

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

CASE NO.

ZAAZOOM SOLUTIONS, LLC,
a Delaware limited liability company,

Plaintiff,

vs.

RMCR, INC., a Delaware corporation;
JEFFREY M. APPLEBAUM, individually;
and WENDY APPLEBAUM, individually,

Defendants.

AFFIDAVIT OF ANDREW S. LERMSIDER

I, Andrew S. Lermsider, being duly sworn, deposes and states as follows:

1. I am President and Chief Executive Officer of Fresco Consulting, a New York corporation, located at 10 Venetian Way, Suite 1901, Miami Beach, Florida 33139. Fresco Consulting was started in 2003. Its business purpose is Internet marketing and locating of unique Internet-related products and services.

2. After attending college at New York University, opening my own real estate brokerage firm and property management company in Manhattan for eight years, and having always been interested in technology and the Internet, I started an Internet-related business called Rentport.com. The company was developed around a program whereby rent payment history of a tenant would be provided in a format (Metro 2) that was acceptable by all 3 major credit bureaus (TransUnion, Equifax and Experian) as a line item of rent payment history on



each tenant's credit report. It proved to be a valuable tool for landlords as it provided a score for a person's history in paying rent and gave tenant's a strong line of credit to obtain future rental housing or a traditional mortgage. Eventually, the company was sold to TransUnion for \$31 million in 2005. As a result of starting this company, I developed a relationship and understanding of how the three major credit bureaus worked and the services they provided for resale.

3. After Rentport.com, I continued to focus on Internet marketing via, affiliate advertising, contextual marketing, CPA, CPC and other new and inventive ways to market online. Eventually, I started Fresco. Originally, its business purpose was Internet marketing and building out web sites for unique products and services I was able to source through third party vendors. As the company developed, I began to find myself seeking out unique products and services and pitching them to Internet service providers and others interested in investments in Internet companies.

4. In 2004, I became involved in doing television commercials, which resulted in my relocation to Miami, Florida. I also continued my activities through Fresco. It was about this time that I was first introduced to Gary Thomas through one of the projects I was working on.

5. Gary Thomas is presently one of the principals in Zaazoom, Solutions LLC, a Delaware limited liability company. While the project did not go as planned, I developed a good working relationship with Thomas and began sourcing products and services for some of his other companies before he became affiliated with Zaazoom.

6. I initially located an identity theft product for a company that Gary Thomas was operating that successfully rolled out in January 2006 and continues to run very well

today. My deal was structured such that I was paid a commission per successful transaction under the program.

7. The program was sold through affiliate marketing. Essentially, the program was structured similar to the program at issue in this case. The internet marketing company, in this case, Zaazoom, obtained its database of customers from affiliate companies. The consumer contacted the affiliate through its website and it was directed to Zaazoom. Zaazoom would compile this database of customers and use other wholesale vendors to provide the product or service.

8. I was also involved in putting together similarly structured relationships. For the most part, the internet marketing company like Zaazoom would do the marketing of the product through its affiliates. While the revenues were handled by the internet marketing company, third party companies would provide the product or service at wholesale prices to the internet marketing company. The consumer knows the product or service by the private brand of the internet marketing company. In these situations, it was always understood that the customers were those of the internet marketing company and not the wholesale company that provided the services under the program.

9. Sometime in 2006, Gary advised me that Zaazoom was interested in a developing a credit monitoring product. In an attempt to locate a service provider for Zaazoom, I called my contacts at TransUnion, but it proved very difficult to get the credit bureaus to provide credit reports or other credit products for resale.

10. At about that time, I was asked by a friend if I would evaluate an investment opportunity in a credit monitoring company given my years of experience in Internet related businesses and my knowledge of the credit industry from my ownership of Rentport.com.

The company that I evaluated was RMCR, Inc., a Delaware company with its principal place of business in Boca Raton, Florida.

11. Through my evaluation of the company, I met Jeffrey Applebaum, the owner of the company. After my review, my friend did not feel comfortable about the amount of money that he had to invest in the company relative to the proposed ownership interest and lack of control. In addition, the current marketing model RMCR, Inc. used was proving to be ineffective and a giant strain on cash flow that the company did not seem to have.

12. I also felt that the website was not very sophisticated and did not optimize the capabilities of the program. RMCR had some inherent problems. At the time, I gave Applebaum suggestions to improve his product, which he seemed to appreciate. It was very clear to me that Jeffrey Applebaum was new to Internet marketing and needed help to capitalize on the great product he had available to him. During the time when I was first introduced to Jeffrey Applebaum, I genuinely was looking to help him make the right moves to build his business and make it a success.

13. Given that Zaazoom had already indicated an interest in a credit monitoring product, I saw an opportunity to put these two companies together. Zaazoom needed a contractual relationship with one of the credit bureaus, and RMCR offered that access. I pitched the idea of using RMCR as a wholesale service provider to Gary Thomas at Zaazoom.

14. From my prior review of the market, I realized the reluctance of the three major credit bureaus, with resellers and the difficulty in getting a reseller's license. RMCR's existing resale agreement was an opportunity for Zaazoom, which already had the affiliate marketing structure in place.

15. Initially, I thought that RMCR had a direct relationship with one of the three credit bureaus, but I subsequently discovered that his relationship was with a major reseller, First Advantage.

16. In September or early October of 2006, I arranged for Jeffrey Applebaum to travel to Phoenix, Arizona to meet with me and Gary Thomas from Zaazoom. The bill for the whole trip for both Jeffrey and myself was paid by Zaazoom. In the discussions, from the onset, it was made very clear that RMCR would act as a wholesaler and Zaazoom would be the retailer. More important, it was expressly understood by the parties that RMCR would be servicing Zaazoom's customer database, but that these were Zaazoom's customers and the information provided to RMCR regarding those customers would be considered confidential information of Zaazoom, not to be used outside of the exclusive relationship created by the contract. Zaazoom would handle all billing and RMCR would not participate in any affiliate marketing of its own site.

