

05-83-CD  
B. Giuffre et al vs. S. Ertaro

S. ERTARO, IT

Brandon Giuffre v. James Boyles et al  
2005-083-CD

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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - 83 -CD

Type of Pleading:

**Complaint**

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 East Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

**FILED**

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JAN 18 2005  
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William A. Shaw  
Prothonotary/Clerk of Courts

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Att'y

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NOTICE

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 Complaint and notice are 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.

Court Administrator  
Clearfield County Courthouse  
Market and Second Streets  
Clearfield, PA 16830

(814) 765-2641, ext. 5982

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Defendant

No. 05 - -CD

**COMPLAINT**

NOW COMES BRANDON J. GIUFFRE and JAMES J. BOYLES, and by and through their attorney, James A. Naddeo, Esquire, set forth the following:

1. Plaintiff, Brandon J. Giuffre, is an adult individual residing at 209 Shardan Avenue, Curwensville, Pennsylvania.
2. Plaintiff, James J. Boyles, is an adult individual residing at 115 Wallace Street, Clearfield, Pennsylvania.
3. Harmony Multi-Media, LLC (hereinafter "Harmony" or "Company") is a Limited Liability Company which owns and operates a multi-media production facility at 26 South Second Street, Suite 204, Clearfield, Pennsylvania.
4. Defendant, Samuel A. Ettaro II, is an adult individual residing at 481 9<sup>th</sup> Street, Clearfield, Pennsylvania.
5. Harmony was formed pursuant to an Operating Agreement dated March 21, 2002, by and between Plaintiff Giuffre and Defendant Ettaro. A copy of the agreement is attached hereto as Exhibit "A."

6. Article VI, Section 2 of the Operating Agreement provided that Defendant Ettaro would serve as Manager the Company until the first annual meeting of the members.

7. On September 15, 2003, Plaintiff Giuffre and Defendant Ettaro executed an Addendum to the Operating Agreement extending membership in the Company to Plaintiff Boyles. A copy of the Addendum is attached hereto as Exhibit "B."

8. Pursuant to the Addendum, Plaintiff Giuffre and Defendant Ettaro each possess a forty percent (40%) interest in the Company; Plaintiff Boyles possesses a twenty percent (20%) interest in the Company.

9. A dispute developed between Plaintiffs and Defendant as to the Management of the Company.

10. On November 22, 2004, Plaintiffs, being a majority of the membership, executed a resolution/vote confirmation advising Defendant that they were withdrawing their authority for Defendant to continue as Manager/President of Harmony Multi-Media, LLC. A true and correct copy of the Resolution/Vote Confirmation is attached hereto as Exhibit "C."

11. During the November 22, 2004 meeting, Plaintiffs voted for Plaintiff Giuffre to serve as Manager/President of the Company.

12. By a letter dated December 16, 2004, Defendant informed the Plaintiffs that he was locking down the Company as to permanently exclude Plaintiffs from any and all involvement in the Company. A copy of the letter is attached hereto as Exhibit "D."

13. By a letter dated January 1, 2005, Defendant informed the Plaintiffs that he

- a. Was dissolving the Company;
- b. Had closed the Company's bank accounts; and
- c. Had opened another account in his name.

A copy of the letter is attached hereto as Exhibit "E."

14. Defendant has breached and is continuing to breach his contractual and statutory obligations to the Company and to Plaintiffs as follows:

- a. Attempting to dissolve the Company without Plaintiffs' authority;
- b. Converting Company property and/ or funds into a personal account;
- c. Acting as Manager/President without Plaintiffs' authority or otherwise failing to relinquish exclusive management control following the decision of Plaintiffs to remove him as Manager/President;
- d. Possessing and exercising exclusive control of the books and records of the Company and information about the affairs of the Company.
- e. Excluding Plaintiffs from access to any and all Company records and information and from their rightful involvement in the Company,
- f. Failing and/or refusing to provide to the Plaintiffs complete information within his control concerning the affairs of the Company including full information concerning all things affecting the Company;

15. Although repeated demands have been made, Defendant Ettaro has willfully failed and refused to relinquish his exclusive control, and, unless this Court acts, Defendant will continue to willfully fail and refuse to perform, and to cease his violations of, his obligations to the Company and the Members under the Operating Agreement, the Addendum, and the Limited Liability Company Law.

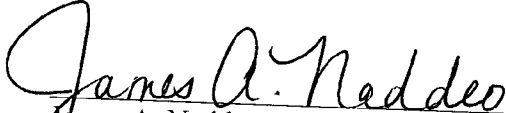
16. The Company and the Members are entitled to have Defendant enjoined from further violations and/or breaches under the Operating Agreement, the Addendum, and the Limited

Liability Company Law; and unless Defendant is so enjoined, the Company and the Plaintiff Members will suffer irreparable harm and injury.

17. Plaintiffs do not have an adequate remedy at law.

WHEREFORE, Plaintiffs pray for relief from Defendant's actions and the entry of an order preliminarily, and after final hearing, permanently:

- a. Enjoining Defendant from attempting to dissolve the Company;
- b. Enjoining Defendant from converting the Company's assets into his own name;
- c. Enjoining Defendant from continuing to serve as Manager/President and from otherwise exercising exclusive control of the management of the Company;
- d. Enjoining Defendant from refusing and failing to make available to Plaintiffs upon demand the Company books and records under his control;
- e. Enjoining Defendant from refusing and failing to provide to the Plaintiffs upon demand information relating to the Company affairs;
- f. Enjoining Defendant from interfering with the rights of Plaintiffs to participate in the management of the Company and the right of the Company to have the Plaintiffs' participation in its management;
- g. Enjoining Defendant from doing any other acts which violate the rights of the Company and the Plaintiff Members under the Operating Agreement, the Addendum and/or the Limited Liability Company Law;
- h. Awarding damages as the Court deems just and proper;
- i. Granting any other relief as the Court deems just and proper.

  
James A. Naddeo, Esquire  
Attorney for Plaintiffs

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF CLEARFIELD ) ss.

Before me, the undersigned officer, personally appeared BRANDON J. GIUFFRE, who being duly sworn according to law, deposes and states that he is a Member of Harmony Multi-Media, LLC, and that as such member he is authorized to execute this Affidavit and further that the facts set forth in the foregoing Complaint are true and correct to the best of his knowledge, information and belief.

Brandon J. Giuffre  
Brandon J. Giuffre

SWORN and SUBSCRIBED before me this 18th day of January, 2004.

Jennifer L. Royer

Notarial Seal  
Jennifer L. Royer, Notary Public  
Clearfield Boro, Clearfield County  
My Commission Expires May 17, 2007



## OPERATING AGREEMENT

### OF

#### HARMONY MULTI-MEDIA, LLC. A Pennsylvania Limited Liability Company

This OPERATING AGREEMENT OF HARMONY MULTI-MEDIA, LLC (this "Agreement"), dated as of \_\_\_\_\_, 2002 is (a) adopted by the Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

### ARTICLE I

#### Definitions

1.01 Definitions. As used in this Agreement, the following terms have the following meanings:

"Act" means the Pennsylvania Limited Liability Company Law of 1994, 15 Pa.C.S. §§8901 et seq., and any successor statute, as amended from time to time.

"Agreement" has the meaning given that term given in the introductory paragraph.

"Bankrupt" means, with respect to any person, a person (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person's or of all or any substantial part of the person's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the person's consent or acquiescence, a trustee, receiver, or liquidator of the person or of all or any substantial part of the person's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

"Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking association in the Commonwealth of Pennsylvania are closed.

"Capital Contribution" means any contribution by a Member to the capital of the Company.

*"Certificate"* has the meaning given that term in Section 2.01.

*"Code"* means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

*"Commitment"* means, subject in each case to adjustments on account of Dispositions of a Membership Interest permitted by this Agreement, (a) in the case of a Member executing this Agreement as of the date hereof or a person acquiring that Membership Interest, the amount specified for that Member as its Commitment on Exhibit A, and (b) in the case of a Membership Interest issued pursuant to Section 3.04, the Commitment established pursuant thereto.

*"Company"* means Harmony Multi-Media, LLC, a Pennsylvania Limited Liability Company.

*"Default Interest Rate"* means a rate per annum equal to 3% plus a varying rate per annum that is equal to the interest rate publicly quoted by Mellon Bank, N.A. from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate.

*"Delinquent Member"* has the meaning given that term in Section 4.03(a).

*"Dispose", "Disposing" or "Disposition"* means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

*"General Interest Rate"* means a rate per annum equal to a varying rate per annum that is equal to the interest rate publicly quoted by Mellon Bank, N.A. from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate.

*"Lending Member"* has the meaning given that term in Section 4.03(a)(ii).

*"Manager"* means any person hereafter elected as a manager of the Company as provided in this Agreement, but does not include any person who has ceased to be a manager of the Company.

*"Member"* means any person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but does not include any person who has ceased to be a member in the Company.

*"Membership Interest"* means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

*"PaBCL"* means the Pennsylvania Business Corporation Law of 1988, 15 Pa.C.S. §§1101 et seq., and any successor statute, as amended from time to time.

"Permitted Transferee" has the meaning given that term in Section 3.03(c).

"Proceeding" has the meaning given that term in Section 8.01

"Required Interest" means one or more Members having among them more than 50% of the Sharing Ratios of all the Members.

"Sharing Ratio" with respect to any Member means a fraction (expressed as a percentage), the numerator of which is that Member's Commitment and the denominator of which is the sum of the commitments of all Members.

Other terms defined herein have the meanings so given them.

1.02 Construction. Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to Exhibits attached hereto, each of which is made a part hereof for all purposes.

## ARTICLE II

### Organization

2.01 Formation. The Company has been organized as a Pennsylvania limited liability company by the filing of a Certificate of Organization (the "Certificate") with the Department of State of the Commonwealth of Pennsylvania under and pursuant to the Act.

2.02 Name. The name of the Company is "Harmony Multi-Media, LLC" and all Company business must be conducted in that name or such other names that comply with applicable law as the Managers may select from time to time.

2.03 Registered Office; Registered Agent; Principal Office in the United States; Other Offices. The registered office of the Company required by the Act to be maintained in the Commonwealth of Pennsylvania shall be 1006 Daisy Street, Clearfield, Clearfield County, Pennsylvania, 16830 or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law. The principal office of the Company shall be at such place as the Manager may designate from time to time, which need not be in the Commonwealth of Pennsylvania, and the Company shall maintain such records as are set forth on Exhibit "B" hereto. The Company may have such other offices as the Manager may designate from time to time.

2.04 Purposes. The Company is organized to conduct or promote any lawful business or purpose with its primary purpose to be production of multi-media content.

2.05 Foreign Qualification. Prior to the Company's conducting business in any jurisdiction other than the Commonwealth of Pennsylvania, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments

conforming with this Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.06 Term. The Company commenced on the date the Certificate was filed with the Department of State of the Commonwealth of Pennsylvania pursuant to Section 8314 of the Act and its term shall be perpetual unless sooner terminated as provided in this Agreement.

2.07 No State-Law Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or Manager be a partner or joint venturer of any other Member or Manager, for any purposes other than Federal and, to the extent permitted, state tax purposes, and this Agreement shall not be construed to produce a contrary result.

### **ARTICLE III** **MEMBERSHIP, DISPOSITIONS OF INTERESTS**

3.01 Initial Members. The initial members of the Company are the persons executing this Agreement as of the date hereof as members, each of which is admitted to the Company as a member effective contemporaneously with the execution by such person of this Agreement.

3.02 No Certification; Restrictions on the Disposition of an Interest. (a) No Membership Interest in the Company shall be represented by a separate certificate.

(b) Except as specifically provided in this Section 3.03, a Disposition of an interest in the Company may not be effected without the consent of all of the other Members (which consent may be granted or withheld in each member's sole discretion). Any attempted Disposition by a person of an interest or right, or any part thereof, in or in respect of the Company other than in accordance with this Section 3.03 shall be, and is hereby declared, null and void *ab initio*.

(c) Notwithstanding the provisions of Section 3.03(b), the interest of any Member in the Company may be transferred without the consent of any of the Members if (i) the transfer occurs by reason of or incident to the death, dissolution, divorce, liquidation, merger or termination of the transferor Member, and (ii) the transferee is a Permitted Transferee. A "Permitted Transferee" is any member of such Member's immediate family, or a trust, corporation, limited liability company, or partnership controlled by such Member or members of such Member's immediate family, or another person controlling, controlled by, or under common control with such Member.

(d) Subject to the provisions of Section 3.03(e), (f) and (g), (i) a person to whom an interest in the Company is transferred has the right to be admitted to the Company as a Member with the Sharing Ratio and the Commitment so transferred to such person, if (A) the Member making such transfer grants the transferee the right to be so admitted, and (B) such transfer is consented to in accordance with Section 3.03(b); and (ii) a Permitted Transferee under the circumstances described in Section 3.03(c) has the right to be admitted to the Company as a Member with the Sharing Ratio and the Commitment so transferred to the Permitted Transferee.

(e) The Company shall not recognize for any purpose any purported Disposition of all or part of a Membership Interest unless and until the other applicable provisions of this Section 3.03

have been satisfied and the Manager has received, on behalf of the Company, a document (i) executed by both the Member effecting the Disposition (or if the transfer is on account of the death, incapacity, or liquidation of the transferor, its representative) and the person to which the Membership, Interest or part thereof is Disposed, (ii) including the notice address of any person to be admitted to the Company as a Member and its agreement to be bound by this Agreement in respect of the Membership Interest or part thereof being obtained, (iii) setting forth the Sharing Ratios and the Commitments after the Disposition of the Member effecting the Disposition and the person to which the Membership Interest or part thereof is Disposed (which together must total the Sharing Ratio and the Commitment of the Member effecting the Disposition before the Disposition), and (iv) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations (including securities laws) and, if the person to which the Membership Interest or part thereof is Disposed is to be admitted to the Company, its representation and warranty that the representations and warranties in Section 3.02 are true and correct with respect to that person. Each Disposition and, if applicable, admission complying with the provisions of this Section 3.03(e) is effective as of the first day of the calendar month immediately succeeding the month in which the Manager receives the notification of Disposition and the other requirements of this Section 3.03 have been met.

(f) Prior to the exercise of the right of a Member to Dispose of a Membership Interest or any part thereof or of any person to be admitted to the Company in connection therewith to exist or be exercised, (i) either (A) the Membership Interest or part thereof subject to the Disposition or admission must be registered under the Securities Act of 1933, as amended, and any applicable state securities laws or (B) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to the Manager to the effect that the Disposition or admission is exempt from registration under those laws and (ii) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to the Manager to the effect that the Disposition or admission, when added to the total of all other sales, assignments, or other Dispositions within the preceding 12 months, would not result in the Company's being considered to have terminated within the meaning of the Code. The Manager however, may waive the requirements of this Section 3.03(f) in such circumstances as they deem appropriate in their, sole discretion.

(g) The Member effecting a Disposition and any person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred to in Section 3.03(f)) on or before the tenth day after the receipt by that person of the Company's invoice for the amount due. If payment is not made by the date due, the person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

3.03. Additional Members. Additional persons may be admitted to the Company as Members and Membership Interests may be created and issued to those persons and to existing Members with the unanimous consent of the initial Members.

3.04 Liability to Third Parties. No Member or Manager shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.05 Withdrawal. A Member does not have the right to withdraw from the Company as a Member.

#### ARTICLE IV CAPITAL CONTRIBUTIONS

4.01 Return of Contributions. A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions. Notwithstanding this provision or anything to the contrary contained in this agreement, upon any dissolution under Article XII Samuel Ettaro shall have the right to and shall receive the Company's name, logo, website (domain address[es]), goodwill and client base without adjustment to his capital account.

4.02 Advances by Members. If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the Managers' consent may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section 4.05 constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.03 Capital Account. A capital account shall be established and maintained for each Member. Each Member's capital account (a) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under section 752 of the Code), and (iii) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. §1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items thereof), including loss and deduction described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. §1.704-1(b)(4)(i) or §1.704-1(b)(4)(iii). The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. §§1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. §1.704-1(b)(2)(iv)(g). A Member that has more than one Membership Interest shall have a single capital account that reflects all its Membership Interests, regardless of the class of Membership Interests owned by that Member and regardless of the time or manner in which those Membership Interests were acquired. On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(1).

**ARTICLE V**  
**ALLOCATIONS AND DISTRIBUTIONS**

5.01 Allocations. (a) Except as may be required by section 704(c) of the Code and Treas. Reg. §1.704-1(b)(2)(iv)(f)(4), all items of income, gain, loss, deduction, and credit of the Company shall be allocated among the Members in accordance with the following sharing ratios: Samuel A. Ettaro, II – 60%; Brandon Guiffrey – 40%.

(b) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest, without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under section 706 of the Code and the regulations thereunder.

5.02 Distributions. (a) From time to time (but at least once each calendar quarter) the Manager shall determine in his reasonable judgment to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. If such an excess exists, the Manager may cause the Company to distribute to the Members, in accordance with their Sharing Ratios, an amount in cash equal to that excess. No member shall have a contractual right to any distribution other than distributions pursuant to Section 12.02.

(b) From time to time the Manager also may cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be made subject to existing liabilities and obligations.

**ARTICLE VI**  
**MANAGER**

6.01 Management by Manager. (a) Except for those matters in which the approval of the Members is required by this Agreement or by nonwaivable provisions of applicable law, and subject to the provisions of Section 6.02, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of a Manager; and (ii) the Manager may make all decisions and take all actions for the Company not otherwise provided for in this Agreement, including, without limitation, the following:

(i) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(ii) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals

with authority to sign or give instructions with respect to those accounts and arrangements;

- (iii) maintaining the assets of the Company in good order;
- (iv) collecting sums due the Company;
- (v) to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;
- (vi) acquiring, utilizing for Company purposes, and Disposing of any asset of Company;
- (vii) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;
- (viii) Selecting, removing and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;
- (ix) obtaining insurance for the Company;
- (x) determining distributions of Company cash and other property as provided in Section 5.02; and
- (xi) establishing a seal for the Company.

