

# **EXHIBIT 21**

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**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**Robert Carroll**


---

**From:** Louman01@aol.com  
**Sent:** Wednesday, August 13, 2003 11:44 PM  
**To:** Given, Ronald B.  
**Subject:** Fwd: CMGT/Native American Tribe LOI draft  
**Attachments:** LOI draft

In a message dated 8/13/2003 10:22:10 PM Central Daylight Time, gspehar1@earthlink.net writes:

**Subj:** LOI draft  
**Date:** 8/13/2003 10:22:10 PM Central Daylight Time  
**From:** gspehar1@earthlink.net  
**To:** Louman01@aol.com  
**File:** LOIdraft-CMGTAndreaDavis.doc (27648 bytes) DL Time (TCP/IP): <1 minute  
*Sent from the Internet*

Lou,

Check it out...maybe paragraph 4 doesn't need to be in it at this stage.

Gerry

Ron: This is a proposed LOI Gerry Spehar drafted, for your review and comment.

The background on this is:

\* Andrea Davis is the high-level Siemens Communications representative we spoke about recently who works with Native American tribes across the U.S. re: developing and installing big Siemens integrated communications systems (call centers & swithes, etc.) for the Tribes. Siemens is quoting the call center telephony & VoIP systems for CMGT as we speak - this started when we had to provide Sealaska with this kind of information. After learning of our experience with Sealaska and the benefits to CMGT of having ANC or Native American minority status, she volunteered to talk to her Native American Tribe contacts about a possible investment in CMGT. She has discussed us with several including the Nevada (Lake Tahoe) tribe and the Washington DC-based bank that works with the Tribes to provide funds that are earmarked for diversity minority use. She received a favorable reaction from both the bank and the NV Tribe about investing in CMGT and has been asked to arrange immediate discussions between the Tribe and CMGT.

\* Right now Andrea is gathering the pertinent information (names, etc.) about the Tribe, Siemens and the bank so we can draw up NDAs for all to sign, then she will coordinate telecons/meetings with all parties to see if a deal can be struck to fund CMGT. There is also interest in the MOIC because the bank has 100s of millions it needs to distribute on NAtive American minority deals.

\* Gerry has been involved with this from the beginning and is coordinating with Andrea to develop terms for a funding.

\* When we informed Andrea today that CMGT has received an LOI Proposal from an investor group and our shareholders will be taking a vote on the LOI on Fri. the 15th, she felt it would be in order to try and obtain an LOI from the NV Tribe that might buy CMGT some time to vet a deal with the Tribe. She feels the Tribe wants to do a deal with CMGT and will want to accelerate their evaluation of CMGT/the MOIC because they can do deals quickly with their DC bank connections - i.e., in 30 - 60 days. Gerry volunteered to create a 1st draft of an LOI that you and I could refine and get to Andrea some time on Thursday AM. She wants to get this in front of the Tribe some time on Thursday so we can have it before our Newco/CMGT shareholder vote.

6/16/2009

I believe the interest is real and that we should provide Andrea with a suggested LOI format (a succinct version would be best), as she requested and see what develops.

I'll call you in the AM to discuss.

Best regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

=====  
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CMGT, Inc. Management  
=====

## Robert Carroll

---

**From:** Gerry Spehar [gspehar1@earthlink.net]  
**Sent:** Wednesday, August 13, 2003 10:17 PM  
**To:** Franco, Lou  
**Subject:** LOI draft

**Attachments:** LOI draft - CMGT Andrea Davis .doc



LOI draft - CMGT  
Andrea Davis ...

Lou,

Check it out...maybe paragraph doesn't need to be in it at this stage.

Gerry

August 14, 2003

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

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

Dear Lou:

This Letter of Intent is to set forth our understanding regarding the investment by \_\_\_\_\_, a \_\_\_\_\_ (the "Investor") of \$2,500,000 in CMGT, Inc, a Delaware corporation ("CMGT") in exchange for shares in CMGT constituting 51% of CMGT's capital stock at closing. A certain portion of this investment may take the form of existing or to-be-built Call Center facilities that will be acceptable to CMGT, in function and valuation, for the execution of its Business Plan. Except with respect to paragraphs 7, 8, and 9, the provisions of this letter are not intended to be legally binding.

1. This investment decision will be subjected to proper due diligence into all aspects of CMGT. Sole and final approval of the investment rests with Investor's Management and Board of Directors. This due diligence will be completed and the investment is contemplated by September 30, 2003. Unless extended by agreement of both parties, this Letter of Intent will terminate without recourse on that date.
2. It is understood that the Investor's 51% ownership interest will confer Native American status on CMGT and that CMGT will, therefore, be able to conduct its business as a Native American-owned company. Investor will immediately begin working with CMGT to design and implement an ongoing marketing plan that will maximize the effect of CMGT's Native American minority status.
3. It is understood that CMGT will use the \$2,500,000 provided pursuant paragraph 1 only as delineated in its Projections and Business Plan, as agreed to by the Investor.
4. CMGT's 49% minority shareholders will have the right to exit via industry sale, IPO or merger after a pre-determined number of years or after having built CMGT's Absence Management business to a pre-defined level of success. This exit shall be subject to Board approval of a new management team or partner. Both CMGT's majority and minority shareholders will have the right to participate as a selling shareholder in any public offerings of the common stock of the Company initiated by the CMGT upon reasonable terms and conditions to be agreed upon and set forth in the Agreement described in Paragraph 7 below.
5. CMGT hereby represents and warrants that (i) to its knowledge all written information provided to the Investor by the Company does not contain any untrue statement of material fact or omit to state any material fact which is necessary in order to make the statements contained therein not misleading in light of the circumstances under which they are made, and (ii) to its knowledge, the financial projections contained in the Business Plan and other documents have been prepared accurately based on assumptions described therein or in its Projections worksheet.
6. The terms and conditions governing the transaction described herein are to be set forth in a definitive agreement (the "Agreement"), which shall be subject to the approval of all of the parties and their counsel. Such terms and conditions shall include among others:
  - warranties, representations and indemnities including those usually given in transactions of the nature herein contemplated, satisfactory to the Investor relating to the Company's structure, organization, business, operations and financial condition;
  - the usual conditions which must be satisfied before parties to transactions of the type contemplated are obligated to close, including, but not limited to, obtaining of any required

consents relating to material contracts, the absence of any litigation or other legal proceeding relating to this transaction or CMGT; and

- provisions relating to compliance with all applicable securities laws.
7. All the parties agree to use their reasonable best efforts to complete the aforesaid Agreement within 30 days.
  8. Following execution of the letter, CMGT agrees to assist the Investor and its agents in the conduct of their full and complete due diligence. The Investor agrees to hold all information obtained by virtue of such access in confidence in accordance with the NDA executed between Investor and CMGT.
  9. From the date of execution of this letter, CMGT will operate its business in the manner described in the Business Plan and will use its best efforts to maintain its business as a going concern and maintain its business relationships.

If the foregoing accurately describes our understandings and agreements, please sign, date and return the enclosed copy of this letter to me.

Sincerely,

\_\_\_\_\_,(the "Investor")

By:

\_\_\_\_\_  
Name, Title

Read and Agreed to this 14th day of August, 2003:

CMGT, Inc. (the "Company")

By:

\_\_\_\_\_  
Louis J. Franco, CEO

# **EXHIBIT 22**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**Robert Carroll**

---

**From:** Louman01@aol.com  
**Sent:** Thursday, August 14, 2003 12:47 AM  
**To:** Given, Ronald B.  
**Subject:** Fwd: Andrea LOI - final draft  
**Attachments:** Andrea LOI - final draft

Ron:

Revised draft...

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

=====  
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CMGT, Inc. Management  
=====



## Robert Carroll

---

**From:** Gerry Spehar [gspehar1@earthlink.net]  
**Sent:** Wednesday, August 13, 2003 11:54 PM  
**To:** Franco, Lou  
**Subject:** Andrea LOI - final draft

**Attachments:** LOI draft - CMGT Andrea Davis 2.doc



LOI draft - CMGT  
Andrea Davis ...

Lou,

Here it is for Ron's review...paragraph 4. removed and consequent corrections made.

Gerry

August 14, 2003

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

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

Dear Lou:

This Letter of Intent is to set forth our understanding regarding the investment by \_\_\_\_\_, a \_\_\_\_\_ (the "Investor") of \$2,500,000 in CMGT, Inc, a Delaware corporation ("CMGT") in exchange for shares in CMGT constituting 51% of CMGT's capital stock at closing. A certain portion of this investment may take the form of existing or to-be-built Call Center facilities that will be acceptable to CMGT, in function and valuation, for the execution of its Business Plan. Except with respect to paragraphs 6, 7, and 8, the provisions of this letter are not intended to be legally binding.

1. This investment decision will be subject to proper due diligence into all aspects of CMGT. Sole and final approval of the investment rests with Investor's Management and Board of Directors. This due diligence will be completed and the investment is contemplated by September 30, 2003. Unless extended by agreement of both parties, this Letter of Intent will terminate without recourse on that date.
2. It is understood that the Investor's 51% ownership interest will confer Native American status on CMGT and that CMGT will, therefore, be able to conduct its business as a Native American-owned company. Investor will immediately begin working with CMGT to design and implement an ongoing marketing plan that will maximize the effect of CMGT's Native American minority status.
3. It is understood that CMGT will use the \$2,500,000 provided pursuant paragraph 1 only as delineated in its Projections and Business Plan, as agreed to by the Investor.
4. CMGT hereby represents and warrants that (i) to its knowledge, all written information provided to the Investor by CMGT does not contain any untrue statement of material fact or omit to state any material fact which is necessary in order to make the statements contained therein not misleading in light of the circumstances under which they are made, and (ii) to its knowledge, the financial projections contained in the Business Plan and other documents have been prepared accurately based on assumptions described therein or in its Projections worksheet.
5. The terms and conditions governing the transaction described herein are to be set forth in a definitive agreement (the "Agreement"), which shall be subject to the approval of all of the parties and their counsel. Such terms and conditions shall include among others:
  - Warranties, representations and indemnities including those usually given in transactions of the nature herein contemplated, satisfactory to the Investor relating to CMGT's structure, organization, business, operations and financial condition;
  - The usual conditions which must be satisfied before parties to transactions of the type contemplated are obligated to close, including, but not limited to, obtaining of any required consents relating to material contracts, the absence of any litigation or other legal proceeding relating to this transaction or CMGT; and
  - Provisions relating to compliance with all applicable securities laws.

