGT), which will provide the proper information for Spehar Capital to provide to sources of debt and/or equity capital financing to utilize in making informed decisions. All information CMGT provides to Spehar Capital and its sources is and will always be considered confidential information unless expressly stated otherwise in writing by CMGT.

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Mr. Gerry Spehar
Letter Agreement Between CMGT and Spehar Capital
September 30, 2002
Page 2

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Absence and Disability Management™~~
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c) Spehar Capital agrees to introduce potential investors and advise CMGT in facilitating equity facilities, as directed by CMGT, only from accredited investors, as defined under the applicable Rules and Regulations of the Securities Act of 1933, as amended.

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2) Management Consulting Services:

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a) Spehar Capital agrees to provide certain management consulting services to CMGT. Such services are contemplated to be rendered or have been rendered by Spehar Capital prior to a successful closing transaction event of a minimum of \$1,000,000.00, during the term of this Agreement, as determined and directed from time to time by CMGT's President and CEO, on issues including but not limited to matters pertaining to the growth and development of CMGT, consulting on overall business planning, strategic relationships, marketing and sales strategies, mergers and acquisitions, office and space planning, risk assessment, financial analysis and planning and other issues that may arise whereby Spehar Capital could provide CMGT useful guidance and/or advice and information.

b) It is understood that Spehar Capital is acting as an advisor and/or consultant only, as the case may be, and shall have no authority to enter into any commitments on CMGT's behalf, or to negotiate the terms of any transaction, or to hold any funds or securities in connection with any transaction or to perform other acts on behalf of CMGT without CMGT's express written consent.

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3) For all purposes of this Agreement, Spehar Capital shall have the status of an independent contractor and neither it nor any of its personnel or employees are considered employees of CMGT. It is further understood that neither Spehar Capital or its personnel or employees are entitled to or eligible to participate in any benefits or privileges given to or extended by CMGT to its employees.

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4) Spehar Capital shall be responsible for the payment of taxes, including but not limited to sales tax, associated with any compensation received by Spehar Capital for services rendered to CMGT under this Letter Agreement.

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5) In the event that Accepted Capital, as defined herein, is used to fund a successor company to CMGT, all of the terms of this agreement shall apply to such successor company and this Agreement shall be made an obligation of such successor company under the terms of any asset purchase agreement with such successor company.

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TERM OF AGREEMENT:

The period of Spehar Capital's engagement will expire upon the occurrence of the earlier of (i) October 1, 2003, or (ii) termination by either Spehar Capital or CMGT. Such Term will not affect any obligations that have already accrued under this Agreement prior to the date of termination of the Agreement. For example, if the exclusivity provisions of this Agreement as delineated in subparagraph "1.", under the section herein entitled "COMPENSATION", has been triggered, such provisions will remain in effect notwithstanding the terms of this provision.

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months from the date of this Agreement~~
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Mr. Gerry Spehar
 Letter Agreement Between CMGT and Spehar Capital
 September 30, 2002
 Page 3

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COMPENSATION:

- 1) Arranging Debt and/or Equity Capital Financing and/or Incentive Grant Financing And Related Advisory Services: CMGT agrees to pay or issue, as the case may be, Spehar Capital a success fee(s), as compensation for Spehar Capital's ongoing advice and introduction to the source(s) of debt and/or equity and/or incentive grant capital financing, as delineated "Exhibit A", attached hereto and made a part of this Agreement, identifying the names and pertinent related information of all accredited investors/firms and other parties either introduced to CMGT by Spehar Capital or with whom CMGT has approved Spehar Capital to hold discussions and exchange information regarding CMGT during the term of our Agreement, immediately at the successful closing of a funding, or a transaction(s) as outlined above, such fees(s) to be determined as follows:
 - a) A success fee, payable in cash, equal to 6% of the Accepted Capital (cash, liquid assets, assets to be used as collateral, Letter of Credit or other form of capital acceptable to CMGT) raised directly from any investor(s) either introduced by Spehar Capital or with whom CMGT has approved discussions with Spehar Capital.

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 - b) "Stock Compensation" of either common stock in CMGT or, if Spehar Capital so chooses, Warrants exercisable into common stock in CMGT. If the Stock Compensation is taken as Warrants, all such Warrants shall be for a term of 5 years, transferable and exercisable by the holder into common shares of CMGT at any time during the term at a strike price that results in a total cost of \$1,000 per 1% of CMGT (i.e., \$5,000 for 5%). Stock Compensation shall be based upon the following provisions:
 - i) At such time as CMGT receives and accepts a Term Sheet or other commitment from an investor(s) (an "Accepted Commitment") for a minimum of \$1,000,000.00 Accepted Capital, CMGT will award Spehar Capital Stock Compensation equal to six percent (6%) of the total common shares and common share equivalents (as detailed in "iii" of this subparagraph "1.b)" herein) issued to all shareholders. In addition, at such time as CMGT receives and accepts such commitment for said \$1,000,000, this agreement will convert to an exclusive agreement under all the same terms and conditions, and CMGT will grant Spehar Capital an exclusive right of first refusal to any future debt and/or equity financing, sale merger or acquisition, including an IPO.

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 - ii) Upon funding of an Accepted Commitment(s) in an amount greater than \$1,000,000 (the "Funded Amount") for which an investor(s) requires less than 1.333% of CMGT's common stock and equivalents per \$100,000 invested (the "Required Percentage"), CMGT will award Spehar Capital additional Stock Compensation for an Additional Percentage of the total common shares and common share equivalents (as detailed in "iii" of this subparagraph "1.b)" herein) issued to all shareholders. Such Additional Percentage shall be equal to fifty per cent (50%) of the difference between 1.333% and the Required Percentage for each additional \$100,000 of the Funded Amount that is over and above \$1,000,000.