(b) Notwithstanding the provisions of Section 6.01(a), the Manager may not cause the Company to do any of the following without the consent of a Required Interest:

- (i) amend the Certificate (except for amendments described in Section 8942(c) of the Act;
- (ii) amend this Agreement (except for amendments described in Section 3.04(a) hereof);
- (iii) take any action described in Section 8942(b) (2) of the Act;
- (iv) approve a merger or division in which the Company is a party (except a merger described in Section 8957(h) of the Act or a division described in Section 8963 of the Act); or
- (v) take any other action for which the consent of a Required Interest or other vote of the Members is expressly provided by the provisions hereof.

6.02. Number and Term of Office of Manager; Initial Manager. The number of Managers of the Company shall be determined from time to time by resolution of the Members; provided, however, that no decrease in the number of Managers that would have the effect of shortening the term of an incumbent Manager may be made by the Members. Each Manager shall hold office until the next annual meeting of Members and until his successor shall have



been elected and qualified, or until his earlier death, resignation or removal. The initial Manager of the Company who shall serve until the first annual meeting of Members and until their successors shall have been elected and qualified shall be Samuel Ettaro.

6.03 Approval or Ratification of Acts or Contracts by Members. The Manager in his discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by a Required Interest shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.04 Compensation of Manager. The Manager shall receive such compensation, if any, for his services as may be designated from time to time by the Members. The Manager's initial compensation shall be Three Thousand Two Hundred (\$3,200.00) Dollars per month. In addition, the Manager shall be entitled to be reimbursed for out-of-pocket costs and expenses incurred in the course of his service hereunder, including the portion of his overhead reasonably allocable to Company activities.

6.05 Conflicts of Interest. No Member shall enter into any transactions that may be considered to be competitive with the Company. The initial business activities of the Company shall include by way of illustration but not limitation:

- Digital audio and video recording and editing
- Graphic design, prepress and separation work (print, logo, advertising, image and campaign works)
- Internet site development
- Complete internet streaming media services (webcasting, live events, on demand audio and video)
- Multi-media CDROM and DVD authoring, mastering and manufacturing
- Video and audio mastering and manufacturing
- Creative consulting and professional marketing design and management
- Professional voiceovers, and original music jingles and full/end songs
- Creative writing, scripting and on-screen talent services and management

## ARTICLE VII MEETINGS OF MEMBERS

7.01 Meetings. (a) A quorum shall be present at a meeting of Members if the holders of a Required Interest are represented at the meeting in person or by proxy. With respect to any matter, (except those provided for hereinafter), the affirmative vote of a Required Interest at a meeting of Members at which a quorum is present shall be the act of the Members. Decisions on marketing, hiring of employees and expenditures exceeding \$1,000.00 per item, shall require the affirmative vote of all of the Members.

(b) All meetings of the Members shall be held at the principal place of business of the Company or at such other place within or without the Commonwealth of Pennsylvania as shall be specified or fixed in the notices or waivers of notice thereof; provided that any or all Members may participate in any such meeting by means of conference telephone or similar communications equipment pursuant to Section 7.05.

(h) No Member may cumulate his vote in the election of Managers.

7.02 Action by Written Consent or Telephone Conference. (a) Any action required or permitted to be taken at any annual or special meeting of Members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of not less than the minimum Sharing Ratios that would be necessary to take such action at a meeting at which the holders of all Sharing Ratios entitled to vote on the action were present and voted.

(c) If any action by Members is taken by written consent, any articles or, documents filed with the Secretary of the Commonwealth of Pennsylvania as a result of the taking of the action shall state, in lieu of any statement required by the Act concerning any vote of Members, that written consent has been given in accordance with the provisions of the Act and that any written notice required by the Act has been given.

(d) Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE VIII INDEMNIFICATION

8.01 Right to Indemnification. Subject to the limitations and conditions as provided in this Article VIII, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative (hereinafter a "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Manager of the Company or while a Manager of the Company is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Company to the fullest extent permitted by the Act and the PaBCL, as the same exist or may hereafter be amended, against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such Proceeding, and indemnification under this Article VIII shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article VIII shall be deemed contract rights, and

no amendment, modification or repeal of this Article VIII shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article VIII could involve indemnification for negligence or under theories of strict liability but may not extend to any matter for which indemnification is precluded by Section 8945(b) of the Act.

8.02 Advance Payment. The right to indemnification conferred in this Article VIII shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 8.01 who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a Proceeding, shall be made only upon delivery to the Company of a written affirmation by such Manager of his or her good faith belief that he has met the standard of conduct necessary for indemnification under this Article VIII and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article VIII or otherwise.

8.03 Indemnification of Employees and Agents. The Company may indemnify and advance expenses to an employee or agent of the Company to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Managers under this Article VIII; and, the Company may indemnify and advance expenses to persons who are not or were not Managers, employees or agents of the Company but who are or were serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person to the same extent that it may indemnify and advance expenses to Managers under this Article VIII.

8.04 Appearance as a Witness. Notwithstanding any other provision of this Article VIII, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

8.05 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article VIII shall not be exclusive of any other right which a Manager or other person indemnified pursuant to Section 8.03 may have or hereafter acquire under any law (common or statutory), provision of the Certificate or this Agreement, agreement, vote of Members or disinterested Managers or otherwise.

8.06 Insurance. The Company may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Manager, employee or agent of the Company or is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or

loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under this Article VIII.

8.07 Member Notification. To the extent required by law, any indemnification of or advance of expenses to a Manager in accordance with this Article VIII shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members' meeting or with or before the next submission to Members of a consent to action without a meeting and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

8.08 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Manager or any other person indemnified pursuant to this Article VIII as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable law.

8.09 Limitation on Liability. No Manager shall be personally liable, as such, for any action taken unless: (i) such manager breached or failed to perform the duties of his office; and (ii) the breach or failure to perform constituted self-dealing, willful misconduct, or recklessness. The foregoing shall not apply to any responsibility or liability under a criminal statute or liability for the payment of taxes under Federal, state, or local law.

## ARTICLE IX TAXES

9.01 Tax Returns. The Manager shall cause to be prepared and filed all necessary federal and state income tax returns for the Company, including making the elections described in Section 9.02. Each Member shall furnish to the Manager all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.02 Tax Elections. To the extent permitted by applicable tax law, the Company shall make the following elections on the appropriate tax returns:

- (a) to adopt the calendar year as the Company's fiscal year;
- (b) to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;
- (c) if a transfer of a Membership Interest as described in section 743 of the Code occurs, on written request of any transferee Member, or if a distribution of Company property is made on which gain described in Section 734(b) (1) (A) of the Code is recognized or there is an excess of adjusted basis as described in Section 734(b) (1) (B) of the Code, to elect, pursuant to section 754 of the Code, to adjust the basis of Company properties,

(d) to elect- to amortize the organizational expenses of the Company and the start-up expenditures of the Company ratably over a period of 60 months as permitted by sections 195 and 709(b) of the Code; and

(e) any other election the Managers may deem appropriate and in the best interests of the Members .

Neither the Company nor any Manager or Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law, and no provision of this Agreement (including, without limitation, Section 2.08) shall be construed to sanction or approve such an election.

## **ARTICLE X**

### **BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS**

10.01 Maintenance of Books. The Company shall keep books and records of accounts and shall keep minutes of the proceedings of its Members, its Managers and each committee of the Managers. The Company shall also maintain the books and records on Exhibit B. The books of account for the Company shall be maintained on a cash basis in accordance with the terms of this Agreement, except that the capital accounts of the Members shall be maintained in accordance with Section 4.06. The calendar year shall be the accounting year of the Company.

10.02 Reports. On or before the 120<sup>th</sup> day following the end of each fiscal year during the term of the Company, the Managers shall cause each Member to be furnished with a balance sheet, an income statement, and a statement of changes in Members' capital of the Company for, or as of the end of, that year certified by a recognized firm of certified public accountants. These financial statements must be prepared in accordance with accounting principles generally employed for cash-basis records consistently applied (except as therein noted) and must be accompanied by a report of the certified public accountants certifying the statements and stating that (a) their examination was made in accordance with generally accepted auditing standards and, in their opinion, the financial statements fairly present the financial position, financial results of operations, and changes in Members' capital in accordance with accounting principles generally employed for cash-basis records consistently applied (except as therein noted) and (b) in making the examination of and reporting on the financial statements described above, nothing came to their attention that caused them to believe that (i) the income and revenues were not paid or credited in accordance with the, financial and accounting provisions of this Agreement, (ii) the costs and expenses were not charged in accordance with the financial and accounting provisions of this Agreement, or (iii) the Managers or any Member failed to comply in any material respect with the financial and accounting provisions of this Agreement, or if they do conclude that the Managers or a Member so failed, specifying the nature and period of existence of the failure. The Managers also may cause to be prepared or delivered such other reports as they may deem appropriate. The Company shall bear the costs of all of these reports.

10.03 Accounts. The Managers shall establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company name with financial institutions and firms that the Managers determine. The Managers may not commingle the Company's funds with the funds of any Member; however, Company funds may be invested

in a manner the same as or similar to the Managers' investment of their own funds or investments by their affiliates.

## **ARTICLE XII**

### **DISSOLUTION, LIQUIDATION, AND TERMINATION**

12.01 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following:

- (a) the written consent of a Required Interest;
- (b) the expiration of the period (if any) fixed for the duration of the Company in this Agreement;
- (c) any Member shall die, become insane, retire, resign, be expelled, become a Bankrupt Member (with or without the consent of a Required Interest) or dissolve, or there shall occur any other event that terminates the continued membership in the Company of any Member, unless, in any such case, by consent of a Required Interest given within 90 days of such event, the Members elect to continue the business of the Company; and
- (d) entry of a decree of judicial dissolution of the Company under Section 8972 of the Act.

12.02 Liquidation and Termination. On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided, herein and in the Act; The costs of liquidation shall be borne as a Company expense.

Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Managers. The steps to be accomplished by the liquidator are as follows:

- (a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- (b) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.05) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine), all in accordance with Section 8974 of the Act and such other provisions of the Act as may be applicable; and

(c) all remaining assets of the Company shall be distributed to the Members as follows:

(i) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(ii) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(iii) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the partnership occurs (other than those made by reason of this clause (iii)) ; and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation) .

All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 12.02. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.02 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

12.03 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Agreement to all Members in proportion to their respective Sharing Ratios, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.04 Certificate of Dissolution. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Managers (or such other person or persons as the Act may require or permit) shall file a Certificate of Dissolution with the Department of State of the Commonwealth of Pennsylvania, cancel any other filings made pursuant to Section 2.05, and take such other actions as may be necessary to terminate the Company.

### ARTICLE XIII GENERAL PROVISIONS

13.01 Offset. Whenever the Company is to pay any sum to any Member, any amounts that Member owes the Company may be deducted from that sum before payment.

13.02 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing, and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid, and registered or certified with return receipt requested or by delivering that writing to the recipient in person, by courier, or by facsimile transmission; and a notice, request, or consent given under this Agreement is effective on receipt by the person to receive it. All notices, requests, and consents to be sent to a Member must be sent to or made at the addresses given for that Member on Exhibit A or in the instrument described in Section 3.03(e) or 3.04, or such other address as that Member may specify by notice to the other Members. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

13.03 Entire Agreement; Supersedure. This Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.04 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that person of the same or any other obligations of that person with respect to the Company. Failure on the part of a person to complain of any act of any person or to declare any person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.05 Amendment or Modification. This Agreement may be amended or modified from time to time only by a written instrument adopted by the Manager and executed and agreed to by a Required Interest; provided, however, that (a) an amendment or modification reducing a Member's Sharing Ratio or increasing its Commitment (other than to reflect changes otherwise provided by this Agreement) is effective only with that Member's consent, (b) an amendment or modification reducing the required Sharing Ratio or other measure for any consent or vote in this Agreement is effective only with the consent or vote of Members having the Sharing Ratio or other measure theretofore required, and (c) amendments of the type described in Section 3.04 may be adopted as therein provided.

13.06 Binding Act. Subject to the restrictions on Dispositions set forth in this Agreement, this Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.07 Governing Law; Severability. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ANY CONFLICT-OF-LAWS



RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.08 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

13.09 No Third Party Benefit. The provisions hereof are solely for the benefit of the Company and its Members and Managers and are not intended to, and shall not be construed to, confer a right or benefit on any creditor of the Company or any other person.

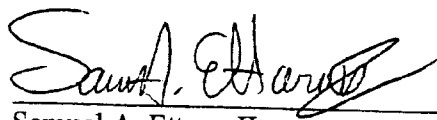
13.10 Waiver of Certain Rights. Each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company or for partition of the property of the Company.

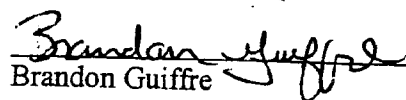
13.11 Indemnification. To the fullest extent permitted by law, each Member shall indemnify the Company, each Manager and each other Member and hold them harmless from and against all losses, costs, liabilities, damages, and expenses (including, without limitation, costs of suit and attorney's fees) they may incur on account of any breach by that Member of this Agreement.

13.12 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

IN WITNESS WHEREOF, the initial Members of the Company have executed this Agreement as of the date first set forth above.

MEMBERS:

  
Samuel A. Ettaro, II

  
Brandon Guiffre

# HARMONY

MULTI-MEDIA

09-15-03

## Addendum to Company Limited Liability Operating Agreement

On this date the below listed numbered provisions have been added to the Harmony Multi-Media, LLC Original Legal Operating Agreement dated 3-21-02.

### Changes to Original Text Effective Date of This Addendum Memo

1.) New Member Equity Split

|                     |     |
|---------------------|-----|
| Samuel A. Ettaro II | 40% |
| Brandon J. Giuffre  | 40% |
| Jim J. Boyles       | 20% |

2.) Salary of \$3,200.00/monthly due Samuel A. Ettaro shall be voided

3.) There is no stipulation to any member for mandatory "services rendered" nor are there any guarantees for salaries or other restitution for any "services rendered" in conjunction with daily operation of the Company.

3.) Place of business is now 26 South Second Street Suite 202, Clearfield, PA 16830

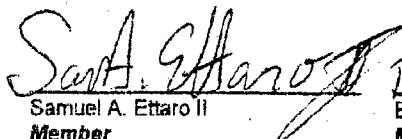
4.) James J. Boyles has full authority to negotiate terms, shop for and otherwise legally indebted the Company for the purposes of re-structuring or other commercial loan needs.

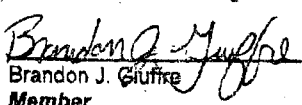
4.) James J. Boyles will arrange for and personally secure a commercial bank note in the amount of \$20,000.00 to be used for re-financing and re-structuring, in the Company's name, within 90 days of this addendum.

5.) James J. Boyles will retain full personal lien on all equipment purchased by this loan that he brings to the company until said loan has been completely satisfied.

6.) James J. Boyles will defer his right to any "equity profit split" until said loan has been completely satisfied by the Company.

This document represents the Addendum in its entirety and has been fully read, understood and agreed upon by all Members listed in the Original Operating Agreement and herein and represents the only adjustments to the Original Operating Agreement. All other original text re

  
Samuel A. Ettaro II  
Member

  
Brandon J. Giuffre  
Member

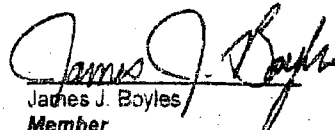
  
James J. Boyles  
Member

EXHIBIT "B"

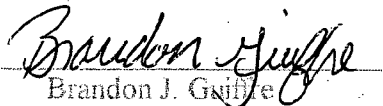
## Confirmation of Vote

11/22/04

The members below attest to the following actions taken by form of a majority vote with all members being present at a partner meeting on November 5, 2004 at 26 S 2<sup>nd</sup> Street Suite 204 Clearfield, Pa 16830:

1. Samuel A. Ettaro II was removed as President/Manager of Harmony Multi-Media, LLC for reasons of, but not limited to; breach of duties, self dealing, willful misconduct & recklessness.
2. Brandon J. Guiffre was elected to the position of President/Manager of Harmony Multi-Media, LLC.

The members below attest to and confirm the above actions.

  
Brandon J. Guiffre

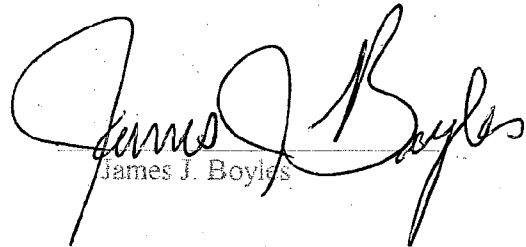
  
James J. Boyles

EXHIBIT "C"

Brandon Giuffre  
209 Shardan Drive  
Curwensville, PA 16833

Jim Boyles  
115 Wallace Street  
Clearfield, PA 16830

Re: Harmony Multi-Media, LLC  
Dissolution

December 16, 2004

Dear Brandon and Jim,

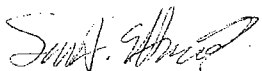
Per your email of 12-16 calling a meeting on 12-17 at 10:30 am, I have no intention of meeting personally with you at this time. All of my energies and focus are on 2005 business operations. For the record, the reason I am refusing a group meeting is due to the volatile and borderline violent confrontations that we have had in the past that were aimed by the two of you squarely at me personally, and at the managerial decisions and policies I have enacted. I will not subject myself or our colleagues to this sort of behavior any longer. Your options were laid out clearly over the past few months, produce substantially, or we split up. I've made myself abundantly clear to both of you. There is nothing more to "discuss".