6. All the parties agree to use their reasonable best efforts to complete the aforesaid Agreement within 30 days.
7. Following execution of the letter, CMGT agrees to assist the Investor and its agents in the conduct of their full and complete due diligence. The Investor agrees to hold all information obtained by virtue of such access in confidence in accordance with the NDA executed between Investor and CMGT.
8. From the date of execution of this letter, CMGT will operate its business in the manner described in the Business Plan and will use its best efforts to maintain its business as a going concern and maintain its business relationships.

If the foregoing accurately describes our understandings and agreements, please sign, date and return the enclosed copy of this letter to me.

Sincerely,

\_\_\_\_\_, (the "Investor")

By:

\_\_\_\_\_  
Name, Title

Read and Agreed to this 14th day of August, 2003:

CMGT, Inc.

By:

\_\_\_\_\_  
Louis J. Franco, CEO

# **EXHIBIT 23**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

Subject: FW: Fwd: CMGT/Native American Tribe LOI draft  
Date: Thu, 14 Aug 2003 01:26:09 -0500  
From: "lfranco" <lfranco@cmgt.com>  
To: "Gerry Spehar" <gspehar1@earthlink.net>

Gerry: See Ron's response. I don't want to set the bar down as low as the Newco LOI & encourage a similar offer from the Tribe. I believe we air too much dirty laundry and will give away way too much by showing the Tribe the Newco LOI, even sans the 20% reference. Further I sense the Tribe has an appetite for a much better deal for CMGT, and your draft LOI leaves the door open for us to negotiate quite a bit more. I'm too tired to fully focus right now, but what do you think? I'll call you in the AM to develop a response to Ron.

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail: lfranco@cmgt.com

---

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CMGT, Inc. Management

---

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

From: Given, Ronald B. [mailto:RGiven@mayerbrownrowe.com]  
Sent: Wednesday, August 13, 2003 11:35 PM  
To: Bugajski, Eva jean  
Cc: lfranco@cmgt.com  
Subject: Fw: Fwd: CMGT/Native American Tribe LOI draft

Eva: Print please.

Lou: Why isn't the answer that we simply show them the existing LOI with the 20 percentage deleted. Isn't that the structure they have to beat?

-----  
Ronald B. Given  
Mayer, Brown, Rowe & Maw  
190 S. LaSalle Street

PL 07080

Suite 3132  
Chicago, IL 60603-3441  
Phone: (312) 701-7382  
Fax: (312) 706-8137  
Cell: (312) 286-5252  
Res.: (312) 431-9952  
Email: rgiven@mayerbrownrowe.com

Assistant to Ronald B. Given:

Evajean T. Bugajski  
Phone: (312) 701-7632  
Email: ebugajski@mayerbrownrowe.com

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

From: Louman01@aol.com <Louman01@aol.com>  
To: Given, Ronald B. <RGiven@mayerbrownrowe.com>  
Sent: Wed Aug 13 23:43:35 2003  
Subject: Fwd: CMGT/Native American Tribe LOI draft

In <<LOI draft>> a message dated 8/13/2003 10:22:10 PM Central Daylight Time, gspehar1@earthlink.net writes:

Subj: LOI draft  
Date: 8/13/2003 10:22:10 PM Central Daylight Time  
From: gspehar1@earthlink.net  
To: Louman01@aol.com  
File: LOIdraft-CMGTAndreaDavis.doc (27648 bytes) DL Time (TCP/IP): <1 minute  
Sent from the Internet

Lou,

Check it out...maybe paragraph 4 doesn't need to be in it at this stage.

Gerry

Ron: This is a proposed LOI Gerry Spehar drafted, for your review and comment.

The background on this is:

\* Andrea Davis is the high-level Siemens Communications representative we spoke about recently who works with Native American tribes across the U.S. re: developing and installing big Siemens integrated communications systems (call centers & swithes, etc.) for the Tribes. Siemens is quoting the call center telephony & VoIP systems for CMGT as we speak - this

**PL 07081**

started when we had to provide Sealaska with this kind of information. After learning of our experience with Sealaska and the benefits to CMGT of having ANC or Native American minority status, she volunteered to talk to her Native American Tribe contacts about a possible investment in CMGT. She has discussed us with several including the Nevada (Lake Tahoe) tribe and the Washington DC-based bank that works with the Tribes to provide funds that are earmarked for diversity minority use. She received a favorable reaction from both the bank and the NV Tribe about investing in CMGT and has been asked to arrange immediate discussions between the Tribe and CMGT.

\* Right now Andrea is gathering the pertinent information (names, etc.) about the Tribe, Siemens and the bank so we can draw up NDAs for all to sign, then she will coordinate telecons/meetings with all parties to see if a deal can be struck to fund CMGT. There is also interest in the MOIC because the bank has 100s of millions it needs to distribute on Native American minority deals.

\* Gerry has been involved with this from the beginning and is coordinating with Andrea to develop terms for a funding.

\* When we informed Andrea today that CMGT has received an LOI Proposal from an investor group and our shareholders will be taking a vote on the LOI on Fri. the 15th, she felt it would be in order to try and obtain an LOI from the NV Tribe that might buy CMGT some time to vet a deal with the Tribe. She feels the Tribe wants to do a deal with CMGT and will want to accelerate their evaluation of CMGT/the MOIC because they can do deals quickly with their DC bank connections - i.e., in 30 - 60 days. Gerry volunteered to create a 1st draft of an LOI that you and I could refine and get to Andrea some time on Thursday AM. She wants to get this in front of the Tribe some time on Thursday so we can have it before our Newco/CMGT shareholder vote.

I believe the interest is real and that we should provide Andrea with a suggested LOI format (a succinct version would be best), as she requested and see what develops.

I'll call you in the AM to discuss.

Best regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

---

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PL 07082

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CMGT, Inc. Management

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Part 1.2

Type:  
MHTML Document (message/rfc822)  
Encoding:  
7bit

**PL 07083**



# **EXHIBIT 24**

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**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

Subject: Re: [Fwd: Andrea LOI - final draft]  
Date: Thu, 14 Aug 2003 13:50:30 EDT  
From: Louman01@aol.com  
To: gspehar1@earthlink.net

Gerry: This version is better & looks good to go to Andrea. Thanks for coordinating/motivating Andrea. Now we'll see how much in synch she is with the Tribe!

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

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CMGT, Inc. Management

---

In a message dated 8/14/2003 12:20:02 PM Central Daylight Time, gspehar1@earthlink.net writes:

Subj: [Fwd: Andrea LOI - final draft]  
Date: 8/14/2003 12:20:02 PM Central Daylight Time  
From: gspehar1@earthlink.net  
To: Louman01@aol.com  
File: GivenComments.zip (11369 bytes) DL Time (TCP/IP): <1 minute  
Sent from the Internet

Lou...this v 4 has slightly improved wording in the blue highlight...this is probably the one for your approval to send Andrea for execution.

Gerry

**PL 07089**

Return-Path: <RGiven@mayerbrownrowe.com>  
Received: from mail01.mayerbrownrowe.com ([143.58.246.228])  
by merlin (EarthLink SMTP Server) with ESMTP id 19NknW5bj3NZFlq0  
for <gspehar1@earthlink.net>; Thu, 14 Aug 2003 08:51:31 -0700 (PDT)  
Received: from ch-exchsmtp02.netmbp.com (ch-exchsmtp02.netmbp.com [143.58.13.136])  
by mail01.mayerbrownrowe.com (Switch-3.1.0/Switch-3.1.0) with ESMTP id  
h7EFmaXw023137;  
Thu, 14 Aug 2003 10:48:41 -0500  
Received: from ch-exchbe04.netmbp.com ([143.58.241.64]) by ch-exchsmtp02.netmbp.com  
with Microsoft SMTPSVC(5.0.2195.5329);  
Thu, 14 Aug 2003 10:48:52 -0500  
X-MimeOLE: Produced By Microsoft Exchange V6.0.6375.0  
content-class: urn:content-classes:message  
MIME-Version: 1.0  
Content-Type: multipart/mixed;  
boundary="----=\_NextPart\_001\_01C3627B.8EBC36A2"  
Subject: RE: Andrea LOI - final draft  
Date: Thu, 14 Aug 2003 10:48:51 -0500  
Message-ID:  
<2FAD9F9269D06D4096B5949FF9B38761025BA287@ch-exchbe04.netmbp.com>  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
Thread-Topic: Andrea LOI - final draft  
Thread-Index: AcNie8h925dofM4qEde71QAIdNqEBQ==  
From: "Given, Ronald B." <RGiven@mayerbrownrowe.com>  
To: "Gerry Spehar" <gspehar1@earthlink.net>, "Franco, Lou" <Louman01@aol.com>  
X-OriginalArrivalTime: 14 Aug 2003 15:48:52.0290 (UTC) FILETIME=[8F670A20:01C3627B]  
X-Mozilla-Status2: 00000000

See attached. Let it rip.

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

From: Gerry Spehar [mailto:gspehar1@earthlink.net]  
Sent: Wednesday, August 13, 2003 11:54 PM  
To: Franco, Lou  
Subject: Andrea LOI - final draft

Lou,

Here it is for Ron's review...paragraph 4. removed and consequent  
corrections made.

Gerry

---

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PL 07090

Subject: LOI draft with bridge  
Date: Thu, 14 Aug 2003 10:59:43 -0700  
From: Gerry Spehar <gspehar1@earthlink.net>  
To: "Franco, Lou" <Louman01@aol.com>

Lou,

I spoke with Andrea...she is fine with mentioning the Competing Bid and believes the concept of a \$100,000 Bridge at execution of a definitive Agreement with terms to be negotiated would also fly. Accordingly, I've incorporated it in the attached for your approval. The Tribe is reviewing our prior draft with the understanding that there will be updates per Ron & the bridge.

Gerry

LOI draft - CMGT Andrea Davis 5.doc

Name:  
LOI draft - CMGT Andrea Davis 5.doc  
Type:  
WINWORD File (application/msword)  
Encoding:  
base64

**PL 07091**

Subject: Re: LOI draft with bridge  
Date: Thu, 14 Aug 2003 14:38:19 EDT  
From: Louman01@aol.com  
To: gspehar1@earthlink.net

Gerry:

Good job! This looks fine.

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

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CMGT, Inc. Management

---

**PL 07092**

Subject: LOI draft with changes  
Date: Thu, 14 Aug 2003 11:57:23 -0700  
From: Gerry Spehar <gspehar1@earthlink.net>  
To: "Davis, Andrea" <andrea.davis@siemens.com>  
CC: "Franco, Lou" <lfranco@cmgt.com>

Andrea,

The attached draft LOI contains the changes suggested by our legal counsel and references to the Bridge Loan we discussed...all changes are highlighted in yellow. This is now approved by Lou and fine to use from CMGT's perspective. I will call shortly to make sure you can open the attachment. We look forward taking our discussions to the next level and, hopefully, completing a deal.