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 - iii) All of the Stock Compensation awarded under "i" and "ii.", above, shall not exceed ten percent (10%) of the total number of common shares and common share equivalents of

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Mr. Gerry Spehar
 Letter Agreement Between CMGT and Spehar Capital
 September 30, 2002
 Page 4

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CMGT, Inc. (i.e., Convertible preferred stock, convertible debt, warrants, partnership interests and options) granted to a lender, investor, buyer or partner.

iv) All of the Stock Compensation awarded under this agreement shall be based on percentages of post investment or post merger shares and share equivalents (as detailed in "iii" above) outstanding and the common stock and/or common shares underlying the Warrants (the "Underlying Shares") shall enjoy the usual and customary terms such as tag-along and piggyback rights. Concurrent with becoming a publicly traded company via merger, acquisition, Initial Public Offering (IPO) or any other method, or at least thirty days in advance of a private sale, private placement, re-organization or any other additional fund raising activity that CMGT may choose to commence, CMGT (or its successor) shall file a registration statement with the Securities and Exchange Commission registering all common stock or Underlying Shares of all outstanding Warrants issued to Spehar Capital (or its assignees), and CMGT shall keep such registration statement open and current until all outstanding Warrants have either been exercised or their five year term has expired. CMGT will give Spehar Capital (or its assignees) proper and timely advance notice when any registration statement is to be filed by CMGT. CMGT will use its reasonable best efforts to be flexible as to the timing and manner of Warrant or common stock compensation so as to minimize or delay tax consequences to Spehar Capital (or its assignees), should you so request.

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v) The amounts and terms set forth in "i" and "ii", above, notwithstanding, CMGT will not accept any investment funds of less than \$1,000,000.00 from any investor Spehar Capital or Gerry Spehar has introduced to CMGT or caused to be introduced to CMGT without compensating Spehar Capital under terms acceptable to Spehar Capital.

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2) Management Consulting Services;

a) In consideration of certain services rendered by Spehar Capital prior to a successful closing transaction event of a minimum of \$1,000,000.00, exclusive of any bridge loan or other debt, subordinated debt or similar interim funding transaction ("Closing"), CMGT will pay Spehar Capital a management Consulting Services Fee of \$100,000.00. Such fee shall be paid to Spehar Capital as a monthly consulting fee commencing on the first calendar day of the first calendar month immediately following such Closing transaction date and continuing for successive calendar months, as shown in the "Schedule of Management Consulting Services Fee Payments", below:

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Schedule of Management Consulting Services Fee Payments		
Scheduled Payment	Payment Payable On:	Amount Of Payment
Payment 1	1 st Month Following Closing	\$ 20,000.00
Payment 2	2 nd Month Following Closing	\$ 15,000.00
Payment 3	3 rd Month Following Closing	\$ 15,000.00
Payment 4	4 th Month Following Closing	\$ 10,000.00

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Letter Agreement Between CMGT and Spehar Capital
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Payment 5	5 th Month Following Closing	\$ 10,000.00
Payment 6	6 th Month Following Closing	\$ 10,000.00
Payment 7	7 th Month Following Closing	\$ 10,000.00
Payment 8	8 th Month Following Closing	\$ 10,000.00
TOTAL OF ALL PAYMENTS		\$100,000.00

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It is understood and agreed to by the parties hereto that such monthly consulting fee payment(s) shall not exceed \$100,000 in the aggregate and shall be made in full consideration of:

- i) All such services rendered;
 - ii) CMGT's initial funding requirements that were determined to be \$3 million to \$3.5 million;
 - iii) CMGT's funding requirements that were subsequently adjusted to \$1 million to \$1.5 million;
 - iv) Such subsequent adjustment in equity capital required by CMGT would have resulted in an overall lesser amount of compensation otherwise anticipated to be paid to Spehar Capital in consideration of such initial funding requirements under the terms of this Agreement, as described in paragraph "1)" under the provision entitled "COMPENSATION:" herein, and the parties hereto have agreed to the monthly payments described in "2)a)", above, to fully recognize and compensate Spehar Capital for all such services.
- 3) No other capital financing or related advisory services or management consulting services and/or compensation related thereto, other than those specifically addressed herein shall be considered under the terms of this Agreement.

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CMGT agrees to pay or issue, as the case may be, Spehar Capital a success fee(s), as compensation for Spehar Capital's ongoing advice and introduction to the source(s) of primary equity capital financing, as delineated "Exhibit A", attached hereto and made a part of this Agreement, identifying the names and pertinent related information of all accredited investors/firms and other parties either introduced to CMGT by Spehar Capital or with whom CMGT has approved Spehar Capital to hold discussions and exchange information regarding CMGT during the term of our Agreement, immediately at the successful closing of a funding, or a transaction(s) as outlined above, such fees(s) to be determined as follows:¶

¶
<#>A success fee, payable in cash, equal to 6% of the Accepted Capital (cash, liquid assets, assets to be used as collateral, Letter of Credit or other form of capital acceptable to CMGT) raised directly from any investor(s) either introduced by Spehar Capital or with whom CMGT has approved discussions with Spehar Capital.¶

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Indemnity/Hold Harmless:

CMGT agrees to defend, indemnify and hold Spehar Capital, its officers, directors, employees, controlling persons, agents and assigns harmless from any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees and costs, that Spehar Capital may incur as a result of a breach by CMGT of this agreement and/or the performance of services thereunder, except to the extent any such claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies are attributable to the negligence or bad faith of Spehar Capital or its agents. Likewise, Spehar Capital agrees to defend, indemnify and hold CMGT, its officers, directors, employees, controlling persons, agents and assigns harmless from any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and reasonable attorneys' fees and costs, that CMGT may incur as a result of a breach by Spehar Capital of this agreement and/or

Mr. Gerry Spehar
Letter Agreement Between CMGT and Spehar Capital
September 30, 2002
Page 6

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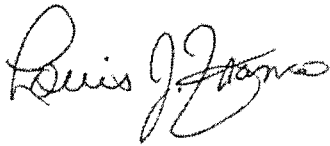
the performance of services thereunder, except to the extent any such claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies are attributable to the negligence or bad faith of CMGT or its agents.

Furthermore, separate and aside from the matters addressed earlier in this agreement, this letter also confirms that CMGT and/or its principals individually agree(s) to be represented by Spehar Capital and/or you as an individual, on an exclusive basis, on all other matters involving the Alaska Native Corporations (ANC's) that may lead to debt and/or equity financing, sale, merger, acquisition, or other business relationship or beneficial transaction with CMGT or its principals. Of course, specifics concerning compensation and other pertinent issues relating to such exclusive representation will be addressed under the terms of a separate definitive agreement(s) to be developed and mutually agreed upon between Spehar Capital and/or you as an individual and CMGT, Inc and/or its principals individually.

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Gottbetter & Levenson LLP and GEM

If the above accurately describes our mutual understanding, please indicate Spehar Capital's agreement thereto by signing two (2) original edition copies of this letter, at the space provided below, and returning a fully executed copy to me for our records.

