

03-1188-CD
STEPHEN R. VOLPE vs. SWIFT, KENNEDY & ASSOCIATES, INC.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188-CD
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant : Type of Pleading: Complaint
: Filed on behalf of: Stephen R. Volpe,
: Plaintiff.
: Counsel of Record for this party:
: THE HOPKINS LAW FIRM
: DAVID J. HOPKINS, ESQUIRE
: Attorney at Law
: Supreme Court No. 42519
: LEA ANN HELTZEL, ESQUIRE
: Attorney at Law
: Supreme Court No. 83998
: 900 Beaver Drive
: DuBois, Pennsylvania 15801
: (814) 375-0300

FILED

AUG 12 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
:
vs. : No.
:
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant

NOTICE

TO: Defendant

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Amended Complaint is served, by entering a written appearance personally or by Attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Office of the Court Administrator
Clearfield County Courthouse
230 E. Market Street
Clearfield, PA 16830
(814) 765-2641 (ext. 5982)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
:
vs. : No.
:
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :

COMPLAINT

AND NOW, comes Plaintiff, Stephen R. Volpe, by and through his attorneys, The Hopkins Law Firm, and files the within Complaint and in support thereof says as follows:

COUNT I – IN EQUITY

1. Plaintiff, Stephen R. Volpe, is an adult individual who resides at 1017 Green Glen Drive, DuBois, Clearfield County, Pennsylvania.

2. Defendant, Swift, Kennedy & Associates, Inc. (hereinafter "Swift Kennedy") is a Pennsylvania corporation that maintains offices at 994 Beaver Drive, DuBois, Pennsylvania.

3. Swift Kennedy is the seller of employee benefits and health insurance throughout the Commonwealth of Pennsylvania.

4. Prior to March 26, 2002, Plaintiff was the owner of all of the issued and outstanding stock of Swift Kennedy.

5. Prior to March 26, 2002, representatives of Helpmates, Inc., a Pennsylvania corporation, with offices at 225 South Street, Ridgway, Pennsylvania represented by its President, G. Scott Carlson (hereinafter "Carlson") entered into negotiations to acquire Swift Kennedy.

6. One of the motivating factors for Plaintiff's desire to sell Swift Kennedy to Defendant was his health. Prior to September, 1999, Plaintiff suffered a heart attack and subsequent examinations revealed Plaintiff suffered from three (3) blocked arteries. Plaintiff had two stints inserted into his heart arteries; however, there remains significant blockage in two other arteries. Plaintiff also suffers from diabetes. It was Plaintiff's desire to find a buyer for his business allowing Plaintiff to work significantly less hours and be under significantly less stress.

7. On March 26, 2002, Swift Kennedy, Plaintiff and Helpmates, Inc. entered into a Stock Purchase Agreement in which Plaintiff agreed to sell all of the common stock of Swift Kennedy to Helpmates, Inc. A photocopy of the Stock Purchase Agreement is attached hereto and contained the following Schedules:

- a. Promissory Note – Schedule A;
- b. Liability to Swift, Kennedy & Associates, Inc. – Schedule B;
- c. Machinery and Equipment List – Schedule C;
- d. Contracts – Schedule D;
- e. Employment Agreement – Schedule E.

8. The general agreement between the parties was that Helpmates, Inc. would pay Plaintiff \$1,680,000.00 (\$1,200,000.00 in cash and a \$480,000.00 Promissory Note) and Swift Kennedy would enter into an employment agreement with Plaintiff paying Plaintiff not less than \$35,000.00 per year together with health insurance benefits for Plaintiff and his wife and automobile privileges for Plaintiff and his wife.

9. At the execution of the agreement, the parties anticipated Plaintiff would work a declining number of hours per week each year until such time as Plaintiff reached six (6) hours per week. The schedule was as follows:

1. During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation as set forth below:

- a. On average, thirty (30) hours per week for months one (1) through twelve (12);
- b. On average, twenty four (24) hours per week for months thirteen (13) through twenty-four (24);
- c. On average, eighteen (18) hours per week for months twenty-five (25) through thirty-six (36);
- d. On average, twelve (12) hours per week for months thirty-seven (37) through forty-eight (48);
- e. On average, six (6) hours per week for months forty-nine (49) through sixty (60);

10. Following the execution of the Stock Purchase Agreement, the Stock Purchase Agreement was amended on two (2) different occasions. In the First Amendment to the Stock Purchase Agreement, the President of Helpmates, Inc., G. Scott Carlson, and his wife, Deborah Carlson, agreed to personally guarantee the \$480,000.00 promissory note to Plaintiff to assign the death benefits of a \$500,000.00 life insurance policy to Plaintiff.

11. Following the execution of the Stock Purchase Agreement and the First Amendment to the Stock Purchase Agreement, Plaintiff and Helpmates, Inc.'s President, G. Scott Carlson, became concerned with three (3) issues:

- a. An unrelated company named Swift Kennedy Financial Company, Inc. and an individual named Matthew T. Ruttinger both

possessed the right of first refusal to purchase the corporate stock of Swift Kennedy and Helpmates was concerned they would exercise their option to purchase Swift Kennedy.

b. Plaintiff was concerned that something could happen to Carlson where he would no longer be President of Helpmates, Inc. and Plaintiff was concerned with having to work for any individual other than Carlson with whom Plaintiff believed he had a good relationship and whom Plaintiff believed was an individual with whom he could work effectively.

c. Plaintiff had recently had heart surgery and was concerned with his health.

12. Consequently, Plaintiff, Defendant and Helpmates, Inc. entered into a Second Addendum to Stock Purchase Agreement, a photocopy of which is attached hereto as Exhibit "B". In the Second Addendum to the Stock Purchase Agreement, the parties agreed:

a. In the event Helpmates, Inc. sold, conveyed, merged or consolidated Swift, Kennedy & Associates, Inc. within ten (10) years of the closing date, Plaintiff would receive \$1,000,000.00 on the date of transfer; and

b. Plaintiff would only be required to work five (5) hours per week.

13. On or about April 30, 2002, the transaction contemplated by the Stock Purchase Agreement closed and Plaintiff conveyed all of the corporate stock of Swift Kennedy to Helpmates, Inc.

14. On April 30, 2002, Plaintiff resigned as an officer and a director of Swift, Kennedy & Associates, Inc. effective the same day. See Exhibit "C".

15. On April 30, 2002, Plaintiff and Defendant executed an Employment Agreement set forth herein as Exhibit "D" which provides in pertinent part as follows:

1. During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation at least five (5) hours per week.

16. The intent of the parties in the Employment Agreement was to provide a method to allow Defendant a current tax deduction for more of the purchase price as an ongoing expense and to permit Defendant's new management to benefit from Plaintiff's extensive knowledge of the employee benefit – health insurance business. Plaintiff reduced his income from \$350,000.00 per year plus benefits and pension to \$35,000.00 per year. The parties did not intend to require Plaintiff to "beat the streets" looking for business unless that was Plaintiff's desire.

17. Following the April 30, 2002 closing, Plaintiff and Defendant operated under the terms of the Employment Agreement until such time as G. Scott Carlson was terminated as the President of Helpmates, Inc. wherein Helpmates, Inc. was then run by G. Scott Carlson's father, Gary Carlson, and Rodney Moline.

18. Defendant demanded Plaintiff work forty (40) hours per week as a health insurance salesman. Plaintiff then brought a declaratory judgment action in the Court of Common Pleas of Clearfield County under Docket No. 03-225 C.D.

19. On May 21, 2003, the trial court held a hearing. The only two (2) people who negotiated the contact, Plaintiff Stephen R. Volpe and former Helpmates' executive

G. Scott Carlson testified the five (5) hours was not intended to apply to Plaintiff's work as an officer and director of the corporation, but rather was to be the total amount of hours Mr. Volpe was to work for the entire week. The parties further agreed the understanding between the parties was Mr. Volpe was not required to report to work daily, but rather, was to be available for general consultation in the event problems developed with Swift Kennedy or its important customers.

20. By Opinion and Order dated July 9, 2003, the trial court ruled the language of the contract obligated Defendant to work more than five (5) hours per week citing the parole evidence rule.

21. Accepting the trial court's decision as correct for the purposes of this action, the language the parties used in inserting five (5) hours per week after "and at the Corporation's request to serve as an officer in/or director of the Corporation" was obviously a mistake.

22. Plaintiff incorporates the May 21, 2003, testimony of Stephen V. Volpe and G. Scott Carlson as if set forth at length herein. The transcript of the testimony has been ordered from the Clearfield County Court Reporter.

23. Plaintiff requests the Court to reform the contract to provide that Plaintiff is not required to appear at work on a daily basis, but rather, to make himself available for general consultations regarding the activities of the business and at most to be available five (5) hours per week.

24. The intent of the parties was that Mr. Volpe would not be required to report to work daily, but rather would be available for general consultation and would under no circumstances be obligated to work more than five (5) hours per week.

WHEREFORE, Plaintiff respectfully requests this Honorable Court to reform the Employment Agreement between Swift Kennedy & Associates, Inc. and Stephen R. Volpe to provide that Plaintiff is not required to appear at work on a daily basis, but rather, to make himself available for general consultations regarding the activities of the business and at most to be available five (5) hours per week.

COUNT II – IN LAW

25. Plaintiff repeats each of the allegations set forth in Count I as if set forth at length herein.

26. Subsequent to the stock sale, Defendant approached Plaintiff and requested Plaintiff consent to classify the sale as an asset sale pursuant to Section 382 of the Internal Revenue Code (26 USC 382).

27. If Plaintiff consented to a Section 382 election, Plaintiff's 2002 federal and state income taxes would be substantially increased.

28. To induce Plaintiff to consent to a "382 election", Defendant agreed to pay to Plaintiff an amount equal to the increased income taxes Plaintiff would incur in the year 2002 as a result of the "382 election".

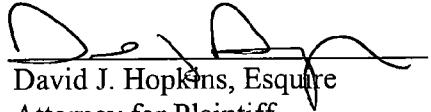
29. In reliance upon Defendant's representations, Plaintiff did consent and make a "382 election" classifying the sale as an asset sale.

30. As a result of Plaintiff making a "382 election" as set forth herein, Plaintiff's 2002 income taxes increased by approximately \$75,000.00.

31. Plaintiff has made demand upon Defendant for payment of \$75,000.00. Defendant has refused to tender payment constituting a breach of Defendant's agreement.

WHEREFORE, Plaintiff demands judgment against Defendant, Swift Kennedy & Associates, Inc., in the amount of \$75,000.00 together with cost of suit, pre and post judgment interest and such other relief as the court deems fair, just and equitable.

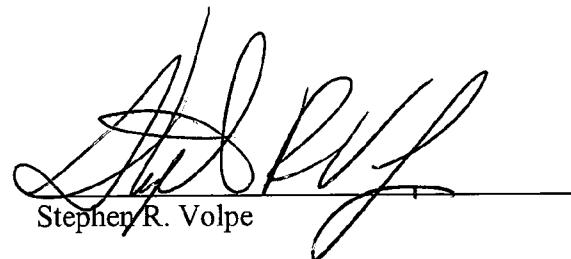
Respectfully submitted,



David J. Hopkins, Esquire
Attorney for Plaintiff

VERIFICATION

I hereby verify that the statements made in this pleading are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. Section 4904, relating to Unsworn Falsification to Authorities.



Stephen R. Volpe

STOCK PURCHASE AGREEMENT

THIS AGREEMENT, is made as of the 26 day of March, 2002, by and among:

Swift Kennedy & Associates, Inc., a Pennsylvania business corporation with offices at 994 Beaver Drive, DuBois, Pennsylvania (hereinafter referred to as the "Company"),

AND

Stephen R. Volpe, of 1017 Green Glen Drive, DuBois, Pennsylvania, an adult individual and resident of the Commonwealth of Pennsylvania, constituting the holder of all the issued and outstanding shares of capital stock of the Company, (hereinafter referred to as the "Seller"),

AND

Helpmates, Inc., a Pennsylvania business corporation, with offices at 225 South Street, Ridgway, Pennsylvania (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, the Company is engaged in the business of insurance brokerage (the "Business"); and

WHEREAS, Seller is the owner of One Hundred (100) shares of common stock, no par value, of the Company, constituting all of the issued and outstanding shares of capital stock of the Company (hereinafter referred to as the "Shares"); and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Shares on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the respective promises, representations, warranties and covenants herein contained, and intending to be legally bound, the parties hereto do hereby agree as follows:

Section 1. Sale and Purchase of Shares

1.1 Sale and Purchase. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), Seller will sell, transfer, convey and assign to Buyer, and Buyer will purchase from Seller, all of the issued and outstanding shares of capital stock of the Company on the Closing Date, all of which are, and on the Closing Date will be, free and clear of any and all liens, claims, charges, pledges, security interests or other encumbrances of any nature whatsoever ("Liens").

Section 2. Closing; Closing Date.

2.1. The Closing hereunder (the "Closing") shall take place at 10:00 a.m. at the Hopkins Law Firm on May 1, 2002, or as soon as practicable thereafter after Seller's "Rights of First Refusals" have ended or on such other date as the parties may mutually agree (the "Closing Date"). The parties agree that the Seller's "Rights of First Refusals" must be removed or ended no later than ninety (90) days after execution of this Agreement. If the "Rights of First Refusals" have not been removed or waived within ninety (90) days, Buyer or Seller may terminate this Agreement. At the Closing, Seller shall deliver to Buyer certificates representing the Shares, each certificate to be duly endorsed in blank or with stock powers annexed thereto duly executed in blank, in proper form for transfer of the Shares to Buyer upon delivery.

Section 3. Purchase Price.

3.1. The purchase price for the Shares shall be One Million Six Hundred Eighty Thousand Dollars (\$1,680,000.00). The Purchase Price shall be payable as follows: One Million Two Hundred Thousand Dollars (\$1,200,000.00) payable by certified or official bank checks or by a wire transfer in such manner (and in the case of a wire transfer, to a single bank account) as Seller shall designate to Buyer and a Promissory Note in the amount of Four Hundred Eighty Thousand Dollars (\$480,000.00) executed by Buyer and duly delivered at Closing, which Promissory Note shall be substantially in the same form as attached hereto as Exhibit A. The purchase price shall be allocated One Million Five Hundred Eighty Thousand Dollars (\$1,580,000.00) towards the purchase of the Company's capital shares and One Hundred Thousand Dollars (\$100,000.00) towards the noncompetition agreements set forth in Section 4.

3.2. In addition to the purchase price, Seller shall be entitled to receive premiums earned but not yet paid to the Closing Date.

3.3. As security for the unpaid balance, the Buyer does hereby pledge and hypothecate all of the corporate stock of the Company to the Seller. Upon payment of the Promissory Note, Seller shall return the corporate stock of the Company to Buyer.

Section 4. Trade Secrets; Noncompetition.

4.1. Confidentially. Seller shall not at any time hereafter use for his own benefit, or divulge to any other person, firm or corporation, any confidential information or trade secrets which the Company, may have imparted to him, and upon the consummation of the transactions contemplated hereby, he will deliver to the Company all lists of customers, books, records and all other property constituting confidential information belonging to the Company; provided, however, that the restrictions of this Section 4.1 shall not extend to any confidential information which, at the time such information was disclosed by Seller was in the public domain or thereafter entered the public domain other than through disclosure by Seller or was or becomes readily ascertainable from public sources. If at any time Seller is requested or required (by oral questions, interrogatories,

requests for information or documents, subpoenas or similar legal process) to disclose any such information, he (to the extent reasonably practical) shall notify Buyer immediately and shall refrain from making such disclosure so that Buyer may, at its own expense, seek an appropriate protective order and/or waive compliance with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, in the reasonable opinion of the Seller's counsel, he is compelled to disclose such information to any tribunal or any governmental agency to avoid being liable for contempt or suffering any other penalty, Seller may disclose such information to such tribunal or agency without liability hereunder; provided, however, that he gives Buyer prompt notice of such decision. Seller shall use his best efforts to prevent the respective directors and officers of such entities from violating the provisions of this Section 4.1. For the purposes hereof, the term "confidential information" means information of or related to the customer and marketing relationships of the Business, and business and financial information of the Business.

4.2. Non-Competition. No Seller shall, for a period of five (5) years following the Closing Date, in any manner directly or indirectly, engage in any business which competes with the activities in which the Company is presently engaged and no Seller will directly or indirectly own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed by, or connected in any manner with, any person, corporation, firm or business that is so engaged; provided, however, that nothing herein contained shall prohibit any Seller from owning not more than 5% of the outstanding stock of any publicly held corporation.