Gerry Spehar  
Spehar Capital, LLC  
(818) 247-5533

LOI draft - CMGT Andrea Davis 5.doc

Name:  
LOI draft - CMGT Andrea Davis 5.doc  
Type:  
WINWORD File (application/msword)  
Encoding:  
base64

**PL 07093**

# **EXHIBIT 25**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**Robert Carroll**

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**From:** lfranco [lfranco@cmgt.com]  
**Sent:** Tuesday, August 19, 2003 12:06 AM  
**To:** Given, Ronald B.  
**Subject:** RE: Bullet Point Follow-up  
**Attachments:** CWTltr\_LJFissues\_08-18-2003DRAFT.doc; ActualShareholderVoteAnalysis.xls

Ron: Here's my draft for your review - minor revision in 1st para. & I added the info. re vote status as of tonight.

FYI, spreadsheet also attached with details of voting so far. I expect to receive "FOR" votes for 20% purchase option in the next day or two from investors Byron Hollins, Kim/Rob Quarles, Lee Rask, Kevin Regan, Jim/Celia Wong and, of course from CWT - this will ensure a majority.

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail: [lfranco@cmgt.com](mailto:lfranco@cmgt.com)

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CMGT, Inc. Management  
=====

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

**From:** Given, Ronald B. [mailto:RGiven@mayerbrownrowe.com]  
**Sent:** Monday, August 18, 2003 1:35 PM  
**To:** Louis J. Franco, RHU (E-mail 2); Louis J. Franco, RHU (E-mail)  
**Subject:** Bullet Point Follow-up

Your letterhead and words to this effect:

"As discussed, I wanted to confirm the telephone conversation among you, me and Ron Given last Friday during which you indicated that you felt the personal requirements I set forth in my August 14th letter to you are acceptable to the investor group that will be behind the proposed acquisition of CMGT. I understand



that you will want to try to settle my debts at a discount and, as I indicated during our telephone conversation, I have no problem with that as long as my credit rating is not further affected. We have begun our shareholders solicitation on this basis, and I have every confidence that our efforts will continue to be successful. I thank you again for your initiative and assistance in this matter."

Call when you can to discuss today's developments.

## **Ronald B. Given**

Mayer, Brown, Rowe & Maw LLP  
190 S. LaSalle Street  
Suite 3132  
Chicago, IL 60603-3441  
*Phone:* (312) 701-7382  
*Fax:* (312) 706-8137  
*Cell:* (312) 286-5252  
*Res.:* (312) 431-9952  
*Email:* <<<mailto:rgiven@mayerbrownrowe.com>>>

### Assistant to Ronald B. Given:

Evajean T. Bugajski  
*Phone:* (312) 701-7632  
*Email:* <<<mailto:ebugajski@mayerbrownrowe.com>>>

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CMGT, Inc.®

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DRAFT FOR DISCUSSION

Louis J. Franco, RHU  
Chairman, President & Chief Executive Officer

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August 18, 2003

VIA USPS MAIL & FACSIMILE (480-991-8011)

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**CONFIDENTIAL INFORMATION**

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Mr. Charles W. Trautner  
C/O Mr. Sheldon J. Epstein CPA  
EPSTEIN, WEBER & CONOVER, P.L.C.  
8950 E. Raintree, Suite 200  
Scottsdale, Arizona 85260

Deleted: 13331 North 89<sup>th</sup> Way

Re: Proposed Newco/CMGT Transaction

Dear Chuck:

As discussed, I wanted to confirm the telephone conversation among you, me and Ron Given last Friday, August 14th during which you indicated that you felt the personal requirements I set forth in my August 14th letter to you are acceptable to the investor group that will be behind the proposed acquisition of CMGT. I understand that you will want to try to settle my debts at a discount prior to the Newco/CMGT closing date and, as I indicated during our telephone conversation, I have no problem with that as long as my credit rating is not further adversely affected.

We have begun our shareholders solicitation on this basis, and I have every confidence that our efforts will continue to be successful. As an early positive indicator, so far, 4 of our 16 cash investors, representing 49% of the share votes necessary to achieve a majority vote, have returned their signed Proxy statements indicating their votes "FOR" the 20% Newco stock purchase option; Zero share votes have been cast so far "FOR" the \$500,000 purchase option.

I thank you again for your initiative and assistance in this matter.

Best personal regards,



ACTUAL SHAREHOLDER VOTE ANALYSIS as of 8/16/2003

Names/shares tallied shown in red indicate shares have been voted

CASH INVESTORS	# Shares Held	INVESTOR'S VOTE TALLY		
		"FOR" \$500K Cash	"FOR" 20% Newco Stock	No Vote
Baliga, Wayne	211,009.49	0.00	211,009.49	0.00
Carroll, Leonard	52,292.86	0.00	52,292.86	0.00
CC-1 Partnership	219,000.00	0.00	0.00	0.00
Donwen, William	13,761.00	0.00	13,761.00	0.00
Garner, Catherine	50,000.00	0.00	0.00	0.00
Hollins, Byron & Jan	129,052.25	0.00	0.00	0.00
Holman, Ron & Linda	91,745.00	0.00	0.00	0.00
Quarles, Kim & Rob	22,936.00	0.00	0.00	0.00
Rask, Lee	91,743.12	0.00	0.00	0.00
Reed-Egly Partnership	50,459.00	0.00	0.00	0.00
Regan, Kevin	22,936.00	0.00	0.00	0.00
Ross, John	45,872.00	0.00	45,872.00	0.00
Ross, Richard	113,761.00	0.00	0.00	0.00
Spaeth, Melvin	9,176.00	0.00	0.00	0.00
Trautner, Charles	146,790.72	0.00	0.00	0.00
Wong, Celia & Jim	22,935.31	0.00	0.00	0.00
<b>TOTAL SHARES</b>	<b>1,293,469.75</b>	<b>0.00</b>	<b>322,935.35</b>	<b>0.00</b>
Total Cash Investor # Shares Needed For Majority (51%)	659,669.57			
% of shares voted towards Majority status		0%	49%	0%
MANAGEMENT	# Shares Held	MANAGEMENT'S VOTE TALLY		
		"FOR" \$500K Cash	"FOR" 20% Newco Stock	No Vote
Crandall, Rob	100,000.00	0.00	0.00	0.00
DiBenedetto, Debbie	185,000.00	0.00	0.00	0.00
Franco, Lou	255,000.00	0.00	255,000.00	0.00
Jackson, Craig	100,000.00	0.00	0.00	0.00
Walker, Bill	190,000.00	0.00	0.00	0.00
<b>TOTAL SHARES</b>	<b>830,000.00</b>	<b>0.00</b>	<b>255,000.00</b>	<b>0.00</b>
Total Management # Shares Needed For Majority (51%)	423,300.00			
% of shares voted towards Majority status		0%	60%	0%
<b>GRAND TOTAL - ALL SHAREHOLDERS</b>	<b>2,123,469.75</b>	<b>0.00</b>	<b>577,935.35</b>	<b>0.00</b>
Total # All Shareholder Shares Needed For Majority (51%)	1,082,969.57			
% of shares voted towards Majority status		0%	53%	0%

# **EXHIBIT 26**

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**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**Robert Carroll**

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**From:** lfranco [lfranco@cmgt.com]  
**Sent:** Saturday, August 16, 2003, 12:26 AM  
**To:** Wong, James M.; Byron Hollins; Catherine H. Garner; Catherine H. Garner; CC-1 Ltd. Partnership ; Charles W. Trautner; Deborah V. DiBenedetto; Forest Reed; Gerry Spehar; John S. Ross; Kevin W. Regan; Kim Quarles; Lee Rask; Melvin Spaeth; R. Leonard Carroll; Robert C. Crandall; Robert C. Crandall; Robert D. Spaeth; Robert D. Spaeth; Robert D. Spaeth; Ron Holman; Wayne J Baliga; William J. Donwen; William W. Walker  
**Cc:** Given, Ronald B.  
**Subject:** LOI For Newco to Acquire Assets of CMGT, Inc.  
**Attachments:** CMGT\_ShareholderLetter\_08-15-2003\_FINAL.pdf

Dear Valued Investors and Interested Parties:

Please see my letter attached.

Best regards,

Lou

Louis J. Franco, RHU  
 President & CEO  
 CMGT, Inc.  
 2 S 647 White Birch Lane  
 Wheaton, IL 60187

voice: 630-260-9507  
 cell: 630-215-8193  
 fax: 978-389-1060

E-mail: [lfranco@cmgt.com](mailto:lfranco@cmgt.com)

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CMGT, Inc. Management

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**CMGT, Inc.**<sup>®</sup>

**First InTouch**<sup>™</sup>

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

August 15, 2003

TO: ALL CMGT, INC. INVESTORS AND INTERESTED PARTIES

Re: Letter of Intent For "Newco" To Acquire Assets of CMGT, Inc.

Dear Valued Investors and Interested Parties:

I am writing this letter to respectfully request that the shareholders of CMGT, Inc. approve the transaction contemplated by the attached letter of intent, select the stock purchase price option (Section 2(a)(ii)), and authorize me to complete definitive documentation on behalf of CMGT and close the deal (the "Proposed Transaction"). For your convenience, I have also attached a copy of my first letter to you which summarized the Proposed Transaction.

I have attempted to personally discuss the Proposed Transaction with each of you. I apologize if we have not been able to personally communicate. I will also use this letter to address with all of you the questions that some of you have asked me about the Proposed Transaction.

The funding process for CMGT has been excruciating for all of us, and I am very sorry that even by doing my best I have not been able to deliver better results sooner. I believe that none of us can afford to let the process continue any further. My work on behalf of CMGT and you has resulted in close to \$40,000 of tax penalties being assessed against me and over \$100,000 of my credit card obligations being put in an active collection process by various issuers. In addition to devoting over three years of my life to CMGT, I have personally advanced over \$150,000 of my own money keeping CMGT afloat. I have been blessed to have some help from my dear family and friends to somewhat mitigate the financial burden, however, no matter what, after CMGT my family and I are starting over from scratch.

I'm not asking for sympathy. I just want you to know that I have been as devoted to CMGT as you. What I do request from you now is your support for the Proposed Transaction.