As Founder, Managing Partner and President of Harmony Multi-Media, I've come to the conclusion that our obvious differences in business management, work ethic, and personal responsibility, have negatively affected this LLC to an extent that we cannot further this relationship and, I most certainly will waste no more time in these matters. I am locking down the company as of December 16<sup>th</sup>, 2004 in an attempt to affect a forced, yet peaceful, dissolution. Your actions and in-actions of the past several months have left me no choice. Should an amicable solution to our differences not be made apparent in the coming days, I will disassociate myself from this relationship and claim all assets that are mine as outlined in our agreement and proceed with business operations as necessary. We have nothing further to work out other than the details of one of these options:

- 1.) An amicable winding up of the LLC.
- 2.) My departure, and exit with the assets allowed me in the operating agreement

Please provide your reply as to which option you wish to exercise in writing no later than Monday, December 20<sup>th</sup>, 2004.

Regards,



Samuel Anthony Ettaro II  
Founder, Manager and President  
Harmony Multi-Media, LLC

Cc: Peter Smith, Esq.

EXHIBIT "D"

**Harmony Multi-Media**  
26 South Second Street, Suite #202  
Clearfield, PA 16830

To: Brandon Giuffre  
209 Shardan Drive  
Curwensville, PA 16833

Jim Boyles  
115 Wallace Street  
Clearfield, PA 16830

Re: Harmony Multi-Media, LLC  
Winding Up and Dissolution

January 1st, 2005

Dear Brandon and Jim,

Options were clearly set forth in my correspondence of December 16<sup>th</sup>, 2004 which would have allowed for an amicable dissolution of this company. It seems that you have chosen to not pursue a negotiated, friendly split. Therefore, I am writing to notify of you my current actions regarding the winding up and dissolution of our Pennsylvania Limited Liability Company, Harmony Multi-Media.

**Effective January 1<sup>st</sup>, 2005, Harmony Multi-Media, LLC has entered into the process of dissolution and winding up of the Company pursuant to the terms of our Operating Agreement. Please refrain from continuing to do business in Harmony's name.**

**Target Date for Final Dissolution**

**March 1<sup>st</sup>, 2005**

Previous business checking operating accounts have been closed and terminated. All outstanding funds due the Company will be collected and consolidated under a new Operating Account. This new single account will be used to pay operating expenses, customary and necessary hourly wages for work done on behalf of the Company, and outstanding debts of the Company. The sole purpose of the winding up process is to bring to a successful close any outstanding company business and maximize any potential return to Members after all assets and liabilities have been taken into account. Business transacted during this time will be in service to contracts existing and open prior to January 1, 2005 only. No new business will be conducted through this LLC entity.

The Company 2004 Annual Report will be prepared and delivered via registered mail along with a complete inventory of assets and liabilities and details of actions taken in regards to allocation of these assets and liabilities.

In closing, I understand there is some question regarding outstanding commissions/billable hours for the months of November-December. Please remit all requests with associated work order detailing job cost, breakdown, and company net in writing for consideration.

Please note, all correspondence from today forward should be directed to:

Attorney Peter Smith  
30 South Second Street  
Clearfield, PA 16830.

Regards,

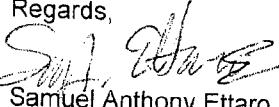
  
Samuel Anthony Ettaro II  
Founder, Manager and President  
Harmony Multi-Media, LLC  
Cc: Peter Smith, Esq.

EXHIBIT "E"

**JAMES A. NADDEO**

ATTORNEY AT LAW

207 EAST MARKET STREET

P.O. BOX 552

CLEARFIELD, PENNSYLVANIA 16830

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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - ~~83~~ -CD

Type of Pleading:

**Petition for Injunctive Relief**

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 East Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

**FILED**

JAN 18 2005

William A. Shaw  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - -CD

**PETITION FOR EX-PARTE INJUNCTIVE RELIEF**

Plaintiffs, Brandon J. Giuffre and James J. Boyles, by and through their attorney, James A. Naddeo, Esq., petition this Court on their behalf and on behalf of Harmony Multi-Media, LLC, their Limited Liability Company, for the issuance of a preliminary injunction pursuant to Pa.R.C.P. 1531, and in support allege as follows:

1. Plaintiffs, Giuffre and Boyles, filed a verified Complaint in equity with the Prothonotary of this Court on January 18, 2005. A true and correct copy of the Complaint is attached hereto as Exhibit "1."
2. The parties to this action are the members of Harmony Multi-Media, LLC, a Pennsylvania Limited Liability Company that owns and operates a multi-media production facility at 26 South Second Street, Suite 204, Clearfield, Pennsylvania.
3. As members, Plaintiffs have an interest in the Company and its property.
4. Plaintiffs have brought their complaint, and seek this preliminary injunction, on behalf of the Company and on their own behalf against Respondent/Defendant Samuel Ettaro, to enjoin his continuing breaches and violations of his obligations to the Company and to the Plaintiff members, and to prevent the resulting waste of Company assets.



5. In 2002, The Plaintiff Giuffre appointed Defendant to the position of Manager/President of Harmony Multi-Media, LLC, and gave him the authority to run the routine day-to-day operations of the Company under their continuing overall authority.
6. Defendant has gradually usurped more and more authority from the members, and at present has totally excluded them from the management of the Company.
7. On November 22, 2004, Plaintiffs, being a majority of the membership, elected Plaintiff Giuffre to serve as Manager/President.
8. As more fully set forth in the Complaint, Defendant has, to date, refused to relinquish his position as Manager/President, is attempting to dissolve the Company, has converted Company assets, and is excluding Plaintiffs from access to records and information and from their rightful participation in the management of the Company.
9. As more fully set forth in the Complaint, the obligations at issue arise in this action under an operating agreement between the parties dated March 21, 2002, an Addendum dated September 15, 2003, and by operation of law under the pertinent provisions under Chapter 89 governing Limited Liability Companies. 15 Pa.C.S.A. §8901, et. al.
10. As more fully set forth in Paragraph 14 of the verified Complaint, Defendant has breached, and is continuing to breach, his obligations to the Company and to Plaintiffs.
11. The Company and the Plaintiff members will suffer immediate and irreparable harm if an injunction is not granted. Defendant's continuing conduct deprives Plaintiffs of personal rights to which they are entitled by contract and operation of law. Unless enjoined, the actions of the Defendant will result in a further wasting, diminution and conversion of the assets of the Company by virtue of Defendant's continued mismanagement. By isolating the assets and pirating the Company, Defendant has placed the Company in jeopardy by attempting to dissolve

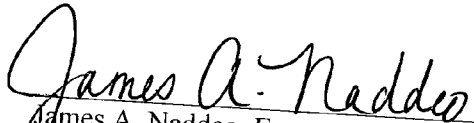
it. Unless Defendant is enjoined preliminarily, the status quo will not be preserved and the Company will be lost.

12. The Company and the Plaintiff members have no adequate remedy at law to redress the current and impending harm from Defendant's continued conduct.

13. Defendant will not suffer any appreciable injury if the requested preliminary injunction is issued because the status quo between the parties will be restored to where it was before Defendant's wrongful conduct began. Defendant will merely be restrained from taking advantage of his wrongful acts and continuing to convert and/or waste Company assets.

14. The Plaintiffs are likely to succeed on the merits of their claim. The obligation of the Defendant to the Company and the members are clear. They arise by express contract and operation of law. That Defendant is breaching these obligations and wasting and converting the Company assets to his own use is equally clear. These rights are enforceable in equity, and Plaintiffs will be entitled upon final hearing to a permanent injunction against the violations and conversions of assets by the Defendant.

WHEREFORE, Petitioners/ Plaintiffs, Brandon J. Giuffre and James J. Boyles, on behalf of Harmony Multi-Media, LLC, and on their own behalf, requests that this Court grant a preliminary injunction based upon the facts set forth in the Complaint and this Petition.

  
James A. Naddeo, Esq.  
Attorney for Plaintiffs

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF CLEARFIELD ) ss.  
)

Before me, the undersigned officer, personally appeared BRANDON J. GIUFFRE, who being duly sworn according to law, deposes and states that he is a Member of Harmony Multi-Media, LLC, and that as such member he is authorized to execute this Affidavit and further that the facts set forth in the foregoing Petition are true and correct to the best of his knowledge, information and belief.

Brandon J. Giuffre  
Brandon J. Giuffre

SWORN and SUBSCRIBED before me this 18th day of January, 2004.

Jennifer L. Royer

Notarial Seal  
Jennifer L. Royer, Notary Public  
Clearfield Boro, Clearfield County  
My Commission Expires May 17, 2007

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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - -CD

Type of Pleading:

**Complaint**

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 East Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, CLEARFIELD, PA  
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NOTICE

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 Complaint and notice are 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.

Court Administrator  
Clearfield County Courthouse  
Market and Second Streets  
Clearfield, PA 16830

(814) 765-2641, ext. 5982

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, CLEARFIELD, PA  
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No. 05 - -CD

**COMPLAINT**

NOW COMES BRANDON J. GIUFFRE and JAMES J. BOYLES, and by and through their attorney, James A. Naddeo, Esquire, set forth the following:

1. Plaintiff, Brandon J. Giuffre, is an adult individual residing at 209 Shardan Avenue, Curwensville, Pennsylvania.
2. Plaintiff, James J. Boyles, is an adult individual residing at 115 Wallace Street, Clearfield, Pennsylvania.
3. Harmony Multi-Media, LLC (hereinafter "Harmony" or "Company") is a Limited Liability Company which owns and operates a multi-media production facility at 26 South Second Street, Suite 204, Clearfield, Pennsylvania.
4. Defendant, Samuel A. Ettaro II, is an adult individual residing at 481 9<sup>th</sup> Street, Clearfield, Pennsylvania.
5. Harmony was formed pursuant to an Operating Agreement dated March 21, 2002, by and between Plaintiff Giuffre and Defendant Ettaro. A copy of the agreement is attached hereto as Exhibit "A."

6. Article VI, Section 2 of the Operating Agreement provided that Defendant Ettaro would serve as Manager the Company until the first annual meeting of the members.

7. On September 15, 2003, Plaintiff Giuffre and Defendant Ettaro executed an Addendum to the Operating Agreement extending membership in the Company to Plaintiff Boyles. A copy of the Addendum is attached hereto as Exhibit "B."

8. Pursuant to the Addendum, Plaintiff Giuffre and Defendant Ettaro each possess a forty percent (40%) interest in the Company; Plaintiff Boyles possesses a twenty percent (20%) interest in the Company.

9. A dispute developed between Plaintiffs and Defendant as to the Management of the Company.

10. On November 22, 2004, Plaintiffs, being a majority of the membership, executed a resolution/vote confirmation advising Defendant that they were withdrawing their authority for Defendant to continue as Manager/President of Harmony Multi-Media, LLC. A true and correct copy of the Resolution/Vote Confirmation is attached hereto as Exhibit "C."

11. During the November 22, 2004 meeting, Plaintiffs voted for Plaintiff Giuffre to serve as Manager/President of the Company.

12. By a letter dated December 16, 2004, Defendant informed the Plaintiffs that he was locking down the Company as to permanently exclude Plaintiffs from any and all involvement in the Company. A copy of the letter is attached hereto as Exhibit "D."

13. By a letter dated January 1, 2005, Defendant informed the Plaintiffs that he

- a. Was dissolving the Company;
- b. Had closed the Company's bank accounts; and
- c. Had opened another account in his name.

A copy of the letter is attached hereto as Exhibit "E."

14. Defendant has breached and is continuing to breach his contractual and statutory obligations to the Company and to Plaintiffs as follows:

- a. Attempting to dissolve the Company without Plaintiffs' authority;
- b. Converting Company property and/ or funds into a personal account;
- c. Acting as Manager/President without Plaintiffs' authority or otherwise failing to relinquish exclusive management control following the decision of Plaintiffs to remove him as Manager/President;
- d. Possessing and exercising exclusive control of the books and records of the Company and information about the affairs of the Company.
- e. Excluding Plaintiffs from access to any and all Company records and information and from their rightful involvement in the Company,
- f. Failing and/or refusing to provide to the Plaintiffs complete information within his control concerning the affairs of the Company including full information concerning all things affecting the Company;

15. Although repeated demands have been made, Defendant Ettaro has willfully failed and refused to relinquish his exclusive control, and, unless this Court acts, Defendant will continue to willfully fail and refuse to perform, and to cease his violations of, his obligations to the Company and the Members under the Operating Agreement, the Addendum, and the Limited Liability Company Law.

16. The Company and the Members are entitled to have Defendant enjoined from further violations and/or breaches under the Operating Agreement, the Addendum, and the Limited

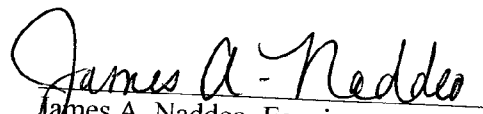


Liability Company Law; and unless Defendant is so enjoined, the Company and the Plaintiff Members will suffer irreparable harm and injury.

17. Plaintiffs do not have an adequate remedy at law.

WHEREFORE, Plaintiffs pray for relief from Defendant's actions and the entry of an order preliminarily, and after final hearing, permanently:

- a. Enjoining Defendant from attempting to dissolve the Company;
- b. Enjoining Defendant from converting the Company's assets into his own name;
- c. Enjoining Defendant from continuing to serve as Manager/President and from otherwise exercising exclusive control of the management of the Company;
- d. Enjoining Defendant from refusing and failing to make available to Plaintiffs upon demand the Company books and records under his control;
- e. Enjoining Defendant from refusing and failing to provide to the Plaintiffs upon demand information relating to the Company affairs;
- f. Enjoining Defendant from interfering with the rights of Plaintiffs to participate in the management of the Company and the right of the Company to have the Plaintiffs' participation in its management;
- g. Enjoining Defendant from doing any other acts which violate the rights of the Company and the Plaintiff Members under the Operating Agreement, the Addendum and/or the Limited Liability Company Law;
- h. Awarding damages as the Court deems just and proper;
- i. Granting any other relief as the Court deems just and proper.

  
James A. Naddeo, Esquire  
Attorney for Plaintiffs

COMMONWEALTH OF PENNSYLVANIA )  
COUNTY OF CLEARFIELD )  
SS.

Before me, the undersigned officer, personally appeared BRANDON J. GIUFFRE, who being duly sworn according to law, deposes and states that he is a Member of Harmony Multi-Media, LLC, and that as such member he is authorized to execute this Affidavit and further that the facts set forth in the foregoing Complaint are true and correct to the best of his knowledge, information and belief.

Brandon J. Giuffre  
Brandon J. Giuffre

SWORN and SUBSCRIBED before me this 18th day of January, 2004.

Jennifer L. Royer

Notarial Seal  
Jennifer L. Royer, Notary Public  
Clearfield Boro, Clearfield County  
My Commission Expires May 17, 2007

# OPERATING AGREEMENT

## OF

### HARMONY MULTI-MEDIA, LLC. A Pennsylvania Limited Liability Company

This OPERATING AGREEMENT OF HARMONY MULTI-MEDIA, LLC (this "Agreement"), dated as of \_\_\_\_\_, 2002 is (a) adopted by the Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

## ARTICLE I

### Definitions

1.01 Definitions. As used in this Agreement, the following terms have the following meanings:

"Act" means the Pennsylvania Limited Liability Company Law of 1994, 15 Pa.C.S. §§8901 et seq., and any successor statute, as amended from time to time.

"Agreement" has the meaning given that term given in the introductory paragraph.

"Bankrupt" means, with respect to any person, a person (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person's or of all or any substantial part of the person's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the person's consent or acquiescence, a trustee, receiver, or liquidator of the person or of all or any substantial part of the person's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

"Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking association in the Commonwealth of Pennsylvania are closed.

"Capital Contribution" means any contribution by a Member to the capital of the Company.

"Certificate" has the meaning given that term in Section 2.01.

"Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

"Commitment" means, subject in each case to adjustments on account of Dispositions of a Membership Interests permitted by this Agreement, (a) in the case of a Member executing this Agreement as of the date hereof or a person acquiring that Membership Interest, the amount specified for that Member as its Commitment on Exhibit A, and (b) in the case of a Membership Interest issued pursuant to Section 3.04, the Commitment established pursuant thereto.

"Company" means Harmony Multi-Media, LLC, a Pennsylvania Limited Liability Company.

"Default Interest Rate" means a rate per annum equal to 3% plus a varying rate per annum that is equal to the interest rate publicly quoted by Mellon Bank, N.A. from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate.

"Delinquent Member" has the meaning given that term in Section 4.03(a).

"Dispose", "Disposing" or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

"General Interest Rate" means a rate per annum equal to a varying rate per annum that is equal to the interest rate publicly quoted by Mellon Bank, N.A. from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate.

"Lending Member" has the meaning given that term in Section 4.03(a)(ii).

"Manager" means any person hereafter elected as a manager of the Company as provided in this Agreement, but does not include any person who has ceased to be a manager of the Company.

"Member" means any person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but does not include any person who has ceased to be a member in the Company.

"Membership Interest" means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

"PaBCL" means the Pennsylvania Business Corporation Law of 1988, 15 Pa.C.S. §§1101 et seq., and any successor statute, as amended from time to time.

"Permitted Transferee" has the meaning given that term in Section 3.03(c).

"Proceeding" has the meaning given that term in Section 8.01

"Required Interest" means one or more Members having among them more than 50% of the Sharing Ratios of all the Members.

"Sharing Ratio" with respect to any Member means a fraction (expressed as a percentage), the numerator of which is that Member's Commitment and the denominator of which is the sum of the commitments of all Members.

Other terms defined herein have the meanings so given them.

1.02 Construction. Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to Exhibits attached hereto, each of which is made a part hereof for all purposes.