Very truly yours,



Louis J. Franco, RHU

Deleted: . We will then draft a definitive agreement form and provide it to Spehar Capital for its consideration and agreement.
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Gerry, we look forward to working with Spehar Capital and appreciate your consideration and assistance in raising capital for CMGT. ¶


Read and Agreed To:

Spehar Capital, LLC

By: _____
Gerry Spehar

Title: President

Date: _____


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EXHIBIT A – The following Exhibit is hereby attached to and is a part of this Agreement as of the date of this Letter Agreement.

REGISTRATION OF ACCREDITED INDIVIDUAL INVESTOR NAMES AND INVESTMENT FIRMS INTRODUCED BY SPEHAR CAPITAL LLC OR WITH WHOM CMGT HAS APPROVED SPEHAR CAPITAL TO HOLD DISCUSSIONS AND EXCHANGE INFORMATION REGARDING CMGT AS DEFINED HEREIN

This Registration of Accredited Individual Investor Names and Investment Firms Exhibit (hereinafter referred to as "Registration") is intended to identify all accredited investors/firms and other parties introduced (i) to CMGT by Spehar Capital or (ii) with whom CMGT has approved Spehar Capital to hold discussions and exchange information regarding CMGT as defined herein. Both Spehar Capital and CMGT agree this Registration, as may be amended only by written addendum thereto from time to time, is the only definitive record of all sources so introduced, as reference(s) to such source(s) are made to in this Agreement.

The itemized list of all such accredited investors/firms and other parties is as follows:

	Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
1.	Hawk Holdings, LLC/Hawk Technology Group, LLC	Patrick LaVecchia, Senior Managing Director	300 Tice Blvd. Woodcliff Lake, NJ 07675 201-802-9130	05-29-2001
2.	Authoriszor, Inc	Paul Ayres, Pres. & CEO Andrew Cussons, CFO	1 Van de Graaff Drive, Ste 502 Burlington, MA 01803-5188 781-359-9650	06-18-2001
3.	The Barton-Group		5917 Spring Leaf Ct. Elkridge, MD 21075	06-18-2001
4.	Alaska Native Corporations, comprised of Bethel Native Corp. (BNC), Doyon, Ltd. and Sealaska Corp. Cook Inlet Corp., St. George Tanaq Corp., Artic Slope Regional Corp., The Kuskokwim Corp., Council Tree Communications LLC, (collectively "ANC's"),	<u>BNC:</u> Marc Stemp, Pres & CEO <u>Doyon, Ltd.:</u> Dean Rampy, CFO <u>Sealaska Corp.:</u> Chris E. McNeil, Jr. Pres & CEO Bill Stafford, EVP & CFO	<u>BNC:</u> Bethel Native Corporation, Box 719 Bethel, Alaska 99559 907-543-2124 <u>Doyon, Ltd.:</u> 1 Doyon Place, Ste 300 Fairbanks, Alaska 99701 907-452-4755 <u>Sealaska Corp.</u> 18000 International Blvd., Ste 1009 Sea Tac, WA 98188 206-902-4411	<u>BNC:</u> 06-15/2001 <u>Doyon & Sealaska:</u> 07-13-2001

¹ Indicates Investor and/or firm introduced to Spehar Capital by CMGT.

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
	<u>Cook Inlet Corp.</u> <u>St. George Tanaq:</u> <u>Brett Coburn</u> <u>Artic Slope Regional Corp.:</u> <u>Conrad Bagne</u> <u>The Kuskokwim Corp.</u> <u>Maver Carey</u> <u>Council Tree Communications</u> <u>LLC</u> <u>Steve Hillard</u>	<u>Anchorage, Alaska</u> <u>Alaska</u> <u>907-272-9886</u> <u>Alaska</u> <u>907-349-2369</u> <u>Alaska</u> <u>907-243-2944</u> <u>Longmont, CO</u> <u>303-678-1844</u>	<u>07/13/2001</u> Formatted <u>07/13/2001</u> Formatted <u>07/13/2001</u> Formatted <u>07/13/2001</u> Formatted
5.	<u>Herbert Bailey as an individual and/or d/b/a Bay Cove Financial and/or Explorer Holdings</u> <u>Herbert Bailey, Principal</u> <u>Gregg Webster, Consultant</u>	<u>502 West King Street</u> <u>Philadelphia, PA 19144</u> <u>215-849-3048</u> <u>4385 N. Bacal Loop</u> <u>Beverly Hills, FL 34465</u> <u>352-746-5655</u>	<u>07-17-2001</u>
6.	<u>Consumers Financial Corp. ¹</u> <u>R. Frederic Zullinger,</u> <u>Sr. VP & CFO</u>	<u>1513 Cedar Cliff Drive</u> <u>Camp Hill, PA 17011</u> <u>717-730-6306</u>	<u>09-12-2001</u>
7.	<u>Kaplan Gottbetter & Levenson LLP</u> <u>Global Emerging Markets (GEM)</u> <u>KGL: Adam S. Gottbetter, Esq.</u> <u>GEM: Christopher Brown,</u> <u>Director of Global Emerging Markets No. America, Inc.</u>	<u>KGL: 630 Third Ave, 5th Floor</u> <u>New York, New York 10017</u> <u>212-983-6900</u> <u>GEM: 712 5th Avenue, 7th Floor</u> <u>New York, New York 10019</u> <u>212-582-3400</u>	<u>KGL:</u> <u>09-24-2001</u> <u>GEM:</u> <u>09-27-2001</u>
8.	<u>The Abbey Group, Inc.</u> <u>Edwin Mendlinger, President</u>	<u>106 East 65th Street</u> <u>New York, New York 10021-6654</u> <u>212-956-2419</u>	<u>09-21-2001</u>
9.	<u>Norman Goldberg ¹</u> <u>Individual Referral by Michael Newman, Esq., Daar & Newman</u> <u>865 S. Figueroa Street, 23rd Floor</u> <u>Los Angeles, CA 90017</u> <u>213-892-0999</u>	<u>516-542-4103</u>	<u>09-24-2001</u>
10.	<u>Howard Mann ¹</u> <u>Individual Referral by Michael Newman, Esq., Daar & Newman</u> <u>865 S. Figueroa Street, 23rd Floor</u> <u>Los Angeles, CA 90017</u>	<u>310-477-6911</u>	<u>09-24-2001</u>