It is very important to recognize that the Proposed Transaction will take place at the *corporate* level. It is a purchase by Newco of CMGT assets from CMGT, not the shareholders of CMGT. The purchase price will be paid by Newco directly to CMGT. Although the purchase price is going to be paid by the delivery of Newco stock, there will be no "exchange" of stock between Newco and any of the shareholders of CMGT.

Based on my conversations with various shareholders, it is clear to me that the majority of you have expressed absolutely no interest in selecting the cash option referred to in the letter of intent for the Proposed Transaction, provided I will be managing Newco after the Proposed Transaction. For that reason, I am only asking you to consider whether or not we should proceed with the Proposed Transaction presuming that the purchase price to be paid to CMGT will be in shares of Newco and I become Newco's President and CEO.

Letter To CMGT, Inc. Investors  
August 15, 2003  
Page 2 of 6

Consummation of the Proposed Transaction will not be the end of the work that must be done to wind up CMGT's affairs. It is only the beginning. Each of our claims in and to CMGT will remain, whatever those interests may be -- equity, debt, contractual, etc. Disagreements that we may have among ourselves as to our respective claims will need to be resolved among ourselves and CMGT after the closing of the Proposed Transaction. We will need to satisfy all claims out of what will become CMGT's only assets of significance, its holding of Newco stock. Be mindful that the very same process will have to be completed even if the Proposed Transaction does not take place. The only difference, in my view, is that if we do not do the Proposed Transaction there is even less of a chance that our respective claims will be satisfied.

I hope to be a part of the process of amicably winding up CMGT's affairs following the closing of the Proposed Transaction. It will be a challenge, but if we all continue to work together I believe we can achieve a result that is at least fair.

Some of you have asked for information about the Newco investor group. I have no such information to share with you except the following. First, the transaction will not close unless we are all shown that Newco's initial capitalization is at least \$2.5 million. I believe that is a better commitment than I have been able to obtain for you from any of the hundreds of potential investors I've worked with on your behalf over the last three years and I have no reason to believe anything onerous is contemplated by the Newco group, such as a quick post-transaction sale of our software which is our most significant hard asset. Secondly, I have been able to come to terms with Newco on a five-year employment agreement to act as Newco's President and CEO. I must leave to you to decide whether my own confidence in Newco should influence your own. However, I can assure you that I will be working for the benefit of all holders of Newco stock, including the 20% that will come to CMGT as a result of the Proposed Transaction.

Some of you have asked whether particular terms of the letter of intent for the Proposed Transaction can be further negotiated. For example, it has been asked whether a time limit be put on the "tag along/drag along" provisions. I believe the letter of intent is fair and reasonable under the circumstances, and Newco has given no indication of a willingness for further concessions. We must all also understand that any concession we may be able to obtain will need to be reciprocal, and any such reciprocal change to the "tag along/drag along" provisions could be extremely detrimental to us. I believe this provision is one of our most important protections in the deal, and we should leave it alone.

For purposes of this vote, we will use the capitalization schedule I have attached for your convenience. I will share the results of the voting with you.

Although the Proposed Transaction only requires a majority vote, I would very much appreciate the support of each of you. With that support, I can assure you that we will expeditiously do everything we can to bring the Proposed Transaction to closing and thus be in as good of a position as possible to benefit you and CMGT. Without that support, I can do nothing for you. As you must certainly understand, I will, regretfully, need to move on and try to salvage my own financial situation by other means.

LJF/trcmgtinvestors/08152003/chgo/c:d

Letter To CMGT, Inc. Investors  
August 15, 2003  
Page 3 of 6

I remain available at any time for your questions and comments.

Please date and sign the Proxy I have included with this correspondence, retain a copy for your records and return a signed copy to my attention by fax (978-389-1060) with an original signed copy return to me by overnight mail, no later than 5 p.m., Friday, August 22, 2003. Please feel free to use UPS next day air delivery by using CMGT's UPS account number 28AF07 on the UPS airbill (you can call them at 1-800-172-5877 to make arrangements for pick up and delivery to me at our corporate address, shown on the bottom of the first page of this letter).

Very truly yours,



Louis J. Franco, RHU

Attachments: (2) 8/7/2003 Shareholder Letter; Proxy Statement

Cc: Ronald B. Given, Esq., Mayer, Brown, Rowe & Maw, Chicago



Letter To CMGT, Inc. Investors  
 August 15, 2003  
 Page 4 of 6

CMGT, Inc. - Investor Shareholder List as of 8/14/2003  
 Confidential Information

8/15/2003

Name	Date of Investment	Investment Amount	Total Investment	Notes Payable	\$ Allocated for Preferred	Number of Preferred Shares	\$ Allocated for Common	Number of Common Shares
Lyric Capital	2/22/2002	20,000	20,000	20,000	50,000	91,743.12		
Lée M. Rask	10/31/2002	50,000	50,000		100,000	91,743		
Balliga, Wayne J., CPA, Esq.	3/13/2001	100,000	190,000		20,000	18,349		
	5/28/2001	20,000			20,000	18,343		
	4/4/2002	20,000			19,000	9,174		
	5/21/2002	10,000			10,000	18,348.62		
	7/28/2002	10,000			10,000	18,348.62		
	9/10/2002	10,000			20,000	36,697.25		
	2/23/2003	20,000	190,000					
Carroll, R. Leonard, MD	2/16/2000	35,000	55,000		35,000	32,110		
	3/9/2000	15,000			15,000	13,761		
	12/19/2000	5,000			5,000	4,587		
	5/19/2002	1,000			1,000	1,834.86		
		55,000						
CC-1 Partnership	B/F from 99	16,000	152,300		16,000	219,090		
	3/31/2000	50,300			30,300			
	4/17/2000	16,000			16,000			
	5/11/2000	16,000			16,000			
	6/6/2000	16,000			16,000			
	8/19/2000	9,000			9,000			
	6/30/2003	(2,000)			(2,000)			
		152,300						
Donwer, William	6/30/2000	15,000	15,000		15,000	13,761		
Hollins/Levine, Jan & Byron, Esq.	3/10/2000	100,667	120,667		100,667	92,555		
	1/16/2000	20,000			20,000	36,687.25		
		(20,667)						
Holman, Linda & Ron, PhD	5/12/2000	100,002	200,002	100,000	100,002	91,745		
	8/1/2000	100,000						
		200,002						
Quarles, Rob & Kim, Esq.	1/3/2001	25,000	25,000		25,000	22,936		
Reed Egly Partnership	1/31/2000	50,000	55,000		50,000	27,523		
	6/30/2000	25,000			25,000	22,936		
		55,000						
Regan, Kevin W, MD	3/15/2001	25,000	25,000		25,000	22,936		
Ross, John S.	2/17/2000	50,000	50,000		50,000	45,872		

LJF/ltrcmgtinvestors08152003/chgo/c:d

Letter To CMGT, Inc. Investors  
 August 15, 2003  
 Page 5 of 6

CMGT, Inc. - Investor Shareholder List as of 8/14/2003  
 Confidential Information 8/15/2003

Name	Date of Investment	Investment Amount	Total Investment	Notes Payable	\$ Allocated for Preferred	Number of Preferred Shares	\$ Allocated for Common	Number of Common Shares
Richard (Dick) Ross	7/11/2000	23,000	101,631				23,000	100,000
	5/10/2000	15,000					15,000	
	9/14/2000	15,000					15,000	
	6/30/2000	2,000					2,000	
	9/22/2000	3,000					3,000	
	9/29/2000	1,200					1,200	
	10/10/2000	2,500					2,500	
	4/27/2003	7,500			7,500	13,761		
	2/23/2000	25						0
	5/1/2000	5,750					5,750	0
	10/30/2000	17,229					17,229	0
	10/26/2000	9,427					9,427	0
		<u>101,631</u>						
Spaeth, Melvin, Esq.	5/6/2000	10,002	10,002		10,002	9,176		
Trautner, Charles W.	12/29/2000	6,000	158,000		6,000	5,605		
	6/14/2001	50,000			50,000	45,872		
	7/27/2000	50,000			50,000	45,872		
	8/31/2000	50,000			50,000	45,872		
	8/23/2002	2,000			2,000	3,668.72		
		<u>158,000</u>						
Wong, James & Celia, CPA, CFE	5/10/2001	15,000	20,000		15,000	13,761		
	7/29/2002	5,000			5,000	9,174.31		
Catherine Garner	3/31/02 (9/29/00)		50			50		50,000
<b>Total Capital Investment - All Shareholders</b>			<u>1,248,652</u>	120,000	1,034,474	1,143,469	94,181	150,000
Common Stock			(94,181)					
Notes Payable			(120,000)					
Accrued interest converted into Preferred			128,957		128,957	116,474		
Preferred Stock Balance			<u>1,161,428</u>		<u>1,161,428</u>	<u>1,289,943</u>		

1. All debt converted to equity (219,000 preferred Series A shares) per agreement between Ross/CC-1 and the company.  
 2. \$1,000,000 investment and \$100,000 note payable  
 3. 100,000 common shares and 100,000 common stock warrants awarded per agreement between Ross and the company.

NOTE: THIS LIST INCLUDES CASH INVESTORS ONLY. THIS LIST DOES NOT INCLUDE CMGT MANAGEMENT TEAM.

Letter To CMGT, Inc. Investors  
 August 15, 2003  
 Page 6 of 6

**CMGT, INC. PROXY / VOTING INSTRUCTION SHEET  
 PROXY**

***This proxy is solicited in connection with shareholder approval of the transaction described in that certain letter agreement between CMGT, Inc. and Charles W. Trautner (on behalf of "Newco" referenced therein) dated July 31, 2003 (the "Proposed Transaction").***

The undersigned hereby appoints Louis J. Franco, with powers of substitution, as proxy for the undersigned to vote all the capital stock the undersigned may be entitled to vote at the CMGT, Inc. Shareholder Meeting to be held on September 1, 2003 at 2 S 647 White Birch Lane, Wheaton IL 60187 at 12:00 PM CDT, or any adjournment thereof, in the manner indicated below, and upon such other business as may lawfully come before the meeting. This Proxy will remain in effect until the consummation of the Proposed Transaction or October 17, 2003, whichever first occurs.

1. Proxy is directed to vote for and otherwise authorize CMGT, Inc. to consummate the Proposed Transaction and to elect as consideration CMGT, Inc.'s receipt of 20% of Newco's capital stock at closing.
2. Proxy is directed to cause CMGT, Inc. to execute and deliver any and all documentation required to consummate the Proposed Transaction.
3. Proxy is further authorized from time to time to take such actions and to execute and deliver such certificates, instruments, notices and documents as may be required or as Proxy may deem necessary, advisable or proper in order to consummate the Proposed Transaction, including any extension of the closing date thereof; all such actions to be performed in such manner, and all such certificates, instruments, notices and documents to be executed and delivered in such form, as the Proxy shall approve.