## ARTICLE II

### Organization

2.01 Formation. The Company has been organized as a Pennsylvania limited liability company by the filing of a Certificate of Organization (the "Certificate") with the Department of State of the Commonwealth of Pennsylvania under and pursuant to the Act.

2.02 Name. The name of the Company is "Harmony Multi-Media, LLC" and all Company business must be conducted in that name or such other names that comply with applicable law as the Managers may select from time to time.

2.03 Registered Office; Registered Agent; Principal Office in the United States; Other Offices. The registered office of the Company required by the Act to be maintained in the Commonwealth of Pennsylvania shall be 1006 Daisy Street, Clearfield, Clearfield County, Pennsylvania, 16830 or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law. The principal office of the Company shall be at such place as the Manager may designate from time to time, which need not be in the Commonwealth of Pennsylvania, and the Company shall maintain such records as are set forth on Exhibit "B" hereto. The Company may have such other offices as the Manager may designate from time to time.

2.04 Purposes. The Company is organized to conduct or promote any lawful business or purpose with its primary purpose to be production of multi-media content.

2.05 Foreign Qualification. Prior to the Company's conducting business in any jurisdiction other than the Commonwealth of Pennsylvania, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments

conforming with this Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.06 Term. The Company commenced on the date the Certificate was filed with the Department of State of the Commonwealth of Pennsylvania pursuant to Section 8314 of the Act and its term shall be perpetual unless sooner terminated as provided in this Agreement.

2.07 No State-Law Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or Manager be a partner or joint venturer of any other Member or Manager, for any purposes other than Federal and, to the extent permitted, state tax purposes, and this Agreement shall not be construed to produce a contrary result.

### **ARTICLE III** **MEMBERSHIP, DISPOSITIONS OF INTERESTS**

3.01 Initial Members. The initial members of the Company are the persons executing this Agreement as of the date hereof as members, each of which is admitted to the Company as a member effective contemporaneously with the execution by such person of this Agreement.

3.02 No Certification; Restrictions on the Disposition of an Interest. (a) No Membership Interest in the Company shall be represented by a separate certificate.

(b) Except as specifically provided in this Section 3.03, a Disposition of an interest in the Company may not be effected without the consent of all of the other Members (which consent may be granted or withheld in each member's sole discretion). Any attempted Disposition by a person of an interest or right, or any part thereof, in or in respect of the Company other than in accordance with this Section 3.03 shall be, and is hereby declared, null and void *ab initio*.

(c) Notwithstanding the provisions of Section 3.03(b), the interest of any Member in the Company may be transferred without the consent of any of the Members if (i) the transfer occurs by reason of or incident to the death, dissolution, divorce, liquidation, merger or termination of the transferor Member, and (ii) the transferee is a Permitted Transferee. A "Permitted Transferee" is any member of such Member's immediate family, or a trust, corporation, limited liability company, or partnership controlled by such Member or members of such Member's immediate family, or another person controlling, controlled by, or under common control with such Member.

(d) Subject to the provisions of Section 3.03(e), (f) and (g), (i) a person to whom an interest in the Company is transferred has the right to be admitted to the Company as a Member with the Sharing Ratio and the Commitment so transferred to such person, if (A) the Member making such transfer grants the transferee the right to be so admitted, and (B) such transfer is consented to in accordance with Section 3.03(b); and (ii) a Permitted Transferee under the circumstances described in Section 3.03(c) has the right to be admitted to the Company as a Member with the Sharing Ratio and the Commitment so transferred to the Permitted Transferee.

(e) The Company shall not recognize for any purpose any purported Disposition of all or part of a Membership Interest unless and until the other applicable provisions of this Section 3.03

have been satisfied and the Manager has received, on behalf of the Company, a document (i) executed by both the Member effecting the Disposition (or if the transfer is on account of the death, incapacity, or liquidation of the transferor, its representative) and the person to which the Membership, Interest or part thereof is Disposed, (ii) including the notice address of any person to be admitted to the Company as a Member and its agreement to be bound by this Agreement in respect of the Membership Interest or part thereof being obtained, (iii) setting forth the Sharing Ratios and the Commitments after the Disposition of the Member effecting the Disposition and the person to which the Membership Interest or part thereof is Disposed (which together must total the Sharing Ratio and the Commitment of the Member effecting the Disposition before the Disposition), and (iv) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations (including securities laws) and, if the person to which the Membership Interest or part thereof is Disposed is to be admitted to the Company, its representation and warranty that the representations and warranties in Section 3.02 are true and correct with respect to that person. Each Disposition and, if applicable, admission complying with the provisions of this Section 3.03(e) is effective as of the first day of the calendar month immediately succeeding the month in which the Manager receives the notification of Disposition and the other requirements of this Section 3.03 have been met.

(f) Prior to the exercise of the right of a Member to Dispose of a Membership Interest or any part thereof or of any person to be admitted to the Company in connection therewith to exist or be exercised, (i) either (A) the Membership Interest or part thereof subject to the Disposition or admission must be registered under the Securities Act of 1933, as amended, and any applicable state securities laws or (B) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to the Manager to the effect that the Disposition or admission is exempt from registration under those laws and (ii) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to the Manager to the effect that the Disposition or admission, when added to the total of all other sales, assignments, or other Dispositions within the preceding 12 months, would not result in the Company's being considered to have terminated within the meaning of the Code. The Manager however, may waive the requirements of this Section 3.03(f) in such circumstances as they deem appropriate in their, sole discretion.

(g) The Member effecting a Disposition and any person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred to in Section 3.03(f)) on or before the tenth day after the receipt by that person of the Company's invoice for the amount due. If payment is not made by the date due, the person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

3.03. Additional Members. Additional persons may be admitted to the Company as Members and Membership Interests may be created and issued to those persons and to existing Members with the unanimous consent of the initial Members.

3.04 Liability to Third Parties. No Member or Manager shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.05 Withdrawal. A Member does not have the right to withdraw from the Company as a Member.

#### ARTICLE IV CAPITAL CONTRIBUTIONS

4.01 Return of Contributions. A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions. Notwithstanding this provision or anything to the contrary contained in this agreement, upon any dissolution under Article XII Samuel Ettaro shall have the right to and shall receive the Company's name, logo, website (domain address[es]), goodwill and client base without adjustment to his capital account.

4.02 Advances by Members. If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the Managers' consent may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section 4.05 constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.03 Capital Account. A capital account shall be established and maintained for each Member. Each Member's capital account (a) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under section 752 of the Code), and (iii) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. §1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items thereof), including loss and deduction described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. §1.704-1(b)(4)(i) or §1.704-1(b)(4)(iii). The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. §§1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. §1.704-1(b)(2)(iv)(g). A Member that has more than one Membership Interest shall have a single capital account that reflects all its Membership Interests, regardless of the class of Membership Interests owned by that Member and regardless of the time or manner in which those Membership Interests were acquired. On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(1).



**ARTICLE V**  
**ALLOCATIONS AND DISTRIBUTIONS**

5.01 Allocations. (a) Except as may be required by section 704(c) of the Code and Treas. Reg. §1.704-1(b)(2)(iv)(j)(4), all items of income, gain, loss, deduction, and credit of the Company shall be allocated among the Members in accordance with the following sharing ratios: Samuel A. Ettaro, II – 60%; Brandon Guiffrey – 40%.

(b) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest, without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under section 706 of the Code and the regulations thereunder.

5.02 Distributions. (a) From time to time (but at least once each calendar quarter) the Manager shall determine in his reasonable judgment to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. If such an excess exists, the Manager may cause the Company to distribute to the Members, in accordance with their Sharing Ratios, an amount in cash equal to that excess. No member shall have a contractual right to any distribution other than distributions pursuant to Section 12.02.

(b) From time to time the Manager also may cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be made subject to existing liabilities and obligations.

**ARTICLE VI**  
**MANAGER**

6.01 Management by Manager. (a) Except for those matters in which the approval of the Members is required by this Agreement or by nonwaivable provisions of applicable law, and subject to the provisions of Section 6.02, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of a Manager; and (ii) the Manager may make all decisions and take all actions for the Company not otherwise provided for in this Agreement, including, without limitation, the following:

(i) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(ii) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals

with authority to sign or give instructions with respect to those accounts and arrangements;

- (iii) maintaining the assets of the Company in good order;
- (iv) collecting sums due the Company;
- (v) to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;
- (vi) acquiring, utilizing for Company purposes, and Disposing of any asset of Company;
- (vii) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;
- (viii) Selecting, removing and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;
- (ix) obtaining insurance for the Company;
- (x) determining distributions of Company cash and other property as provided in Section 5.02; and
- (xi) establishing a seal for the Company.

(b) Notwithstanding the provisions of Section 6.01(a), the Manager may not cause the Company to do any of the following without the consent of a Required Interest:

- (i) amend the Certificate (except for amendments described in Section 8942(c) of the Act;
- (ii) amend this Agreement (except for amendments described in Section 3.04(a) hereof);
- (iii) take any action described in Section 8942(b) (2) of the Act;
- (iv) approve a merger or division in which the Company is a party (except a merger described in Section 8957(h) of the Act or a division described in Section 8963 of the Act); or
- (v) take any other action for which the consent of a Required Interest or other vote of the Members is expressly provided by the provisions hereof.

6.02. Number and Term of Office of Manager; Initial Manager. The number of Managers of the Company shall be determined from time to time by resolution of the Members; provided, however, that no decrease in the number of Managers that would have the effect of shortening the term of an incumbent Manager may be made by the Members. Each Manager shall hold office until the next annual meeting of Members and until his successor shall have

been elected and qualified, or until his earlier death, resignation or removal. The initial Manager of the Company who shall serve until the first annual meeting of Members and until their successors shall have been elected and qualified shall be Samuel Ettaro.

6.03 Approval or Ratification of Acts or Contracts by Members. The Manager in his discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by a Required Interest shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.04 Compensation of Manager. The Manager shall receive such compensation, if any, for his services as may be designated from time to time by the Members. The Manager's initial compensation shall be Three Thousand Two Hundred (\$3,200.00) Dollars per month. In addition, the Manager shall be entitled to be reimbursed for out-of-pocket costs and expenses incurred in the course of his service hereunder, including the portion of his overhead reasonably allocable to Company activities.

6.05 Conflicts of Interest No Member shall enter into any transactions that may be considered to be competitive with the Company. The initial business activities of the Company shall include by way of illustration but not limitation:

- Digital audio and video recording and editing
- Graphic design, prepress and separation work (print, logo, advertising, image and campaign works)
- Internet site development
- Complete internet streaming media services (webcasting, live events, on demand audio and video)
- Multi-media CDROM and DVD authoring, mastering and manufacturing
- Video and audio mastering and manufacturing
- Creative consulting and professional marketing design and management
- Professional voiceovers, and original music jingles and full/end songs
- Creative writing, scripting and on-screen talent services and management

## ARTICLE VII MEETINGS OF MEMBERS

7.01 Meetings. (a) A quorum shall be present at a meeting of Members if the holders of a Required Interest are represented at the meeting in person or by proxy. With respect to any matter, (except those provided for hereinafter), the affirmative vote of a Required Interest at a meeting of Members at which a quorum is present shall be the act of the Members. Decisions on marketing, hiring of employees and expenditures exceeding \$1,000.00 per item, shall require the affirmative vote of all of the Members.

(b) All meetings of the Members shall be held at the principal place of business of the Company or at such other place within or without the Commonwealth of Pennsylvania as shall be specified or fixed in the notices or waivers of notice thereof; provided that any or all Members may participate in any such meeting by means of conference telephone or similar communications equipment pursuant to Section 7.05.

(h) No Member may cumulate his vote in the election of Managers.

7.02 Action by Written Consent or Telephone Conference. (a) Any action required or permitted to be taken at any annual or special meeting of Members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of not less than the minimum Sharing Ratios that would be necessary to take such action at a meeting at which the holders of all Sharing Ratios entitled to vote on the action were present and voted.

(c) If any action by Members is taken by written consent, any articles or, documents filed with the Secretary of the Commonwealth of Pennsylvania as a result of the taking of the action shall state, in lieu of any statement required by the Act concerning any vote of Members, that written consent has been given in accordance with the provisions of the Act and that any written notice required by the Act has been given.

(d) Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE VIII INDEMNIFICATION

8.01 Right to Indemnification. Subject to the limitations and conditions as provided in this Article VIII, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative (hereinafter a "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Manager of the Company or while a Manager of the Company is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Company to the fullest extent permitted by the Act and the PaBCL, as the same exist or may hereafter be amended, against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such Proceeding, and indemnification under this Article VIII shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article VIII shall be deemed contract rights, and

no amendment, modification or repeal of this Article VIII shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article VIII could involve indemnification for negligence or under theories of strict liability but may not extend to any matter for which indemnification is precluded by Section 8945(b) of the Act.

8.02 Advance Payment. The right to indemnification conferred in this Article VIII shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 8.01 who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a Proceeding, shall be made only upon delivery to the Company of a written affirmation by such Manager of his or her good faith belief that he has met the standard of conduct necessary for indemnification under this Article VIII and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article VIII or otherwise.

8.03 Indemnification of Employees and Agents. The Company may indemnify and advance expenses to an employee or agent of the Company to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Managers under this Article VIII; and, the Company may indemnify and advance expenses to persons who are not or were not Managers, employees or agents of the Company but who are or were serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person to the same extent that it may indemnify and advance expenses to Managers under this Article VIII.

8.04 Appearance as a Witness. Notwithstanding any other provision of this Article VIII, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

8.05 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article VIII shall not be exclusive of any other right which a Manager or other person indemnified pursuant to Section 8.03 may have or hereafter acquire under any law (common or statutory), provision of the Certificate or this Agreement, agreement, vote of Members or disinterested Managers or otherwise.

8.06 Insurance. The Company may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Manager, employee or agent of the Company or is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or

loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under this Article VIII.

8.07 Member Notification. To the extent required by law, any indemnification of or advance of expenses to a Manager in accordance with this Article VIII shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members' meeting or with or before the next submission to Members of a consent to action without a meeting and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

8.08 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Manager or any other person indemnified pursuant to this Article VIII as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable law.

8.09 Limitation on Liability. No Manager shall be personally liable, as such, for any action taken unless: (i) such manager breached or failed to perform the duties of his office; and (ii) the breach or failure to perform constituted self-dealing, willful misconduct, or recklessness. The foregoing shall not apply to any responsibility or liability under a criminal statute or liability for the payment of taxes under Federal, state, or local law.

## ARTICLE IX TAXES

9.01 Tax Returns. The Manager shall cause to be prepared and filed all necessary federal and state income tax returns for the Company, including making the elections described in Section 9.02. Each Member shall furnish to the Manager all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.02 Tax Elections. To the extent permitted by applicable tax law, the Company shall make the following elections on the appropriate tax returns:

- (a) to adopt the calendar year as the Company's fiscal year;
- (b) to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;
- (c) if a transfer of a Membership Interest as described in section 743 of the Code occurs, on written request of any transferee Member, or if a distribution of Company property is made on which gain described in Section 734(b) (1) (A) of the Code is recognized or there is an excess of adjusted basis as described in Section 734(b) (1) (B) of the Code, to elect, pursuant to section 754 of the Code, to adjust the basis of Company properties,

(d) to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company ratably over a period of 60 months as permitted by sections 195 and 709(b) of the Code; and

(e) any other election the Managers may deem appropriate and in the best interests of the Members.

Neither the Company nor any Manager or Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law, and no provision of this Agreement (including, without limitation, Section 2.08) shall be construed to sanction or approve such an election.

## **ARTICLE X**

### **BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS**

10.01 Maintenance of Books. The Company shall keep books and records of accounts and shall keep minutes of the proceedings of its Members, its Managers and each committee of the Managers. The Company shall also maintain the books and records on Exhibit B. The books of account for the Company shall be maintained on a cash basis in accordance with the terms of this Agreement, except that the capital accounts of the Members shall be maintained in accordance with Section 4.06. The calendar year shall be the accounting year of the Company.

10.02 Reports. On or before the 120<sup>th</sup> day following the end of each fiscal year during the term of the Company, the Managers shall cause each Member to be furnished with a balance sheet, an income statement, and a statement of changes in Members' capital of the Company for, or as of the end of, that year certified by a recognized firm of certified public accountants. These financial statements must be prepared in accordance with accounting principles generally employed for cash-basis records consistently applied (except as therein noted) and must be accompanied by a report of the certified public accountants certifying the statements and stating that (a) their examination was made in accordance with generally accepted auditing standards and, in their opinion, the financial statements fairly present the financial position, financial results of operations, and changes in Members' capital in accordance with accounting principles generally employed for cash-basis records consistently applied (except as therein noted) and (b) in making the examination of and reporting on the financial statements described above, nothing came to their attention that caused them to believe that (i) the income and revenues were not paid or credited in accordance with the, financial and accounting provisions of this Agreement, (ii) the costs and expenses were not charged in accordance with the financial and accounting provisions of this Agreement, or (iii) the Managers or any Member failed to comply in any material respect with the financial and accounting provisions of this Agreement, or if they do conclude that the Managers or a Member so failed, specifying the nature and period of existence of the failure. The Managers also may cause to be prepared or delivered such other reports as they may deem appropriate. The Company shall bear the costs of all of these reports.

10.03 Accounts. The Managers shall establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company name with financial institutions and firms that the Managers determine. The Managers may not commingle the Company's funds with the funds of any Member; however, Company funds may be invested

in a manner the same as or similar to the Managers' investment of their own funds or investments by their affiliates.

## ARTICLE XII DISSOLUTION, LIQUIDATION, AND TERMINATION

12.01 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following:

- (a) the written consent of a Required Interest;
- (b) the expiration of the period (if any) fixed for the duration of the Company in this Agreement;
- (c) any Member shall die, become insane, retire, resign, be expelled, become a Bankrupt Member (with or without the consent of a Required Interest) or dissolve, or there shall occur any other event that terminates the continued membership in the Company of any Member, unless, in any such case, by consent of a Required Interest given within 90 days of such event, the Members elect to continue the business of the Company; and
- (d) entry of a decree of judicial dissolution of the Company under Section 8972 of the Act.