4.3. Non-Solicitation. No Seller shall, at any time during the period of five (5) years following the Closing Date, solicit, employ or retain, or otherwise participate in the employment or retention of, in any capacity, any employee or consultant (where, if such consultant were so employed or retained, Buyer or the Company would be put at a competitive disadvantage) currently paid by, retained, or under agreement with the Company.

4.4. Specific Performance. Seller acknowledge that a violation of the foregoing covenants of this Section 4 may cause irreparable injury to the Company and Buyer and that the Company and Buyer will be entitled, in addition to any other rights and remedies they may have, to injunctive relief from any court of competent jurisdiction without the need of posting any bond or other security.

4.5. Saving Clause. In the event the covenants contained in this Section 4 should be held by any court or other constituted legal authority to be void or otherwise unenforceable in any particular jurisdiction or with respect to any particular activity, then Seller and Buyer shall consider this Section 4 to be amended and modified so as to eliminate therefrom that particular jurisdiction or activity as to which such covenants are so held to be void or otherwise unenforceable, and, as to all other jurisdictions and activities covered hereby, the terms and provisions hereof shall remain in full force and effect. Seller acknowledge that the amount to be paid to Seller by Buyer for the covenants set forth in this Section 4

on the Closing Date pursuant to the terms of Section 3 hereof is fair and reasonable and constitutes good and valid consideration for such covenants.

Section 5. Representations and Warranties of Seller.

Seller represents and warrants to Buyer as follows:

5.1. Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of Pennsylvania and has all requisite corporate power and authority and all necessary licenses and permits to carry on the Business as it has been and is now being conducted. The Company is duly qualified or licensed and in good standing to conduct the Business in the Commonwealth of Pennsylvania and in any other jurisdictions in which it conducts any portion of the Business.

5.2. Capitalization. The total authorized shares of the Company consists of Ten Thousand (10,000) shares of common stock, no par value, of which only One Hundred (100) Shares are issued and outstanding. All of the Shares have been duly and validly authorized and issued and are fully paid, nonassessable and free of preemptive rights with no liability attaching to the ownership thereof.

5.3. Options. There are no existing agreements, subscriptions, options, warrants, calls, commitments, trusts (voting or otherwise), or rights of any kind whatsoever.

5.4. Title to the Shares. Seller is the lawful record holder of and the beneficial owner of all of the issued shares, and Seller has good and marketable title to all of the issued shares. The Shares are owned by Seller free and clear of any and all Liens, and there are no existing agreements, subscriptions, options, warrants, calls, commitments, trusts (voting or otherwise), or rights of any kind whatsoever granting to any person or entity any interest in or the right to purchase or otherwise acquire any of the Shares from any Seller at any time, or upon the happening of any stated event except that Swift Kennedy Financial Company, Inc. and Matthew T. Ruttinger possess a right of first refusal to purchase Company.

5.4.1. Power and Capacity. Seller has full right, power and capacity to execute, deliver and perform this Agreement, to sell, transfer and deliver the Shares owned by Seller to Buyer hereunder and to perform all other transactions contemplated to be performed by Seller hereunder. This Agreement is a valid and binding obligation of Seller enforceable in accordance with its terms.

5.5. Freedom to Contract. The execution and delivery of this Agreement by Seller does not, and the performance by Seller of Seller's obligations hereunder will not, (a) violate or conflict with any provision applicable to the Shares or Articles of Incorporation or Bylaws of the Company, (b) violate any of the terms, conditions or provisions of any law, rule, regulation, order, writ, injunction, judgment or decree of any court, governmental authority, or regulatory agency, or (c) result in a violation or breach of, or constitute (with or without the giving of notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms,

conditions or provisions of any note, bond, indenture, debenture, security agreement, trust agreement, lien, mortgage, lease, agreement, license, franchise, permit, guaranty, joint venture agreement, brokerage or agency contract, or other agreement, instrument or obligation, oral or written, to which Seller or the Company is a party (whether as an original party or as an assignee or successor).

5.6. Charter and Organizational Documents. Seller has previously furnished Buyer with true and complete copies of the Certificates or Articles of Incorporation and Bylaws of the Company, as amended and currently in effect.

5.7. Financial Statements.

5.7.1. Buyer's and Company's accountants have met and disclosed such information to Buyer's satisfaction.

5.7.2. The Company's tax returns have been prepared pursuant to the tax basis of accounting applied on a basis consistent with that of preceding accounting period.

5.8. Absence of Undisclosed Liabilities. Except as disclosed on Exhibit B, the Company has no liabilities or obligations (whether absolute, accrued, contingent or otherwise). In the event any liability arises after the Closing of the transaction contemplated in this Agreement which was not disclosed on Exhibit B, which liability the Company and/or the Buyer becomes obligated to satisfy, the Buyer shall be entitled to offset from any amounts due the Seller the amount of such obligation actually paid by the Buyer and/or the Company. The right of offset shall apply to amounts due and payable for the Shares, as well as amounts due and payable for normal ongoing salary and/or commission payments to the Seller provided Buyer shall immediately notify Seller of said undisclosed liabilities within ten days of learning of said liabilities. Buyer's failure to notify Seller within ten days of learning of said liabilities shall bar Buyer's right to recover from Seller for undisclosed liabilities.

5.9. Machinery and Equipment. Exhibit C is a correct and complete list of each material item of equipment owned by the Company. All items listed on Exhibit C are in good operating condition and repair, subject to normal wear and use, and are usable in the ordinary course of business conducted by the Company.

5.10. Contracts. Exhibit D lists each and every contract to which the Company is a party, other than contracts and commitments listed in some other Exhibit hereto;

5.11. Absence of Default. Company has complied with and performed all of its respective obligations required to be performed under all material contracts, agreements and leases to which it is a party (whether as an original party or as an assignee or successor) as of the date hereof, and are not in default in any material respect under any contract, agreement, lease, undertaking, commitment or other obligation; and no event has occurred which, with or without the giving of notice, lapse of time or both, would constitute a default thereunder in any material respect. Seller, after due inquiry of the

Company, has no knowledge that any party has failed to comply with or perform any of its obligations required to be performed under any material contract, agreement or lease to which the Company (whether as an original party or as an assignee or successor) as of the date hereof, that any event has occurred which, with or without the giving of notice, lapse of time or both, would constitute a default by such party thereunder. In addition, Seller, after due inquiry of the Company, has no knowledge of any facts or circumstances which make a default to any material contract or obligation likely to occur subsequent to the date hereof.

5.12. Insurance. The Company maintains insurance coverage on its respective motor vehicles with respect to their employees and operations, covering risks that are prudently insured against by similar businesses.

5.13. Litigation. There are no actions, suits, labor disputes or arbitrations, legal or administrative proceedings or investigations pending against the Company, and to the best knowledge of Seller, after due inquiry of the Company, no actions, suits, material labor disputes or arbitrations, legal or administrative proceedings or investigations are contemplated or threatened against the Company. Company nor the assets, properties or business of Company, is subject to any judgment, order, writ, injunction or decree of any court, governmental agency or arbitration tribunal.

5.14. Tax Matters.

5.14.1. The Company has filed or will file all required Federal state, county, local, foreign and other tax returns and reports including without limitation income tax, estimated tax, whether or not measured in whole or in part by net income, within the prescribed period or any extension thereof for all periods prior to the Closing Date.

5.14.2. Neither the Seller nor the Company is a party to any pending action by any governmental authority for assessment or collection of taxes, or party to any dispute or threatened dispute in which an adverse determination would have a material adverse effect on the Business, operations, properties, or financial condition of the Company and no claim for assessment or collection of taxes has been made upon the Company nor is there any basis for such action or claim.

5.15. Employee Retirement Income Security Act (ERISA). Company maintains a "Defined Benefit Plan" within the meaning of the Code or ERISA. Company will, at Seller's request, terminate the plan and the plan assets shall be the property of Seller. Neither Company nor Buyer shall have any rights to the assets of the plan. Buyer and the Company shall follow the directions of Seller in regard to the termination of the plan. Seller shall be liable for any income tax liability as a result of the termination of the plan unless caused by Buyer or Company's negligence and agrees to fully indemnify Company and Buyer from any and all claims, demands, judgments, taxes, penalties, and any other expenses of whatever nature (including reasonable attorney's, accountant's, and actuary's fees) resulting from termination of the Plan. Seller represents that Seller is the

only participant in the plan and Seller is the only person entitled to any benefit from the plan.

5.16. Full Disclosure. No representation or warranty by Seller in this Agreement, any Exhibit or Schedule hereto contains any untrue statement of a material fact or omits to state any material fact necessary to make any statement herein or therein, in the light of the circumstances under which it was made, not misleading. Except as described in the Exhibits or Schedules hereto or to be delivered, all documents and agreements described in such Exhibits or Schedules are valid and effective in accordance with their respective terms.

5.17. 2002 Taxes. For tax year 2002, Company, Buyer and Seller shall elect to use the "specific accounting election" (also known as the "election to use normal accounting rules" and the "election to treat the tax year as if it consisted of two (2) tax years") as set forth in the Internal Revenue Code of 1986, as amended, Section 1377(a)(2). The Company shall not issue a K-1 to Seller that exceeds the profits of the Company as of the Closing Date.

Section 6. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller as follows:

6.1. Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereby to be performed by it.

6.2. Authorization. The execution and delivery by Buyer of this Agreement, and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate actions of Buyer.

6.3. Freedom to Contract. The execution and delivery of this Agreement by Buyer does not, and the performance by it of its obligation hereunder will not, (a) violate or conflict with any provision of the certificate of incorporation or bylaws of the Buyer or any amendments thereto or restatements thereof, (b) violate any of the terms, conditions or provisions of any law, rule, regulation, order, writ, injunction, judgment or decree of any court, governmental authority, or regulatory agency, or (c) result in a violation or breach of, or constitute (with or without the giving of notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, indenture, debenture, security agreement, trust agreement, lien, mortgage, lease, agreement, license, franchise, permit, guaranty, joint venture agreement, or other agreement, instrument or obligation, oral or written, to which Buyer is a party (whether as an original party or as an assignee or successor) or by which it or any of its properties is bound. Buyer knows of no governmental department, commission, authority, board, bureau, agency or other instrumentality, which is required to give approval in connection with Buyer's execution,

delivery and performance of this agreement and the consummation of the transactions required hereby.

6.4. Litigation.

6.4.1. Buyer is not a party to any suit, action, arbitration or legal, administrative, governmental or other proceeding or investigation pending or, to the best knowledge of Buyer threatened, which might adversely affect or restrict the ability of Buyer to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder.

6.4.2. There is no judgment, order, injunction or decree of any court, governmental authority or regulatory agency to which Buyer is subject which might adversely affect or restrict the ability of Buyer to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder.

6.5. Investment. The acquisition of the Shares by Buyer is being made for investment by Buyer and not with a view towards resale in connection with any distribution thereof.

6.6. Financial Resources. Buyer possesses the financial resources to complete the transaction contemplated herein.

Section 7. Covenants of Seller.

Seller, jointly and severally, hereby covenant and agree with Buyer as follows:

7.1. Conduct of Business Pending Closing. From the date hereof until the Closing Date, Seller will cause the Company to:

7.1.1. maintain its existence in good standing;

7.1.2. maintain the general character of its business and conduct its business in the ordinary and usual manner;

7.1.3. maintain proper business and accounting records;

7.1.4. maintain its properties in good repair and condition; and

7.1.5. use its best efforts to preserve its business intact, to keep available to the Company the services of their present officers and employees and to preserve for the Company the goodwill of their policyholders, subscribers, customers and others having business relations with the Company.

7.2. Prohibited Actions Pending Closing. Unless otherwise provided for herein or approved by Buyer in writing, from the date hereof until the Closing Date, Seller shall cause each of the Company not to:

- 7.2.1. Amend or otherwise change its respective Certificates or Articles of Incorporation, Bylaws or other governing documents.
- 7.2.2. Issue or sell, or authorize for issuance or sale, or grant any options or make other agreements with respect to, any shares of its capital stock or any other of its securities.
- 7.2.3. Authorize or incur any additional debt for money borrowed, or incur any additional debt other than normal trade debt and other than the lease of a motor vehicle for Seller's business use.
- 7.2.4. Mortgage, pledge or subject to lien or other encumbrance any of its properties or agree to do so.
- 7.2.5. Enter into or agree to enter into any material agreement, contract or commitment other than sales agreements entered into in the ordinary course of business.
- 7.2.6. Declare, set aside, make or pay any dividend or other distribution to Seller, or redeem, purchase or otherwise acquire, directly or indirectly, any of their capital stock, or authorize or effect any split-up or any recapitalization or make any changes in its authorized or issued capital stock; provided, however, that the Company may distribute all of the cash or other liquid marketable assets of the Company to Seller provided sufficient cash is available at closing to meet the Company's obligations set forth in Section 7.2.7.
- 7.2.7. As of the Closing Date, the Company shall have sufficient cash to pay the commissions due agents inside and outside of the Swift Kennedy Group and pay premiums due Blue Cross for "administered plans" up to the Closing Date.
- 7.2.8. Increase or agree to increase the compensation of any of its officers or directors, except that the Company may distribute all of the cash or other liquid marketable assets of the Company to Seller provided sufficient cash is available at closing to meet the Company's obligations set forth in Section 7.2.7.
- 7.2.9. Establish or adopt any Plan; modify, amend, restate, terminate or revise any Plan; take any action to deplete any asset of any Plan; or distribute any communication to any employee relating to a Plan except that Seller may terminate the Company's "Defined Benefit Pension Plan".
- 7.2.10. Sell or otherwise dispose of, or agree to sell or dispose of any of its assets or properties, except in the ordinary course of business. Company may trade the motor vehicle Seller drives.
- 7.2.11. Amend or terminate any lease, contract, undertaking or other commitment listed in any of the Exhibits or Schedules to this Agreement to which it is a party, or to take action or fail to take any action, which would result in an event of default thereunder.

7.2.12. Assume, guarantee or otherwise become responsible for the obligations of any other party or agree to so do.

7.2.13. Invest any assets of the Company which are to be sold and transferred to Buyer, except the reinvestment of cash or cash equivalents in U.S. Treasury Bills and/or certificates of deposit.

7.2.14. Take any action prior to the Closing Date which would breach any of the representations and warranties contained in this Agreement.

7.3. Access. From and after the date hereof until the Closing, Seller shall cause the Company to afford and, with respect to clause (b) below, shall cause the independent certified public accountants for the Company to afford, (a) to the officers, independent certified public accountants, counsel and other representatives of Buyer free and full access at all reasonable times to the properties, books and records (including tax returns filed and those in preparation) of the Company and the right to consult with the officers, employees, accountants, counsel and other representatives of the Company in order that Buyer may have full opportunity to make such investigations as it shall reasonably desire to make of the affairs of the Company, including without limitation, the taking by independent certified public accountants of Buyer of a physical inventory of the Company, (b) to the independent certified public accountants of Buyer free and full access at all reasonable times to the work papers and other records of the accountants who have prepared financial statements relating to the Company and (c) to Buyer and its representatives such additional financial and operating data and other information as to the business and properties of the Company, as Buyer shall from time to time reasonably require; provided, however, that any such investigation shall not affect or otherwise diminish or obviate in any way any of the representations and warranties of Seller hereunder.

7.4. Attorney-in-Fact. Each Seller hereby irrevocably appoints David J. Hopkins, Esquire as such Seller's attorney-in-fact and representative (the "Attorney-in-Fact"), such appointment to be coupled with an interest and not to terminate in the event of the death or incapacity of such Seller, to do any and all things and to execute any and all documents or other papers, in such Seller's name, place and stead, in any way which such Seller could do if personally present, in connection with this Agreement and the transactions contemplated thereby, including, without limitation, to act on behalf of all Seller in connection with matters arising under this Agreement. Buyer shall be entitled to rely, as being binding upon each Seller, upon any document or other paper believed by it to be genuine and correct and to have been signed or sent by the Attorney-in-Fact, and Buyer shall not be liable to any Seller for any action taken or omitted to be taken by it in such reliance.

Section 8. Conditions Precedent to Buyer's Obligations.

8.1. All obligations of Buyer under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent (any of which may be waived in writing in whole or in part by Buyer):

8.2. Representations and Warranties True as of Closing Date. Seller's representations and warranties contained in this Agreement and Schedules hereto shall be true on and as of the date hereof and shall be true on and as of the Closing Date with the same effect as though such representations and warranties were made on and as of the Closing Date, except for changes in the ordinary course of business which, individually or in the aggregate, do not result in a material adverse change to the Company.

8.3. Compliance with this Agreement. Seller shall have performed and complied with all agreements and conditions contained in this Agreement that are required to be performed or complied with by them prior to or at the Closing.