Please sign exactly as printed name appears hereon in the space, below. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

---

PRINTED NAME(S)

---

SIGNATURE

DATE

---

SIGNATURE IF JOINTLY HELD

DATE

LJF/ltrcmgtinvestors/08152003/chgo/c:d:

**Robert Carroll**

---

**From:** lfranco [lfranco@cmgt.com]  
**Sent:** Saturday, August 16, 2003 12:52 AM  
**To:** Wong, James M.; Byron Hollins; Catherine H. Garner; Catherine H. Garner; CC-1 Ltd. Partnership ; Charles W. Trautner; Deborah V. DiBenedetto; Forest Reed; Gerry Spehar; John S. Ross; Kevin W. Regan; Kim Quarles; Lee Rask; Melvin Spaeth; R. Leonard Carroll; Robert C. Crandall; Robert C. Crandall; Robert D. Spaeth; Robert D. Spaeth; Robert D. Spaeth; Ron Holman; Wayne J Baliga; William J. Donwen; William W. Walker  
**Cc:** Given, Ronald B.  
**Subject:** LOI For Newco to Acquire Assets of CMGT, Inc.  
**Attachments:** CMGT\_ShareholderLetter\_08-07-2003\_LJFfinal.pdf

Dear Valued Investors and Interested Parties:

Attached is a copy of my letter dated August 7, 2003 for your convenience. I did not attach this to my 8/15/2003 letter because that letter in itself was of such a large file size.

Best regards,

Lou

Louis J. Franco, RHU  
 President & CEO  
 CMGT, Inc.  
 2 S 647 White Birch Lane  
 Wheaton, IL 60187

voice: 630-260-9507  
 cell: 630-215-8193  
 fax: 978-389-1060

E-mail: [lfranco@cmgt.com](mailto:lfranco@cmgt.com)

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CMGT, Inc. Management  
 =====

**CMGT, Inc.**<sup>®</sup>

**First InTouch**<sup>™</sup>

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

August 7, 2003

TO: ALL CMGT, INC. INVESTORS AND INTERESTED PARTIES

Re: Letter of Intent For "Newco" To Acquire Assets of CMGT, Inc.

Dear Valued Investors and Interested Parties:

I would first like to take this opportunity to reiterate my deep appreciation for all of our investors, individually and collectively, for your continued interest, trust and financial support of our Company during these past extremely tough economic times, limited capital markets and continued urgent state of securing financing for our Company. Our business and personal relationships mean the world to me and are essentially all that I have left today.

The purpose of this letter is to provide you with information about the attached Letter of Intent, dated July 31, 2003, that the Company has signed with a group of Scottsdale, AZ-based private investors, represented by one of our current shareholders, Mr. Charles W. ("Chuck") Trautner. The investor group has secured commitments for an initial capitalization structure of \$2.5 million to fund the proposed transaction. The LOI outlines the general business terms under which "Newco" proposes to acquire certain assets of CMGT, Inc. ("Oldco"). Although I encourage you and your advisors to carefully read the LOI on your own, here's a quick summary of the significant proposed purchase agreement terms:

- ❖ The proposal contemplates that Oldco would, in exchange for the sale to Newco of substantially all of Oldco's assets of value, receive:
  - (a) Unregistered shares in Newco that will constitute a minority position of 20% of Newco's capital stock at closing; or
  - (b) If the majority of Oldco's shareholders so elect, a sum certain of \$500,000 in cash. This cash election must be made by August 15, 2003.
- ❖ 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.
- ❖ Newco would assume none of the liabilities of Oldco other than obligations arising after the closing under purchased client contracts.
- ❖ The parties have until September 30, 2003 to close the transaction. Other than pending prospects, the Company will deal with Newco on an exclusive basis until that time.
- ❖ Completion of the transaction is subject to a number of conditions, including approval by at least a majority of the Company's shareholders. It is contemplated that I will enter into an employment agreement with Newco that will include an equity position. Transition provisions will be made for

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*The Standard For Integrated Absence Management*<sup>™</sup>

CHICAGO CORPORATE OFFICE 2 S 647 White Birch Lane, Wheaton, IL 60187 • Tel: 630.260.9507 • Fax: 978.389.1060

TORONTO OFFICE 4 Wilkinson Road, Brampton, ON L6T 5L1 • Tel: 905.796.5233 • Fax: 905.796.5237

Letter To CMGT, Inc. Investors  
August 7, 2003  
Page 2 of 2

the services of the Company's Toronto staff and its accountants, and payments will be made to the Company's lawyers to assure their continued services. There will be no deal unless these conditions are met.

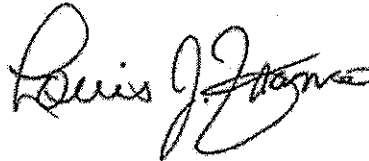
Your management and the Company's legal counsel have reviewed the terms of this LOI and determined it represents a bona fide tender offer and that the bidder has the ability to follow through with the offer.

As mentioned in the LOI, notwithstanding our Herculean efforts during the past three+ years, the fact of the matter is that CMGT, Inc. has been unable to secure the funding required for its successful operation and can be expected to fail within the very near future without funding. The simple bottom line is that neither you nor I can continue with the status quo.

While the terms presented by the LOI are not ideal, they compare favorably to other proposals we have received and, given the current state of affairs, I believe this is a deal we should and must do. There are no alternatives.

I will attempt to contact each of you to respond to any questions that you might have about this LOI. I will also be in touch with all of you very shortly by letter regarding necessary shareholder acknowledgments and decisions, including the "cash" or "stock" decision we must make by August 15<sup>th</sup>. Meanwhile, please feel free to directly contact me directly at any time.

Very truly yours,



Louis J. Franco, RHU

Attachment: (July 31, 2003 Letter Of Intent)

Cc: Ronald B. Given, Esq., Mayer, Brown, Rowe & Maw, Chicago

# **EXHIBIT 27**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**Robert Carroll**

---

**From:** Louman01@aol.com  
**Sent:** Friday, August 15, 2003 3:35 PM  
**To:** Given, Ronald B.  
**Subject:** Re: Proxy/Draft Shareholder Letter  
**Attachments:** CMGT\_ShareholderLetter\_08-15-2003\_LJFDRAFT.doc

Ron:

Attached is the shareholder letter & attachments for us to discuss & finalize.

I have some questions re: the Lyric Cap Schedule (how much of the Lyric letter do we show now) and how we handle certain individuals listed therein and investors who contributed \$\$ after the Lyric document.

I'll call you shortly to discuss.

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail1: Louman01@aol.com  
E-mail2: lfranco@cmgt.com

=====  
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CMGT, Inc. Management  
=====



**CMGT, Inc.**®

**First InTouch**™

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

August 15, 2003

**TO: ALL CMGT, INC. INVESTORS AND INTERESTED PARTIES**

Re: Letter of Intent For "Newco" To Acquire Assets of CMGT, Inc.

Dear Valued Investors and Interested Parties:

I am writing this letter to respectfully request that the shareholders of CMGT, Inc. approve the transaction contemplated by the attached letter of intent, select the stock purchase price option (Section 2(a)(ii)), and authorize me to complete definitive documentation on behalf of CMGT and close the deal (the "Proposed Transaction"). For your convenience, I have also attached a copy of my first letter to you which summarized the Proposed Transaction.

I have attempted to personally discuss the Proposed Transaction with each of you. I apologize if we have not been able to personally communicate. I will also use this letter to address with all of you the questions that some of you have asked me about the Proposed Transaction.

The funding process for CMGT has been excruciating for all of us, and I am very sorry that even by doing my best I have not been able to deliver better results sooner. I believe that none of us can afford to let the process continue any further. My work on behalf of CMGT and you has resulted in close to \$40,000 of tax penalties being assessed against me and over \$100,000 of my credit card obligations being put in an active collection process by various issuers. In addition to devoting over three years of my life to CMGT, I have personally advanced over \$150,000 of my own money keeping CMGT afloat. I have been blessed to have some help from my dear friends and family to somewhat mitigate the financial burden, however, no matter what, after CMGT my family and I are starting over from scratch.

I'm not asking for sympathy. I just want you to know that I have been as devoted to CMGT as you. What I do request from you now is your support for the Proposed Transaction.

It is very important to recognize that the Proposed Transaction will take place at the *corporate* level. It is a purchase by Newco of CMGT assets from CMGT, not the shareholders of CMGT. The purchase price will be paid by Newco directly to CMGT. Although the purchase price is going to be paid by the delivery of Newco stock, there will be no "exchange" of stock between Newco and any of the shareholders of CMGT.

Based on my conversations with various shareholders, it is clear to me that the majority of you have expressed absolutely no interest in selecting the cash option referred to in the letter of intent for the Proposed Transaction, provided I will be managing Newco after the Proposed Transaction. For that reason, I am only asking you to consider whether or not we should proceed with the Proposed Transaction presuming that the purchase price to be paid to CMGT will be in shares of Newco and I become Newco's President and CEO.

Letter To CMGT, Inc. Investors  
August 15, 2003  
Page 2 of 7

Consummation of the Proposed Transaction will not be the end of the work that must be done to wind up CMGT's affairs. It is only the beginning. Each of our claims in and to CMGT will remain, whatever those interests may be -- equity, debt, contractual, etc. Disagreements that we may have among ourselves as to our respective claims will need to be resolved among ourselves and CMGT after the closing of the Proposed Transaction. We will need to satisfy all claims out of what will become CMGT's only assets of significance, its holding of Newco stock. Be mindful that the very same process will have to be completed even if the Proposed Transaction does not take place. The only difference, in my view, is that if we do not do the Proposed Transaction there is even less of a chance that our respective claims will be satisfied.

I hope to be a part of the process of amicably winding up CMGT's affairs following the closing of the Proposed Transaction. It will be a challenge, but if we all continue to work together I believe we can achieve a result that is at least fair.

Some of you have asked for information about the Newco investor group. I have no such information to share with you except the following. First, the transaction will not close unless we are all shown that Newco's initial capitalization is at least \$2.5 million. I believe that is a better commitment than I have been able to obtain for you from any of the hundreds of potential investors I've worked with on your behalf over the last three years and I have no reason to believe anything onerous is contemplated by the Newco group, such as a quick post-transaction sale of our software which is our most significant hard asset. Secondly, I have been able to come to terms with Newco on a five-year employment agreement to act as Newco's President and CEO. I must leave to you to decide whether my own confidence in Newco should influence your own. However, I can assure you that I will be working for the benefit of all holders of Newco stock, including the 20% that will come to CMGT as a result of the Proposed Transaction.