12.02 Liquidation and Termination. On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided, herein and in the Act; The costs of liquidation shall be borne as a Company expense.

Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Managers. The steps to be accomplished by the liquidator are as follows:

- (a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- (b) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.05) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine), all in accordance with Section 8974 of the Act and such other provisions of the Act as may be applicable; and



(c) all remaining assets of the Company shall be distributed to the Members as follows:

(i) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(ii) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(iii) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the partnership occurs (other than those made by reason of this clause (iii)) ; and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation) .

All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 12.02. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.02 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

**12.03 Deficit Capital Accounts.** Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Agreement to all Members in proportion to their respective Sharing Ratios, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

**12.04 Certificate of Dissolution.** On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Managers (or such other person or persons as the Act may require or permit) shall file a Certificate of Dissolution with the Department of State of the Commonwealth of Pennsylvania, cancel any other filings made pursuant to Section 2.05, and take such other actions as may be necessary to terminate the Company.

**ARTICLE XIII**  
**GENERAL PROVISIONS**

13.01 Offset. Whenever the Company is to pay any sum to any Member, any amounts that Member owes the Company may be deducted from that sum before payment.

13.02 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing, and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid, and registered or certified with return receipt requested or by delivering that writing to the recipient in person, by courier, or by facsimile transmission; and a notice, request, or consent given under this Agreement is effective on receipt by the person to receive it. All notices, requests, and consents to be sent to a Member must be sent to or made at the addresses given for that Member on Exhibit A or in the instrument described in Section 3.03(e) or 3.04, or such other address as that Member may specify by notice to the other Members. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

13.03 Entire Agreement; Supersedure. This Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.04 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that person of the same or any other obligations of that person with respect to the Company. Failure on the part of a person to complain of any act of any person or to declare any person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.05 Amendment or Modification. This Agreement may be amended or modified from time to time only by a written instrument adopted by the Manager and executed and agreed to by a Required Interest; provided, however, that (a) an amendment or modification reducing a Member's Sharing Ratio or increasing its Commitment (other than to reflect changes otherwise provided by this Agreement) is effective only with that Member's consent, (b) an amendment or modification reducing the required Sharing Ratio or other measure for any consent or vote in this Agreement is effective only with the consent or vote of Members having the Sharing Ratio or other measure theretofore required, and (c) amendments of the type described in Section 3.04 may be adopted as therein provided.

13.06 Binding Act. Subject to the restrictions on Dispositions set forth in this Agreement, this Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.07 Governing Law; Severability. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ANY CONFLICT-OF-LAWS

RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.08 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

13.09 No Third Party Benefit. The provisions hereof are solely for the benefit of the Company and its Members and Managers and are not intended to, and shall not be construed to, confer a right or benefit on any creditor of the Company or any other person.

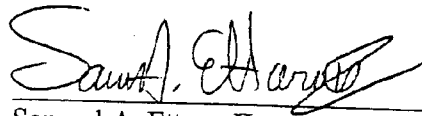
13.10 Waiver of Certain Rights. Each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company or for partition of the property of the Company.

13.11 Indemnification. To the fullest extent permitted by law, each Member shall indemnify the Company, each Manager and each other Member and hold them harmless from and against all losses, costs, liabilities, damages, and expenses (including, without limitation, costs of suit and attorney's fees) they may incur on account of any breach by that Member of this Agreement.

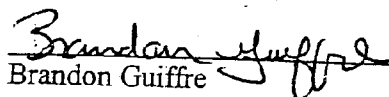
13.12 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

IN WITNESS WHEREOF, the initial Members of the Company have executed this Agreement as of the date first set forth above.

MEMBERS:



Samuel A. Ettaro, II



Brandon Guiffre

# HARMONY

MULTI-MEDIA

09-15-03

## Addendum to Company Limited Liability Operating Agreement

On this date the below listed numbered provisions have been added to the Harmony Multi-Media, LLC Original Legal Operating Agreement dated 3-21-02.

### Changes to Original Text Effective Date of This Addendum Memo

1.) New Member Equity Split

|                     |     |
|---------------------|-----|
| Samuel A. Ettaro II | 40% |
| Brandon J. Giuffre  | 40% |
| Jim J. Boyles       | 20% |

2.) Salary of \$3,200.00/monthly due Samuel A. Ettaro shall be voided

3.) There is no stipulation to any member for mandatory "services rendered" nor are there any guarantees for salaries or other restitution for any "services rendered" in conjunction with daily operation of the Company.

3.) Place of business is now 26 South Second Street Suite 202, Clearfield, PA 16830

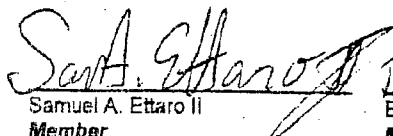
4.) James J. Boyles has full authority to negotiate terms, shop for and otherwise legally indebted the Company for the purposes of re-structuring or other commercial loan needs.

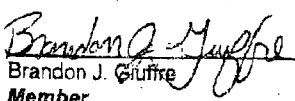
4.) James J. Boyles will arrange for and personally secure a commercial bank note in the amount of \$20,000.00 to be used for re-financing and re-structuring, in the Company's name, within 90 days of this addendum.

5.) James J. Boyles will retain full personal lien on all equipment purchased by this loan that he brings to the company until said loan has been completely satisfied.

6.) James J. Boyles will defer his right to any "equity profit split" until said loan has been completely satisfied by the Company.

This document represents the Addendum in its entirety and has been fully read, understood and agreed upon by all Members listed in the Original Operating Agreement and herein and represents the only adjustments to the Original Operating Agreement. All other original text re

  
Samuel A. Ettaro II  
Member

  
Brandon J. Giuffre  
Member

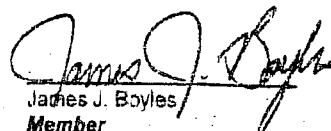
  
James J. Boyles  
Member

EXHIBIT "B"

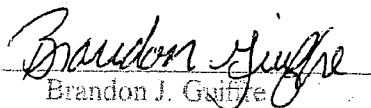
## Confirmation of Vote

11/22/04

The members below attest to the following actions taken by form of a majority vote with all members being present at a partner meeting on November 5, 2004 at 26 S 2<sup>nd</sup> Street Suite 204 Clearfield, Pa 16830:

- 1 Samuel A. Ettaro II was removed as President/Manager of Harmony Multi-Media, LLC for reasons of, but not limited to; breach of duties, self dealing, willful misconduct & recklessness.
2. Brandon J. Guiffre was elected to the position of President/Manager of Harmony Multi-Media, LLC.

The members below attest to and confirm the above actions.

  
Brandon J. Guiffre

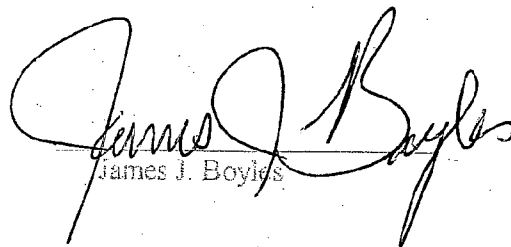
  
James J. Boyles

EXHIBIT "C"

Brandon Giuffre  
209 Shardan Drive  
Curwensville, PA 16833

Jim Boyles  
115 Wallace Street  
Clearfield, PA 16830

Re: Harmony Multi-Media, LLC  
Dissolution

December 16, 2004

Dear Brandon and Jim,


Per your email of 12-16 calling a meeting on 12-17 at 10:30 am, I have no intention of meeting personally with you at this time. All of my energies and focus are on 2005 business operations. For the record, the reason I am refusing a group meeting is due to the volatile and borderline violent confrontations that we have had in the past that were aimed by the two of you squarely at me personally, and at the managerial decisions and policies I have enacted. I will not subject myself or our colleagues to this sort of behavior any longer. Your options were laid out clearly over the past few months, produce substantially, or we split up. I've made myself abundantly clear to both of you. There is nothing more to "discuss".

As Founder, Managing Partner and President of Harmony Multi-Media, I've come to the conclusion that our obvious differences in business management, work ethic, and personal responsibility, have negatively affected this LLC to an extent that we cannot further this relationship and, I most certainly will waste no more time in these matters. I am locking down the company as of December 16<sup>th</sup>, 2004 in an attempt to affect a forced, yet peaceful, dissolution. Your actions and *in-actions* of the past several months have left me no choice. Should an amicable solution to our differences not be made apparent in the coming days, I will disassociate myself from this relationship and claim all assets that are mine as outlined in our agreement and proceed with business operations as necessary. We have nothing further to work out other than the details of one of these options:

- 1.) An amicable winding up of the LLC.
- 2.) My departure, and exit with the assets allowed me in the operating agreement

Please provide your reply as to which option you wish to exercise in writing no later than Monday, December 20<sup>th</sup>, 2004.

Regards,



Samuel Anthony Ettaro II  
Founder, Manager and President  
Harmony Multi-Media, LLC

Cc: Peter Smith, Esq.

EXHIBIT "D"

**Harmony Multi-Media**  
26 South Second Street, Suite #202  
Clearfield, PA 16830

To: Brandon Giuffre  
209 Shardan Drive  
Curwensville, PA 16833

Jim Boyles  
115 Wallace Street  
Clearfield, PA 16830

Re: Harmony Multi-Media, LLC  
Winding Up and Dissolution

January 1st, 2005

Dear Brandon and Jim,

Options were clearly set forth in my correspondence of December 16<sup>th</sup>, 2004 which would have allowed for an amicable dissolution of this company. It seems that you have chosen to not pursue a negotiated, friendly split. Therefore, I am writing to notify of you my current actions regarding the winding up and dissolution of our Pennsylvania Limited Liability Company, Harmony Multi-Media.

**Effective January 1<sup>st</sup>, 2005, Harmony Multi-Media, LLC has entered into the process of dissolution and winding up of the Company pursuant to the terms of our Operating Agreement. Please refrain from continuing to do business in Harmony's name.**

**Target Date for Final Dissolution**

**March 1<sup>st</sup>, 2005**

Previous business checking operating accounts have been closed and terminated. All outstanding funds due the Company will be collected and consolidated under a new Operating Account. This new single account will be used to pay operating expenses, customary and necessary hourly wages for work done on behalf of the Company, and outstanding debts of the Company. The sole purpose of the winding up process is to bring to a successful close any outstanding company business and maximize any potential return to Members after all assets and liabilities have been taken into account. Business transacted during this time will be in service to contracts existing and open prior to January 1, 2005 only. No new business will be conducted through this LLC entity.

The Company 2004 Annual Report will be prepared and delivered via registered mail along with a complete inventory of assets and liabilities and details of actions taken in regards to allocation of these assets and liabilities.

In closing, I understand there is some question regarding outstanding commissions/billable hours for the months of November-December. Please remit all requests with associated work order detailing job cost, breakdown, and company net in writing for consideration.

Please note, all correspondence from today forward should be directed to:

Attorney Peter Smith  
30 South Second Street  
Clearfield, PA 16830.

Regards,

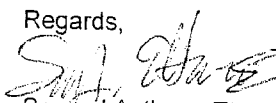
  
Samuel Anthony Ettaro II  
Founder, Manager and President  
Harmony Multi-Media, LLC  
Cc: Peter Smith, Esq.

EXHIBIT "E"

JAMES A. NADDEO  
ATTORNEY AT LAW  
207 EAST MARKET STREET  
P.O. BOX 552  
CLEARFIELD, PENNSYLVANIA 16830

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CA



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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - **83** -CD

**ORDER GRANTING PRELIMINARY INJUNCTION**

**FILED** *icc*  
*01/13/55/01 Amy*  
**JAN 18 2005** *Maddeo*  
William A. Shaw  
Prothonotary/Clerk of Courts

**ORDER**

AND NOW, this 18<sup>th</sup> day of January, 2005, upon consideration of Plaintiffs Petition for Preliminary Injunctive Relief, and the Court having determined after review of the Complaint, (1) that the Plaintiffs will suffer irreparable harm if the relief is not granted immediately, (2) that the Plaintiffs do not have an adequate remedy at law, (3) that greater injury will be inflicted upon Plaintiffs by a denial of relief than would be inflicted upon Defendant by the granting of such relief, and (4) that Plaintiffs are likely to prevail on the merits;

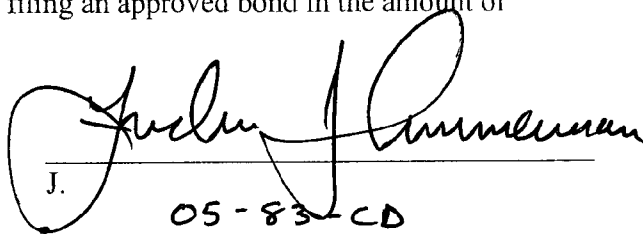
It is hereby ORDERED and DECREED that Defendant, Sammuel A. Ettaro, II is forthwith:

1. Enjoined from attempting to dissolve Harmony Multi-Media, LLC;
2. Enjoined from converting the Company's assets into his own name;
3. Enjoined from continuing to serve as Manager/President and from otherwise exercising exclusive control of the management of the Company;
4. Enjoined from refusing and failing to make available to Plaintiffs upon demand the Company books and records under his control;
5. Enjoined from refusing and failing to provide to the Plaintiffs upon demand information relating to the Company affairs;
6. Enjoined from interfering with the rights of Plaintiffs to participate in the management of the Company and the right of the Company to have the Plaintiffs' participation in its management;
7. Enjoined from doing any other acts which violate the rights of the Company and the Plaintiff Members under the Operating Agreement, the Addendum and/or the Limited Liability Company Law;
8. Ordered to place any and all Company property and/or funds back into the Company's possession and/or name;
9. Directed to perform and otherwise comply with his obligations to the Company and the members under the Operating Agreement and the statutory authority cited above.

This order shall remain in full force and effect until such time as modified or vacated by this Court.

This order is conditioned upon Plaintiffs' filing an approved bond in the amount of \$ 20,000.-.

FJA

  
J.  
05-83-CD

**JAMES A. NADDEO**  
ATTORNEY AT LAW  
207 EAST MARKET STREET  
P.O. BOX 552  
CLEARFIELD, PENNSYLVANIA 16830

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GA

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

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - 83 -CD

FILED <sup>icc</sup>  
0/3:55/04 Aug  
JAN 18 2005 <sup>Addeo</sup>  
William A. Shaw  
Prothonotary/Clerk of Courts

BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, BRANDON J. GUIFFRE AND JAMES J. BOYLES, Plaintiffs, are held and firmly bound unto the Commonwealth of Pennsylvania in the sum of \$ 20,000.-, to be paid to the Commonwealth of Pennsylvania; to which payment, well and truly to be made, we bind ourselves, our and each of our heirs, executors and administrators, firmly by these presents.

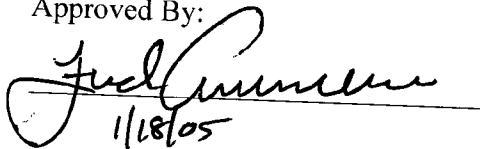
Sealed with our seals.

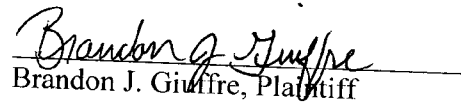
Dated the 18<sup>th</sup> day of Jan., 2005.

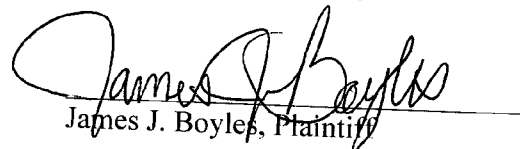
WHEREAS, the Plaintiffs filed a Complaint in Equity in the Court of Common Pleas for the County of Clearfield, to the 05 Term, 2005, No. 83, against SAMMUEL A. ETTARO, II, Defendant, requesting *inter alia*, an injunction to restrain the Defendant as therein particularly set forth, which said injunction was duly granted by the said Court on the entering of the security in the above-mentioned sum.

NOW THE CONDITION OF THIS OBLIGATION IS SUCH, THAT if the injunction is dissolved because improperly granted, or for failure to hold a hearing, the Plaintiffs shall pay to any person injured all damages sustained by reason of granting the injunction and all legally taxable costs and fees, this obligation then to be void; otherwise it is to remain in full force and effect.

Approved By:

  
1/18/05

  
Brandon J. Giuffre, Plaintiff

  
James J. Boyles, Plaintiff

**JAMES A. NADDEO**  
ATTORNEY AT LAW  
207 EAST MARKET STREET  
P.O. BOX 552  
CLEARFIELD, PENNSYLVANIA 16830

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GA

CA

**VS.**


: No. 05-83-CD

SAMUEL A. ETTARO, II

## ORDER

AND NOW, this 18<sup>th</sup> day of January, 2005, it is the Order of the Court that hearing on Plaintiffs' Preliminary Injunction filed in the above-captioned matter has been scheduled for the 20 day of January, 2005, at 3:00 P.M, in Courtroom No. 1, Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:

  
FREDRIC J. AMMERMAN  
President Judge

FILED 1cc  
01/3:54/11 Amy Naddo  
JAN 18 2005  
icc Def.  
William A. Shaw  
Prothonotary, Clerk of Courts

**William A. Shaw**  
Prothonotary

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

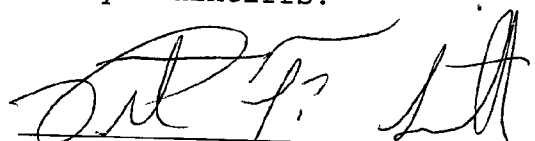
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No. 05 -

-CD

ACCEPTANCE OF SERVICE

I, Peter F. Smith, Esquire, do hereby accept service on behalf of Defendant, Samuel A. Ettaro, II, of certified copies of Complaint in Equity, Petition for Ex Parte Relief, Order Granting Preliminary Injunction and Bond posted by Plaintiffs.