8.4. No Damage to Business. The properties or business of the Company shall not have been and shall not be threatened to be adversely affected as a result of fire, explosion, earthquake, disaster, accident, flood, drought, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy. There shall not be pending or threatened any strike or any action by any governmental authority which would have a material adverse effect on the properties or Business of the Company.

8.5. No Restraint. No suit, action, proceeding, or investigation shall have been instituted or threatened by any governmental agency, and no injunction shall have been issued and then outstanding, to restrain, prohibit or otherwise challenge the legality or validity of the transactions contemplated by this Agreement.

8.6. Notifications and Consents. Seller shall have timely given notice required to be given by them to any third party in connection with the consummation of the transactions contemplated hereby, including, without limitation, required notices to the holders of any indebtedness of the Company, the lessors of any real or personal property leased by the Company, Swift Kennedy Financial, Inc. and Matthew T. Ruttinger.

8.7. Resignations. Seller shall have delivered to Buyer the written resignation of each director of the Company.

Section 9. Conditions Precedent to Seller' Obligations.

All obligations of Seller under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent (any of which may be waived in writing in whole or in part by Seller):

9.1. Compliance with this Agreement. Buyer shall have performed and complied with all agreements and conditions contained in this Agreement that are required to be performed or complied with by it prior to or at the Closing.

9.2. Secretary's Certificate. Seller shall have been furnished with a certificate dated the Closing Date and signed by the Secretary or an Assistant Secretary of Buyer, setting forth (i) the names, signatures and positions of the officers of Buyer who have executed this Agreement or any other document executed by Buyer and delivered to Seller as a Closing document hereunder, and (ii) a copy of the resolutions adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement.

9.3. No Restraint. No suit, action, proceeding or investigation shall have been instituted or threatened by any governmental agency, and no injunction shall have been issued and then be outstanding to restrain, prohibit or otherwise challenge the legality or validity of any of the transactions contemplated by this Agreement.

Section 10. Cooperation.

10.1. All parties hereto shall use their best efforts (i) to respond promptly to any requests for additional information made by any governmental agencies (keeping the other parties informed of such requests) and (ii) to resist vigorously at their respective cost and expense any assertion that the transactions provided herein constitute a violation of any law, rule or regulation, all to the end of expediting the Closing.

10.2. Further Assurances. From and after the Closing, Seller, and Buyer, agree to execute and deliver such further documents and instruments and to do such other acts and things as Buyer or Seller, as the case may be, may reasonably request in order to effectuate the transactions contemplated by this Agreement. In the event any party shall be involved in litigation, threatened litigation or government inquiries with respect to a matter involving the Company, the other party shall also make available to such first party, at reasonable times and subject to the reasonable requirements of its or his own business, such of its or his personnel as may have information relevant to the matters provided such first party shall reimburse the providing party for its or his reasonable costs for employee time incurred in connection therewith if more than one business day is required. Following the Closing, the parties will cooperate with each other in connection with tax audits and in the defense of any legal proceedings, consistent with the other provisions for defense of claims provided in this Agreement to the extent such cooperation does not cause unreasonable expense, unless such expense is borne by the requesting party.

Section 11. Indemnification.

11.1. Indemnification by Seller. For a period of five (5) years after the Closing Date, Seller shall jointly and severally indemnify Buyer and hold Buyer harmless at all times from and after the Closing Date against and in respect of:

11.1.1. Any and all damages, losses, liabilities, taxes and deficiencies and penalties and interest thereon and costs and expenses resulting from any misrepresentation, breach of warranty and/or nonfulfillment of any covenant or agreement on the part of Seller under this Agreement. Seller's obligation for nonfulfillment of any obligation or agreement on the part of Seller under this Agreement shall end on the Closing Date.

11.1.2. Any claims or litigation relating to the company now pending or threatened or which may hereafter be brought against Buyer based upon events occurring prior to the Closing Date and not attributable to the acts of Buyer.

11.2. Indemnification by Buyer. Buyer shall indemnify Seller and hold Seller harmless at all times from and after the Closing Date against and in respect of:

11.2.1. Any and all damages, losses, liabilities, taxes and deficiencies, penalties and interest thereon and costs and expenses resulting from any misrepresentation, breach of warranty, and/or nonfulfillment of any covenant or agreement on the part of the Buyer.

11.2.2 Any claims or litigation relating to the company which may hereafter be brought against Buyer based upon events occurring subsequent to the Closing Date and not attributable to the acts of Seller.

11.3. Period of Indemnity. The aforesaid indemnities of Buyer and Seller shall remain in full force and effect: (a) as they relate to a third-party claim against any of Buyer, Seller, the Company, for a period equal to the applicable statute of limitation for such claim; and (b) as they relate to breaches of representations, warranties or covenants made by Seller and Buyer, for the period provided in this Agreement; provided, however, if at the expiration of the appropriate period any claim or assessment for indemnification has been asserted but not fully determined, or any audit or other proceeding with respect to any tax matter has been initiated, such period will be extended as to such claim, assessment, audit or other proceeding until it is finally determined or concluded.

11.4. Notice to the Indemnitor. Immediately after the assertion of any claim by a third party or occurrence of any event which may give rise to a claim for indemnification from an indemnitor (the "Indemnitor") under this Section, the party seeking indemnification (the "Indemnified Party") shall notify the Indemnitor in writing of such claim and, with respect to claims by third parties, advise the Indemnitor whether the Indemnified Party intends to contest same.

11.5. Rights of Parties to Settle or Defend. If the Indemnified Party determines not to contest such claim, the Indemnitor shall have the right, at its own expense, to contest and defend against such claim. If the Indemnified Party determines to contest such claim, the Indemnitor shall have the right to be represented, at its own expense by its own counsel and accountants (their participation to be subject to the reasonable direction of the Indemnified Party). In either case, the Indemnified Party shall make available to the Indemnitor and its attorneys and accountants, at all reasonable times during normal business hours, all books, records, and other documents in its possession relating to such

claim. The party contesting any such claim shall be furnished all reasonable assistance in connection therewith by the other party. If the Indemnitor fails to undertake the defense of or settle or pay any such third-party claim within ten (10) days after the Indemnified Party has given written notice to the Indemnitor advising that the Indemnified Party does not intend to contest such claim, or the Indemnitor, after having given such notification to the Indemnified Party, fails forthwith to defend, settle or pay such claim, then the Indemnified Party may take any and all necessary action to dispose of such claim including, without limitation, the settlement or full payment thereof upon such terms as it shall deem appropriate, in its sole discretion, subject to the following with respect to any proposed settlement thereof.

11.6. Settlement Proposals. In the event the Indemnified Party desires to settle any such third-party claim (whether or not contested by the Indemnitor), the Indemnified Party shall advise the Indemnitor of the amount it proposes to pay in settlement thereof (the "Proposed Settlement"). If such Proposed Settlement is unsatisfactory to the Indemnitor, it shall have the right, at its expense, to contest such claim by giving written notice of such election to the Indemnified Party within ten (10) days after the Indemnitor has been advised of the Proposed Settlement. If the Indemnitor does not deliver such written notice within ten (10) days after the Indemnitor has been advised of the Proposed Settlement, the Indemnified Party may offer the Proposed Settlement to the third party making such claim. If the Proposed Settlement is not accepted by the party making such claim, any new Proposed Settlement figure which the Indemnified Party may wish to present to the party making such claim shall first be presented to the Indemnitor who shall have the right, subject to the conditions hereinabove set forth in this Section, to contest such claim. In all such events, the Indemnitor shall indemnify the Indemnified Party and hold it harmless against and from any and all costs of defense, payment or settlement, including reasonable attorneys' fees incurred in connection therewith.

11.7. Reimbursement. At the time that the Indemnified Party shall suffer a loss because of a breach of any warranty, representation or covenant by the Indemnitor or at the time the amount of any liability on the part of the Indemnitor under this Section is determined (which in the case of payments to third persons shall be the earlier of (a) the date of such payments or (b) the date that a court of competent jurisdiction shall enter a final judgment, order or decree (after exhaustion of appeal rights establishing such liability), the Indemnitor shall forthwith, upon notice from the Indemnified Party, pay to the Indemnified Party, the amount of the indemnity claim. If such amount is not paid forthwith, then the Indemnified Party may, at its option, take legal action against the Indemnitor for reimbursement in the amount of its indemnity claim. For purposes hereof the indemnity claim shall include the amounts so paid (or determined to be owing) by the Indemnified Party together with costs and reasonable attorneys' fees and interest on the foregoing items at the rate of six percent (6.0%) per annum from the date the obligation is due from the Indemnified Party to the Indemnitor, as hereinabove provided, until the indemnity claim shall be paid.

11.8. Limitation on Indemnity. Anything herein to the contrary notwithstanding, an Indemnitor shall be required to indemnify and hold harmless an indemnified party under

this Section 11 only to the extent that the aggregate amount of the Indemnified Party's claims hereunder exceeds the sum of Five Thousand (\$5,000.00) Dollars.

11.9. No Effect on Right of Offset. Nothing in this Section shall adversely affect Buyer's right to offset any future payments due Seller as otherwise provided for in this Agreement provided Buyer has complied with the applicable notice provisions and Buyer has suffered an actual monetary loss.

Section 12. Survival of Representations and Warranties. All representations, warranties, covenants and agreements made by each party in this Agreement, in any Exhibit or Schedule hereto, or in any list, certificate, document or written statement furnished or delivered by any such party pursuant hereto shall survive the Closing, and shall remain in full force and effect, notwithstanding any investigation conducted before or after the Closing or the decision of any party to complete the Closing, for a period of one (1) year following the Closing Date; provided, however, that (a) all representations and warranties made by Seller with respect to tax matters shall survive until the relevant statute of limitations with respect to each such item has run and (b) if at the expiration of the appropriate period any claim or assessment for indemnification has been asserted but not fully determined, or any audit or other proceeding with respect to any tax matter has been initiated, such period will be extended as to such claim, assessment, audit or other proceeding until it is finally determined or concluded, and each party hereto shall be entitled to rely upon the representations and warranties of the other party set forth in this Agreement.

Section 13. Brokers' and Finders' Fees.

13.1. Seller. Seller represents and warrants to Buyer that all negotiations relative to this Agreement have been carried on by it directly without the intervention of any person or entity who or which may be entitled to a brokerage fee or other commission in respect of the execution of this Agreement or the consummation of the transactions contemplated hereby. Seller agree to indemnify and hold Buyer harmless against any and all claims, losses, liabilities or expenses which may be asserted against it as a result of Seller' or any of their affiliates' dealings, arrangements or agreements with any person or firm claiming to be a broker or finder.

13.2. Buyer. Buyer represents and warrants to Seller that all negotiations relative to this Agreement have been carried on by it directly without the intervention of any person or entity who or which may be entitled to any brokerage fee or commission in respect of the execution of this Agreement or the consummation of the transactions contemplated hereby, and Buyer agrees to indemnify and hold Seller harmless against any and all claims, losses, liabilities or expenses which may be asserted against them as a result of Buyer's or any of its affiliates' dealings, arrangements or agreements with any such other person or entity claiming to be a broker or finder.

Section 14. Additional Covenants.

14.1. Expenses. Each party hereto shall pay its own expenses incidental to the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the transactions contemplated hereby.

14.2. Press Releases. Neither Buyer nor Seller shall issue any press release nor otherwise make public any information with respect to this Agreement or the transactions contemplated thereby, prior to the Closing Date, without the express written consent of the other.

14.3. Allocation of Purchase Price. Buyer and Seller acknowledge that the allocation of the purchase price between the Shares and the covenants contained in Section 4 hereof was bargained for and negotiated. Buyer and Seller agree to report the transaction for Federal, state and local income tax purposes in a manner consistent with such allocation and in accordance with all applicable regulations, including, without limitation, Section 1060 of the Code. Seller acknowledge that they will report the receipt of amounts paid pursuant to the covenants contained in Section 4 hereof as ordinary income for all Federal, state and local income tax purposes.

Section 15. Contents of Agreement; Parties in Interest. This Agreement and the agreements referred to herein set forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended except by a written instrument duly executed by each of the parties hereto. Any and all previous agreements and understandings between or among the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement.

Section 16. Assignment and Binding Effect. This Agreement may not be assigned by either party hereto without the prior written consent of the other party; provided, however, Buyer may assign this Agreement to any of its subsidiaries or affiliates, without Seller's consent, as long as, in such event, Buyer shall remain liable for its obligations hereunder. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, personal representatives, successors and assigns of the parties hereto.

Section 17. Waiver. Any term or provision of this Agreement may be waived at any time by the party entitled to the benefit thereof by a written instrument duly executed by such party.

Section 18. Termination.

This Agreement may be terminated as follows:

18.1. Mutual Consent. By the board of directors of Buyer and by Seller mutually agreeing to terminate this Agreement; or

18.2. Exercise of Right of First Refusal. Swift Kennedy Financial Company, Inc or Matthew T. Ruttinger exercise their right of first refusal to purchase the company. Seller shall present the relevant terms of this Agreement to Swift Kennedy Financial Company, Inc. within five business (5) days of receipt of a fully executed copy of this Agreement.

18.3. In the event of the termination by either party as provided above, written notice of termination will forthwith be given by the party electing to terminate to the other party. Any termination pursuant to this Section shall be without liability on the part of any party to the other party hereto, except if such termination has resulted by reason of a breach by such party of any of its material obligations hereunder. Nothing in this Agreement shall be deemed to require any party to terminate this Agreement in the event that a condition precedent to its obligations hereunder is not met, rather than to waive such condition precedent and proceed to Closing.

Section 19. Notices. Any notice, request, demand, waiver, consent, approval, or other communication which is required or permitted to be given to any party hereunder shall be in writing and shall be deemed given only if delivered to the party personally or sent to the party by registered, certified mail (return receipt requested), or overnight mail using UPS or Federal Express, with postage and registration or certification fees thereon prepaid, addressed to the party at its address set forth below:

If to Buyer: Mr. G. Scott Carlson, President
Helpmates, Inc.
225 South Street
Ridgway, PA 15853

With copies to: Mark S. Weaver, Esq.
The Mazza Law Group, P.C.
1315 S. Allen Street, Suite 302
State College, PA 16801

If to Seller: Stephen R. Volpe
1017 Green Glen Drive
DuBois, PA 15801

With copies to: David J. Hopkins, Esq.
The Hopkins Law Firm
900 Beaver Drive
DuBois, PA 15801

or to such other address or person as any party may have specified in a notice duly given to the other party as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered or mailed.

Section 20. Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania as applied to contracts made and fully performed in such state.

Section 21. No Benefit to Others. The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto and their respective successors and assigns and they shall not be construed as conferring, and are not intended to confer, any rights on any other persons.

Section 22. Section Headings. All section headings are for convenience only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 23. Schedules and Exhibits. All Schedules and Exhibits referred to herein are intended to be and hereby are specifically made a part of this Agreement.

Section 24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and Seller and Buyer may become a party hereto by executing a counterpart hereof. This Agreement and any counterpart so executed shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 25. Other Agreements. Upon Closing, the Buyer shall cause the Company to enter into an employment agreement with Stephen R. Volpe substantially upon the same terms and conditions as attached hereto as Exhibit E.

Section 26. Life Insurance. The parties acknowledge that the Company presently owns and is the beneficiary of a policy of life insurance (US Financial Life Insurance Company – Policy No. 163208) on the life of Stephen R. Volpe with death benefits of \$1,100,000.00. Upon Closing, the Company and/or Stephen R. Volpe shall cause the beneficiary of such policy to be changed to Buyer and the heirs of Stephen R. Volpe until such time as the promissory note described in Section 3 is paid in full. However, the portion of the proceeds payable from the life insurance policy to the heirs of Stephen R. Volpe shall not exceed the amount due on the promissory note. Upon payment in full of the amount due under the promissory note, the beneficiary shall be the Buyer.

Section 27. Contingency.

27.1. The obligations of Seller to close this transaction is contingent on Swift Kennedy Financial Company, Inc. not exercising its right of first refusal to purchase the business of Swift Kennedy & Associates, Inc. as described in an agreement dated January 6, 1997 between Matthew T. Ruttinger, Swift Kennedy & Associates, Inc. and Stephen R. Volpe.

27.2. The obligations of Seller to close this transaction is contingent on Matthew T. Ruttinger not exercising his right to purchase the business of Swift Kennedy & Associates, Inc. as described in an agreement dated January 6, 1997 between Matthew T. Ruttinger, Swift Kennedy & Associates, Inc. and Stephen R. Volpe.