Some of you have asked whether particular terms of the letter of intent for the Proposed Transaction can be further negotiated. For example, it has been asked whether a time limit be put on the "tag along/drag along" provisions. I believe the letter of intent is fair and reasonable under the circumstances, and Newco has given no indication of a willingness for further concessions. We must all also understand that any concession we may be able to obtain will need to be reciprocal, and any such reciprocal change to the "tag along/drag along" provisions could be extremely detrimental to us. I believe this provision is one of our most important protections in the deal, and we should leave it alone.

For purposes of this vote, we will use the capitalization schedule that each of you have as a result of the proposed Lyric transaction. For your convenience, I have also included a copy of that schedule with this letter, "shown as Schedule A". I will share the results of the voting with you.

Although the Proposed Transaction only requires a majority vote, I would very much appreciate the support of each of you. With that support, I can assure you that we will expeditiously do everything we can to bring the Proposed Transaction to closing and thus be in as good of a position as possible to benefit you and CMGT. Without that

LJF/ltrcmgtinvestors/08152003/chgo/c:d

Letter To CMGT, Inc. Investors  
August 15, 2003  
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support, I can do nothing for you. As you must certainly understand, I will, regretfully, need to move on and try to salvage my own financial situation by other means.

I remain available at any time for your questions and comments.

Please date and sign the Proxy I have included with this correspondence, retain a copy for your records and return a signed copy to my attention by fax (978-389-1060) with an original signed copy return to me by overnight mail, no later than 5 p.m., Friday, August 22, 2003. Please feel free to use UPS next day air delivery by using CMGT's UPS account number 28AF07 on the UPS airbill (you can call them at 1-800-172-5877 to make arrangements for pick up and delivery to me at our corporate address, shown on the bottom of the first page of this letter).

Very truly yours,

Louis J. Franco, RHU

Attachments: (2) 8/7/2003 Shareholder Letter; Proxy Statement

Cc: Ronald B. Given, Esq., Mayer, Brown, Rowe & Maw, Chicago

**SCHEDULE "A" – The Lyric Capitalization Schedule**



**The Lyric Capital Investment Corporation**

420 McKinley Street  
Suite 111-618  
Corona, CA 92879

PRELIMINARY SUMMARY OF TERMS  
CMGT, INC.  
Subject to conditions on page 2

Amount: \$3 million

Type of Security: Series A Convertible Preferred Stock

Price per Share: \$0.375

Conversion: Each Series A Preferred Stock will convert at the option of the holder to one common share of the company's stock.

Automatic Conversion: Upon the occurrence of an Initial Public Offering or sale of a majority or merger of the company.

Drawdown: \$1 million at a time, based on need and board approval. In the event the total is not drawn by the Company, the remaining shares will revert to management.

Board Representation: Majority, with majority on key committees

Anti-Dilution Provisions: If additional financing is done at a price below this round, Lyric will have first refusal right. Lyric will have a right to maintain its proportional share of any future financing.

Registration Rights: One demand registration right at company's expense after IPO; standard piggyback rights

Lyric will have approval rights for: senior management hiring and firing; subsequent financings; major strategic steps such as IPO or sale; indebtedness of single amounts greater than \$10,000 or \$50,000 in aggregate; compensation; real estate transactions; transactions with management personnel; any asset dispositions over \$10,000.

The company will not hypothecate in any way proprietary or patented technology or customer receivables without express written consent of Lyric.

Standard representations and warranties.

Letter To CMGT, Inc. Investors  
August 7, 2003  
Page 5 of 7

(Lyric Summary of Terms – Page 2)

These terms are subject to:

1. Completion of due diligence
2. Completion of definitive purchase agreement
3. Disclosure of all pending or threatened litigation, current and within last 18 months
4. Full and unconditional releases relating to all outstanding stock, warrant, options or debt obligations not included in the attached capitalization table, including but not limited to Ross, Garner and CC-1 partnerships.

(Lyric Summary of Terms – Page 3)

**Capitalization Table – Post Deal**

**Common Stock**

Existing Management as a Group <sup>1</sup>	1,000,000	(10.00%)
Employee Incentive Stock Option Pool <sup>2</sup>	-	(0.00%)
Consultants:		
John T. Leatham	200,000	(2.00%)
Robert D. Spaeth	50,000	(0.50%)
Catherine H. Garner, PhD, RNC <sup>3</sup>	50,000	(0.50%)

**Convertible Preferred Stock, Series A**

Lyric Ventures, L.P.	7,500,000	(75.00%)
Existing shareholders <sup>4</sup>	1,000,000	(10.00%)
Craig L. Jackson & Robert C. Crandall <sup>5</sup>	<u>200,000</u>	<u>(02.00%)</u>
<b>TOTAL</b>	<b>10,000,000</b>	<b>(100.00%)</b>

<sup>1</sup> Existing Management as a Group is entitled, upon meeting specific mutually agreed upon milestones, to earn-back 10% of the Company's common stock from Lyric Ventures, L.P. at the end of each of three (3) consecutive Fiscal Year periods commencing during 2002 and ending during 2004, up to a cumulative total earn-back of 30% of such common stock for all such periods (e.g., 10% earn-back for 2002, 10% for 2003 and 10% for 2004). In the event such a milestone is not met in any one such Fiscal Year period, Management's earn-back entitlement is irrevocably cancelled for that period only, without prejudice to earn-back(s) for subsequent Fiscal Year period(s). This will in effect, become a calendar-sensitive structure (good for Lyric) as well as a progressive management buyout opportunity (good for Management). Each earn-back milestone would progressively increase the ROI to Lyric. Existing Management/share breakdown consists of:

▪ Louis J. Franco, RHU, Chairman, President & CEO	255,000	(02.55%)
▪ William W. Walker, EVP & CMO	190,000	(01.90%)
▪ Deborah V. DiBenedetto, MBA, RN, COHN-S/CM, ABDA, EVP Professional Services	185,000	(01.85%)
▪ Michael A. Bowers, EVP & CFO	170,000	(01.70%)
▪ Craig L. Jackson, VP & CIO	100,000	(01.00%)
▪ Robert C. Crandall, LLB, VP Software Development	100,000	(01.00%)

<sup>2</sup> Employee ISO Pool to be established subsequent to Lyric financing of the Company, as determined by the Company's Compensation Committee.

<sup>3</sup> Shares subject to contract settlement terms.

<sup>4</sup> Existing shareholders consist of:

- Richard M. Ross (CC-1 Partnership)
- Linda & Ron Holman, PhD
- Jan & Byron Hollins, Esq.
- Charles W. Trautner
- Wayne J. Baliga, CPA, Esq.
- Reed-Egly
- R. Leonard Carroll, MD
- John S. Ross
- Rob & Kim G. Quarles, Esq.
- Kevin W. Regan, MD
- William Donwen
- Melvin Spaeth, Esq.

<sup>5</sup> Shares to be divided equally between Messrs. Jackson and Crandall as payment in-full, of the balance of payments plus interest and other financial considerations otherwise due them, for the Company's purchase of all the assets of Touch Speed Technology, Inc.

Letter To CMGT, Inc. Investors  
 August 7, 2003  
 Page 7 of 7

**CMGT, INC. PROXY / VOTING INSTRUCTION SHEET**

**PROXY**

***This proxy is solicited in connection with shareholder approval of the transaction described in that certain letter agreement between CMGT, Inc. and Charles W. Trautner (on behalf of "Newco" referenced therein) dated July 31, 2003 (the "Proposed Transaction").***

The undersigned hereby appoints Louis J. Franco, with powers of substitution, as proxy for the undersigned to vote all the capital stock the undersigned may be entitled to vote at the CMGT, Inc. Shareholder Meeting to be held on September 1, 2003 at 2 S 647 White Birch Lane, Wheaton IL 60187 at 12:00 PM CDT, or any adjournment thereof, in the manner indicated below, and upon such other business as may lawfully come before the meeting. This Proxy will remain in effect until the consummation of the Proposed Transaction or October 17, 2003, whichever first occurs.

1. Proxy is directed to vote for and otherwise authorize CMGT, Inc. to consummate the Proposed Transaction and to elect as consideration CMGT, Inc.'s receipt of 20% of Newco's capital stock at closing.
2. Proxy is directed to cause CMGT, Inc. to execute and deliver any and all documentation required to consummate the Proposed Transaction.
3. Proxy is further authorized from time to time to take such actions and to execute and deliver such certificates, instruments, notices and documents as may be required or as Proxy may deem necessary, advisable or proper in order to consummate the Proposed Transaction, including any extension of the closing date thereof; all such actions to be performed in such manner, and all such certificates, instruments, notices and documents to be executed and delivered in such form, as the Proxy shall approve.

Please sign exactly as name appears hereon in the space, below. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

[printed name of shareholder(s)]

---

SIGNATURE IF JOINTLY HELD \_\_\_\_\_ DATE \_\_\_\_\_

# **EXHIBIT 28**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**



Subject: Notice to Chuck Trautner per our call  
Date: Tue, 19 Aug 2003 17:02:52 -0700  
From: Gerry Spehar <gspehar1@earthlink.net>  
To: "Franco, Lou" <Louman01@aol.com>, "Franco, Lou" <lfranco@cmgt.com>,  
"Given, Esq., Ronald B." <rgiven@mayerbrownrowe.com>

Gentlemen:

This email is to confirm that in the course of our telephone discussion today you both agreed to notify Chuck Trautner and his investor group of Spehar Capital's claim to all elements of compensation per its contract with CMGT should CMGT consummate the transaction contemplated by Chuck's July 31, 2003 LOI - or any other transaction involving Chuck, for that matter.

Further, Spehar Capital's contract with CMGT specifies: "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." Thus, Chuck and his investor group should also be immediately informed that both the "Newco" contemplated in Chuck's LOI and "Oldco"/CMGT would be obligated to honor Spehar Capital's contract with CMGT.

To be perfectly clear:

- a) Spehar Capital's contract applies to Chuck and Chuck's LOI transaction, and
- b) Spehar Capital's contract binds both CMGT/"Oldco" and "Newco" in Chuck's LOI transaction.

Simply put, paragraph 8. of Chuck's LOI should not have been agreed to by CMGT.