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
		213-892-0999	
11. Joseph Greco ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	714-278-2375	09-24-2001
12. Leon Pink ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	310-475-6702	09-24-2001
13. Payden-Rygel ¹	Reiner Braun Scott Weiner Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	213-830-4368	09-24-2001
14. Daniel Cannon ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	310-589-2139	09-24-2001
15. William (Billie) Chambers ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	011-49-89-5205-9610 (Munich) 011-44-208-995-6700 (London) 011-49-172-983-3717 (cell)	09-24-2001
16. Rodney Loeb, Esq., Et Al. ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	213-892-0999	09-24-2001
17. Peter Mattingly ¹	Individual Referral by Michael Newman, Esq., Daar & Newman 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017	09-24-2001
18. NXTSAR Ventures, LLC ¹	Daniel Cox, Principal Referral by Peter Mattingly, who was referred by Michael	2211 York Road, Suite 205 Oak Brook, IL 60523 630-371-0282	09-27-2001

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
	<u>Newman, Esq., Daar & Newman</u> 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999		
19. Brobeck, Phleger & Harrison LLP Et Al. ¹	W. Carl Moore, Jr., Esq., Associate Business & Technology Section <u>Referred by Louis J. Franco,</u> <u>CMGT, Inc.</u>	Brobeck, Phleger & Harrison, LLP 4801 Plaza on the Lake Austin, TX 78746 512-330-4129	09-25-2001
20. Dick (& Barbara) Stewart ¹	<u>Individual Referral by Michael Newman, Esq., Daar & Newman</u> 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	7601 Talbrin Way Chapel Hill, NC 25116 919-932-9800	09-28-2001
21. The Equitable Life Assurance Society of the U. S. (an AXA Company) ¹	John Cirircion, General Counsel -- also: Kevin Byrnes, Sr. VP & Treasurer <u>Referral by Michael Newman, Esq., Daar & Newman</u> 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	168 Canal Street Manhattan, New York 10013 212-941-8880 212-314-4081	09-28-2001
22. Frank Rabb in association with Highlands Insurance Group	Frank Rabb Willis King, CEO, Highlands Insurance Group <u>Individual Referral by Michael Newman, Esq., Daar & Newman</u> 865 S. Figueroa Street, 23 rd Floor Los Angeles, CA 90017 213-892-0999	Frank Rabb, Los Angeles, CA 310-273-9258 Highlands Insurance Group 1000 Lenox Drive Lawrenceville, NJ 08618 609-896-1921	10-02-2001
23. Live Oak Equity Partners ¹	Murali Anantharaman, Managing Partner	2500 Northwinds Parkway Suite 325 Alpharetta, GA 30004 678-393-9909	10-04-01
24. Smyth, Sanford International ¹	Gustavo Chomat <u>Referral by Michael Newman, Esq. & Frank Raab, Daar &</u>	901 Ponce de Leon Blvd., Suite 504 Coral Gables, FL 33134 305-448-0743	10-05-2001

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
	<u>Newman</u> <u>865 S. Figueroa Street, 23rd Floor</u> <u>Los Angeles, CA 90017</u> <u>213-892-0999</u>		
25. Argonaut Group ¹	Mark Watson, President & CEO Referred by Ron Given	10101 Reunion Place, Suite 800 San Antonio, TX 78216 210-321-8585	10/08/2001
26. Terry Neal, Bruce Greene, Joe McDonald & Mary Martin, John Lass, as respective individuals ¹	Terry Neal as an individual Bruce Greene as an individual Joe McDonald & Mary Martin John Lass <i>Referred by Louis J. Franco, CMGT, through David Hotiman, President Nevada Pacific Gold, 625 Howe St., Suite 250, Vancouver, BC, Canada V6C 2T6, 604-646-0188</i>	Terry Neal, 503-647-7730 Bruce Green, 847-918-5151 Joe McDonald & Mary Martin 516-431-0244 John Lass 206-216-0155	10/31/2001
27. Bridgestream Partners, LLC, in association with Citadel Associates, Inc. and Tall Mountain, Inc. ¹	Bridgestream Partners, LLC William Willard, Managing Member Citadel Associates Daniel Barden, President Tall Mountain, Inc. Pieter Coetzer, President/CEO Hugh O'Donnell, Insurance Imagine Group <i>Referral by Webster Barth, Sr. VP SmartStarters 5400 Carillon Point, 4th Floor Kirkland, WA 98033 425-746-4335</i>	Bridgestream Partners, LLC 1370 Emerald Street San Diego, CA 92109 Citadel Associates 850 Santa Hilda Solana Beach, CA 92075 Tall Mountain, Inc. 390 Bay Street, Suite 2000 Toronto, ON M5H 2Y2 Canada	10-30-2001 11-13-2001 11-13-2001
28. Aon Corporation ¹	Wayne Baliga, President Aon Technical Services, Inc.	Aon Center Chicago, IL 60606 312-701-5000	11-13-2001

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
	<i>Referral by Louis J. Franco, CMGT, Inc.</i>		Formatted
29. Grand Junction Economic Partnership	Stephen Ausmus, President & Executive Director	2828 Walker Field, Suite 302 Grand Junction, CO 970-245-4332	11-14-2001
30. Wells Fargo Bank West, N.A.	Stephen Irions, Senior Vice President	2808 North Avenue Grand Junction, CO 81501 970-245-2158	11-14-2001
31. Alpine Bank	Norm Franke, President	225 North 5 th Street Grand Junction, CO 81501 970-254-2025	11-14-2001
32. The Business Incubator Center Western Colorado Business Development Corporation	Dean DiDario, Revolving Loan Fund Administrator	2591 B ¼ Road Grand Junction, CO 81503 970-243-5242	11-08-2001
33. Venture Associates	James B. Arkebauer, CEO	4950 East Evans, Suite 105 Denver, CO 80222-5209 303-758-8710	11-14-2001
34. Tory Brown Venture Capital	Tory Brown, Principal	Denver, CO 303-766-1467	11-14-2001
35. Misc. Grand Junction, CO Parties Contacted By Gerry Spehar	John Moss Dennis King, President, 1 st National Bank of the Rockies Sam Suplizo Bernie Buescher Bill Sisson, President, Mesa National Bank Patricia Dahl, A.G. Edwards Mike Ferris, Western Slope Auto Mick Ireland Jamie Gomez, Colorado Housing Finance Authority Chris Launer, President, Pinnacle Bank Bill Wraith		12-01-2001 Formatted