27.3. The obligations of Buyer pursuant to this Agreement are specifically contingent upon Buyer receiving financing from an institution of Buyer's choice upon such terms and conditions as Buyer shall, in its sole discretion, deem favorable and in its best interest. Nothing contained herein shall obligate Buyer to accept any offer of financing that Buyer does not, in its sole discretion, deem not to be in Buyer's best interest for any reason. In the event Buyer does not close this transaction pursuant to this paragraph 27.3, Buyer shall pay Seller Thirty Thousand Dollars (\$30,000.00) within thirty (30) days of Buyer notifying Seller that Buyer is not closing or Seller fails to close pursuant to paragraph 2.1.

Section 28. Automobile. On or after May 1, 2004, Seller or Seller's estate may purchase a 1998 Honda Accord titled in the name of the Company from the Company for the purchase price of One Dollar (\$1.00).

Section 29. Matthew T. Ruttinger. All references to the rights of Matthew T. Ruttinger and Swift Kennedy Financial Company, Inc. are those rights set forth in an Agreement dated January 6, 1997 between Matthew T. Ruttinger, Swift Kennedy Associates, Inc. and Stephen R. Volpe.

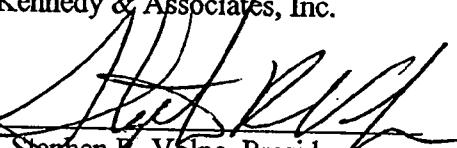
Section 30. Seller's Opinion of Counsel. At Closing, Seller's Counsel shall provide an opinion letter that the "Rights of First Refusal" of Swift Kennedy Financial Company, Inc. and Matthew T. Ruttinger have been removed or waived.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed this Agreement on the date first above written.

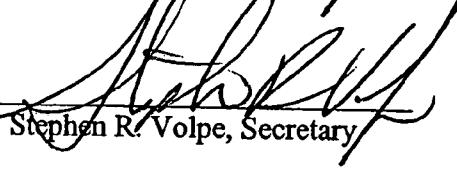
Company:

Swift Kennedy & Associates, Inc.

By:


Stephen K. Volpe, President

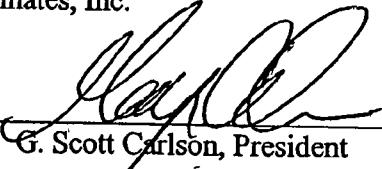
Attest:


Stephen R. Volpe, Secretary

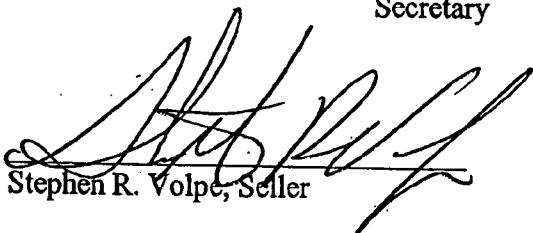
Buyer:

Helpmates, Inc.

By:


G. Scott Carlson, President

Attest:


Secretary

Stephen R. Volpe, Seller

EXHIBIT A

Promissory Note

PROMISSORY NOTE

Amount: \$ 480,000.00

Location: DuBois, Pennsylvania

Date: May __, 2002

FOR VALUE RECEIVED, and intending to be legally bound hereby, **HELPMATES, INC.**, a Pennsylvania corporation, of 225 South Street, Ridgway, Pennsylvania, hereinafter called the "MAKER," hereby promises to pay to the order of **STEPHEN R. VOLPE**, an adult individual, having a mailing address of 1017 Green Glen Drive, DuBois, Clearfield County, Pennsylvania 15801, hereinafter called the "PAYEE," the sum of **FOUR HUNDRED and EIGHTY THOUSAND (\$480,000.00) DOLLARS**, together with interest at the annual rate of six (6%) percent, beginning as of the date set forth above, with payments to be made as follows:

On or before May 1, 2004, the sum of \$160,000.00

- Principal of \$134,333.08
- Interest of \$25,666.92;

On or before May 1, 2005, the sum of \$160,000.00

- Principal of \$142,393.42
- Interest of \$17,606.58;

On or before May 1, 2006, the sum of \$160,000.00

- Principal of \$150,943.39
- Interest of \$9,056.61;

and provided that, without prior demand, the entire unpaid balance due under this Promissory

Note shall be payable from MAKER to PAYEE on or before the earlier of May 1, 2006 or the death of Stephen R. Volpe. In the event of Stephen R. Volpe, said payment shall be made from a life insurance policy owned by Swift Kennedy & Associates, Inc., its successors and assigns, under Policy No. 163208-US Financial Life Insurance Company. However, if the policy has lapsed or otherwise fails to make payment, MAKER shall nevertheless make all payments as required herein.

MAKER shall have the right to prepay any or all of the amounts due under this Promissory Note at any time, without penalty. However the total amount of said prepayment shall be \$480,000.00 less the payments MAKER has made under the note prior to the prepayment.

If any payment due under this Promissory Note has not been paid in full on the date it is due, MAKER shall be in default hereunder and in the event of such default PAYEE shall have available all remedies under the law and this Note, and PAYEE may, at PAYEE's election and without prior demand undertake any and all legal remedies available to collect the balance due. If this Promissory Note is placed in the hands of an attorney for collection, the MAKER agrees to pay as a reasonable attorney fee the greater of: (a) five (5%) percent of the amount due and owing on this defaulted note, or (b) the reasonable attorney's fees and court costs actually incurred by the holder in collection of the amount due.

Further, in the event of default hereunder, MAKER hereby authorizes and empowers any attorney or the Prothonotary or clerk of any court in the Commonwealth of Pennsylvania, or elsewhere, to appear for MAKER and confess judgment in favor of the PAYEE or any Holder of

this Note for the unpaid balance of principal and any unpaid interest and late charges thereon, with costs of suit and reasonable attorney's fees.

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed.

The PAYEE or any Holder of this Note may enforce its rights under this Note against each person individually or against all of the MAKERS together. This means that any one of the MAKER may be required to pay all of the amounts owed under this Note. Any effort to collect the amount due under this Promissory Note shall not exhaust the right of collection, but the amount due hereunder may be enforced in more than one action and in more than one jurisdiction.

This Note shall bind the MAKER, and its respective successors and assigns, and the benefits hereto shall inure to the PAYEE, and his heirs, successors, personal representatives, successors and assigns.

ACKNOWLEDGEMENT OF CONFESSION OF JUDGMENT

THE UNDERSIGNED ACKNOWLEDGE(S) AND AGREE(S) THAT THE UNDERSIGNED ARE (IS) EXECUTING AND DELIVERING A PROMISSORY NOTE OR OTHER LOAN DOCUMENT WHICH CONTAINS A CONFESSION OF JUDGMENT CLAUSE PURSUANT TO WHICH THE HOLDER IS AUTHORIZED TO ENTER A JUDGMENT AGAINST THE UNDERSIGNED AND IN FAVOR OF THE HOLDER UPON THE OCCURRENCE OF AN EVENT OF DEFAULT PURSUANT TO THE TERMS OF SUCH DOCUMENT. IN CONSIDERATION OF THE WILLINGNESS OF THE PAYEE TO EXTEND CREDIT AS PROVIDED FOR IN SUCH DOCUMENT AND ANY RELATED LOAN DOCUMENTS, THE UNDERSIGNED HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY ACKNOWLEDGES, CONSENTS AND AGREES AS FOLLOWS:

(a) THE UNDERSIGNED ARE (IS) FULLY AWARE OF THE RIGHTS OF THE UNDERSIGNED TO PRIOR NOTICE AND HEARING ON THE VALIDITY OF ANY CLAIMS THAT MAY BE ASSERTED AGAINST THE UNDERSIGNED BY THE HOLDER UNDER THE DOCUMENT(S) BEFORE JUDGMENT CAN BE ENTERED AND BEFORE ASSETS OF THE UNDERSIGNED CAN BE GARNISHED AND ATTACHED;

(b) THE UNDERSIGNED ARE (IS) FULLY AWARE THAT BY AUTHORIZING CONFESSION OF JUDGMENT, THE UNDERSIGNED ARE (IS) GIVING UP THE RIGHT OF THE UNDERSIGNED TO ANY NOTICE OR OPPORTUNITY TO BE HEARD PRIOR TO THE ENTRY OF JUDGMENT IN FAVOR OF THE

HOLDER AND PRIOR TO GARNISHMENT AND ATTACHMENT OF BANK ACCOUNTS AND OTHER ASSETS OF THE UNDERSIGNED.

(c) THE UNDERSIGNED ARE (IS) FULLY AWARE THAT A JUDGMENT ENTERED AGAINST THE UNDERSIGNED WILL CONSTITUTE A LIEN UPON ANY REAL ESTATE OF THE UNDERSIGNED LOCATED IN THE COUNTY IN WHICH JUDGMENT IS ENTERED AND WILL ENTITLE THE HOLDER TO IMMEDIATE ATTACHMENT AND GARNISHMENT OF BANK ACCOUNTS AND OTHER PERSONAL PROPERTY OF THE UNDERSIGNED WITHOUT PRIOR NOTICE;

(d) THE UNDERSIGNED WAIVES THE RIGHTS WHICH THE UNDERSIGNED HAVE (HAS) TO PRIOR NOTICE AND HEARING ON THE VALIDITY OF ANY CLAIMS THAT MAY BE ASSERTED AGAINST THE UNDERSIGNED BY THE HOLDER UNDER THE DOCUMENT(S) AND AGREES THAT UPON OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE DOCUMENT(S), OR AT ANY TIME THEREAFTER, THE HOLDER MAY OBTAIN A JUDGMENT AGAINST THE UNDERSIGNED WITHOUT THE UNDERSIGNED'S PRIOR KNOWLEDGE OR CONSENT AND WITHOUT THE OPPORTUNITY TO RAISE ANY DEFENSE, SET OFF, COUNTERCLAIM OR OTHER CLAIM WHICH THE UNDERSIGNED MAY HAVE, AND MAY GARNISH AND ATTACH THE BANK ACCOUNTS AND OTHER ASSETS OF THE UNDERSIGNED WITHOUT PRIOR NOTICE OR OPPORTUNITY FOR A HEARING.

(e) THE UNDERSIGNED ACKNOWLEDGED(S) THAT THE UNDERSIGNED WILL BE UNABLE TO CHALLENGE THE JUDGMENT IN THE EVEN THAT THE HOLDER ENTERS THE JUDGMENT, EXCEPT BY PROCEEDING TO OPEN OR STRIKE THE JUDGMENT; AND THAT SUCH A PROCEEDING MAY REQUIRE PAYMENT OF ATTORNEY'S FEES AND COSTS BY THE UNDERSIGNED.

(f) THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE LOAN FOR WHICH THE UNDERSIGNED HAS BECOME OBLIGATED FOR REPAYMENT PURSUANT TO THE PROMISSORY NOTE HAS BEEN ADVANCED FOR BUSINESS PURPOSES.

WITNESS the due execution hereof this _____ day of _____, 2002.

Helpmates, Inc.

By: _____
G. Scott Carlson, President

Attest: _____
Secretary

EXHIBIT B

Liabilities of Swift Kennedy Associates, Inc.

Lease of 2002 Cadillac DeVille
Monthly payment \$758.00 per month
Lease expires March 21, 2005

EXHIBIT C

MACHINERY & EQUIPMENT

Leases
Cubical
Credenza
Chair
Computer

Linda's cubical
 Desk
 Computer
 Credenza
 Fax machine
 Chair
 Two printers
 Two file cabinets
 Lateral cabinet
 Printer

Computer room
 Computer
 Fire filing cabinet
 Shelving
 Stereo system
 Chair
 Executive desk
 5 or 6 file cabinets

Steve's office
 Credenza
 Desk
 3 leather chairs
 Mahogany round table
 Mahogany bookcase
 Mahogany shelve across credenza
 Laptop computer
 Printer

EXHIBIT D

CONTRACTS

First Colony
AIG
Anthem BC
Banner Life
Blue Cross
Dental Plus
Keystone
Central States
Colonial
Conseco
Crown Ben
Delta Dental
First Colony Life
GTL
Geisinger
Hartford
Health America
Highmark life
International Medical Group
Lillis, McKibbon, Loesel-Cschaaf
Metropolitan Life
Principal
Protective
Security Mutual
 Security Mutual Override
TimeFortis
UPMC
US Financial
US Healthcare
Union Bankers
VBS Washington National

Contract with Lisa Cooper

Contract with Linda Barnacastle

Contractual rights with Swift Kennedy Financial Company

Contractual prohibitions from engaging in business or competing
against Swift Kennedy Financial Company, Inc.

Pledge to Christian Missionary Alliance in the amount of \$400.00 payable October, 2002

Right of First Refusal Agreement with Swift Kennedy Financial and Matthew T.
Ruttinger pursuant to paragraph 27.2 and 27.3.

Commissions due to individual agents for referrals in the approximate amount as of
March 1, 2002 of \$2,000.00

Ongoing obligations of approximately 57 sub producers who are paid on a commission
basis.

EXHIBIT E

Employment Agreement

Employment Agreement

THIS AGREEMENT is made effective the _____ day of May, 2002, by and between:

Swift-Kennedy & Associates, Inc., a Pennsylvania corporation (hereinafter referred to as the "Corporation"),
and

Stephen R. Volpe, of 1017 Green Glen Drive, DuBois, Pennsylvania 15801 (hereinafter referred to as the "Employee"). The Corporation hereby employs Employee and Employee hereby accepts employment on the terms and conditions that follow:

1. During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation as set forth below:
 - a. On average, thirty (30) hours per week for months one (1) through twelve (12);
 - b. On average, twenty four (24) hours per week for months thirteen (13) through twenty-four (24);
 - c. On average, eighteen (18) hours per week for months twenty-five (25) through thirty-six (36);
 - d. On average, twelve (12) hours per week for months thirty-seven (37) through forty-eight (48);
 - e. On average, six (6) hours per week for months forty-nine (49) through sixty (60);
2. All insurance sales business and/or services performed by the Employee and any revenues derived from them shall be considered the business and the income of the Corporation. The Employee shall be obligated during the term of this Agreement to irrevocably assign all revenues to the Corporation immediately upon receipt by the Employee other than as prohibited by the securities laws of the United States and the Commonwealth of Pennsylvania..
3. As compensation for the services to be rendered by Employee, the Corporation shall pay Employee a fixed salary at a rate per year specified in Schedule A, attached to this Agreement and made a part of it, payable in accordance with the Corporation's normal payroll periods for all employees unless otherwise agreed. Provided that if the employment shall terminate for any reason then the salary payable for the period during which the employment terminates shall be prorated. In addition, Employee shall be

entitled to participate in the benefit plan(s) as specified on Schedule A, and shall receive commission compensation as specified on Schedule A.

4. As additional compensation, the corporation shall pay employee such bonus or bonuses as may from time to time be awarded to Employee by the Board of Directors of the Corporation, in its discretion, payable at times and in amounts that the Board of Directors may determine.

5. The term of employment shall be five (5) years from the date specified in Schedule A attached to this Agreement, but subject to the following:

(a) This Agreement may be terminated at any time by mutual agreement in writing of the Corporation and Employee.

(b) If during the effective period of this Agreement Employee violates any of the provisions of this Agreement, the Corporation may, on 30 days notice to Employee, terminate this Agreement.

(c) For cause, including without limitation, Employee's failure or refusal to perform obligations under this Agreement, the Corporation may terminate this Agreement at any time on 30 days notice to Employee.

(d) The corporation may terminate this Agreement on 30 days written notice to Employee in the event the Corporation adopts a bona fide plan to terminate its business and liquidate its assets, or on the Corporation being ordered to be liquidated pursuant to a judicial proceeding.

(e) At the end of the employment term as set forth herein, Employee may renew this Agreement on a year to year basis for so long as Employee so desires. Employee shall be compensated during the renewal terms of this Agreement by receiving fifty (50%) percent of commissions on the net commission payable to the Corporation on all new business and on renewals of new business generated from the commencement date of this Agreement. Corporation shall also be obligated to continue to provide health insurance to Employee and Employee's spouse as set forth on Schedule A.

6. Employee agrees that during the term of this Agreement he will not engage in any other business duties or pursuits whatsoever, directly or indirectly, except activities approved in writing by the Board of Directors, directorships and companies not in competition with the Corporation, and passive personal investments. Furthermore, employee will not, directly or indirectly, be interested in any business competing with or similar in nature to the business of the Corporation and will not hold to any substantial degree any securities in any company competing with the Corporation.

7. Employee agrees to observe and comply with the rules and regulations of the Corporation as adopted by the Corporation's Board of Directors, either orally or in

writing, respecting performance of duties and to carry out and perform orders, directions, and policies stated by the Corporation, from time to time, either orally or in writing, as uniformly applied to all employees of the Corporation. Employee specifically understands that the Corporation shall have final authority over acceptance or refusal of any customer and over the amounts to be charged any customer for materials and/or services.