As is your duty per your agreement in today's conversation, please immediately inform Chuck that Spehar Capital expects to be fully compensated - by CMGT/"Oldco" and "Newco" - under its Agreement with CMGT should CMGT consummate its pending deal with Chuck Trautner's "Newco".

Please copy me on your notice to Chuck.

Best regards,

Gerry Spehar  
Spehar Capital, LLC

PS. Ron, in between your many epithets and derogatory comments, you were extremely dismissive today of my efforts to discuss a settlement based on honoring Spehar Capital's contract. You encouraged me to "bring it on" and told me that you were "not afraid" because whatever I do would not affect the deal. In your words: "This deal will go forward!"

**PL 05946**

I'm glad you have such confidence and I look forward to Chuck's or a better deal getting done and bringing a successful conclusion to our long and arduous struggle to get CMGT funded.

PPS. Lou, I received a call from a representative of the Washoe Tribe today and will be fielding more questions tomorrow with a goal of getting an NDA and LOI shortly.

# **EXHIBIT 29**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

Subject: Re: Notice to Chuck Trautner per our call  
Date: Tue, 19 Aug 2003 19:52:29 -0500  
From: "Given, Ronald B." <RGiven@mayerbrownrowe.com>  
To: <gspehar1@earthlink.net>, <Louman01@aol.com>, <lfranco@cmgt.com>

This, of course, is not what we discussed.

I very much regret, Gerry, that from my lawyer's perspective it seems you have always focused so much on yourself and churning words that you have forgotten that your job was to raise money. You have never been in a better position to actually do your job (go out and get someone to beat the LOI for heavens sakes!), but you choose to squander your energy spending all your time on nonsense like this.

I will discuss our conversations with Chuck and repleat to him my view that your claim is without merit and that, in any event, any claim you may have is againt CMGT. I have to say what I believe, whether or not it suits your personal purposes.

And of course, Gerry, Lou and I are not preventing you from directly dealing with Chuck. I realize that is less dramatic than playing this snake in the grass game, but you seem to think you have a relationship with him and your threats might have affect whether or not there is legal substance. I believe from a legal point of view this will set you up for claims against you by the CMGT investors, but you seem intent on causing harm to everyone (including yourself).

Lou and I need to focus on positive work and actually getting things done. 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.

-----  
Ronald B. Given  
Mayer, Brown, Rowe & Maw  
190 S. LaSalle Street  
Suite 3132  
Chicago, IL 60603-3441  
Phone: (312) 701-7382  
Fax: (312) 706-8137  
Cell: (312) 286-5252  
Res.: (312) 431-9952  
Email: rgiven@mayerbrownrowe.com

Assistant to Ronald B. Given:

Evajean T. Bugajski  
Phone: (312) 701-7632  
Email: ebugajski@mayerbrownrowe.com

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

From: Gerry Spehar <gspehar1@earthlink.net>  
To: Franco, Lou <Louman01@aol.com>; Franco, Lou <lfranco@cmgt.com>; Given, Ronald B. <RGiven@mayerbrownrowe.com>  
Sent: Tue Aug 19 19:02:52 2003

PL 05948

Subject: Notice to Chuck Trautner per our call

Gentlemen:

This email is to confirm that in the course of our telephone discussion today you both agreed to notify Chuck Trautner and his investor group of Spehar Capital's claim to all elements of compensation per its contract with CMGT should CMGT consummate the transaction contemplated by Chuck's July 31, 2003 LOI - or any other transaction involving Chuck, for that matter.

Further, Spehar Capital's contract with CMGT specifies: "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." Thus, Chuck and his investor group should also be immediately informed that both the "Newco" contemplated in Chuck's LOI and "Oldco"/CMGT would be obligated to honor Spehar Capital's contract with CMGT.

To be perfectly clear:

- a) Spehar Capital's contract applies to Chuck and Chuck's LOI transaction, and
- b) Spehar Capital's contract binds both CMGT/"Oldco" and "Newco" in Chuck's LOI transaction.

Simply put, paragraph 8. of Chuck's LOI should not have been agreed to by CMGT.

As is your duty per your agreement in today's conversation, please immediately inform Chuck that Spehar Capital expects to be fully compensated - by CMGT/"Oldco" and "Newco" - under its Agreement with CMGT should CMGT consummate its pending deal with Chuck Trautner's "Newco".

Please copy me on your notice to Chuck.

Best regards,

Gerry Spehar  
Spehar Capital, LLC

PS. Ron, in between your many epithets and derogatory comments, you were extremely dismissive today of my efforts to discuss a settlement based on honoring Spehar Capital's contract. You encouraged me to "bring it on" and told me that you were "not afraid" because whatever I do would not affect the deal. In your words: "This deal will go forward!"

I'm glad you have such confidence and I look forward to Chuck's or a better deal getting done and bringing a successful conclusion to our long and arduous struggle to get CMGT funded.

**PL 05949**

PPS. Lou, I received a call from a representative of the Washoe Tribe today and will be fielding more questions tomorrow with a goal of getting an NDA and LOI shortly.

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# **EXHIBIT 30**

---

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

Subject: CMGT/Spehar Capital issues  
Date: Thu, 21 Aug 2003 15:31:46 -0700  
From: Gerry Spehar <gspehar1@earthlink.net>  
To: "Franco, Lou" <Louman01@aol.com>, "Franco, Lou" <lfranco@cmgt.com>

Lou,

I must say, Ron's belligerence on Tuesday's call was an eye-opener. In order of appearance: calling me a "Sonofabitch", a "Motherfucker", deriding me as a "whiney investment banker" who knows no one of substance, only "a bunch of Indians and Mexicans"...need I continue? Entertaining as his act may be, Lou, how can you possibly involve this guy in CMGT's and the MOIC's minority funding efforts with that attitude? I'm embarrassed to have brought Council Tree/Arctic Slope into his offices last August 1. Frankly, I'm surprised you tolerate it.

Let's briefly recap this sad fiasco for perspective and the record. On August 1, I meet with you, Ron, the MOIC crew and Council Tree's group in Chicago to pitch the MOIC & CMGT - you sign Chuck's sweetheart LOI that same day, but not a word to me. Instead, I'm left in the dark to continue pitching the usual "keep everybody whole" deal to all comers - Council Tree, Madison Dearborn, Warburg Pincus, Siemens/Washoe Tribe/CitiCorp, Robert Mitre, etc. On August 7 - the same day your letter to shareholders goes out - you finally feel compelled to bring me into the loop...immediately after we hang up from pitching Warburg Pincus on the "keep everyone whole" deal, I might add. You tell me how bad you feel, that you were under confidentiality, that Ron was spearheading the deal with Chuck and you urge me to push my contractual position to Ron so I will be paid on the Newco deal. I do so the next day and Ron throws down the legal gauntlet in his August 9 email, advising me that I should deal with CMGT through counsel if I want to pursue my claim and beginning his campaign of threats by telling me I would then be an adversary and could not continue working with either CMGT or MOIC, in his opinion.

I ignore Ron's bluster and continue working directly with you - as CMGT's President and CEO - in an attempt to resolve this dispute while I continue working on the financings we've already pitched. Neither you nor Ron suggest I pitch anything like Chuck's sweetheart deal...the "keep everyone whole" deal is still my marching order. Over the next ten days I repeatedly ask you to clarify your stance on our dispute and set up a call with Ron and Chuck's group if need be. You ask me to give you some time and "room to operate" so you can talk to/deal with Ron. We agree that it is indisputable that you did authorize me to hold discussions and exchange information with Chuck, but you keep alluding to vague, confidential legal reasonings for Ron's position that you can't discuss. Meanwhile, you forge ahead with Chuck's group, soliciting a proxy vote and signing an employment agreement.

Friday, August 15, another letter to shareholders goes out and you call to tell me you've finally set up a Monday call with Ron...also telling me "it would be a travesty if this deal went down and you don't get paid". Sunday, and Ron now wants Monday to be a "confidential" call with just him and me...I decline, insisting on your presence because you are the one who authorized all of my interactions with investors. You're too busy Monday, so we reschedule for Tuesday am.

And so, I waited over a week to listen to Ron Given throw a tantrum and rant at any mention of my contract. There was no constructive effort of any sort on your/Ron's part...just name calling and threats to "make me poor", hurt my business, remove me from all CMGT & MOIC efforts, etc., etc. It was clear to me - and I'm sure to you - that Ron was baiting me and didn't intend this to be a productive call. Please tell him it didn't work...raising two teenage daughters prepared me for his act. I'm not angry, just more confused as to why you, Lou, were leading me towards this strange discussion for the prior ten days. What a waste of time...what were your intentions or do they matter? Who runs CMGT, Lou, you or Ron Given?

Frankly, Lou, I'm concerned and offended that all of a sudden you appear to believe that only Ron Given has your best interests at heart. This after my more than two years of consummate and

PL 05951



extremely productive effort on CMGT's behalf? You called me your "brother" at dinner on August 1; you've consistently referred to me as your "#2" and asked me many times to consider becoming President of CMGT once funded; you've consistently lauded my unique level of integrity and devotion and insisted I be involved in all financing deals (except Ron's secret side-deals, it turns out). Now, suddenly, I'm some "whiney investment banker" who knows nobody except "a bunch of Indians and Mexicans", if Ron Given is to be believed, and you sit there meekly while he says that? Stand up and be counted, Lou. Are you really buying Ron's self-serving attempts to portray himself as your cheerleader/savior and to paint me into a "bad guy" posture simply because I'm being forced to protect myself against his secret side deals? Why and how did this occur after all we've been through for over two years? It is a "travesty" and you know it...and you, Lou, are the guy at the controls, allowing it all to happen.

Here's another problem. Why didn't you & Ron at least tell me you'd consider doing an asset-purchase deal that negates roughly \$700,000 worth of CMGT's legitimate corporate obligations? You always told me, both before and after our talks with and about Chuck, during some of which we specifically discussed his "get rid of the baggage" (i.e. asset-purchase) idea, that you wanted to keep all CMGT stakeholders whole. And that's what you've asked me to work towards in all of the deal proposals I've been representing. Meanwhile, you & Ron (please don't tell me you ceded all authority to Ron and were not involved) were working on Chuck's sweetheart asset-purchase deal behind my back while simultaneously asking me to keep on pitching the tougher deal that would keep all CMGT stakeholders whole. And now you don't want to pay me (even though I have a legitimate claim) when you swoop in with this secret deal just as Venture Capital spending is finally picking up after the past two difficult years. Is that fair, Lou? Would Sealaska or others have liked a Newco-like deal? It's certainly a better deal than what we showed them. But, it was not an option as far as I knew until Ron's clandestine side-dealings with Chuck were finally sprung on me.