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	Mark McGauley Steven Preiss		
36. Jim Patterson	James W. Patterson & Associates <i>Referral by Charles Trautner (CMGT, Inc. shareholder)</i>	Home: 25 Pine Court Sedona, AZ 86351 928-284-5999 Office: National Bank of Arizona 928-204-1060	12-04-2002
37. Trinity Capital Management, LLC ¹	Richard Mann, Managing Member <i>Referral by Charles Trautner (CMGT, Inc. shareholder)</i>	511 Shellview Circle Cheasapeake, VA 23323 757-675-2813	12-17-2001
38. Colorado Capital Alliance	Marcia Schirmer	http://www.angelcapital.org 303-404-8818	12-18-2001
39. Covington Capital Corp /Gerald Wendel as an individual	Gerald Wendel	Covington Capital Corp. Aspen, CO 81612	12-18-2001
40. Guggenheim Capital	Christopher Birch, Managing Director	New York, New York 202-xxx-xxxx	01-xx-2002 Redacted
41. International Consolidated Investors Corporation ¹	Richard Bellamy Robert Chernick <i>Referral by Charles Trautner (CMGT, Inc. shareholder)</i>	5080 N. 40 th Street, Suite 4660 Phoenix, AZ 85018 Richard Bellamy: 602-735-3033 Robert Chernick: 602-840-2292 x208	01-17-2002
42. Wells Investment Group in association with Citadel Associates, Inc. and Bridgestream Partners, LLC ¹	Daniel Barden, President/CEO Lawrence Wells, President <i>Referral by William Willard, Managing Member Bridgestream Partners, LLC</i> 1370 Emerald Street San Diego, CA 92109 858-273-2904	Larry J. Wells, President/CEO 100 Clock Tower Place, Suite 130, Carmel, CA 93923 831-625-6500 Daniel Barden, President Citadel Associates, Inc. 850 Santa Hildaga Solana Beach, CA 92075 858-755-8881	01-30-2002 Redacted
43. Lyric Capital Investment Corporation ¹	Terry Temescu, Managing Partner Mark Bode, Partner	224 Datura Street, Suite 1211 West Palm Beach, FL 33401	02-05-2002

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		Axel Zdarsky, Partner <i>Referred by Louis J. Franco, CMGT, Inc.</i>	561-835-9599	
44.	AMB Capital ¹	Anthony Beyer, Esq. <i>Referred by Mark Bode, Partner, Lyric Capita investment Corporation</i>	301 Clematis Street, Suite 3000 West Palm Beach, FL 33401 561-835-4008	02-05-2002
45.	Barrington Associates ¹	Adam M. Roseman, Head of Technology Investment Banking <i>Referral by Gil Stenbach, Nat'l Director of Transaction Services Centerprise Advisors 303 West Madison Street Chicago, IL 60606</i>	11755 Wilshire Boulevard, Suite 2200, Los Angeles, CA 90025	02-14-2002
46.	Gregory Irwin ¹	Gregory Irwin <i>Referral by Dennis Russell, President LawAmerica, 16633 Ventura Blvd., Suite 902, Encino, CA 91436 818-783-9606</i>	westendkid@aol.com	02-18-2002
47.	TD Capital ¹	Richard Grinnell <i>Referral by Dennis Russell, President LawAmerica, 16633 Ventura Blvd., Suite 902, Encino, CA 91436 818-783-9606</i>	111 Huntington Avenue, Suite 1400 Boston, MA 02199 Richard.grinnell@tdcapital.com 617 425 0800	02-18-2002
48.	Odin Capital Group, LLC ¹	Thompson H. Rogers, Managing Partner <i>Referral by Dennis Russell, President LawAmerica, 16633 Ventura Blvd., Suite 902, Encino, CA 91436 818-783-9606</i>	1625 Farnam Street, Suite 700, Omaha, Nebraska 68102-2113 402-827-9900 (T. Rogers x 9901)	02-18-2002
49.	Norwest Equity Partners Norwest Venture Partners VII, LLP	Stephen M. Farsh, Associate	3600 IDS Center 80 S. 8 th Street Minneapolis, MN 55402	02-27-2002

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50. Norwest Equity Partners VII, LLP Itasca LBO Partners VII, LLP Validus Partners a United Health Group Company; United Health Group/United Health Capital	Robert Newkirk, Partner Referral by Stephen M. Farsh, Associate Norwest Equity Partners 3600 IDS Center 80 S. 8 th Street Minneapolis, MN 55402 612-215-1600 through Jamie Rice, United Health Group/United Health Capital	612-215-1600 MN008-E200 9900 Bren Road East Minnetonka, MN 55440-1459 952-936-6800	03-06-2002 Formatted Formatted Formatted
41. Stonehenge Capital Fund Colorado, LLC in association with Rocky Mountain Capital Partners, LLP	Stonehenge Capital Fund, LLC: Thomas Adamek, President Eric Danos, Principal Andrew Aye, Principal Rocky Mountain Capital Partners, LLP: William J. Sullivan, Principal Carolina Barthelson, Analyst	Stonehenge Capital Fund LLC: 1125 17 th Street, Suite 2269 Denver, CO 80202 720-956-0235 (cell: 303-909-4894) Rocky Mountain Capital Partners, LLP: 1125 17 th Street, Suite 2260 Denver, CO 80202 303-297-1701	03-07-2002 Formatted Formatted
52. Red Rock Capital, LLC	Randolph Garner, Principal	Denver, CO	03-07-2002 Formatted
53. Sequel Venture Partners	Rhonda Wallen, Senior Associate	4430 Arapahoe Avenue, Suite 220 Boulder, CO 80303 303-546-0400	03-08-2002 Formatted Formatted
54. Wilshire Colorado Ventures, LLC in association with Newtek Capital, Inc. and The Stone Pine Companies	Wilshire Colorado Ventures, LLC and The Stone Pine Companies: Douglas P. Baird, Marketing VP Newtek Capital, Inc.: Shamilla Ruder-Arnico, VP Acquisitions The Stone Pine Companies: Paul Bagley, Managing Director	Wilshire Colorado Ventures, LLC: 410 17 th St., Suite 400 Denver, CO 80202 303-446-5904 Newtek Capital, Inc.: 100 Quentin Roosevelt Blvd., Suite 408 Garden City, NY 11530 516-390-2253 The Stone Pine Companies: 1530 16 th St., Sugar Bldg., Suite 200, Denver, CO 80202 303-443-5901	03-11-2002 Formatted Formatted Formatted Formatted Formatted Formatted Formatted
55. Enhanced Colorado Issuer, LLC	David Orlandella, Principal Andrew Casazza, Director	1355 South Colorado Boulevard, Suite 902 Denver, CO 80222 303-504-5337 303-299-9777 (D. Orlandella cell)	03-12-2002