8. Employee recognizes and acknowledges that the list of the Corporation's customers, as it may exist from time to time, is a valuable, special, and unique asset of the Corporation's business. Employee will not, during or after the term of employment, disclose the list of the Corporation's customers or any part of it to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever. In the event of a breach or threatened breach by Employee of the provisions of this paragraph, the Corporation shall be entitled to an injunction restraining Employee from disclosing, in whole or in part, the list of the Corporation's customers, or for rendering any services to any person, firm, corporation, association, or other entity to whom this list, in whole in part, has been disclosed or threatened to be disclosed. Nothing in this Agreement shall be construed as prohibiting the Corporation from pursuing any other remedies available to the Corporation for such disclosure, including the recovery of damages from Employee.

9. During the period of employment, Employee will be reimbursed for reasonable expenses incurred on behalf of the Corporation in an amount not to exceed \$300 per month. In addition, Employee shall be entitled to use an automobile owned and insured by the Corporation as set forth on Schedule A in the conduct of business on behalf of the Corporation, and shall receive a credit card in the name of the Corporation for gasoline purchases. The Employee agrees to utilize the benefits set forth above only in accordance with the general policy of the Corporation as adopted by the Corporation's Board of Directors, from time to time and as uniformly applied to all employees of the Corporation. Corporation shall pay all of Employee's continuing education requirements and licensing fees, together with ancillary expenses, and such other expenses as are necessary to allow Employee to maintain his license to sell and broker insurance in the Commonwealth of Pennsylvania.

10. In addition to reimbursable expenses, the Employee may incur and pay in the course of employment by the Corporation certain other necessary expenses, which he will be required personally to pay and which the Corporation shall be under no obligation to reimburse, including, but not limited to the following: professional, entertainment, and promotional expenses; home telephone bills; educational expenses incurred for the purpose of maintaining or improving the Employee's skills other than continuing education requirements; club dues and the expenses of membership in civic groups, societies, and fraternal organizations; and all other items of reasonable and necessary expenses incurred by the Employee in the interests of the business of the Corporation. Nothing this paragraph will prevent the Corporation from agreeing to pay or reimburse Employee, in whole or in part, for any expenses in any of the categories enumerated above.

11. On termination of this agreement, Employee shall not be entitled to keep or preserve records or files that the Corporation has to any customers.

12. Employee shall be entitled to an annual vacation without loss of compensation, as specified in Schedule A attached to this Agreement. Employee shall be entitled to additional time without loss of compensation for attendance at meetings, conventions, and educational courses as the Board of Directors shall, from time to time, approve.

13. All notices required under this Agreement shall be in writing shall be deemed to have given at the time they are mailed in any general or branch United States Post Office, enclosed in a registered or certified postage paid envelope addressed to the respective parties as stated below, or to such changed address the party may have fixed by notice:

If to Corporation: Swift-Kennedy & Associates, Inc..
c/o Helpmates, Inc.
225 South Street
Ridgway, PA 15853
Attn: Mr. G. Scott Carlson, President

If to Employee: Mr. Stephen R. Volpe
1017 Green Glen Drive
DuBois, PA 15801

Provided, however, that any notice of change of address shall be effective only upon receipt.

14. Failure to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement shall not be deemed a waiver of the term, covenant, or condition, nor shall any waiver or relinquishment of any rights or powers at anytime or times be deemed a waiver or relinquishment of the right or power for all or any other times.

15. Both parties recognize that the services to be rendered under this Agreement to the Corporation are special, and unique, and of extraordinary character. In the event of the breach by Employee of the terms and conditions of this Agreement, or in the event Employee shall without the written consent of the Corporation leave such employment and perform, in the future, services for any person, firm, or Corporation engaged in a competing business with the Corporation, then the Corporation shall be entitled to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, to enforce the specific performance by Employee, or to enjoin Employee from performing services for any other person, firm, or Corporation, during the period contracted for in this Agreement, without the need of posting any bond or other security during the pendency of such action.

16. The invalidity or unenforceable of any term, provision, or clause of this Agreement shall in no way impair or affect the validity or enforceability of any other provision of this Agreement, but shall remain in full force and effect.

17. This Agreement is personal in its nature and neither of the parties shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations under this Agreement, except that the Corporation may assign or transfer this Agreement to a successor corporation in the event of merger, consolidation, transfer, or sale of all or substantially all of the assets of the Corporation, provided that in the case of any assignment or transfer, this Agreement shall be binding on and inure to the benefit of the successor corporation, and any successor corporation shall discharge and perform all of the obligations of the Corporation under this Agreement.

18. In the event of Employee's death or disability, Corporation shall nevertheless be obligated to maintain health insurance covering Employee and Employee's spouse as set forth in Schedule A. Employee or Employee's spouse may continue to have exclusive twenty four (24) hour use of a 2000 Honda Accord and on May 1, 2004, Employee or Employee's spouse may purchase said 2000 Honda Accord from the Corporation for One (\$1.00) Dollar.

In witness whereof, the parties to this writing have duly executed this Agreement as of the day and year first written above.

Swift Kennedy & Associates, Inc.

Stephen R. Volpe

By: _____

Schedule A

Effective date of this agreement: May _____, 2002

Amount of annual salary: Thirty Five Thousand (\$35,000.00) Dollars per year, payable in accordance with the Corporation's normal payroll periods plus commission.

Commission: Employee shall be entitled to receive a fifty (50%) percent commission on the net commission payable to the Corporation on all new business and on renewals of new business (not existing or renewal business that existed prior to May 1, 2002) generated directly by Employee for all new policies written by Employee during the term of this Agreement. Payments to be made to Employee quarterly.

Annual vacation: Ten (10) weeks

Benefits: Normal health insurance benefits for Employee and Employee's spouse shall be maintained and paid by the Corporation until such time as Employee and/or Employee's spouse reaches an age which will qualify them for Medicare. Said health insurance shall be equal or equivalent to that which Employee currently possesses - Keystone Select Blue.

Automobile: Corporation shall pay the lease payment on Employee's leased Cadillac automobile until the term of said lease ends. Thereafter, Employer shall provide Employee with an automobile lease allowance of \$700.00 per month that Employee can supplement as Employee so desires.

Swift Kennedy & Associates, Inc.

Stephen R. Volpe

By: _____

SECOND ADDENDUM TO STOCK PURCHASE AGREEMENT

THIS ADDENDUM, is made as of the 30th day of April, 2002, by and among:

Swift Kennedy & Associates, Inc., a Pennsylvania business corporation with offices at 994 Beaver Drive, DuBois, Pennsylvania (hereinafter referred to as the "Company"),

AND

Stephen R. Volpe, of 1017 Green Glen Drive, DuBois, Pennsylvania, an adult individual and resident of the Commonwealth of Pennsylvania, being the holder of all the issued and outstanding shares of capital stock of the Company, (hereinafter referred to as the "Seller"),

AND

Helpmates, Inc., a Pennsylvania business corporation, with offices at 225 South Street, Ridgway, Pennsylvania (hereinafter referred to as the "Buyer").

AND

G. Scott Carlson,

AND

Deborah Carlson,

WITNESSETH:

WHEREAS, on March 26, 2002, the parties executed a Stock Purchase Agreement.

WHEREAS, on April ___, 2002, the parties executed a First Addendum to the Stock Purchase Agreement.

WHEREAS, the parties wish to further amend the March 26, 2002 Stock Purchase Agreement set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective promises, representations, warranties and covenants herein contained, and intending to be legally bound, the parties hereto do hereby agree as follows:

1. Section 30 is hereby added to read as follows:

In the event Buyer sells, conveys, merges or consolidates Swift Kennedy & Associates, Inc. within ten years of the closing date, Buyer shall pay Seller One Million Dollars (\$1,000,000.00) on the date of transfer.

2. Section 1 of the Employment Agreement shall be amended to read as follows:

During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation at least five (5) hours per week.

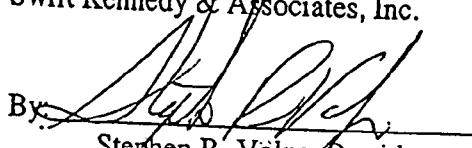
3. All other provisions of the March 26, 2002 Stock Purchase Agreement as amended by the First Addendum to the Stock Purchase Agreement shall remain in full force and effect unless modified by this Second Addendum.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed this Agreement on the date first above written.

Company:

Swift Kennedy & Associates, Inc.

By:

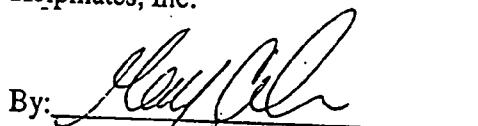

Stephen R. Volpe, President


G. Scott Carlson, Guarantor

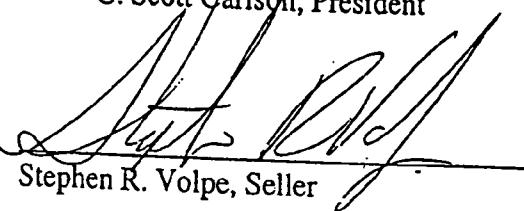
Buyer:

Helpmates, Inc.

By:


G. Scott Carlson, President

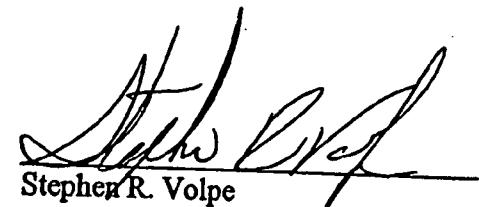

Deborah Carlson, Guarantor


Stephen R. Volpe, Seller

RESIGNATION

I, Stephen R. Volpe, hereby resign as officer and director of Swift Kennedy & Associates, Inc. effective April 30, 2002.

Dated: April 30, 2002



Stephen R. Volpe

Employment Agreement

THIS AGREEMENT is made effective the 30th day of April, 2002, by and between:

Swift-Kennedy & Associates, Inc., a Pennsylvania corporation (hereinafter referred to as the "Corporation"),
and

Stephen R. Volpe, of 1017 Green Glen Drive, DuBois, Pennsylvania 15801 (hereinafter referred to as the "Employee"). The Corporation hereby employs Employee and Employee hereby accepts employment on the terms and conditions that follow:

1. During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation at least five (5) hours per week.
2. All insurance sales business and/or services performed by the Employee and any revenues derived from them shall be considered the business and the income of the Corporation. The Employee shall be obligated during the term of this Agreement to irrevocably assign all revenues to the Corporation immediately upon receipt by the Employee other than as prohibited by the securities laws of the United States and the Commonwealth of Pennsylvania..
3. As compensation for the services to be rendered by Employee, the Corporation shall pay Employee a fixed salary at a rate per year specified in Schedule A, attached to this Agreement and made a part of it, payable in accordance with the Corporation's normal payroll periods for all employees unless otherwise agreed. Provided that if the employment shall terminate for any reason then the salary payable for the period during which the employment terminates shall be prorated. In addition, Employee shall be entitled to participate in the benefit plan(s) as specified on Schedule A, and shall receive commission compensation as specified on Schedule A.
4. As additional compensation, the corporation shall pay employee such bonus or bonuses as may from time to time be awarded to Employee by the Board of Directors of the Corporation, in its discretion, payable at times and in amounts that the Board of Directors may determine.

5. The term of employment shall be five (5) years from the date specified in Schedule A attached to this Agreement, but subject to the following:

- (a) This Agreement may be terminated at any time by mutual agreement in writing of the Corporation and Employee.
- (b) If during the effective period of this Agreement Employee violates any of the provisions of this Agreement, the Corporation may, on 30 days notice to Employee, terminate this Agreement.
- (c) For cause, including without limitation, Employee's failure or refusal to perform obligations under this Agreement, the Corporation may terminate this Agreement at any time on 30 days notice to Employee.
- (d) The corporation may terminate this Agreement on 30 days written notice to Employee in the event the Corporation adopts a bona fide plan to terminate its business and liquidate its assets, or on the Corporation being ordered to be liquidated pursuant to a judicial proceeding.
- (e) At the end of the employment term as set forth herein, Employee may renew this Agreement on a year to year basis for so long as Employee so desires. Employee shall be compensated during the renewal terms of this Agreement by receiving fifty (50%) percent of commissions on the net commission payable to the Corporation on all new business and on renewals of new business generated from the commencement date of this Agreement. Corporation shall also be obligated to continue to provide health insurance to Employee and Employee's spouse as set forth on Schedule A.

6. Employee agrees that during the term of this Agreement he will not engage in any other business duties or pursuits whatsoever, directly or indirectly, except activities approved in writing by the Board of Directors, directorships and companies not in competition with the Corporation, and passive personal investments. Furthermore, employee will not, directly or indirectly, be interested in any business competing with or similar in nature to the business of the Corporation and will not hold to any substantial degree any securities in any company competing with the Corporation.

7. Employee agrees to observe and comply with the rules and regulations of the Corporation as adopted by the Corporation's Board of Directors, either orally or in writing, respecting performance of duties and to carry out and perform orders, directions, and policies stated by the Corporation, from time to time, either orally or in writing, as uniformly applied to all employees of the Corporation. Employee specifically understands that the Corporation shall have final authority over acceptance or refusal of any customer and over the amounts to be charged any customer for materials and/or services.

8. Employee recognizes and acknowledges that the list of the Corporation's customers, as it may exist from time to time, is a valuable, special, and unique asset of the Corporation's business. Employee will not, during or after the term of employment, disclose the list of the Corporation's customers or any part of it to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever. In the event of a breach or threatened breach by Employee of the provisions of this paragraph, the Corporation shall be entitled to an injunction restraining Employee from disclosing, in whole or in part, the list of the Corporation's customers, or for rendering any services to any person, firm, corporation, association, or other entity to whom this list, in whole or in part, has been disclosed or threatened to be disclosed. Nothing in this Agreement shall be construed as prohibiting the Corporation from pursuing any other remedies available to the Corporation for such disclosure, including the recovery of damages from Employee.

9. During the period of employment, Employee will be reimbursed for reasonable expenses incurred on behalf of the Corporation in an amount not to exceed \$300 per month. In addition, Employee shall be entitled to use an automobile owned and insured by the Corporation as set forth on Schedule A in the conduct of business on behalf of the Corporation, and shall receive a credit card in the name of the Corporation for gasoline purchases. The Employee agrees to utilize the benefits set forth above only in accordance with the general policy of the Corporation as adopted by the Corporation's Board of Directors, from time to time and as uniformly applied to all employees of the Corporation. Corporation shall pay all of Employee's continuing education requirements and licensing fees, together with ancillary expenses, and such other expenses as are necessary to allow Employee to maintain his license to sell and broker insurance in the Commonwealth of Pennsylvania.

10. In addition to reimbursable expenses, the Employee may incur and pay in the course of employment by the Corporation certain other necessary expenses, which he will be required personally to pay and which the Corporation shall be under no obligation to reimburse, including, but not limited to the following: professional, entertainment, and promotional expenses; home telephone bills; educational expenses incurred for the purpose of maintaining or improving the Employee's skills other than continuing education requirements; club dues and the expenses of membership in civic groups, societies, and fraternal organizations; and all other items of reasonable and necessary expenses incurred by the Employee in the interests of the business of the Corporation. Nothing in this paragraph will prevent the Corporation from agreeing to pay or reimburse Employee, in whole or in part, for any expenses in any of the categories enumerated above.

11. On termination of this agreement, Employee shall not be entitled to keep or preserve records or files that the Corporation has to any customers.

12. Employee shall be entitled to an annual vacation without loss of compensation, as specified in Schedule A attached to this Agreement. Employee shall be entitled to additional time without loss of compensation for attendance at meetings, conventions, and educational courses as the Board of Directors shall, from time to time, approve.

13. All notices required under this Agreement shall be in writing shall be deemed to have given at the time they are mailed in any general or branch United States Post Office, enclosed in a registered or certified postage paid envelope addressed to the respective parties as stated below, or to such changed address the party may have fixed by notice:

If to Corporation: Swift-Kennedy & Associates, Inc.
c/o Helpmates, Inc.
225 South Street
Ridgway, PA 15853
Attn: Mr. G. Scott Carlson, President

If to Employee: Mr. Stephen R. Volpe
1017 Green Glen Drive
DuBois, PA 15801

Provided, however, that any notice of change of address shall be effective only upon receipt.

14. Failure to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement shall not be deemed a waiver of the term, covenant, or condition, nor shall any waiver or relinquishment of any rights or powers at anytime or times be deemed a waiver or relinquishment of the right or power for all or any other times.