  
Peter F. Smith, Esquire  
Attorney for Defendant 11/18/05



**JAMES A. NADDEO**  
ATTORNEY AT LAW  
207 EAST MARKET STREET  
P.O. BOX 552  
CLEARFIELD, PENNSYLVANIA 16830

---

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONTY MULTI-MEDIA, LLC,  
Plaintiffs

No. 05-83-CD

vs.

SAMUEL A. ETTARO, II,  
Defendant

**P R A E C I P E**

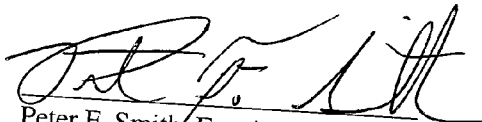
To: William A. Shaw, Prothonotary of Clearfield County

Dear Sir :

Please enter my appearance as counsel for the Defendant in the above captioned matter.

Respectfully submitted

Dated: 1/20/05



Peter F. Smith, Esquire  
Attorney for Defendant  
P. O. Box 130, 30 South Second St.  
Clearfield, PA 16830  
(814) 765-5595

cc: James A. Naddeo, Attorney for Plaintiffs

**FILED**

01/10/23/05  
JAN 20 2005

William A. Shaw  
Prothonotary/Clerk of Courts

OK  
No  
cc  
Copy to CIA

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONTY MULTI-MEDIA, LLC,  
Plaintiffs

No. 05-83-CD

vs.

SAMUEL A. ETTARO, II,  
Defendant

**CERTIFICATE OF SERVICE**

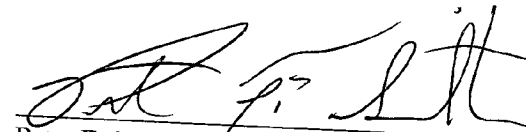
I, Peter F. Smith, attorney for the Defendant, certify that I sent a **PRAECIPE TO ENTER APPEARANCE**, as filed with the Clearfield County Prothonotary, to the Attorney for Plaintiff by U.S. First Class Mail, Postage Prepaid at the following address:

James A. Naddeo, Esquire  
207 East Market Street  
P. O. Box 552  
Clearfield, PA 16830

Respectfully submitted,

Date:

1/20/05



Peter F. Smith, Esquire  
Attorney for Defendant  
P. O. Box 130, 30 South Second St.  
Clearfield, PA 16830  
(814) 765-5595

FILED  
01/20/2005  
JAN 20 2005

William A. Smith  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

vs.

SAMUEL A. ETTARO, II,  
Defendant

No. 05-83-CD

TYPE OF CASE: CIVIL

TYPE OF PLEADING:  
**DEFENDANT'S ANSWER &  
NEW MATTER**

Filed on Behalf of:  
**Defendant**

Counsel of Record for this Party:

**Peter F. Smith**

PA I.D. #34291

30 South Second Street

P. O. Box 130

Clearfield, PA 16830

(814) 765-5595

Counsel of Record for Plaintiff:

**James A. Naddeo, Esquire**

PA I.D. #06820

207 East Market Street

P.O. Box 552

Clearfield, PA 16830

(814) 765-1601

**FILED**

JAN 20 2005

01 2:30 PM  
William A. Shaw

Prothonotary/Clerk of Courts

3 cert to App

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONTY MULTI-MEDIA, LLC,  
Plaintiffs

No. 05-83-CD

vs.

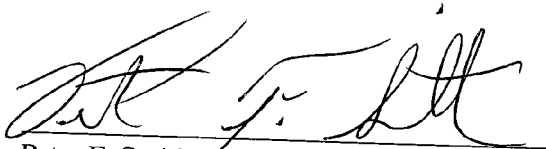
SAMUEL A. ETTARO, II,  
Defendant

**NOTICE TO DEFEND**

To: Brandon J. Giuffre and James J. Boyles  
C/O James A. Naddeo, Esquire  
Attorney for Plaintiffs

You are hereby notified to file a written response to the enclosed New Matter within  
twenty (20) days from the service hereof or a judgment may be entered against you.

Date: 1/20/05



Peter F. Smith, Esquire  
Attorney for Defendant  
P. O. Box 130  
30 South Second Street  
Clearfield, PA 16830  
(814) 765-5595

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONTY MULTI-MEDIA, LLC,  
Plaintiffs

No. 05-83-CD

vs.

SAMUEL A. ETTARO, II,  
Defendant

**ANSWER & NEW MATTER**

COMES NOW, the Defendant SAMUEL A. ETTARO, II, by his attorney, Peter F. Smith, who answers the second amended complaint as follows:

1. Admitted.
2. Admitted.
3. Admitted that Harmony Multi-Media is an LLC with an address at 26 South Second Street, Suite 204, Clearfield, Pennsylvania but any assertion or inference that Brandon J. Giuffre and James J. Boyles are the duly elected officers of Harmony authorized to bring this action on its behalf is denied for the reasons set forth in paragraph 10 below.
4. Denied. Mr. Ettaro's address is 513 Thompson Street, Curwensville, PA 16833.
5. Admitted.
6. Admitted but further averred that Mr. Ettaro has continued to serve as Manager since the LLC's first meeting.
7. Admitted.

8. Admitted.

9. Admitted but further averred that the depth, duration, scope and severity of the "dispute" is not sufficiently set forth by paragraph 9 of the complaint. Mr. Ettaro avers that Mr. Giuffre and Mr. Boyles have violated the Operating Agreement, Addendum and their statutory obligations to the LLC as follows:

a. They have not respected Mr. Ettaro's reasonable prerogatives as Manager of the LLC;

b. They have not promptly and sufficiently fulfilled his reasonable requests and those duties reasonably imposed upon them by Mr. Ettaro in his capacity as Manager;

c. They have disputed, ignored and/or undermined his authority as Manager of the LLC to the point where they screamed and threatened him with personal violence. Some of these confrontations occurred in front of employees and customers which further undermined Mr. Ettaro's authority and professional reputation;

10. Denied. Mr. Giuffre and Mr. Boyles had no authority to remove Mr. Ettaro as Manager because:

a. Section 6.02 of the Operating Agreement states that Managers shall be designated "by resolution of the Members." This requires the unanimous agreement of all three Members;

b. Section 6.02 further states that Managers may only be elected (replaced) at annual meetings. The next annual meeting of the LLC will not occur until March 1, 2005;

c. Section 7.01 states that, "Decisions on marketing, ~~hiring of employees~~ and expenditures exceeding \$1,000 per item shall require the affirmative vote of all Members." To the extent that a Manager is an employee of the LLC, then this section provides

additional authority that the unanimous vote of all Members is required to hire/replace a current Manager.

d. Mr. Ettaro received no notice of the meeting that was apparently convened on or about November 22, 2004. He was not given an opportunity to participate in it, and he did not vote for the action allegedly taken at that meeting or through the purported resolution that emerged from it.

11. Denied. The November 22, 2004 meeting was not duly convened and had no authority to take action on behalf of the LLC. Therefore, Mr. Giuffre is not Manager/President of the LLC.

12. Admitted that Mr. Ettaro transmitted the letter dated December 16, 2004 to the Plaintiffs, but they gave him no choice for reasons more fully set forth in the New Matter below.

13 Admitted that Mr. Ettaro wrote and transmitted the January 1, 2005 letter, and:

a. Admitted, but for the reasons stated in paragraph 9 above. Mr. Boyles and Mr. Giuffre had so far deviated from their responsibilities under the Operating Agreement as to trigger a dissolution and to give Mr. Ettaro no other option. Their threatening and discourteous conduct toward him made further discussion, negotiation and resolution impossible.

b. Admitted.

c. While it is admitted that Mr. Ettaro opened another bank account, he did so under the company's name, deposited all company funds in it and has used it exclusively for company purposes.

14. Denied for the reasons set forth in paragraphs 9 and 13 above, and:

a. Denied for the reasons set forth in paragraph 13a above.



- b. Denied for the reasons set forth in paragraph 13b above.
  - c. Denied for the reasons set forth in paragraph 10 above.
  - d. Mr. Ettaro had and continues to have rightful control of the company's books and records in his capacity as Manager.
  - e. M. Ettaro acknowledges Mr. Giuffre's and Mr. Boyles' entitlement to information.
  - f. Denied. Mr. Ettaro's attempts to communicate with the Plaintiffs have either been ignored or degenerated into unproductive argument.
15. Admitted, but Mr. Ettaro's conduct is justified as explained in paragraphs 9, 10 and 13 above.
16. Denied for the reasons set forth in the foregoing paragraphs of this Answer and further denied because the Plaintiffs have failed to show immediate and irreparable harm.
17. Denied. The Plaintiffs are not entitled to any remedy at equity or law.
- WHEREFORE, Defendant prays this Honorable Court that Plaintiffs' prayer for relief be denied.

### **NEW MATTER**

18. Paragraphs 1 - 17 of the foregoing Answer are incorporated herein as though set forth in full.
19. Plaintiffs' complaint indicates that Mr. Giuffre was allegedly made Manager/President on November 5, 2004 but Plaintiffs failed for more than two full months to take any meaningful steps in furtherance of that disputed action. Instead, they procrastinated and gave

Mr. Ettaro no choice but to continue running the company and pursue his announced intentions to wind up the affairs of the LLC.

20. Plaintiffs' request for injunctive relief should therefore be denied because of laches.

21. Plaintiffs have disregarded their obligations under the LLC agreements and applicable statutory provisions by ignoring and undermining Mr. Ettaro's legitimate exercises of authority as Manager, as more fully set forth in paragraph 9 above.

22. The Plaintiffs' prayer for relief should therefore be denied because they enter Court with "unclean hands."

23. The pleadings, taken as a whole and anticipated testimony, will demonstrate to the Court that the Members of the LLC are unable to continue functioning in a professional and profitable manner and that the Court should intervene and exercise its statutory powers to conduct a judicial dissolution of the LLC pursuant to 15 Pa.C.S.A. § 8971.

24. Judicial dissolution is warranted in this instance because:

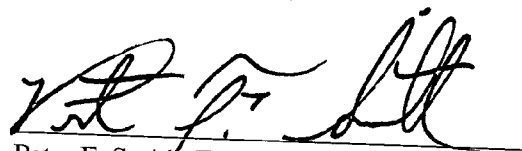
- a. The Members have demonstrated ongoing irreconcilable differences;
- b. The Members' inability to communicate effectively makes them unable to reconcile their differences and resume the effective operation of the LLC;
- c. The events culminating in this litigation will further undermine the Members' confidence in one another, further erode mutual trust and create an additional layer of hard feelings;
- d. The combination of these factors makes it highly likely that these individuals and this LLC will return to Court again with future problems; only dissolution provides a permanent solution to these problems.

WHEREFORE, Mr. Ettaro requests this Honorable Court to deny the Plaintiffs' prayer for injunctive relief; to enter an Order confirming that he is the lawful and ongoing Manager of the LLC; and within 30 days of the date of this Order to submit a plan of dissolution of Harmony Multi-Media, LLC for review by the parties and approval by this Honorable Court.

Respectfully submitted,

Date:

1/20/05

A handwritten signature in black ink, appearing to read "Peter F. Smith", written over a horizontal line.

Peter F. Smith, Esquire  
Attorney for Defendant  
30 South Second Street  
P. O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

### VERIFICATION

I verify that the statements made in this Answer & New Matter are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

Dated: 1-20-05

  
Samuel A. Ettaro, II

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

vs.

SAMUEL A. ETTARO, II,  
Defendant

No. 05-83-CD

TYPE OF CASE: CIVIL

TYPE OF PLEADING:  
**DEFENDANT'S RESPONSE TO  
PETITION FOR INJUNCTIVE  
RELIEF**

Filed on Behalf of:  
**Defendant**

Counsel of Record for this Party:

**Peter F. Smith**

PA I.D. #34291

30 South Second Street

P. O. Box 130

Clearfield, PA 16830

(814) 765-5595

Counsel of Record for Plaintiff:

**James A. Naddeo, Esquire**

PA I.D. #06820

207 East Market Street

P.O. Box 552

Clearfield, PA 16830

(814) 765-1601

**FILED**

JAN 20 2005

01/20/05  
William A. Shaw

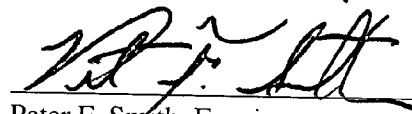
Prothonotary/Clerk of Courts

3 clear to Att

Respectfully submitted,

Date:

1/20/05

A handwritten signature in black ink, appearing to read "Peter F. Smith", written over a horizontal line.

Peter F. Smith, Esquire  
Attorney for Defendant  
30 South Second Street  
P. O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

## VERIFICATION

I verify that the statements made in this Response to Petition for Ex-Parte Injunctive Relief are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

Dated: 1-20-05

A handwritten signature in black ink, appearing to read "Samuel A. Ettaro, II", written over a horizontal line.

Samuel A. Ettaro, II

CA

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

BRANDON J. GUIFFRE and JAMES J. :

BOYLES, indiv. and on behalf of :

HARMONY MULTI-MEDIA, LLC. :

VS. : NO. 05-83-CD

SAMUEL A. ETTARO II :

O R D E R

NOW, this 20th day of January, 2005, following the taking of testimony relative the Preliminary Injunction previously entered by the Court on January 18, 2005, it is the ORDER of this Court that the said preliminary injunction shall continue to be in effect.

BY THE COURT:

*Frederick J. Zimmerman*

President Judge

FILED <sup>OK</sup> 2CC  
01/31/05  
JAN 25 2005  
Atty. Naddler  
P. Smith

William A. Shaw  
Prothonotary-Clerk of Courts



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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONTY MULTI-MEDIA, LLC,  
Plaintiffs

No. 05-83-CD

vs.

SAMUEL A. ETTARO, II,  
Defendant

FILED

JUL 25 2005

William A. Shaw  
Prothonotary/Clerk of Courts

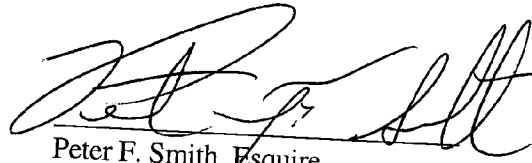
PRAECIPE

To: William A. Shaw, Prothonotary of Clearfield County

Dear Sir:

I hereby withdraw my appearance as counsel for the Defendant in the above captioned matter. Below I have provided an opportunity for Plaintiffs' counsel to join with his consent.

Respectfully submitted

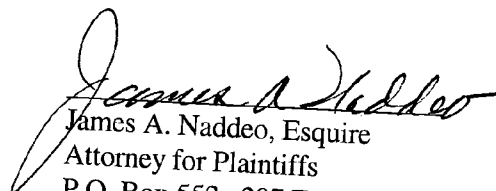


Peter F. Smith, Esquire  
Attorney for Defendant  
P. O. Box 130, 30 South Second St.  
Clearfield, PA 16830  
(814) 765-5595

Dated: July 21, 2005

I, James A. Naddeo, counsel for Plaintiffs in the above captioned matter, being authorized to do so, hereby consent to Mr. Smith's withdrawal as counsel for Defendant.

Date:



James A. Naddeo, Esquire  
Attorney for Plaintiffs  
P.O. Box 552, 207 E. Market St.  
Clearfield, PA 168630  
(814) 765-1601

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:

INTERROGATORIES and  
REQUEST FOR PRODUCTION  
of DOCUMENTS

Filed on Behalf of:

DEFENDANT

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

FILED<sup>®</sup> 3cc  
01/11/09 BN Def.  
AUG 01 2005

William A. Shaw  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

DEFENDANT'S INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS DIRECTED TO PLAINTIFF

TO: HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

Defendant, Samuel Anthony Ettaro II, hereby propounds the following Interrogatories and Requests for Production of Documents and Things to Plaintiffs, HARMONY MULTI-MEDIA, LLC and BRANDON J. GIUFFRE and JAMES J. BOYLES, pursuant to Pennsylvania Rules of Civil Procedure 4006 and 4009, to be answered in writing within 30 days to be continuing and must be supplemented should information become available to you or anyone acting on your behalf.

### **INTERROGATORIES**

1.) Please provide a written and true statement which clearly explains why 2004 federal tax documentation due Samuel A. Ettaro (K1) and Steven Spates (1099) were delayed beyond deadlines imposed under federal tax law.

**ANSWER:**

## **INTERROGATORIES**

2.) Please explain your inaction in not providing requested regular sales reports and royalty payments to Mr. Steven Spates as per the publishing contract between Harmony Multi-Media, LLC and Mr. Spates for the project "AroundPA".

**ANSWER:**

### **INTERROGATORIES**

3.) Please provide a written and true statement which clearly explains the business/marketing rationale behind why the primary corporate Harmony website and the established Harmony e-commerce online store website, which has a six year history of worldwide product sales, have been dismantled and replaced with a site that does not offer any of the revenue-generating originally-published products brought into being by Defendant, Samuel A. Ettaro II nor an offering of services available through the Company's production wing.

**ANSWER:**

### **INTERROGATORIES**

4.) Please provide a written and true statement which clearly explains the current status of the business relationship between Harmony Multi-Media, LLC and the Groundhog Club Inner Circle as it relates to Defendant, Samuel Anthony Ettaro's original documentary film, "The Life and Times of Punxsutawny Phil" which was delivered to the Groundhog Club Inner Circle January of 2005 to coincide with Groundhog Day 2005. Please include future marketing and distribution plans for this product.