Now, I've got Big Swingin' Ron waving his trophy around and challenging me to "beat the LOI, for heavens sake!"...at the eleventh hour, fifty-ninth minute while simultaneously threatening me with lawsuits and telling me I can't work for CMGT if I choose to try and force CMGT to pay me as my contract requires. Meanwhile, the clock keeps ticking on the Newco deal while I'm being painted into this no-win position - capitulate or you're out of the picture, Gerry. Realistically, I've got to "beat the LOI, for heavens sake!" in the next few days. Is it realistic to think something could be accomplished in such a short time frame? Would it be fair to an investor prospect (or me) to start shopping a deal under this circumstance? I don't think so. Realistically and ethically, I'm stuck with the deals we've already floated...and I am vigorously pursuing them, as you know. But, tell me, where's the snake in this picture, Lou?

The good news is, my contract, at least, is clear and unambiguous. And, because of our past history together, I'm still trying to give you the benefit of the doubt, given CMGT's and your tough circumstance. I remain agreeable to further legitimate attempts to resolve this dispute amicably. As stated on our call, however, your delays and the pace of events are quickly forcing my hand. Lou, I asked you & Ron to respond by today (Thursday)...there is precious little time left. If you'd like to talk, we should do so immediately and we should deal directly - more name calling and threats would not be constructive.

I'm concerned for you, Lou. I have a hard time believing this is the real you I'm seeing now. I know it's hard for you to argue with Ron's professional stature and your long relationship, but, in my humble opinion, you are buying into some very bad advice. Please seek a second legal opinion and reconsider - you run CMGT, not Ron Given. No matter what anyone is telling you, I'm still on your side and I remain a staunch supporter of CMGT. Hopefully, we'll soon get an LOI from the Washoe Tribe that will keep all of your deserving stakeholders whole.

Best regards,

Gerry Spehar

**PL 05952**

Spehar Capital, LLC

PL 05953

# **EXHIBIT 31**

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**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

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

From: lfranco <lfranco@cmgt.com>

To: Given, Ronald B. <RGiven@mayerbrownrowe.com>

Sent: Thu Aug 21 19:23:19 2003

Subject: FW: CMGT/Spehar Capital issues

Ron:

FYI, I just received this from Gerry. Obviously, much of his "memorialization" is for effect, not accurate and is twisted into his distortion of reality. He still thinks his contract and interpretation thereof are clear as a bell and is unwilling to be flexible. We can discuss at your convenience.

What a day - Robert Spaeth has found Jesus and apologized and now Gerry has turned into Satan!

My trust is in you and remains so.

Best regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507

cell: 630-215-8193

fax: 978-389-1060

E-mail: <<mailto:lfranco@cmgt.com>> lfranco@cmgt.com

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6/17/2009

## Message

computer. Thank you for your cooperation.

CMGT, Inc. Management

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

From: Gerry Spehar [mailto:gspehar1@earthlink.net]

Sent: Thursday, August 21, 2003 4:32 PM

To: Franco, Lou; Franco, Lou

Subject: CMGT/Spehar Capital issues

Lou,

I must say, Ron's belligerence on Tuesday's call was an eye-opener. In order of appearance: calling me a "Sonofabitch", a "Motherfucker", deriding me as a "whiney investment banker" who knows no one of substance, only "a bunch of Indians and Mexicans"...need I continue? Entertaining as his act may be, Lou, how can you possibly involve this guy in CMGT's and the MOIC's minority funding efforts with that attitude? I'm embarrassed to have brought Council Tree/Arctic Slope into his offices last August 1. Frankly, I'm surprised you tolerate it.

Let's briefly recap this sad fiasco for perspective and the record. On August 1, I meet with you, Ron, the MOIC crew and Council Tree's group in Chicago to pitch the MOIC & CMGT - you sign Chuck's sweetheart LOI that same day, but not a word to me. Instead, I'm left in the dark to continue pitching the usual "keep everybody whole" deal to all comers - Council Tree, Madison Dearborn, Warburg Pincus, Siemens/Washoe Tribe/CitiCorp, Robert Mitre, etc. On August 7 - the same day your letter to shareholders goes out - you finally feel compelled to bring me into the loop...immediately after we hang up from pitching Warburg Pincus on the "keep everyone whole" deal, I might add. You tell me how bad you feel, that you were under confidentiality, that Ron was spearheading the deal with Chuck and you urge me to push my contractual position to Ron so I will be paid on the Newco deal. I do so the next day and Ron throws down the legal gauntlet in his August 9 email, advising me that I should deal with CMGT through counsel if I want to pursue my claim and beginning his campaign of threats by telling me I would then be an adversary and could not continue working with either CMGT or MOIC, in his opinion.

I ignore Ron's bluster and continue working directly with you - as CMGT's President and CEO - in an attempt to resolve this dispute while I continue working on the financings we've already pitched. Neither you nor Ron suggest I pitch anything like Chuck's sweetheart deal...the "keep everyone whole" deal is still my marching order. Over the next ten days I repeatedly ask you to clarify your stance on our dispute and set up a call with Ron and Chuck's group if need be. You ask me to give you some time and "room to operate" so you can talk to/deal with Ron. We agree that it is indisputable that you did authorize me to hold discussions and exchange information with Chuck, but you keep alluding to vague, confidential legal reasonings for Ron's position that you can't discuss. Meanwhile, you forge ahead with Chuck's group, soliciting a proxy vote and signing an employment agreement.

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And so, I waited over a week to listen to Ron Given throw a tantrum and rant at any mention of my contract. There was no constructive effort of any sort on your/Ron's part...just name calling and threats to "make me poor", hurt my business, remove me from all CMGT & MOIC efforts, etc., etc. It was clear to me - and I'm sure to you - that Ron was baiting me and didn't intend this to be a productive call. Please tell him it didn't work...raising two teenage daughters prepared me for his act. I'm not angry, just more confused as to why you, Lou, were leading me towards this strange discussion for the prior ten days. What a waste of time...what were your intentions or do they matter? Who runs CMGT, Lou, you or Ron Given?

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6/17/2009

## Message

best interests at heart. This after my more than two years of consummate and extremely productive effort on CMGT's behalf? You called me your "brother" at dinner on August 1; you've consistently referred to me as your "#2" and asked me many times to consider becoming President of CMGT once funded; you've consistently lauded my unique level of integrity and devotion and insisted I be involved in all financing deals (except Ron's secret side-deals, it turns out). Now, suddenly, I'm some "whiney investment banker" who knows nobody except "a bunch of Indians and Mexicans", if Ron Given is to be believed, and you sit there meekly while he says that? Stand up and be counted, Lou. Are you really buying Ron's self-serving attempts to portray himself as your cheerleader/savior and to paint me into a "bad guy" posture simply because I'm being forced to protect myself against his secret side deals? Why and how did this occur after all we've been through for over two years? It is a "travesty" and you know it...and you, Lou, are the guy at the controls, allowing it all to happen.

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The good news is, my contract, at least, is clear and unambiguous. And, because of our past history together, I'm still trying to give you the benefit of the doubt, given CMGT's and your tough circumstance. I remain agreeable to further legitimate attempts to resolve this dispute amicably. As stated on our call, however, your delays and the pace of events are quickly forcing my hand. Lou, I asked you & Ron to respond by today (Thursday)...there is precious little time left. If you'd like to talk, we should do so immediately and we should deal directly - more name calling and threats would not be constructive.

I'm concerned for you, Lou. I have a hard time believing this is the real you I'm seeing now. I know it's hard for you to argue with Ron's professional stature and your long relationship, but, in my humble opinion, you are buying into some very bad advice. Please seek a second legal opinion and reconsider - you run CMGT, not Ron Given. No matter what anyone is telling you, I'm still on your side and I remain a staunch supporter of CMGT. Hopefully, we'll soon get an LOI from the Washoe Tribe that will keep all of your deserving stakeholders whole.

Best regards,

Gerry Spehar  
Spehar Capital, LLC

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6/17/2009

## Message

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# **EXHIBIT 32**

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**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**



**Robert Carroll**

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**From:** lfranco [lfranco@cmgt.com]  
**Sent:** Thursday, August 21, 2003 11:55 PM  
**To:** Given, Ronald B.  
**Subject:** RE: CMGT/Spehar Capital issues

Ron:

I agree!

I'll place a call to John Ross tomorrow AM and let you know what he says. There's a good chance John (Jinks is his nickname) already knows Dick was up to something because I sense Jinks was distancing himself from Dick when we last spoke.

Regards,

Lou

Louis J. Franco, RHU  
President & CEO  
CMGT, Inc.  
2 S 647 White Birch Lane  
Wheaton, IL 60187

voice: 630-260-9507  
cell: 630-215-8193  
fax: 978-389-1060

E-mail: [lfranco@cmgt.com](mailto:lfranco@cmgt.com)

=====  
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CMGT, Inc. Management  
=====

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

**From:** Given, Ronald B. [mailto:RGiven@mayerbrownrowe.com]  
**Sent:** Thursday, August 21, 2003 6:35 PM  
**To:** lfranco@cmgt.com  
**Subject:** Re: CMGT/Spehar Capital issues

He is a good writer I must say. Also, I clearly have succeeded in making myself the bad guy -- although I must say I don't remember talking about Mexicans. Just let it be.

-----  
Ronald B. Given  
Mayer, Brown, Rowe & Maw

190 S. LaSalle Street  
Suite 3132  
Chicago, IL 60603-3441  
Phone: (312) 701-7382  
Fax: (312) 706-8137  
Cell: (312) 286-5252  
Res.: (312) 431-9952  
Email: [rgiven@mayerbrownrowe.com](mailto:rgiven@mayerbrownrowe.com)

Assistant to Ronald B. Given:

Evajean T. Bugajski  
Phone: (312) 701-7632  
Email: [ebugajski@mayerbrownrowe.com](mailto:ebugajski@mayerbrownrowe.com)

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

From: lfranco <[lfranco@cmgt.com](mailto:lfranco@cmgt.com)>  
To: Given, Ronald B. <[RGiven@mayerbrownrowe.com](mailto:RGiven@mayerbrownrowe.com)>  
Sent: Thu Aug 21 19:23:19 2003  
Subject: FW: CMGT/Spehar Capital issues

Ron:

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My trust is in you and remains so.

Best regards,

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CMGT, Inc. Management

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

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Sent: Thursday, August 21, 2003 4:32 PM

To: Franco, Lou; Franco, Lou

Subject: CMGT/Spehar Capital issues

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