15. Both parties recognize that the services to be rendered under this Agreement to the Corporation are special, and unique, and of extraordinary character. In the event of the breach by Employee of the terms and conditions of this Agreement, or in the event Employee shall without the written consent of the Corporation leave such employment and perform, in the future, services for any person, firm, or Corporation engaged in a competing business with the Corporation, then the Corporation shall be entitled to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, to enforce the specific performance by Employee, or to enjoin Employee from performing services for any other person, firm, or Corporation, during the period contracted for in this Agreement, without the need of posting any bond or other security during the pendency of such action.

16. The invalidity or unenforceable of any term, provision, or clause of this Agreement shall in no way impair or affect the validity or enforceability of any other provision of this Agreement, but shall remain in full force and effect.

17. This Agreement is personal in its nature and neither of the parties shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations under this Agreement, except that the Corporation may assign or transfer this Agreement to a successor corporation in the event of merger, consolidation, transfer, or sale of all or substantially all of the assets of the Corporation, provided that in the case of any assignment or transfer, this Agreement shall be binding on and inure to the benefit of the successor corporation, and any successor corporation shall discharge and perform all of the obligations of the Corporation under this Agreement.

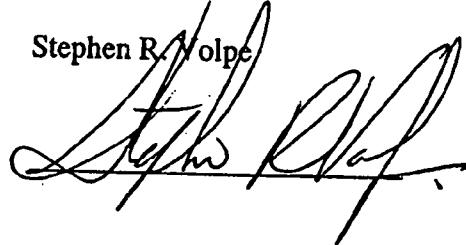
18. In the event of Employee's death or disability, Corporation shall nevertheless be obligated to maintain health insurance covering Employee and Employee's spouse as set forth in Schedule A. Employee or Employee's spouse may continue to have exclusive twenty four (24) hour use of a 2000 Honda Accord and on May 1, 2004, Employee or Employee's spouse may purchase said 2000 Honda Accord from the Corporation for One (\$1.00) Dollar.

In witness whereof, the parties to this writing have duly executed this Agreement as of the day and year first written above.

Swift Kennedy & Associates, Inc.

By: Ray C. Col

Stephen R. Volpe



Schedule A

Effective date of this agreement: April 30, 2002

Amount of annual salary: Thirty Five Thousand (\$35,000.00) Dollars per year, payable in accordance with the Corporation's normal payroll periods plus commission.

Commission: Employee shall be entitled to receive a fifty (50%) percent commission on the net commission payable to the Corporation on all new business and on renewals of new business (not existing or renewal business that existed prior to May 1, 2002) generated directly by Employee for all new policies written by Employee during the term of this Agreement. Payments to be made to Employee quarterly.

Annual vacation: Ten (10) weeks

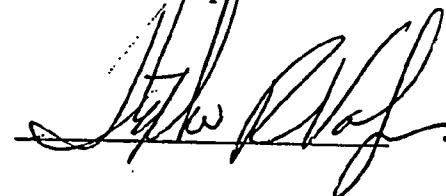
Benefits: Normal health insurance benefits for Employee and Employee's spouse shall be maintained and paid by the Corporation until such time as Employee and/or Employee's spouse reaches an age which will qualify them for Medicare. Said health insurance shall be equal or equivalent to that which Employee currently possesses - Keystone Select Blue.

Automobile: Corporation shall pay the lease payment on Employee's leased Cadillac automobile until the term of said lease ends. Thereafter, Employer shall provide Employee with an automobile lease allowance of \$700.00 per month that Employee can supplement as Employee so desires.

Swift Kennedy & Associates, Inc.

Stephen R. Volpe

By: Clay C. Clegg



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant : Type of Pleading: Amended
: Complaint :
: :
: Filed on behalf of: Stephen R. Volpe,
: Plaintiff :
: :
: Counsel of Record for this party:
: THE HOPKINS LAW FIRM :
: :
: DAVID J. HOPKINS, ESQUIRE
: Attorney at Law
: Supreme Court No. 42519 :
: :
: LEA ANN HELTZEL, ESQUIRE
: Attorney at Law
: Supreme Court No. 83998 :
: :
: 900 Beaver Drive
: DuBois, Pennsylvania 15801 :
: :
: (814) 375-0300 :
: :

FILED

AUG 22 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE

Plaintiff

vs.

No. 03-1188 C.D.

SWIFT, KENNEDY & ASSOCIATES, INC.

Defendant

NOTICE

TO: Defendant

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Amended Complaint is served, by entering a written appearance personally or by Attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Office of the Court Administrator
Clearfield County Courthouse
230 E. Market Street
Clearfield, PA 16830
(814) 765-2641 (ext. 5982)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :
:

AMENDED COMPLAINT

AND NOW, comes Plaintiff, Stephen R. Volpe, by and through his attorneys, The Hopkins Law Firm, and files an Amended Complaint and says as follows:

1. All allegations set forth in the original Complaint filed on August 12, 2003 are incorporated by reference as if set forth at length herein.
2. All provisions to Section 382 of the Internal Revenue Code are hereby amended to read 338 of the Internal Revenue Code (26 U.S.C. §338).

Respectfully submitted,



David J. Hopkins, Esquire
Attorney for Plaintiff

VERIFICATION

I hereby verify that the statements made in this pleading are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. Section 4904, relating to Unsworn Falsification to Authorities.



David J. Hopkins, Esquire

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. :
No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :
:

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of Amended Complaint, filed on behalf of Stephen R. Volpe, was forwarding by first class mail, postage prepaid, on the 20th day of August, 2003, to all counsel of record, addressed as follows:

Rodney A. Beard, Esquire
2766 W. College Avenue, Suite 4
State College, PA 16801



David J. Hopkins, Esquire
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE,
Plaintiff

v.

No. 03-1188-CD

SWIFT, KENNEDY & ASSOCIATES, INC.,
Defendant

FILED

AUG 25 2003

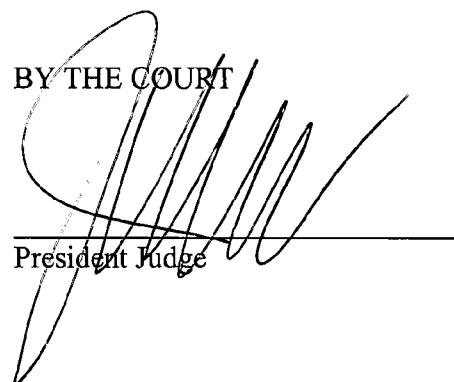
ORDER

William A. Shaw
Prothonotary

AND NOW, this 25th day of August, 2003, upon
consideration of Petition by Swift, Kennedy & Associates, Inc., for Return of Property, the Court
determines as follows:

- 1) A rule is issued upon the Respondent to show cause why the Petitioner is not
entitled to the relief requested;
- 2) Respondent shall file an Answer to the Petition on or before _____.
- 3) The petition shall be decided under Pa. R.C.P. No. 206.7;
- 4) Argument on the Petition shall be held on the 8 day of
September, 2003, at 2:00 P M., in Courtroom # 1 of the Clearfield
County Courthouse, Clearfield, Pennsylvania.
- 5) Notice of the entry of this Order shall be provided to all parties by the
Petitioner;

6) Other than to return the vehicles to Swift, Kennedy & Associates, Inc., during the pendency of this matter Stephen R. Volpe shall not drive or allow to be driven the Cadillac automobile leased by Swift, Kennedy & Associates, Inc., or the Honda vehicle owned by Swift, Kennedy & Associates, Inc., and shall take all necessary steps to appropriately safeguard the vehicles.

BY THE COURT

President Judge

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: :
v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

ORDER

AND NOW, this _____ day of _____, upon
consideration of the Petition for Return of Company Property, filed by Swift, Kennedy &
Associates, Inc. in the above captioned matter, IT IS HEREBY ORDERED that:

Stephen R. Volpe shall immediately upon service of this Order return one (1)
Cadillac vehicle and one (1) Honda vehicle to the premises of Swift, Kennedy & Associates,
Inc., located at 994 Beaver Drive, Clearfield County, DuBois, Pennsylvania;

Furthermore, Stephen R. Volpe shall immediately upon service of this Order
return any and all other property owned by Swift, Kennedy & Associates, Inc., within his
possession or control to Swift, Kennedy & Associates, Inc.

BY THE COURT

President Judge

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant : Type of Pleading: Petition for Recovery of
: Property
: :
: Filed on behalf of Defendant: Swift,
: Kennedy & Associates, Inc.
: :
: Counsel of Record for this party:
: RODNEY A. BEARD, ESQUIRE
: Attorney at Law
: Supreme Court No. 49909
: :
: 2766 W. College Avenue, Suite 4
: State College, PA 16801
: :
: (814) 237-3101

FILED

AUG 22 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: :
v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

PETITION FOR RECOVERY OF PROPERTY

AND NOW, comes the Defendant, Swift, Kennedy & Associates, Inc., by and through its undersigned counsel, Rodney A. Beard, Esquire, and files the within Petition for Return of Property, and in support thereof states as follows:

1. Petitioner is Swift, Kennedy & Associates, Inc., (hereinafter referred to as "SKA"), a Pennsylvania corporation, having a place of business at 994 Beaver Drive, DuBois, Clearfield County, Pennsylvania.
2. Respondent is Stephen R. Volpe (hereinafter referred to as "Volpe"), an adult individual, having a residence at 1017 Green Glen Drive, DuBois, Clearfield County, Pennsylvania.
3. Prior to August 30, 2002, Volpe owned all issued and outstanding shares of SKA.
4. On or about April 30, 2002, Helpmates, Inc., a Pennsylvania corporation, purchased all the issued and outstanding shares of SKA from Volpe.
5. As part of the purchase transaction, Volpe and SKA entered into an Agreement whereby SKA would employ Volpe as a sales person of health related benefits. A true and correct copy of the Employment Agreement is attached hereto, marked Exhibit A, and incorporated herein.

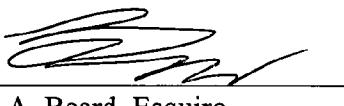
6. As a result of Volpe's failure and refusal to perform the duties of a sales person of health related benefits, SKA suspended his employment on August 19, 2003. A true and correct copy of the letter given by SKA regarding employment suspension is attached hereto, marked Exhibit B, and incorporated herein.
7. Upon suspending Volpe from employment, SKA requested Volpe to return to SKA all company property, including but not limited to one (1) Cadillac automobile leased in the name of the company and one Honda automobile owned in the name of the company.
8. Volpe has refused to return any company property, including the vehicles, to SKA.
9. The failure and refusal of Volpe to return the vehicles to SKA constitutes a direct violation of the Employer's directive and places SKA at extreme risk.
10. Within approximately the last year, two (2) accidents have been reported to SKA's insurer involving the vehicles (Cadillac and Honda) that Volpe has refused to return to SKA during the period of employment suspension.
11. During the period of employment suspension, Volpe will be conducting no business on behalf of SKA, and therefore he should not be using or operating any vehicles owned by SKA or retaining any company property.
12. The Cadillac vehicle is leased in the name of SKA.
13. The Honda vehicle is owned in the name of SKA.
14. For Volpe to retain and continue to operate the company vehicles during the period of employment suspension places SKA, Volpe, and all unrelated third

parties who may be involved in an accident involving the company vehicles, at great risk.

15. In the event of an accident involving either the Cadillac vehicle or the Honda vehicle during the period of employment suspension, significant questions may arise regarding liability or insurance coverage and/or financial responsibility for the accident.
16. It is believed and therefore averred that Volpe does not need the Cadillac vehicle and/or the Honda vehicle for transportation purposes because he has other vehicles available to him, including a Corvette.
17. There is no justifiable reason for Volpe to retain possession of the Cadillac vehicle and the Honda vehicle during the period of employment suspension.
18. For Volpe to retain possession and use of the Cadillac vehicle and the Honda vehicle during the period of employment suspension will cause an increased risk of harm and liability to SKA.

WHEREFORE, Petitioner respectfully requests this Honorable Court to issue an order requiring Volpe to return the Cadillac vehicle and the Honda vehicle to SKA forthwith, along with any and all other property owned by SKA in Volpe's possession.

Respectfully submitted,



Rodney A. Beard, Esquire
Attorney for Defendant

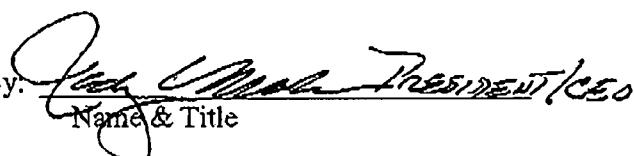
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

VERIFICATION

I hereby verify that I am authorized to make this verification on behalf of Swift, Kennedy & Associates, Inc., and that all facts set forth in the foregoing Petition for Recovery of Property, Submitted on Behalf of Swift, Kennedy & Associates, Inc., are true and correct to the best of my knowledge, information and belief. . I understand that any false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

SWIFT, KENNEDY & ASSOCIATES, INC.

Date: 8/22/03By: 
Name & Title

Employment Agreement

THIS AGREEMENT is made effective the 30th day of April, 2002, by and between:

Swift-Kennedy & Associates, Inc., a Pennsylvania corporation (hereinafter referred to as the "Corporation"),
and

Stephen R. Volpe, of 1017 Green Glen Drive, DuBois, Pennsylvania 15801 (hereinafter referred to as the "Employee"). The Corporation hereby employs Employee and Employee hereby accepts employment on the terms and conditions that follow:

1. During the period of employment, Employee agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation, as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation, and at the Corporation's request to serve as an officer in/or director of the Corporation at least five (5) hours per week.

2. All insurance sales business and/or services performed by the Employee and any revenues derived from them shall be considered the business and the income of the Corporation. The Employee shall be obligated during the term of this Agreement to irrevocably assign all revenues to the Corporation immediately upon receipt by the Employee other than as prohibited by the securities laws of the United States and the Commonwealth of Pennsylvania..

3. As compensation for the services to be rendered by Employee, the Corporation shall pay Employee a fixed salary at a rate per year specified in Schedule A, attached to this Agreement and made a part of it, payable in accordance with the Corporation's normal payroll periods for all employees unless otherwise agreed. Provided that if the employment shall terminate for any reason then the salary payable for the period during which the employment terminates shall be prorated. In addition, Employee shall be entitled to participate in the benefit plan(s) as specified on Schedule A, and shall receive commission compensation as specified on Schedule A.

4. As additional compensation, the corporation shall pay employee such bonus or bonuses as may from time to time be awarded to Employee by the Board of Directors of the Corporation, in its discretion, payable at times and in amounts that the Board of Directors may determine.

EXHIBIT

A

5. The term of employment shall be five (5) years from the date specified in Schedule A attached to this Agreement, but subject to the following:

(a) This Agreement may be terminated at any time by mutual agreement in writing of the Corporation and Employee.

(b) If during the effective period of this Agreement Employee violates any of the provisions of this Agreement, the Corporation may, on 30 days notice to Employee, terminate this Agreement.

(c) For cause, including without limitation, Employee's failure or refusal to perform obligations under this Agreement, the Corporation may terminate this Agreement at any time on 30 days notice to Employee.

(d) The corporation may terminate this Agreement on 30 days written notice to Employee in the event the Corporation adopts a bona fide plan to terminate its business and liquidate its assets, or on the Corporation being ordered to be liquidated pursuant to a judicial proceeding.

(e) At the end of the employment term as set forth herein, Employee may renew this Agreement on a year to year basis for so long as Employee so desires. Employee shall be compensated during the renewal terms of this Agreement by receiving fifty (50%) percent of commissions on the net commission payable to the Corporation on all new business and on renewals of new business generated from the commencement date of this Agreement. Corporation shall also be obligated to continue to provide health insurance to Employee and Employee's spouse as set forth on Schedule A.

6. Employee agrees that during the term of this Agreement he will not engage in any other business duties or pursuits whatsoever, directly or indirectly, except activities approved in writing by the Board of Directors, directorships and companies not in competition with the Corporation, and passive personal investments. Furthermore, employee will not, directly or indirectly, be interested in any business competing with or similar in nature to the business of the Corporation and will not hold to any substantial degree any securities in any company competing with the Corporation.

7. Employee agrees to observe and comply with the rules and regulations of the Corporation as adopted by the Corporation's Board of Directors, either orally or in writing, respecting performance of duties and to carry out and perform orders, directions, and policies stated by the Corporation, from time to time, either orally or in writing, as uniformly applied to all employees of the Corporation. Employee specifically understands that the Corporation shall have final authority over acceptance or refusal of any customer and over the amounts to be charged any customer for materials and/or services.

8. Employee recognizes and acknowledges that the list of the Corporation's customers, as it may exist from time to time, is a valuable, special, and unique asset of the Corporation's business. Employee will not, during or after the term of employment, disclose the list of the Corporation's customers or any part of it to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever. In the event of a breach or threatened breach by Employee of the provisions of this paragraph, the Corporation shall be entitled to an injunction restraining Employee from disclosing, in whole or in part, the list of the Corporation's customers, or for rendering any services to any person, firm, corporation, association, or other entity to whom this list, in whole or in part, has been disclosed or threatened to be disclosed. Nothing in this Agreement shall be construed as prohibiting the Corporation from pursuing any other remedies available to the Corporation for such disclosure, including the recovery of damages from Employee.