**ANSWER:**

### **INTERROGATORIES**

5.) Please provide a written and true statement which clearly explains the reasons why a meeting was missed with State Workman's Compensation Fund Representative, Mr. Ray Reed, which resulted in a phone call from Mr. Reed to Defendant, Samuel Anthony Ettaro's home and what the resulting rescheduled meeting entailed.

**ANSWER:**



### **INTERROGATORIES**

6.) Please provide a written and true statement which clearly explains the reasons and motivations for attempting to continue to leverage Defendant, Samuel Anthony Ettaro II to agree to personally accept Company Liabilities in exchange for his release as a Member of the Company contrary to LLC law, our Company Operating Agreement and an agreement drafted January 30th, 2005 between Defendant, Samuel Anthony Ettaro II and Plaintiff, Brandon Giuffre. (see Exhibit A)

**ANSWER:**

### **INTERROGATORIES**

7.) Please provide a written and true statement explaining your reasons and motivations for not addressing specific requests made by myself for a proper accounting of Company Assets, to include, but not limited to; company name, websites, logo, client base and goodwill.

**ANSWER:**

### **INTERROGATORIES**

8.) Please provide a written and true statement explaining your reasons and motivations for not addressing the specific requests and concerns and providing the documents and things contained in a written request dated May 18th, 2005 by Defendant, Samuel Anthony Ettaro II and mailed via Registered Certified Mail-Return Receipt and signed for by James Boyles and Brandon Giuffre on May 20th and May 21st, 2005 respectively. (see *Exhibit B*).

**ANSWER:**

## **REQUEST for PRODUCTION OF DOCUMENTS and THINGS**

9.) Please provide a true and correct hard copy and electronic copy of the following **financial reports and files**. All documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter from the Company Accountant to this effect.

a.) A complete financial accounting for the 2004 fiscal year including but not limited to: Federal and State Tax Filings; Complete Listing of Assets and Liabilities, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts.

b.) A complete financial accounting for the First and Second Quarters of 2005 fiscal year including but not limited to: Federal and State Tax Filings; Quickbooks Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; Complete Listing of Assets and Liabilities to date, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Customer Balance Detail Report, Vendor Balance Detail Report, Transaction Detail by Account.

c.) Master Quick Books File for 2004 and 2005.

d.) Statements of Member Capital Accounts which properly and correctly reflect any and all changes in those Capital Accounts during the period of January 2004 to Present.

e.) Statement of Compensation to Manager Mr. Samuel A. Ettaro for the Period of January 1st 2003 through August 15, 2005.

f.) All sales call reports and detail of current marketing and sales promotions and campaigns and their results from January 21st, 2005 to Present.

g.) Fiscal Year 2004 and First and Second Quarter 2005 Wholesale and Retail Product Sales Reports for any and all product sales fulfilled through Harmony Multi-Media, LLC for the following products and brands: All Episodes of AroundPA, Quiet Creek School of Country Living, Integrated World Arts, Will Thomas, The Life and Times of Punxsutawney Phil Documentary.

h.) Report of any Compensation or Draws taken by Members/Managers of the Company period January 21st, 2005 to Present and plans devised after January 21st which may provide for any such Compensation by Members/Managers.

i.) Status on Company Employee Aaron Rothrock to include incentive plans, commission plans and/or any financial restitution or compensation plan that he is currently operating under.

## REQUEST for PRODUCTION OF DOCUMENTS and THINGS

10.) Please provide a true and correct hard copy and electronic copy of the following **reports, documents and/or files**. All hard documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter to this effect. All files electronic files should be exact digital copies of the originals.

a.) Unisun Main Master folder from the old "D" drive which formerly resided in the Compaq office computer and all streaming media content hosted on the Unisun/Harmony Central Server that was originally created by Defendant, Samuel Anthony Ettaro II prior to and while working with Harmony Multi-Media, LLC.

The office file folder, approximately 4.5 gb in size, contains years worth of the Defendant's personal and professional information from a business endeavor previous to Harmony. The streaming media content in this folder and existing on the Unisun/Harmony servers also represents years worth of original works conducted by the Defendant over the years, many of which were produced well before the existence of Harmony, and are his original creations. This includes such original audio/video works as a complete line of original talk shows, music and news content: DC Action, Humus Workshop, Quiet Creek School of Country Living, Living is Simple, Myth and Integrated World Arts online radio, The Green Wave, Uncle Sam Band and Dawning of the Day original music files.

Defendant, Samuel Anthony Ettaro II has made numerous requests for and has been promised this information on several occasions by Manager, Mr. Giuffre. All of this information was present at the office and on the Company server upon Defendant's departure from the Company in January, 2005. Additionally, the Defendant is aware that Mr. Giuffre provided Mr. Dennis Bussell with copies of the interviews produced for him by the Defendant under the IWA web channel which were in this folder or on the Company server. Clearly this shows that the requested information is in Mr. Giuffre's possession and still in existence. Please provide the complete catalog and all associated internet websites, graphic design elements, business files, personal files and Corel Draw files containing press releases and poster information on a DVDR disc.

b.) Copies of any existing "Work for Hire" documentation that may be on file with the Company as it may apply to any original works conceived, created and produced by Defendant, Samuel Anthony Ettaro II for the Period of March 21st, 2001 through Present.

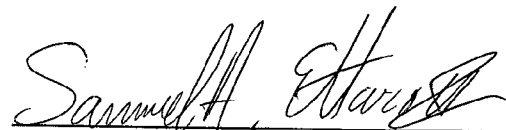
c.) Any and all records and minutes of all Manager and/or Member meetings held between November 1, 2004 to Present.

e.) Any written consent from the Commonwealth of Pennsylvania Securities and Exchange Commission, any appropriate and authorized authority or Company legal counsel which clarifies and accepts the transfer of any Membership Interests or Rights expressed in the Company Operating Agreement.

f.) The Original Articles of Incorporation filed with the State of Pennsylvania for the Company.

g.) Any and all Business Plans or Marketing Plans created since January 21st, 2005 which may clarify the business direction of Harmony Multi-Media, LLC.

Respectfully Submitted,



Samuel Anthony Ettaro II

## Agreement in Principle

In a special meeting held January 30<sup>th</sup>, 2005 Mr. Samuel A. Ettaro and Mr. Brandon J. Giuffre went over, point by point, this agreement-in-principle with the intention of working out the details contained herein over the next 2 weeks.

These two parties, being the primary business partners in the firm, the initial Members in the firm, and representing 80% of the firm's interests hereby agree to the general terms laid out herein in Principle and will work together to solidify an amicable solution to their problems. Points below that are initialed by each party are agreed to by each party. Points not initialed are still open for negotiation and / or further compromise. Items struck out are non-negotiable and are rejected by the party who's initials indicate that they removed this clause. *SAE BG*

### STATEMENT of AGREEMENT

It is hereby agreed that an amicable business divorce is in order between business partners Samuel Anthony Ettaro II, Brandon Giuffre and their joint venture, Harmony Multi-Media, LLC.

Mr. Ettaro has stated repeatedly that he wishes to be removed from the Company and expects little to no compensation for this release.

Mr. Giuffre has expressed in writing and verbally several times that he supports Mr. Ettaro's efforts to free himself from the Company and its limitation so that he may fairly and justly pursue his endeavors and properly provide for his family using his talents and experience which were with him prior to his founding of the Company. *BG SAE*

### INDEMNIFICATION:

All parties agree to indemnify each other from any liabilities other than those included herein, future lawsuits and/or action of any kind upon Mr. Ettaro's complete exit from the Company and his termination/transfer of all of his Membership interests. This includes a complete waiver by Mr. Steven Spates for any future lawsuits and/or legal action against Harmony Multi-Media, LLC and its Members. *BG SAE*

### RELEASE:

Under the terms of this agreement to allow Mr. Ettaro to permanently leave the LLC, transfer his rights legally and be completely free of any and all future obligations to Harmony Multi-Media, LLC or its Members under ANY circumstances or situation.

Samuel Anthony Ettaro shall disassociate himself entirely from Harmony Multi-Media, LLC with the support of Mr. Giuffre under the terms and steps necessary to accomplish this as laid out below. This practice is being done in good faith with the goodwill and wellbeing of each party, their families and the Company being kept in mind: *BG SAE*

### PR STATEMENT of AMICABLE SPLIT:

This split shall be represented in all cases publicly as an amicable "buy out" where Mr. Ettaro is exiting Harmony Multi-Media, LLC for personal and professional reasons in order to pursue a career in film and television production and education. A Press Release shall be issued to this effect and will be made public upon the approval of the contents by Mr. Ettaro and Mr. Giuffre. *BG SAE*

### First Step

Amendment to the Operating Agreement will be necessary to allow for this deal. Please note that References to sections 3.03 are actually 3.02 according to the contract. This was an obvious typo. References to 3.03 are clearly referring to 3.02 and should be considered as such.

It is hereby agreed to by the above mentioned majority Members of Harmony Multi-Media, LLC that the following amendments/changes shall be made to the current Operating agreement in order to accommodate this deal.

Exhibit A

## Article III

### Membership, Dispositions of Interests

**3.02 (b) shall be changed to read:**

(b) Any disposition of an interest in the Company can be legally effected by simple majority vote agreement among the Members approving the Member Disposing of their interests and the person receiving these interests.

**3.02 (g) shall be changed to read:**

The Member receiving the Disposition shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred to in Section 3.03(f) in required by Manager on or before the tenth day after the receipt by that person of the Company's invoice for the amount due. If payment is not made by the date due, that person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

**3.02 (c) shall be changed to read:**

"Each Disposition and, if applicable, admission complying with the provisions of this Section 3.03(e) is effective immediately upon signing of the appropriate documents, agreement and presentation of necessary documents to the acting Manager of the LLC.

**3.05 Withdrawal shall be changed to read.**

A Member has the right to withdraw as a Member from the Company at will provided adequate provisions are made for transference of Membership interests in accordance with Article III.

### Second Step

#### TRANSFER OF INTERESTS

Effective February 10<sup>th</sup>, 2005, Samuel Anthony Ettaro II 513 Thompson Street, Curwensville, PA 16833, hereby transfer all of my 40% holding interests in Harmony Multi-Media, LLC to Brandon Giuffre, 209 Shardan Drive in entirety. There is no compensation offered or expected for this transfer by Mr. Ettaro. He willingly gives all of his shares to Mr. Giuffre with no-expectation of compensation.

Proper Documentation and Paperwork of this transfer pending.

#### Van:

Brandon Giuffre, as Manager of Harmony Multi-Media, LLC, and holding rights to liquidate any company assets which may be considered a liability agrees to sell one 1991 Pontiac TransPort mini van currently owned by Harmony Multi-Media, LLC to Samuel and Kimberly Ettaro for the sum of \$10 or the lowest legal possible rate.

BGSZ

### Third Step

#### Groundhog Day Completion

It is agreed and has been stated repeatedly that Mr. Ettaro and Mr. Steven Spates are entitled to a long-term royalty as compensation for their work, "The Life and Times of Punxsutawney Phil"

Exhibit A

Mr. Ettaro agrees to provide all information at his disposal in regards to all Groundhog Day transactions, associated loans and opportunities to Harmony Multi-Media, LLC and agrees to work with Mr. Spates along with Harmony Multi-Media, LLC over the period of January 30th, 31st, February 1st, and 2nd in Punxsutawney in order to maximize potential sales of these products.

All proceeds from ALL sales will be tallied and collected by agents of Harmony Multi-Media through established distribution channels and will be allocated over the period of January 28th, 2005 through February 10th, 2005 in the following priority:

Per-unit donation to Goodwill as agreed

Loan from Joey Castagnolo (total payback \$2,700.00)

Loan from Groundhog Club Inner Circle (total payback \$3,000.00 as changed by Giuffre/Johnston)

Any and all proceeds totaled during this period over and above these amounts shall be split between Mr. Ettaro and Harmony Multi-Media 50%-50%. Mr. Ettaro shall be solely responsible for compensating any other third parties for their part in the projects.

Harmony Multi-Media, LLC agrees to provide a \$100 cash "bank" to Mr. Ettaro and Mr. Spates from which they will provide change to customers during their Groundhog Day sales efforts.

Mr. Ettaro and Mr. Spates shall hold 160 DVDR units and 30 VHS units for the purpose of selling these items over these days. All monies collected each day will be delivered to Brandon Giuffre.

Harmony Multi-Media, LLC shall pay for several hundred copies of handouts designed by Mr. Ettaro for the purpose of promoting AroundPA and The Life and Times of Punxsutawney Phil over the Groundhog Day festivities. Mr. Ettaro shall handle the duplication and cutting of these handouts at Batcho Office Systems in Clearfield.

Mr. Ettaro and Mr. Spates shall receive \$75 each for expenses over the Groundhog Day festivities.

Mr. Ettaro shall receive a 30% lifetime royalty on all Groundhog Day products produced by himself, including but not limited to, "The Life and Times of Punxsutawney Phil" original film production, all derivative works and any press and media sales of original stock footage as provided for under the Publishing Agreement with the Inner Circle.

Timetables and details of the royalty payments pending to be solidified by March 1st, 2005.

*SG*

## Fourth Step

### Intellectual Property Agreement

Samuel Anthony Ettaro has fully produced, brought to market and managed original films and TV creations while acting as agent of Harmony Multi-Media, LLC. These creations, hereby entitled "works" are:

- 1 AroundPA original television show
- 2 AroundPA.net website
- 3 "The Life and Times of Punxsutawney Phil" movie
- 4 therealgroundhogday.com website

### The Life and Times of Punxsutawney Phil

All rights associated with this product shall be held under a joint/shared copyright between Samuel Anthony Ettaro II and Harmony Multi-Media, LLC. Harmony Multi-Media, LLC shall be assigned rights to duplication and distribution of this product. Samuel Anthony Ettaro shall be assigned all rights to creative control, artistic design, marketing and PR associated with advancing this product. These rights shall NOT be perpetual, but shall be in effect as long as each party is still in existence. Should either party be terminated or cease to exist for any reason, their rights held shall be transferred immediately to the other party who shares in the copyright of this product. *Harmony Right of first refusal on derivative products for 1st & 2nd*

*SG BG*

### AroundPA

All associated publishing agreements and rights attributed to these projects and held by Harmony Multi-Media, LLC shall be immediately transferred from Harmony Multi-Media, LLC to Samuel Anthony Ettaro completely and in their entirety, including all rights to duplicate, produce, market, promote, distribute, sell and pay royalties on these projects in perpetuity.

Mr. Ettaro accepts all responsibility from this point forward for all liabilities and responsibilities associated with this product line and the Works herein. *SG BG*

Exhibit A



Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
(814) 236-3976

May 18, 2005

Brandon Giuffre  
Jim Boyles  
Harmony Multi-Media, LLC  
26 S. 2<sup>nd</sup> Street  
Clearfield, PA 16830

Re: Demand for Reports/Documents

Dear Brandon & Jim,

Since our court date of January 21st, 2005, when Judge Ammerman granted your Injunction, I have made every effort to steer clear of Harmony's Management so you can run Harmony as you deem appropriate. Although I have made no secret of my doubts of business or managerial abilities now present at Harmony, on the flip side of that, I yet personally hope you two are successful with Harmony Multi-Media. At the very least it will not have all been for nothing and Clearfield will keep a technology based company.

Over the past few months I have made numerous verbal and email requests for various reports, in particular, the value of Company assets. As of this date, despite these repeated requests, I have not received anything except a late K-1 necessary to file my own personal taxes. I have no true picture of what is happening with the company that I originally founded.

It is standard business practice to provide annual reports to Members or fellow partners you're in business with, whether you "like" or "hate" them or whatever. When I make requests for this information, what I do almost immediately receive from Brandon The Manager, are threats to be drug back into Court if I do not come to an agreement on the liabilities of the company and how I intend on paying the LLC back. I don't understand this. How can we take the next step in any sort of "negotiations" when as time ticks by, it more so seems that I am deliberately being kept in the dark on the overall status and picture of the company, yet pressed to settle - settle what? A few adjectives do not suffice to describe the overall status and picture of the company; but financial and sales reports and a business plan do. What is your motive for not providing these documents?

As I've typed to you in emails, it would be most appropriate and fair to have an accurate (certified by a qualified party or individual), company valuation available as a starting point so that we may, in a fair and logical manner, further assess our situations. This would be a good keystone block for your solid foundation.

I am of course still a Member of Harmony Multimedia, LLC. I have a Right as a Member to be provided information and to be advised of the LLC status and direction. It is not enough to keep me in the LLC as a Member against my expressed will, and yet withhold standard business information to one of the Members. So you've got me locked in still, but won't supply information about what's going on. You really need to get the reports together and provide them.

Exhibit B

**Demand is being made for the following documents to be provided within ten (10) days of receipt of this letter:**

- 1.) Any and all records and minutes of all Manager and Member meetings held between November 1, 2004 to present.
- 2.) A complete financial accounting for the 2004 fiscal year including but not limited to: Federal and State Tax Filings; Complete Listing of Assets and Liabilities, Profit and Loss Statements (standard & detail), Balance Sheet (standard & detail); Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; and a State of Changes in Members' Capital Accounts for the 2004 fiscal year. ALL of the aforementioned documents must be accompanied by a cover letter from the certified public accountant who prepared the returns for the 2004 fiscal year, verifying all to be true and accurate or stating otherwise.
- 3.) First quarter 2005: Profit and Loss (standard & detail), Balance Sheet (standard & detail), Quickbooks Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; Customer Balance Detail Report, Vendor Balance Detail Report, Transaction Detail by Account for the First Fiscal Quarter of 2005. All of these are reports easily printed from Quickbooks.
- 4.) Statements of Member Capital Accounts properly reflecting all changes in those Capital Accounts for the period of 2004 to present date.
- 5.) Written consent from the Commonwealth of Pennsylvania Securities and Exchange Commission accepting and approving the transfer of any Membership Interests or Rights expressed in our Operating Agreement.
- 6.) Any and all Business Plans or any created since January 21, 2005 clarifying the business direction of Harmony Multimedia, LLC. It has been four months since Brandon Giuffre testified at the court hearing on 1/21/05, that he did not know what his plan and direction for the company was but that he would figure it out once given the opportunity.
- 7.) Copies of any existing "work for hire" documentation on file with the Company as it may apply to any original works created and conceived by myself for the period of March 1st, 2001 through present day.
- 8.) Fiscal Year 2004 and 1<sup>st</sup> quarter 2005 - Product Sales Reports for any and all product sales fulfilled through Harmony Multimedia, LLC.