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56.	Wolf Ventures	Tony Shouse, VP of Finance Chris Onan, Associate	1600 Stout Street, Suite 1510 Denver, CO 80202 303-321-4800	03-12-2002 Formatted
57.	Murphree Colorado CAPCO, LP	James Kenyon	24 S. Weber Street, Suite 325 Colorado Springs, CO 80903 719-634-7070	03-12-2002 Formatted
58.	FirstComp Insurance Company ¹	Luke Yeransian, President	212 South 74 th Street, Omaha, Nebraska 68124	03-14-2002
59.	Waveland Colorado Ventures, LLC	Ernest Mathis, Principal	26 W. Dry Creek Circle, Suite 600 Littleton, CO 80120 303-794-9450	04-08-2002
60.	Sandler O'Neill Partners, L.P. ¹	Gregory G. Clapp, Managing Director <i>Referral by John Leatham The Common Fund 15 Old Danbury Road Wilton, CT 06849 203-563-5196</i>	919 Third Avenue, 6 th Floor New York, New York 10022 212-466-7749 212-466-7800	04-19-2002
61.	Advantage Capital Partners Corporation	Stephen J. Bordes, Principal	909 Poydras Street, Suite 2230 New Orleans, LA 70112 504-522-4850 504-400-3933 (S. Bordes cellphone)	04-23-2002
62.	Alpha Capital Ventures ¹	Andrew Kalnow, Partner	Chicago, IL 60606 312-322-9800	04-29-2002
63.	Howard Bellowe	Howard Bellowe <i>Referred by Douglas Baird, The Stone Pine Companies, 410 17th St., Suite 400, Denver, CO 80202 303-446-5922</i>	5400 Colorado Blvd. Greenwood Village, CO 80121 303-721-1653	04-29-2002
64.	Glen Davis ¹	<i>Individual Referral by Robert Crandall, EVP, CMGT/Touch Speed Technology, Inc., 4 Wilkinson Rd, Unit 1 Brampton, ON L6T 4L2 Canada 905-796-5233 x 112</i>	510 Maple, Apt. # 613 Burlington, ON L7S 1M5 Canada (Home) 905-681-6106 (Office) 905-831-2440 x29	04-29-2002
65.	Link Resource Partners ¹	Albert Behr Darrell McFeely	225 Sheppard Avenue West Toronto, ON Canada 416-224-5465	04-30-2002

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	<i>Individual Referral by Glen Davis 510 Maple, Apt. # 613 Burlington, ON L7S 1M5 Canada (Home) 905-681-6106 (Office) 905-831-2440 x29</i>	Albert Behr x 22 Darrell McFeely x 23	
66. MMC Capital ¹	Meryl Hartzband, Senior Partner Linda Ventresca, Associate <i>Referral by John Leatham The Common Fund 15 Old Danbury Road Wilton, CT 06849 203-563-5196</i>	20 Horseneck Lane, Greenwich, CT 06830-6327	05-03-2002
67. Valley Ventures II L.P. ¹	Dr. Terry Winters, Special Limited Partner <i>Referral by Louis J. Franco, CMGT, Inc.</i>	6720 N. Scottsdale Road, Suite 280 Scottsdale, AZ 85253 480-585-4865	05-10-2002
68. Innovative Investment Management, LLC	David Spitz Dr. Oded Levy <i>Referral by James Kenyon, Murphree Colorado CAPCO, LP, 24 S. Weber St., Suite 325, Colorado Springs, CO 80903 719-634-7070</i>	444 W. Sylvester Way Highlands Ranch, CO 80129 720-348-0844	05-16-2002
69. Conning Capital Partners ¹	Gerard Vecchio, Partner <i>Referral by John Leatham The Common Fund 15 Old Danbury Road Wilton, CT 06849 203-563-5196</i>	City Place II 185 Asylum Street Hartford, CT 06103 860-520-1529	05-18-2002
70. Century Capital Partners ¹	Davis R. Fulkurson, Managing Director <i>Referral by John Leatham The Common Fund 15 Old Danbury Road Wilton, CT 06849 203-563-5196</i>	One Liberty Square Boston, MA 02109 617-482-3060	05-18-2002

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Full Legal Name of Individual Investor and/or Firm ¹	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital	
71.	Derek Southerland ¹	<i>Individual Referral by Glen Davis (Home) 905-681-6106 (Office) 905-831-2440 x29</i>	67 Hazelton Avenue Toronto, Ontario M5R 2E3, Canada	07-15-2002
72.	International Securities Corp.	Martin Wegard <i>Referred by Laurie Zeller, Vox2</i>	New York, New York 212-986-7811	07-16-2002
73.	1375838 Ontario Ltd., operating as INCUBED (INCUBED) ¹	Stephen J. Hall, President & CEO <i>Referral by Gil Stenbach, Nat'l Director of Transaction Services CENTERPRISE ADVISORS 303 West Madison Street Chicago, IL 60606</i>	250 Dundas St. W., Suite 504, Toronto, ON, Canada M5T 2Z5	07-27-2002
74.	Northern Illinois Angels, LLC ¹	Gorden Reichard, Jr., President & CEO <i>Referral by Louis J. Franco, CMGT, Inc.</i>	230 W. Monroe Street Chicago, IL 60606 312-223-8393	07-31-02
75.	Bathgate Capital Partners, LLC	Richard Huebner, COO & Executive Director of Growth & Development <i>Referral by David Spitz, Innovative Investment Management, LLC, 444 W. Sylvester Way Highlands Ranch, CO 80129 720-348-0844</i>	5350 S. Roslyn St., Suite 400 Greenwood Village, CO 80111 303-694-0862	08-05-2002
76.	RockMountain Ventures	Joe Edens, Managing Director <i>Referred by Bob NewKirk, Validus Partners, MN008-E200 9900 Bren Road East Minnetonka, MN 55440-1439 952-936-6800</i>	830 Bonita Avenue Ft. Collins, CO 80526 970-377-3900	08-09-2002
77.	Peter H. Pocklington	Peter H. Pocklington <i>Referral by Dennis Russell, President LawAmerica, 16633</i>	C/o Dennis Russel, LawAmerica 818-783-9606	09-18-2002

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Mr. Gerry Spehar
 Letter Agreement Between CMGT and Spehar Capital
 September 30, 2002
 Page 19