9. During the period of employment, Employee will be reimbursed for reasonable expenses incurred on behalf of the Corporation in an amount not to exceed \$300 per month. In addition, Employee shall be entitled to use an automobile owned and insured by the Corporation as set forth on Schedule A in the conduct of business on behalf of the Corporation, and shall receive a credit card in the name of the Corporation for gasoline purchases. The Employee agrees to utilize the benefits set forth above only in accordance with the general policy of the Corporation as adopted by the Corporation's Board of Directors, from time to time and as uniformly applied to all employees of the Corporation. Corporation shall pay all of Employee's continuing education requirements and licensing fees, together with ancillary expenses, and such other expenses as are necessary to allow Employee to maintain his license to sell and broker insurance in the Commonwealth of Pennsylvania.

10. In addition to reimbursable expenses, the Employee may incur and pay in the course of employment by the Corporation certain other necessary expenses, which he will be required personally to pay and which the Corporation shall be under no obligation to reimburse, including, but not limited to the following: professional, entertainment, and promotional expenses; home telephone bills; educational expenses incurred for the purpose of maintaining or improving the Employee's skills other than continuing education requirements; club dues and the expenses of membership in civic groups, societies, and fraternal organizations; and all other items of reasonable and necessary expenses incurred by the Employee in the interests of the business of the Corporation. Nothing in this paragraph will prevent the Corporation from agreeing to pay or reimburse Employee, in whole or in part, for any expenses in any of the categories enumerated above.

11. On termination of this agreement, Employee shall not be entitled to keep or preserve records or files that the Corporation has to any customers.

12. Employee shall be entitled to an annual vacation without loss of compensation, as specified in Schedule A attached to this Agreement. Employee shall be entitled to additional time without loss of compensation for attendance at meetings, conventions, and educational courses as the Board of Directors shall, from time to time, approve.

13. All notices required under this Agreement shall be in writing shall be deemed to have given at the time they are mailed in any general or branch United States Post Office, enclosed in a registered or certified postage paid envelope addressed to the respective parties as stated below, or to such changed address the party may have fixed by notice:

If to Corporation: Swift-Kennedy & Associates, Inc..
c/o Helpmates, Inc.
225 South Street
Ridgway, PA 15853
Attn: Mr. G. Scott Carlson, President

If to Employee: Mr. Stephen R. Volpe
1017 Green Glen Drive
DuBois, PA 15801

Provided, however, that any notice of change of address shall be effective only upon receipt.

14. Failure to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement shall not be deemed a waiver of the term, covenant, or condition, nor shall any waiver or relinquishment of any rights or powers at anytime or times be deemed a waiver or relinquishment of the right or power for all or any other times.

15. Both parties recognize that the services to be rendered under this Agreement to the Corporation are special, and unique, and of extraordinary character. In the event of the breach by Employee of the terms and conditions of this Agreement, or in the event Employee shall without the written consent of the Corporation leave such employment and perform, in the future, services for any person, firm, or Corporation engaged in a competing business with the Corporation, then the Corporation shall be entitled to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for any breach of this Agreement, to enforce the specific performance by Employee, or to enjoin Employee from performing services for any other person, firm, or Corporation, during the period contracted for in this Agreement, without the need of posting any bond or other security during the pendency of such action.

16. The invalidity or unenforceable of any term, provision, or clause of this Agreement shall in no way impair or affect the validity or enforceability of any other provision of this Agreement, but shall remain in full force and effect.

17. This Agreement is personal in its nature and neither of the parties shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations under this Agreement, except that the Corporation may assign or transfer this Agreement to a successor corporation in the event of merger, consolidation, transfer, or sale of all or substantially all of the assets of the Corporation, provided that in the case of any assignment or transfer, this Agreement shall be binding on and inure to the benefit of the successor corporation, and any successor corporation shall discharge and perform all of the obligations of the Corporation under this Agreement.

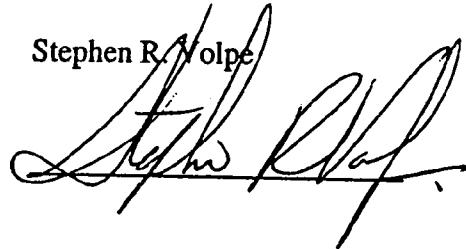
18. In the event of Employee's death or disability, Corporation shall nevertheless be obligated to maintain health insurance covering Employee and Employee's spouse as set forth in Schedule A. Employee or Employee's spouse may continue to have exclusive twenty four (24) hour use of a 2000 Honda Accord and on May 1, 2004, Employee or Employee's spouse may purchase said 2000 Honda Accord from the Corporation for One (\$1.00) Dollar.

In witness whereof, the parties to this writing have duly executed this Agreement as of the day and year first written above.

Swift Kennedy & Associates, Inc.

By: Ray Col

Stephen R. Volpe



Schedule A

Effective date of this agreement: April 30, 2002

Amount of annual salary: Thirty Five Thousand (\$35,000.00) Dollars per year, payable in accordance with the Corporation's normal payroll periods plus commission.

Commission: Employee shall be entitled to receive a fifty (50%) percent commission on the net commission payable to the Corporation on all new business and on renewals of new business (not existing or renewal business that existed prior to May 1, 2002) generated directly by Employee for all new policies written by Employee during the term of this Agreement. Payments to be made to Employee quarterly.

Annual vacation: Ten (10) weeks

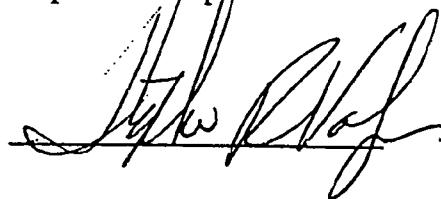
Benefits: Normal health insurance benefits for Employee and Employee's spouse shall be maintained and paid by the Corporation until such time as Employee and/or Employee's spouse reaches an age which will qualify them for Medicare. Said health insurance shall be equal or equivalent to that which Employee currently possesses - Keystone Select Blue.

Automobile: Corporation shall pay the lease payment on Employee's leased Cadillac automobile until the term of said lease ends. Thereafter, Employer shall provide Employee with an automobile lease allowance of \$700.00 per month that Employee can supplement as Employee so desires.

Swift Kennedy & Associates, Inc.

By: Ray C. Cohn

Stephen R. Volpe



SWIFT KENNEDY & ASSOCIATES, INC.

INSURANCE BROKERS & CONSULTANTS

PO Box 1032
994 Beaver Drive
DuBois, PA 15801
Phone (814) 371-1052
Fax (814) 503-7047
Toll Free (800) 503-7750

Suite 2
311 South Allen Street
State College, PA 16801
Phone (814) 861-6564
Fax (814) 861-1258
www.swiftkennedy.com

COPY

August 18, 2003

Stephen R. Volpe
1017 Green Glen Drive
DuBois, PA 15801

Re: Employment Suspension

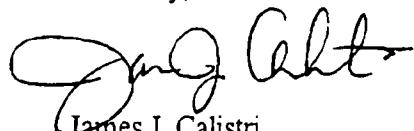
Dear Mr. Volpe:

As a result of your violations of your employment agreement with Swift Kennedy and Associates, Inc., management has regrettably come to the decision to suspend your employment. During the period of suspension, Swift Kennedy and Associates, Inc., will continue to pay your normal compensation. However, such continuation is without prejudice to Swift Kennedy and Associates, Inc.'s right to terminate compensation at any time and seek recompense for amounts paid, and is not to be construed as any type of waiver of any rights on behalf of Swift Kennedy and Associates, Inc.

Because you will not be engaging in any company business during the period of suspension, you are directed to return all company vehicles and all company property to the Swift, Kennedy & Associates office by 5:00 p.m. on August 19, 2003. Also, you are not authorized to incur any business expenses during the period of suspension, and Swift Kennedy and Associates, Inc., will not reimburse you for any expenses you incur during the period of suspension.

Please feel free to contact me with any questions.

Sincerely,



James J. Calistri
Vice President

EXHIBIT

B

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Petition for Recovery of Property, Submitted on Behalf of Swift, Kennedy & Associates, Inc., was served by U.S. First Class Mail, postage prepaid in State College, Pennsylvania, on the 22nd day of August, 2003, to the following person:

DAVID J. HOPKINS, ESQUIRE
THE HOPKINS LAW FIRM
900 BEAVER DRIVE
DUBOIS, PA 15801

Date

8/22/03



Rodney A. Beard, Esquire
Sup. Ct. I.D. No. 49909
2766 West College Avenue, Suite 4
State College, PA 16801
(814) 237-3101

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
:
vs. : No. 03-1188 C.D.
:
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :

ACCEPTANCE OF SERVICE

I, Rodney A. Beard, Esquire, hereby accept service of the Complaint ~~1000~~ on behalf of
my client, Swift, Kennedy & Associates, Inc., this 14th day of August, 2003.



Rodney A. Beard, Esquire

FILED

0 9:24 AM NOV

SEP 15 2003



William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D. R
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant : Type of Pleading: Answer to Petition
for Recovery of Property
: Filed on behalf of: Stephen R. Volpe,
Plaintiff.
: Counsel of Record for this party:
THE HOPKINS LAW FIRM
: DAVID J. HOPKINS, ESQUIRE
Attorney at Law
Supreme Court No. 42519
: LEA ANN HELTZEL, ESQUIRE
Attorney at Law
Supreme Court No. 83998
: 900 Beaver Drive
DuBois, Pennsylvania 15801
: (814) 375-0300

FILED

SEP 16 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
:
vs. : No. 03-1188 C.D.
:
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant

ANSWER TO PETITION FOR RECOVERY OF PROPERTY

AND NOW, comes Petitioner, Stephen R. Volpe, by and through his attorneys, The Hopkins Law Firm, and answer the Petition for Recovery of Property filed by Swift, Kennedy & Associates, Inc. as follows:

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Denied. Swift Kennedy and Volpe agreed Volpe would provide consulting services on behalf of Swift Kennedy. Volpe incorporates all of his testimony set forth in the hearing of May 21, 2003.
6. Denied. Volpe denies he failed to perform duties as a salesperson of health related benefits and Swift Kennedy's suspension of him on August 19, 2003 was in breach of the parties' agreement.
7. Admitted.

8. Admitted. Volpe has done nothing to cause his suspension and consequently he should not be required to return any motor vehicles. Specifically, Section 8 of the Stock Purchase Agreement states:

On or after May 1, 2004, Seller or Seller's estate may purchase a 1998 Honda Accord titled in the name of [Swift Kennedy] from [Swift Kennedy] for the purchase price of \$1.00.

9. Denied.

10. Admitted in part and denied in part. Plaintiff admits two (2) accidents have been reported, however, both have been minor.

11. Denied. Volpe and Swift Kennedy entered into and Employment Agreement. Swift Kennedy, without cause nor provocation, has suspended Volpe and now seeks to remove his motor vehicle all in violation of the parties' contract.

12. Admitted.

13. Admitted.

14. Denied. At all material times, a liability policy of insurance protects both Volpe and Swift Kennedy.

15. Denied. At all material times, a liability policy of insurance protects both Volpe and Swift Kennedy.

16. Denied. Volpe's wife has always driven the Honda motor vehicle and continues to drive the motor vehicle. Volpe has the right to purchase the Honda motor vehicle for \$1.00. It is admitted that Volpe owns a Corvette, however, the Corvette is an unsafe vehicle during the winter months.

17. Denied. Volpe is justified in retaining the Cadillac and Honda motor vehicles during any period of improper suspension on behalf of Swift Kennedy.

18. Denied. At all material times, a liability policy of insurance protects both Volpe and Swift Kennedy.

WHEREFORE, Petitioner respectfully requests this Honorable Court to dismiss Swift Kennedy's Petition to return the motor vehicles with prejudice.

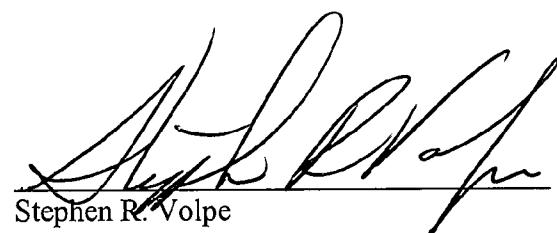
Respectfully submitted,



David J. Hopkins, Esquire
Attorney for Plaintiff

VERIFICATION

I hereby verify that the statements made in this pleading are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S.A. Section 4904, relating to Unsworn Falsification to Authorities.



Stephen R. Volpe

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :
:

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of Plaintiff's Answer to Petition for Recovery of Property filed on behalf of Stephen R. Volpe, was forwarding by first class mail, postage prepaid, on the 16th day of September, 2003, to all counsel of record, addressed as follows:

Rodney A. Beard, Esquire
2766 W. College Avenue, Suite 4
State College, PA 16801



David J. Hopkins, Esquire
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
v. : No. 03-1188-CD
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant : Type of Pleading: Praeclipe
: :
: Filed on behalf of Defendant: Swift,
: Kennedy & Associates, Inc.
: :
: Counsel of Record for this party:
: RODNEY A. BEARD, ESQUIRE
: Attorney at Law
: Supreme Court No. 49909
: :
: 2766 W. College Avenue, Suite 100
: State College, PA 16801
: :
: (814) 237-3101

FILED

SEP 25 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
:
v. : No. 03-1188-CD
:
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

PRAECIPE

TO THE PROTHONOTARY:

Kindly change my address in your official records for the above referenced matter
as follows:

Rodney A. Beard, P.C.
2766 West College Avenue, Suite 100
State College, PA 16801
(814) 237-3101 phone
(814) 237-3102 fax

Respectfully submitted:

9/23/03
Date



Rodney A. Beard, Esquire
Sup. Ct. I.D. No. 49909
2766 W. College Avenue, Suite 100
State College, PA 16801
(814) 237-3101

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
:
v. : No. 03-1188-CD
:
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Praeclipe was served by U.S. First Class Mail, postage prepaid in State College, Pennsylvania, on the 23rd day of September, 2003, to the following person:

DAVID J. HOPKINS, ESQUIRE
THE HOPKINS LAW FIRM
900 BEAVER DRIVE
DUBOIS, PA 15801

9/23/03
Date



Rodney A. Beard, Esquire
Sup. Ct. I.D. No. 49909
2766 W. College Avenue, Suite 100
State College, PA 16801
(814) 237-3101

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL ACTION

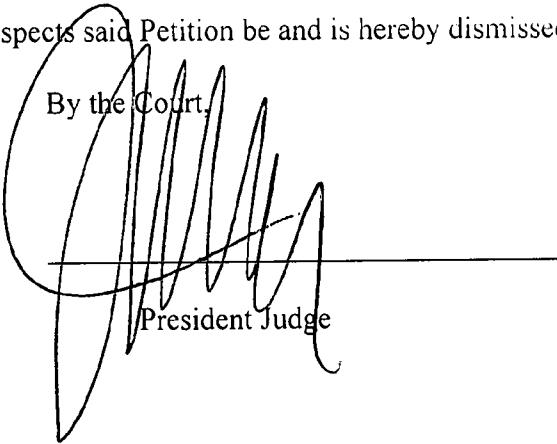
STEPHEN R. VOLPE :

-vs- : No. 03 - 1188 - CD

SWIFT, KENNEDY & ASSOCIATES, INC.:

ORDER

NOW, this 8th day of December, 2003, this being the day and date set for hearing into Defendant's Petition for Recovery of Property, upon agreement of the parties, it is the ORDER of this Court that said Petition be and is hereby granted to the extent that the Cadillac presently in the possession of the Plaintiff shall be turned over to the Defendant within 48 hours from date hereof. In all other respects said Petition be and is hereby dismissed.

By the Court,

President Judge

FILED

DEC 08 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEPHEN R. VOLPE, :
Plaintiff :
: No. 03 - 1188 - CD
vs. :
: ENTRY OF APPEARANCE
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

Filed on Behalf of:
Plaintiff

Counsel of Record for
This Party:

Carl A. Belin, Jr., Esquire
PA I.D. #06805

BELIN & KUBISTA
15 North Front Street
P.O. Box 1
Clearfield, PA 16830
(814) 765-8972 (PHONE)
(814) 765-9893 (FAX)

FILED

DEC 16 2003

William A. Shaw
Prothonotary

I hereby certify this to be a true
and attested copy of the original
statement filed in this case.