17. The Phoenix meeting went well and the parties left with a verbal agreement on pricing and basic terms outlining the relationship mentioned above. Over the course of several weeks, a written agreement was executed on October 13, 2006.

18. From the time I first met Jeffrey Applebaum up until a little after the contract was signed, he had always been pleasant and nonconfrontational. However, there was some delays in getting the program up and running. A lot of it had to do with integrating RMCR into the Zaazoom structure. Applebaum became frustrated that the project was not going fast enough although much of the delay was normal for this kind of Internet business. At that time, I started to see the irrational behavior of Jeffrey Applebaum.

19. Going forward, he became very irrational and began screaming and yelling at individuals at Zaazoom and in my communications with him.

20. As we were approaching the launch, the revenues from the sales were supposed to run through the merchant account of Zaazoom. However, Zaazoom would not be able to set up an arrangement with a merchant bank for more than sixty days. Applebaum became upset and irate over this.

21. Once settled down, Applebaum came up with a solution to the problem and offered to permit Zaazoom to use his existing merchant account at First Data Merchant Services. Zaazoom agreed to use RMCR's merchant account as a way to accommodate RMCR and Jeffrey Applebaum with the understanding that once Zaazoom had its merchant bank relationship set up and running the accounts would be transferred over. While the monies were run through the RMCR existing merchant accounts, the monies were clearly segregated by the creation of a new sub-account and placed into Zaazoom controlled bank accounts on all transactions.

22. Even after the program was up and running, Jeffrey Applebaum continued to be irrational to the point that I felt that he was mentally ill. In fact, Applebaum told me that he was on medication for his mood swings. Although I was sympathetic to this behavior and saw that he was emotionally and mentally unstable and tried not to take his attacks personally, Applebaum's behavior became such that I was concerned that the program would eventually be disrupted by him.

23. At or about this time, I introduced Applebaum to another group with a \$400 million dollar a year marketing company to provide his services to their entire customer base. In his dealings with this company, the deal blew up after Applebaum acted irrationally on one

or more occasions causing concern on the part of the executives of this company and fear of harm that Applebaum would physically retaliate for not moving on the business venture with him. It is my understanding that the police were called to Applebaum's home on at least one occasion.

24. In December 2006, I started to talk to other possible providers including First Advantage because of my concern with Applebaum's mental capacity and its impact on what appeared to be a profitable venture.

25. In February of this year, my discussions with First Advantage became more serious. We both signed a Confidentiality and Non-Disclosure Agreement ("NDA") on February 14, 2007. Eventually, a similar NDA was signed between Zaazoom and First Advantage. At that time, we did not tell First Advantage that RMCR was the present provider under the program. I merely told them that my client was working with another vendor and it was not working out because the vendor was mentally unstable. It was very clear in our discussions with First Advantage that even the fact that we were negotiating for a direct agreement was itself confidential especially given the existing relationship with another vendor.

26. The negotiations between Zaazoom and First Advantage proceeded such that the parties were exchanging drafts of a written agreement in late March.

27. While I was involved in some discussions, the primary negotiations were between Moe Tassoudji of Zaazoom and Robert Richardson of First Advantage.

28. There was a serious concern by both the principals of Zaazoom and myself that Applebaum, given his mental state, would terminate the present agreement.

29. On or about April 5, 2007, I was contacted by Applebaum and he told me that he was going to terminate the contract. He indicated that he felt he could continue to service the Zaazoom customers and cut Zaazoom out of the deal completely on their current database of 8,000 customers. I told him that the customers were Zaazoom's customers and if he was to terminate the agreement there was a way to do it that would not cause harm to either party.

30. Applebaum said he had no obligation to keep the information confidential. I told him that he was stealing Zaazoom's customers. He said that there was a loophole in the contract and that the customers were his customers. He further indicated that Zaazoom did not have the social security numbers of the customers so Zaazoom could not service the customers.

31. He also said that he always planned on terminating the contract and taking the customers as his own, because he was the only one who could service the customers. He also said that he was switching the billing into his own bank account. He also told me that he had contacted affiliates of Zaazoom previously and that one of the affiliates had already agreed to go with him. He told me that he had always intended to have direct contracts with the affiliates and set up a competing business.

32. I tried to mediate with Applebaum but he continued to act irrationally. At one point, Applebaum physically threatened me. At that time, he referenced an incident where he assaulted another friend in his office. He referenced that he would do the same to me. My efforts to mediate with him were not at all successful. While Zaazoom seemed willing to be flexible and willing to figure out a solution that would let them both part ways amicably, Applebaum was only focused on one thing taking the Zaazoom customers and billing them through his bank account.

If called to testify, I could competently testify to the above-stated facts following.


ANDREW S. LERMSIDER

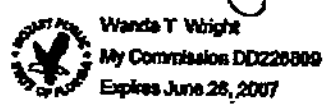
STATE OF Florida)
COUNTY OF Miami-Dade)

I HEREBY CERTIFY that, on this day, before me, an officer duly authorized in the State and County aforesaid to administer oaths and take acknowledgements, personally appeared ANDREW S. LERMSIDER, who, after being duly sworn, acknowledged before me that the facts set forth in this Affidavit are true and correct to the best of his knowledge and belief.

WITNESS my hand and official seal in the County and State last aforesaid this 18th day of April, 2007.

Wanda T. Wright
NOTARY PUBLIC
Name: Wanda T. Wright

Seal/Stamp:



Personally known
 Produced: _____ as identification.