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 The Standard For Integrated Comprehensive
 Absence and Disability Management™
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Full Legal Name of Individual Investor and/or Firm	Name/Title of Principal Contact(s)	Mailing Address(es), Telephone, Fax & E-mail	Date of Initial Introduction to CMGT by Spehar Capital
	<u>Ventura Blvd., Suite 902, Encino, CA 91436</u> <u>818-783-9606</u>		
78. <u>ARCI Corporation et al., comprised of Thomas Overturf, Ian Adlington and Dexter Cohen</u>	<u>Thomas Overturf, ARCI</u> <u>Ian Adlington</u> <u>Dexter Cohen</u> <u>Referral by Christopher J. Warden, Ventel, Inc.</u> <u>185 Hill Avenue</u> <u>Glen Ellyn, IL 60137</u> <u>630-790-3042</u>	<u>T. Overturf:</u> <u>221 East Jay Street</u> <u>Carsen, CA 90745</u> <u>310-835-0508</u> <u>I. Adlington:</u> <u>C/o Crown Plaza Hotel 17941 Von</u> <u>Karman Ave.</u> <u>Irvine, CA 92614</u> <u>949-863-1999</u> <u>D. Cohen</u> <u>10 Lucerne Road</u> <u>Newport Beach, CA 92660</u> <u>949-640-2025</u>	<u>T. Overturf:</u> <u>06-25-2002</u> <u>I. Adlington:</u> <u>10-01-2002</u> <u>D. Cohen</u> <u>10-01-2002</u>

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 REGISTRATION OF ACCREDITED INDIVIDUAL INVESTOR NAMES AND INVESTMENT FIRMS INTRODUCED BY SPEHAR CAPITAL LLC OR WITH WHOM CMGT HAS APPROVED SPEHAR CAPITAL TO HOLD DISCUSSIONS AND EXCHANGE INFORMATION REGARDING CMGT AS DEFINED HEREIN ¶

¶ This Registration of Accredited Individual Investor Names and Investment Firms Exhibit (hereinafter referred to as "Registration") is intended to identify all accredited investors/firms and other parties introduced (i) to CMGT by Spehar Capital or (ii) with whom CMGT has approved Spehar Capital to hold discussions and exchange information regarding CMGT as defined herein. Both Spehar Capital and CMGT agree this Registration, as may be amended only by written addendum thereto from time to time, is the only definitive record of all sources so introduced, as reference(s) to such source(s) are made to in this Agreement. ¶

¶ The itemized list of all such accredited investors/firms and other parties is as follows: ¶

¶

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EXHIBIT 3

CHARLES W. TRAUTNER
(On behalf of "Newco" referenced below)
13331 North 89th Way
Scottsdale, Arizona 85260

July 31, 2003

CMGT, Inc.
2 S 647 White Birch Lane
Wheaton, Illinois 60187

Attention: Louis J. Franco, Chairman, President and CEO

Re: Proposal by Newco to acquire Assets of Oldco Corporation

Lou:

This letter outlines the proposal by a corporation, which will be formed by the undersigned Charles W. Trautner and others for purposes of engaging in this proposed transaction ("Newco"), to purchase selected assets of CMGT, Inc. ("Oldco") on the principal terms and conditions set forth in this letter.

Notwithstanding your very hard efforts during the past three years, the fact of the matter is that CMGT, Inc. has been unable to secure the equity funding required for its successful operation and can be expected to fail within the very near future. The proposal outlined herein contemplates that Oldco would, in exchange for the sale to Newco of substantially all of Oldco's assets of value, receive shares in Newco that will constitute a minority position (or, if the majority of Oldco's shareholders so elect, a sum certain of cash). Newco's shares will be unregistered and there can be no assurance that Oldco will ever be able to realize any value in connection with such shares. Neither Newco nor any of its investors will have any involvement with the current stakeholders of Oldco. Any claims that the current stakeholders of Oldco have against Oldco, or against one another, will have to be resolved in the ordinary course by such stakeholders among themselves. Following the transaction proposed hereby, the only assets of Oldco available in respect of such claims would be the consideration it receives from Newco.

The proposal outlined herein is fair under the circumstances and, except where otherwise noted, effectively treats all of Oldco's current stakeholders equally. As you know, the undersigned Charles W. Trautner is a substantial shareholder of Oldco and, if the proposed transaction goes forward, his investment in Oldco, as will the investment by all of the other Oldco stakeholders, be limited to the consideration Oldco receives from Newco.

1. **Acquisition.** Newco proposes to acquire all of the following assets of Oldco (the Assets): cash, client contracts, accounts receivable, notes receivable, inventories, equipment, trademarks, trade names, service marks, all other intellectual property (including without limitation the Touch Speed software and associated rights), and covenants not to compete. All such assets would be transferred to Newco free and clear of all liens and other encumbrances.

2. Purchase Price.

(a) The consideration that will be paid to Oldco will be, at Oldco's option, *either*

(i) \$500,000 in cash, or

(ii) shares in Newco constituting 20% of Newco's capital stock at closing.

A cash election must be made by August 15, 2003. In the event Oldco elects to receive Newco stock, *then*

(A) Oldco will receive an assurance that Newco's initial capitalization will be at least \$2,500,000.

(B) The Newco shares received by Oldco will constitute a minority stake in Newco, and neither Oldco nor any of its current stakeholders (with the exception of Charles W. Trautner) will have any control whatsoever over Newco.

(C) A commitment will be secured from Newco's investor group agreeing that Oldco's shares of Newco's stock will be subject to tag along and drag along rights and obligations in the event that Newco's investor group sells their own shares in a block transaction or in the event that Newco engages in an IPO. This means that if Newco's investor group sells their shares in a block transaction they will be required to also cause Oldco's shares in Newco to be sold on the same terms as part of the same transaction, and Oldco (and its assigns) will be required to sell all of its shares in that transaction. This also means that if Newco's investor group sells their shares in a block transaction as part of an IPO, Oldco (and its assigns) will also be required to sell all of its shares as part of the same IPO.

3. Assumed Liabilities. Newco would assume none of the liabilities of Oldco other than obligations arising after the closing under purchased client contracts.

4. Certain Conditions Precedent. The proposed transaction will be subject to the following conditions precedent, and only the following conditions precedent (other than definitive documentation), required by Newco:

(a) Louis J. Franco must enter into an employment agreement with Newco. This employment agreement will provide for cash compensation, stock in Newco, and other benefits as will be negotiated to the satisfaction of both Louis J. Franco and Newco.

(b) A transition services agreement must be successfully negotiated by Newco with Rob Crandall and the Toronto staff, as well as with Wong & Knowles, so as to assure that the obligations under the purchased client contracts continue to be serviced during the period of time (which is estimated to be about 90 days) that it will take Newco to get its own operations up and running.