Attest.
DEC 16 2003
William A. Shaw
Prothonotary/
Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

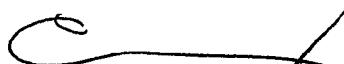
STEPHEN R. VOLPE, :
Plaintiff :
: No. 03 - 1188 - CD
vs. :
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

ENTRY OF APPEARANCE

Please enter my appearance for Plaintiff, Stephen R. Volpe,
in the above-captioned matter.

DATE:

12/16/03


Carl A. Belin, Jr. Esquire
BELIN & KUBISTA
15 North Front Street
P.O. Box 1
Clearfield, PA 16830
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

STEPHEN R. VOLPE, :
Plaintiff :
: No. 03 - 1188 - CD
vs. :
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

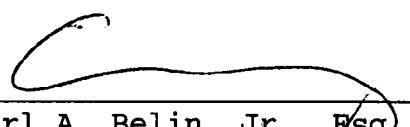
CERTIFICATE OF SERVICE

This is to certify that the undersigned has sent a certified copy of Entry of Appearance on behalf of Plaintiff in the above-captioned matter to the following parties by postage prepaid United States first class mail on the 16th day of December, 2003:

David J. Hopkins, Esquire
The Hopkins Law Firm
900 Beaver Drive
DuBois, PA 15801

Rodney A. Beard, Esquire
2766 W. College Avenue, Suite 100
State College, PA 16801

BELIN & KUBISTA

By 
Carl A. Belin, Jr., Esq.
Attorney for Plaintiff

BELIN & KUBISTA
ATTORNEYS AT LAW
15 NORTH FRONT STREET
P. O. BOX 1
CLEARFIELD, PENNSYLVANIA 16830

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE,
Plaintiff

v. : No. 03-1188-CD

SWIFT, KENNEDY & ASSOCIATES, INC.,
Defendant : Type of Pleading: Preliminary Objections

: Filed on behalf of Defendant: Swift,
Kennedy & Associates, Inc.

: Counsel of Record for this party:
RODNEY A. BEARD, ESQUIRE
Attorney at Law
Supreme Court No. 49909

: 2766 W. College Avenue, Suite 100
State College, PA 16801

: (814) 237-3101

FILED

DEC 08 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: :
v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

PRELIMINARY OBJECTIONS

AND NOW, comes the Defendant, Swift, Kennedy & Associates, Inc., by and through its undersigned counsel, and files the within Preliminary Objections to the Complaint, and states as follows:

1. The relationship between Plaintiff Stephen R. Volpe (hereinafter referred to as "Volpe"), and Defendant Swift, Kennedy & Associates, Inc. (hereinafter referred to as "SKA") stems from an Employment Agreement. The Employment Agreement is attached to Volpe's Complaint as Exhibit D.
2. The Complaint which Volpe has filed in this matter sets forth two (2) claims, the first claim having to do with a request for reformation of the Employment Agreement, and the second count having to do with a claim for adverse tax consequences resulting from a transaction whereby Helpmates, Inc., purchased common stock of SKA from Volpe.
3. Helpmates, Inc., is a Pennsylvania corporation and is not a party to this action.
4. Interpretation of the Employment Agreement was the subject of a prior action filed to Case No. 03-225-CD, upon which trial was held on May 21, 2003, before the Honorable John K. Reilly, Jr., President Judge of the Court of Common Pleas of Clearfield County, Pennsylvania.

5. On or about July 9, 2003, the Honorable John K. Reilly, Jr., issued his Opinion and Order in the case filed to No. 03-225-CD. A true and correct copy of the Opinion and Order is attached hereto as Exhibit A, and incorporated herein.

6. Following the Honorable Court's Opinion and Order in Case No. 03-225-CD, Volpe filed Post-Trial Motions.

7. The Post-Trial Motions filed by Volpe in Case No. 03-225-CD, are still pending before this Honorable Court and the case has not yet been finally resolved.

Preliminary Objection – Pendency of Prior Action

8. Volpe's request for reformation of the Employment Agreement set forth in this action is essentially the same action, and involves identical parties and issues, as his request for Declaratory Judgment regarding interpretation of the Employment Agreement which is still the subject of the action pending to Case No. 03-225-CD.

9. Pa. R.C.P. 1028(6) allows a preliminary objection to be filed raising the issue of pendency of a prior action.

10. The interest of judicial economy and efficiency will not be served by proceeding with this action while the action filed to Case No. 03-225-CD is still pending and not finally resolved.

11. Wherefore, SKA respectfully requests that this Preliminary Objection be granted and that Plaintiff's Complaint be dismissed.

Preliminary Objection – Failure to Join Necessary Party

12. The second claim for relief set forth by Volpe in the Complaint filed in this action pertains to a request for refund of adverse tax consequences resulting from certain tax elections

made pursuant to the Internal Revenue Code in regard to the purchase by Helpmates, Inc., of common stock in SKA from Volpe.

13. The issue complained of by Volpe regarding tax consequences of the purchase and sale transaction does not involve SKA, but rather involves Helpmates, Inc.

14. The documents attached to Volpe's Complaint clearly reveal that the stock purchase transaction was between Helpmates, Inc. and Volpe.

15. Any claim for refund of adverse tax consequences by Volpe must be set forth against Helpmates, Inc.

16. Volpe has not named Helpmates, Inc., as a party to this action.

17. Pa. R.C.P. 1028(5) allows a preliminary objection to be filed for non-joinder of a necessary party.

18. In order to resolve the issue of any alleged refund for tax consequences, Helpmates, Inc., will be a necessary party.

19. Volpe's claim for refund of adverse tax consequences cannot be resolved without Helpmates, Inc., being a party to the action.

WHEREFORE, SKA respectfully requests that this Preliminary Objection be granted and that Volpe's Complaint be dismissed for failure to join a necessary party.

Respectfully submitted:

12/8/03
Date


Rodney A. Beard, Esquire
Attorney for Defendant
Sup. Ct. I.D. No. 49909
2766 West College Avenue, Suite 100
State College, PA 16801
(814) 237-3101

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

STEPHEN R. VOLPE

-vs-

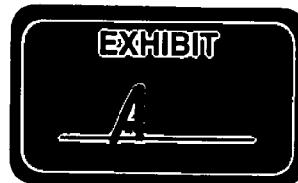
No. 03 - 225 - CD

SWIFT,KENNEDY & ASSOCIATES,INC. :

OPINION AND ORDER

Plaintiff above-named has filed a Complaint for Declaratory Action pursuant to 42 P.S. §7542. In his Complaint, Plaintiff alleges that prior to March 26, 2002, he was the owner of all stock in Swift, Kennedy & Associates, Inc., a Pennsylvania corporation engaged in the business of selling employee benefits and health insurance throughout the Commonwealth of Pennsylvania. He further alleges that on March 26, 2002, he, as sole stockholder of Swift, Kennedy & Associates, Inc. entered into a stock purchase agreement with Helpmates, Inc. under the terms of which Plaintiff agreed to sell all of the common stock of Swift, Kennedy & Associates, Inc. to Helpmates, Inc. On April 30, 2002, the transaction closed and Plaintiff conveyed all corporate stock of Swift, Kennedy & Associates, Inc. to Helpmates, Inc. and on that date Plaintiff resigned as an officer and director of Swift, Kennedy & Associates, Inc. Also, on April 30, 2002, Plaintiff and Defendant entered into an employment agreement, which provided in paragraph 1 as follows:

During the period of employment, Employee [Volpe] agrees to devote his attention, skill and efforts to the performance of duties on behalf of the Corporation [Swift Kennedy], as a salesperson of health related benefits, and for no other reason without the express written consent of employee, to maintain and promote the business of the Corporation [Swift Kennedy], and at the Corporation's [Swift Kennedy's] request to serve as an officer in/or director of the Corporation [Swift Kennedy] at least five (5) hours per week.



Plaintiff now seeks to have this Court declare that under the terms of paragraph 1 of the employment agreement set forth above, he is required to work no more than five hours per week as a salesman of health related benefits.

Hearing thereon was held May 21, 2003, at which time Plaintiff presented witnesses as to the intent of the parties at the time the above agreement was entered into.

The general rule of law is that in interpreting a contract, the Court must first examine its language and if the language is clear and unequivocal, its meaning must be determined by its contents alone. See Com. Dept. of Transp. v. Manor Mines, Inc., 523 Pa. 112, 565 A.2d 428 (1989). Further, the Supreme Court of Pennsylvania, in Murphy v. DuQuesne Univ. of the Holy Ghost, 565 Pa. 571, 777 A.2d 418 (2001) held as follows:

“When a writing is clear and unequivocal, its meaning must be determined by its contents.” Felte v. White, 302 A.2d 347, 351 (Pa. 1973) (quoting East Crossroads Center Inc. v. Mellon-Stuart Co., 205 A.2d 865, 866 (Pa. 1965)). Only where a contract’s language is “ambiguous” may extrinsic or parol evidence be considered to determine the intent of the parties. Hutchinson v. Sunbeam Coal Co., 519 A.2d 385, 390 (Pa. 1986). A contract contains an ambiguity “if it is reasonably susceptible of different constructions and capable of being understood in more than one sense.” Id. This question, however, is not resolved in a vacuum. Instead, “contractual terms are ‘ambiguous’ if they are subject to more than one reasonable interpretation when applied to a particular set of facts.” Madison Construc. Co. v. Harleysville Mut. Ins. Co., 735 A.2d 100, 106 (Pa. 1999). In the absence of an ambiguity, the plain meaning of the agreement will be enforced. Gene & Harvey Builders, Inc. v. Pennsylvania Mfrs.’ Ass’n Ins. Co., 517 A.2d 910, 913 (Pa. 1986).

In the instant case, it is clear to this Court that paragraph one of the employment agreement is clear upon its face, is not ambiguous and is not reasonably susceptible of different constructions or capable of being understood in more than one sense. Only one reasonable interpretation can be applied to this set of facts and that is that the Plaintiff must devote his skill

and efforts to the performance of duties on behalf of the corporation as a sales person. In this regard, no specific hours or times are set forth. It is further clear that at the corporation's request he must serve as an officer in/or director of the corporation at least five hours per week. This time requirement applies only to the corporation's request that he serve in the capacity of officer or director.

If view of this and of the Appellate decisions cited above, parol evidence is inadmissible as the intent of the parties is clear from the document set forth above.

WHEREFORE, the Court enters the following:

ORDER

NOW, this 9th day of July, 2003, following hearing and briefs into the above-captioned Complaint for Declaratory Action, it is the ORDER of this Court that said Complaint be and is hereby dismissed in accordance with the foregoing Opinion.

By the Court,

/s/ JOHN K. REILLY, JR.

President Judge

I hereby certify this to be a true and attested copy of the original statement filed in this case.

JUL 10 2003

Attest.

Wm. L. Reilly
Prothonotary/
Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE, :
Plaintiff :
: :
v. : No. 03-1188-CD
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Preliminary Objections were served by U.S. First Class Mail, postage prepaid in State College, Pennsylvania, on the 4th day of December 2003, to the following persons:

David J. Hopkins, Esquire
The Hopkins Law Firm
900 Beaver Drive
DuBois, PA 15801

Carl Belin, Jr.
Belin & Kubista
15 North Front Street
P.O. Box 1
Clearfield, PA 16830

12/4/03
Date



Rodney A. Beard, Esquire
Attorney for Defendant
Sup. Ct. I.D. No. 49909
2766 West College Avenue, Suite 100
State College, PA 16801
(814) 237-3101

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant : Type of Pleading: Preliminary Objections
: to the Preliminary Objections filed by
: Swift, Kennedy & Associates, Inc.
: :
: Filed on behalf of: Stephen R. Volpe,
: Plaintiff.
: :
: Counsel of Record for this party:
: THE HOPKINS LAW FIRM
: :
: DAVID J. HOPKINS, ESQUIRE
: Attorney at Law
: Supreme Court No. 42519
: :
: LEA ANN HELTZEL, ESQUIRE
: Attorney at Law
: Supreme Court No. 83998
: :
: 900 Beaver Drive
: DuBois, Pennsylvania 15801
: :
: (814) 375-0300

FILED

DEC 23 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :
:

NOTICE

TO: Defendant

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Amended Complaint is served, by entering a written appearance personally or by Attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Office of the Court Administrator
Clearfield County Courthouse
230 E. Market Street
Clearfield, PA 16830
(814) 765-2641 (ext. 5982)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
vs. : No. 03-1188 C.D.
: :
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :
:

PRELIMINARY OBJECTIONS TO PRELIMINARY OBJECTIONS
FILED BY SWIFT, KENNEDY & ASSOCIATES, INC.

AND NOW, comes Plaintiff, Stephen R. Volpe, by and through his attorneys, The Hopkins Law Firm, and files the within Preliminary Objections to the Preliminary Objections filed by Swift, Kennedy & Associates, Inc. and says as follows:

1. On August 12, 2003, Plaintiff filed a Complaint seeking to reform a contract between Plaintiff and Defendant. The Complaint contained a notice to plead.

2. Defendant accepted service of the Complaint on August 14, 2003.

3. On or about August 20, 2003, Plaintiff filed an Amended Complaint and was served upon Defendant on the same day.

4. Pa.R.C.P. 1026(a) states in pertinent part:

“Every pleading subsequent to the complaint shall be filed within twenty days after service of the preceding pleading. . .”

5. Pa.R.C.P. 1017 defines permitted pleadings as:

“ a complaint, an answer thereto, a reply if the answer contains new matter or a counterclaim, a preliminary objection and an answer thereto”.

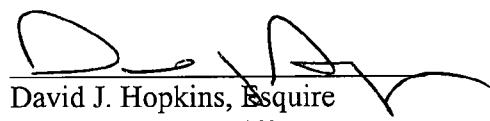
6. Defendant filed Preliminary Objections on or about December 4, 2003.

Said filing was beyond the twenty (20) day period as required by Pa.R.C.P. 1026.

7. Defendant's late filing of Preliminary Objections requires same to be dismissed.

WHEREFORE, Plaintiff respectfully requests this Honorable Court dismiss Defendant's Preliminary Objections.

Respectfully submitted,



David J. Hopkins, Esquire
Attorney for Plaintiff

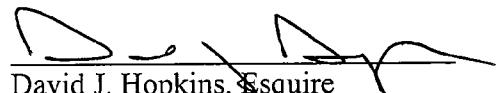
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY PENNSYLVANIA
(CIVIL DIVISION)

STEPHEN R. VOLPE :
Plaintiff :
:
vs. : No. 03-1188 C.D.
:
:
SWIFT, KENNEDY & ASSOCIATES, INC. :
Defendant :

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of Preliminary Objections to Preliminary Objection filed by Swift, Kennedy & Associates, Inc., filed on behalf of Stephen R. Volpe, was forwarding by first class mail, postage prepaid, on the 23rd day of December, 2003 to all counsel of record, addressed as follows:

Rodney A. Beard, Esquire
2766 West College Avenue, Suite 100
State College, PA 16801


David J. Hopkins, Esquire
Attorney for Plaintiff

**IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA**

CIVIL DIVISION

Stephen R. Volpe

Vs. **No. 2003-01188-CD**
Swift, Kennedy & Associates, Inc.

CERTIFICATE OF DISCONTINUATION

Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on December 22, 2003, marked:

Discontinued, Settled, and Ended.

Record costs in the sum of \$85.00 have been paid in full by Attorney.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 22nd day of December A.D. 2003.

William A. Shaw, Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

STEPHEN R. VOLPE, :
Plaintiff :
: No. 03 - 1188 - CD
vs. :
: PRAECIPE
SWIFT, KENNEDY & ASSOCIATES, INC., : DISCONTINUE
Defendant :
:

FILED ON BEHALF OF:
Plaintiff

Counsel of Record for
This Party:

Carl A. Belin, Jr., Esquire
PA I.D. #06805

BELIN & KUBISTA
15 North Front Street
P.O. Box 1
Clearfield, PA 16830

(814) 765-8972

FILED

DEC 22 2003

William A. Shaw
Prothonotary

I hereby certify this to be a true
and attested copy of the original
statement filed in this case.

Attest. *William A. Shaw*
Prothonotary
Clerk of Courts

DEC 22 2003

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION

STEPHEN R. VOLPE, :
Plaintiff :
: NO. 03 - 1188 - CD
vs. :
: :
SWIFT, KENNEDY & ASSOCIATES, INC., :
Defendant :
:

PRAECIPE

TO THE PROTHONOTARY:

Please mark the above matter settled, discontinued and
ended, without prejudice.

BELIN & KUBISTA


Carl A. Belin, Jr., Esquire

BELIN & KUBISTA
ATTORNEYS AT LAW
15 NORTH FRONT STREET
P. O. BOX 1
CLEARFIELD, PENNSYLVANIA 16830