(c) Because of Mayer, Brown, Rowe & Maw's familiarity with Oldco, Newco requires that they document the proposed transaction. Such work will be paid for by

Newco on an hourly basis plus an agreement to also reimburse a certain percentage of legal fees that are currently unpaid, all as agreed to between Mayer, Brown, Rowe & Maw and Newco.

5. Definitive Agreement. Upon the acceptance of this letter by Oldco, Newco and Oldco will promptly negotiate, in good faith, the terms of a definitive agreement (the "Definitive Agreement"). The Definitive Agreement will be in a form customary for transactions of this type and will include, in addition to those matters specifically set forth in this letter, customary representations, warranties, indemnities, covenants and agreements of Oldco and Newco, customary conditions of closing (including without limitation the requirement that at least a majority of the shareholders of Oldco shall have approved the transaction), and other customary matters.

6. Conduct of Business by Oldco. Pending execution of the Definitive Agreement, Oldco (i) will conduct the business of the Assets in the ordinary course and use its best efforts to maintain the business and assets of the Assets, (ii) will not issue or agree to issue any voting preferred stock, any additional shares of common stock or of any other voting security or any rights to acquire any such additional common stock or voting security, and (iii) will not authorize or consummate any dividends or distributions of assets of the Assets to Oldco's shareholders, any consolidation, merger, sale of any assets of the Assets other than in the ordinary course of business or purchase of all or substantially all of the assets of any entity for the Assets, or any other extraordinary corporate transaction.

7. No-Shop Agreement. Other than with the pending prospects listed on Exhibit A hereto, Oldco will not, nor will it permit any of its officers, directors, employees, financial advisers, brokers, stockholders or any person acting on Oldco's behalf, to consider, solicit or negotiate, or cause to be considered, solicited or negotiated on behalf of Oldco or its shareholders, or provide or cause to be provided information to any third party in connection with, any proposal or offer from a third party with respect to the acquisition of the Assets, or all or substantially all of its assets, until the date, if any, that the transactions contemplated by this letter have been terminated or abandoned by the parties in accordance with the terms of this letter.

8. Brokers. Oldco has not retained or used, and will not retain or use, the services of any broker or finder which would result in the imposition of a fee upon the Assets or Newco should the transactions contemplated by this letter be consummated. Newco has not retained or used, and will not retain or use, the services of any broker or finder which would result in the imposition of a fee upon Oldco should the transactions contemplated by this letter be consummated.

9. Expenses. Except as otherwise provided herein, each party would bear its own expenses and costs of the transactions contemplated hereby, including, but not limited to, the fees of attorneys and financial advisors.

10. Confidentiality. Except for the use of such information and documents in connection with the proposed transactions or as otherwise required by law or regulations, each party agrees to keep confidential any information obtained by it from the other party in connection with its investigations or otherwise in connection with these transactions and, if such

transactions are not consummated, to return to the other party any documents and copies thereof received or obtained by it in connection with the proposed transactions.

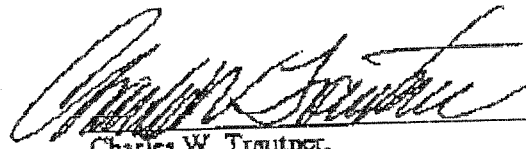
11. Governing Law. This letter of intent and the Definitive Agreement will be governed by Illinois law.

12. Binding Effect, Termination. The parties agree to negotiate in good faith the terms and conditions of the Definitive Agreement until this letter is terminated in accordance with this paragraph. Except for paragraphs 6 through 10 (inclusive), which are intended to be binding, the parties agree that this letter is not intended to be a binding agreement between the parties but merely an expression of their intent with regard to the transactions described herein, and each party covenants never to contend to the contrary. The parties will use their best efforts to consummate the transactions herein contemplated on or prior to September 30, 2003, provided that, in that event a Definitive Agreement with respect to the transactions contemplated herein is not signed on or prior to August 30, 2003, this letter will terminate and (except with respect to paragraphs 6 through 10, inclusive) the parties shall no longer have any rights or obligations with respect to this letter.

13. Severability. If any term, provision, covenant or restriction contained in this letter that is intended to be binding and enforceable is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this letter shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

If you agree to the foregoing, please return a signed copy of this letter to the undersigned no later than 5:00 p.m. (Scottsdale, Arizona time) on August 1, 2003, after which time this letter will expire if not so accepted.

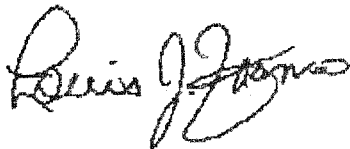
Sincerely yours,



Charles W. Trautner,
(on behalf of the referenced "Newco")

ACCEPTED AND AGREED to
this 1st day of August, 2003:

CMGT, INC.



By:
Louis J. Franco, President, Chairman, and CEO

EXHIBIT A

- 1) Mitre & Associates, LLC/Robert Mitre - American & Other Native American Corporations
 - a) Huna Totem Corporation (ANC)
 - b) Bethel Native Corporation (ANC)
 - c) Doyon Ltd. (ANC)
 - d) Chugatch Alaska Corporation (ANC)
 - e) Salt River Pima-Maricopa Indian Community
 - f) Haida Corporation (ANC)
 - g) Native American Finance Officers Association (NAFOA)
 - h) National Congress of American Indians (Wash. DC)
 - i) Paotie Native Corporation (NM, ND)
 - j) Standing Rock Sioux Tribal Council (ND)
 - k) Spirit Lake Tribal Council (ND)
 - l) Viejas Tribal Council (ND)
 - m) Pueblo Tribes of New Mexico (various NM)
 - n) Mescalero Apache Tribe (NM)
 - o) Woodfords Community Council (CA)
 - p) Viejas Tribal Council (CA)
 - q) Ho-Chunk Nation (WI)
- 2) Council Tree Communications LLC - working with Madison Dearborn Partners, LLC
 - a) Artic Slope Regional Corporation (ANC)
 - b) Doyon Ltd. (ANC)
 - c) Sealaska Corporation (ANC)
- 3) Madison Dearborn Partners, LLC - working with Council Tree Communications LLC
- 3) Fallon Paiute, Duckwater & Ely County Shoshone Tribal Business Council (NV)
- 4) Werburg Pincus LLC
- 5) FlexBen, Inc.
- 6) WorkSteps, Inc./OneComp, Inc. (Peter Gallaher & partners)
- 7) Richard Eskow (representing various private investors & Silicon Valley VCs)
- 8) Siemens Information & Communications Networks/Andrea Davis - Various So. CA & NV tribes
- 9) Generations Partners, LLC
- 10) Spehar Capital, LLC