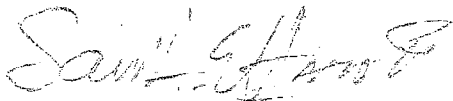
Samuel A. Ettaro II  
May 18, 2005  
Page Three

My concerns also extend to:

- A.) The untimely filing of simple tax reports for Steve Spates and how it resulted in a formal complaint to the IRS being issued against Harmony Multi-Media, LLC. The IRS apparently then sent a notice of such to Harmony as Member, Jim Boyles called the Spates residence asking Steve's elderly mother if Steve received his 1099 because they received a letter from the IRS regarding the delivery of such. Manager Giuffre, had all the information he needed to fill out or print out from Quickbooks, a standard 1099 form and mail by the end of January.
- B.) Status of the inquiry from Mr. Ray Reed, Auditor for the State Workmen's Insurance Fund.

Again, please supply the items listing of 1.) through 8.) within ten days of receipt of this correspondence. Your clarification of above items A.) and B.) are also requested.

Cordially,



Samuel Anthony Ettaro II  
Member, Harmony Multi-Media, LLC

cc: Peter Smith, Esquire  
James Naddeo, Esquire  
Tim Fannin, CPA  
file

Exhibit B

| SENDER: COMPLETE THIS SECTION  |  | COMPLETE THIS SECTION ON DELIVERY   |  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> |  | <p>A. Signature<br/> <i>X Brandon Giuffre</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)<br/> <i>Brandon Giuffre</i></p> <p>C. Date of Delivery<br/> <i>5-21</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>         If YES, enter delivery address below: <input type="checkbox"/> No</p> |  |
| <p>1. Article Addressed to:</p> <p><i>Brandon Giuffre</i><br/> <i>209 Shardan <del>Dr.</del> Dr.</i><br/> <i>Curwensville PA</i><br/> <i>16833</i></p>   |  | <p>3. Service Type<br/> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br/> <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/> <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>   |  |
| <p>2. Article Number<br/>         (Transfer from service label)</p>  |  | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>   |  |
|  |  | <p>7004 2510 0007 6100 2504</p>   |  |
| PS Form 3811, February 2004  |  | Domestic Return Receipt 102595-02-M-1540  |  |

| Postal Service™<br>CERTIFIED MAIL™ RECEIPT  |           |
|---|-----------|
| Domestic Mail Only; No Insurance Coverage Provided  |           |
| For more information, visit our website at <a href="http://www.usps.com">www.usps.com</a> |           |
| <b>OFFICIAL USE</b>   |           |
| Postage   | \$ \$0.60 |
| Certified Fee   | \$2.30    |
| Return Receipt Fee (if Required)  | \$1.75    |
| Delivery Fee (if Required)  | \$0.00    |
| Postage & Fees  | \$ \$4.65 |
| CURWENSVILLE PA 16833   |           |
| Brandon Giuffre<br>209 Shardan Dr.<br>Curwensville PA 16833                               |           |
| See Reverse for Instructions  |           |

| UNITED STATES POSTAL SERVICE   |  |
|--|--|
| PITTSBURGH PA 15201<br>PM<br>21 MAY 2005   | First-Class Mail<br>Postage & Fees Paid<br>USPS<br>Permit No. G-10 |
| • Sender: Please print your name, address, and ZIP+4 in this box •                         |  |
| <p><i>Sam Attaro II</i><br/> <i>513 Thompson St.</i><br/> <i>Curwensville PA 16833</i></p> |  |
| 01   |  |

Exhibit B

| SENDER: COMPLETE THIS SECTION  |  | COMPLETE THIS SECTION ON DELIVERY  |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> |  | A. Signature<br><i>James J. Boyles</i>   |  |
| 1. Article Addressed to:<br>Brandon Giuffre or<br>Jim Boyles<br>Harmony Multi-Media LLC<br>26 S. 2nd St.<br>Clearfield PA 16830  |  | <input type="checkbox"/> Agent<br><input type="checkbox"/> Addressee<br>B. Received by (Printed Name)<br>James J. Boyles   |  |
| 2. Article Number<br>(Transfer from service label)<br>7001 2510 0005 2724 0921   |  | C. Date of Delivery<br>5/20/05   |  |
| PS Form 3811, February 2004  |  | D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br>If YES, enter delivery address below: <input type="checkbox"/> No  |  |
| Domestic Return Receipt  |  | 3. Service Type<br><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. |  |
| 102595-02-M-1540   |  | 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes   |  |

| UNITED STATES POSTAL SERVICE                                       |  |
|--|--|
| ALCOHOL PA 16830<br>PM<br>20 MAY                                   | First-Class Mail<br>Postage & Fees Paid<br>USPS<br>Permit No. G-10 |
| • Sender: Please print your name, address, and ZIP+4 in this box • |  |
| Sam Ettaro II<br>513 Thompson St.<br>Curwensville PA 16833         |  |
| 16833+1117   |  |

Exhibit B

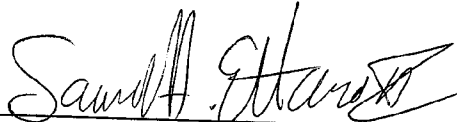
DEFENDANT'S INTERROGATORIES AND REQUEST FOR  
PRODUCTION OF DOCUMENTS and THINGS  
DIRECTED TO PLAINTIFFS

HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

CERTIFICATE OF SERVICE

I do hereby certify that on the 1<sup>st</sup> day of AUGUST, 2005, a  
certified, true and correct copy of the interrogatories and request for production of  
documents and things was hand-delivered to the following:

James Nadeo  
Attorney at Law  
207 East Market Street  
PO Box 552  
Clearfield, Pennsylvania 16830

  
Samuel Anthony Ettaro II

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:

Defendant's Motion For Sanctions  
Against Plaintiff for Plaintiff's  
Failure to Answer Interrogatories  
and Comply with Request for  
Production of Documents and Things  
Directed to Plaintiff

Filed on Behalf of:

DEFENDANT

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

FILED 3ec  
SEP 08 2005 Def. @

William A. Shaw  
Prothonotary/Clerk of Courts


**DEFENDANT'S MOTION FOR SANCTIONS AGAINST PLAINTIFF FOR PLAINTIFF'S  
FAILURE TO ANSWER DEFENDANT'S INTERROGATORIES AND COMPLY WITH  
REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS  
DIRECTED TO PLAINTIFFS**

Defendant, Samuel Anthony Ettaro, hereby moves this Court to enter an order pursuant to Pa. R.C.P. No. 4019(a)(1)(i) directing Plaintiffs, Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, to serve full and complete answers to Defendant's Interrogatories and comply with Defendant's Request for Production of Documents and Things propounded to Plaintiffs or suffer sanctions, and in support thereof avers as the follows:

1. The action was instituted by Defendant by written complaint and detailed requests made to Plaintiffs on May 22nd, 2005.
2. A response was requested within 10 days, and no response of any kind was ever provided.
3. On August 1st, 2005, Defendant hand-served a certified copy of Interrogatories and Request for Production of Documents and Things upon counsel for Plaintiff.
4. Pursuant to Pa. R.C.P. No. 4006(a)(2), Plaintiff's answers and objections, if any, to the Interrogatories along with the requested Documents and Things were due on or before August 30th, 2005.
5. A period of 39 days has elapsed since the Defendant's Interrogatories and Request for Production of Documents and Things was served upon counsel for Plaintiff and no response of any kind has been provided.
6. For the foregoing reasons, Defendant believes and avers that Plaintiff will not answer Defendant's Interrogatories and Request for Production of Documents and Things absent a court order pursuant to Pa. R.C.P. 4019(a)(1)(i).

WHEREFORE, Defendant requests that the Court enter an order directing defendant to file full and complete answers to Defendant's Interrogatories and comply with the Request for Production of Documents and Things or suffer appropriate sanctions to be imposed upon further application of the Court.

Respectfully Submitted,

  
Samuel Anthony Ettaro II  
Defendant




**DEFENDANT'S MOTION FOR SANCTIONS AGAINST PLAINTIFF FOR PLAINTIFF'S  
FAILURE TO ANSWER DEFENDANT'S INTERROGATORIES AND COMPLY WITH  
REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS  
DIRECTED TO PLAINTIFFS**

HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 8<sup>th</sup> day of September, 2005, a  
certified, true and correct copy of the interrogatories and request for production of  
documents and things was hand-delivered to the following:

James Nadeo  
Attorney at Law  
207 East Market Street  
PO Box 552  
Clearfield, Pennsylvania 16830

  
Samuel Anthony Ettaro II  
Defendant

CA

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

No. 05-83-CD

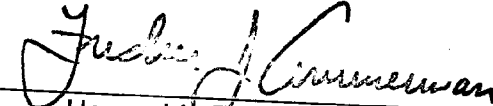
v.


SAMUEL ANTHONY ETTARO II,  
DEFENDANT

ORDER

AND NOW, this 8<sup>th</sup> day of September, 2005, upon consideration of Defendant's motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer Defendant's Interrogatories to Plaintiff and Request for Production of Documents and Things directed to Plaintiff, it is hereby ORDERED that the motion is granted and Plaintiffs, Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, shall answer Defendant's Interrogatories and comply with Defendant's Request for Production of Documents and Things within 30 days of the date of this order or appropriate sanctions will be imposed upon further application to the Court.

By the Court:

  
Honorable Fredric J. Ammerman  
President Judge

FILED <sup>3cc</sup>  
SEP 08 2005  
Def. 

William A. Shaw  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE and  
JAMES J. BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL A. ETTARO II,  
DEFENDANT

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 9<sup>th</sup> day of September, 2005, a true and correct certified copy of Court Order dated the 8<sup>th</sup> of September, 2005, granting Defendant's motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer Defendant's Interrogatories to Plaintiff and Request for Production of Documents and Things directed to Plaintiff, was served upon the following individual in the manner indicated below:

(Hand delivered)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

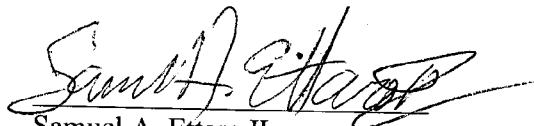
**FILED**

SEP 09 2005

William A. Shaw  
Prothonotary/Clerk of Courts

3 cert to DEPT.

So Certified,

  
Samuel A. Ettaro II,  
Defendant

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

BRANDON J. GIUFFRE and  
JAMES J. BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL A. ETTARO II,  
DEFENDANT

**SUPPLEMENTAL CERTIFICATE OF SERVICE**

I do hereby certify that on the 8<sup>th</sup> day of September, 2005, a true and correct certified copy  
of Defendant's Motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer  
Defendant's Interrogatories and Comply with Request for Production of Documents and Things  
Directed to Plaintiffs was served upon the following individual in the manner indicated below:

(Hand delivered)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

**FILED**

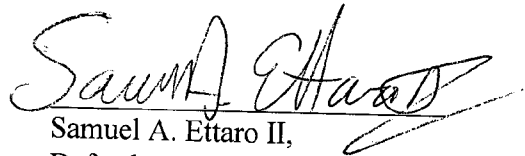
SEP 09 2005

01:55 PM

William A. Shaw  
Prothonotary/Clerk of Courts

3 Cmt to DEPT.

So Certified,

  
Samuel A. Ettaro II,  
Defendant

William A. Shaw  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

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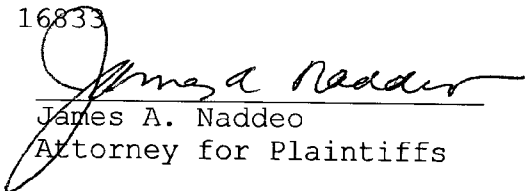
No. 05 - 83 -CD

CERTIFICATE OF SERVICE

I, James A. Naddeo, Esquire, do hereby certify that a certified copy of the Plaintiffs' Answers to Interrogatories and Request for Production of Documents and Things was served on the following and in the following manner on the 16<sup>th</sup> day of September, 2005:

First-Class Mail, Postage Prepaid

Samuel A. Ettaro, II  
513 Thompson Street  
Curwensville, PA 16833

  
James A. Naddeo  
Attorney for Plaintiffs

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

BRANDON J. GIUFFRE and  
JAMES J. BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL A. ETTARO II,  
DEFENDANT

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 3 day of October, 2005, Defendant's true and correct  
Answer to Plaintiff's Settlement Proposal was served upon the following individual in the  
manner indicated below:

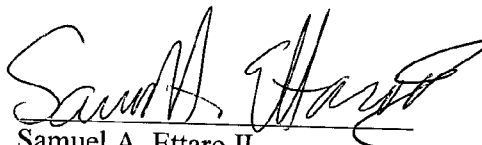
(Hand delivered)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

**FILED**  
OCT 3 2005  
TCC Amy Sharo II

William A. Shaw  
Prothonotary

So Certified,

  
Samuel A. Ettaro II,  
Defendant

Samuel Anthony Ettaro II  
513 Thompson Street Curwensville, PA 16833  
(814)236-3976 samuel@ettaro.com

September 29, 2005

James. A. Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

RE:  
Settlement Proposal

Dear Mr. Naddeo:

In response to your recently proposed settlement offer, I am willing to consider Option A as a potential resolution to this matter.

Please prepare the suggested resolution documents (to include a blanket hold harmless clause) for my review and consideration prior to signature.

Sincerely,



Samuel Anthony Ettaro II

FILED

cc: file

OCT - 3 2005

William A. Shaw  
Prothonotary



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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

v.

SAMUEL A. ETTARO II,  
DEFENDANT

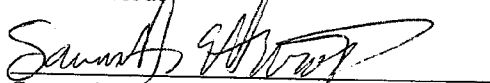
No. 05-83-CD

CERTIFICATE OF SERVICE

I do hereby certify that on the 9<sup>th</sup> day of December, 2005, true and correct Followup Request for Settlement Agreement was served upon the following individual in the manner indicated below:

(Hand delivered)  
James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830


So Certified,

  
Samuel A. Ettaro II,  
Defendant

FILED

012:10/BN  
DEC 09 2005

William A. Shaw  
Prothonotary/Clerk of Courts

1 cc  
Def.  


**Samuel Anthony Ettaro II**

513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

December 9th, 2005

James Naddeo, Esquire  
207 East Market Street  
Clearfield, PA 16830

Re: Giuffre, et al v. Ettaro

Dear Mr. Naddeo,

September 16th, 2005 your clients put forth, in writing, two options for settlement of our dispute.

October 3rd, 2005 I issued a written reply stating that I would entertain Option A, provided the language and terms were acceptable.

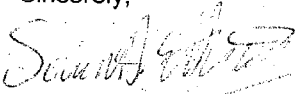
October 24th, 2005 you wrote to inform me that a settlement agreement was going to be drafted for my review.

Forty-five days have passed and I have not received this settlement agreement or any correspondence at all from you or your clients.

Eighty-five days have passed since the original offer was made, which, coincidentally, was accompanied by your client's written refusal to comply with the Court's Order dated September 9th, 2005 issued by the Honorable Fredric J. Ammerman, President Judge.

Please provide the settlement paperwork within ten days of receipt of this letter.

Sincerely,



Samuel Anthony Ettaro II

cc: file

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
(Civil Division)

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

NO. 05-0083-CD

V.

SAMUEL ANTHONY ETTARO II  
DEFENDANT

**CERTIFICATE OF SERVICE**

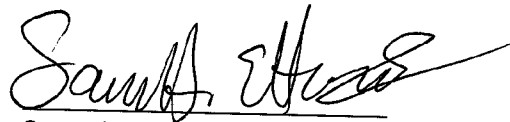
It is hereby certified that a true and correct copy of Defendant's response to Plaintiff's draft  
settlement agreement was served in the manner indicated, upon the following on 1-19-06

(Hand Delivery)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

So Certified,

Date: 1-19-06



Samuel A. Ettaro II  
Pro Se Defendant

**FILED**

JAN 19 2006

0/4:00/4

William A. Shaw

Prothonotary/Clerk of Courts

3 SENT TO DEFT.

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY  
PENNSYLVANIA

Hammang Mkt.-Media, LLC  
(Plaintiff)

CIVIL ACTION

211 E. Locust St. #2  
(Street Address)

No. 15-0083-CD

Clearfield, PA 16830  
(City, State ZIP)

Type of Case: Civil

Type of Pleading: Demand for Compliance  
Reply to Settlement

VS.

Filed on Behalf of:

Samuel A. Ettaro  
(Defendant)

Samuel A. Ettaro  
(Plaintiff/Defendant)

513 Thompson St.  
(Street Address)

Corwensville, PA 16833  
(City, State ZIP)

FILED

JAN 19 2006

0/41006  
William A. Shaw  
Prothonotary/Clerk of Courts

3 chert. 30 P. 2006

Samuel A. Ettaro  
(Filed by)

513 Thompson St. Corwensville, PA  
(Address) 16833

814-236-3976  
(Phone)

Samuel A. Ettaro  
(Signature)

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833

January 19, 2006

James Naddeo, Esquire  
207 East Market Street  
Clearfield, PA 16830

Re: Settlement Offer

Dear Mr. Naddeo:

Thank you for your consideration in moving our negotiations along. I am in receipt of your draft settlement agreement.

Permit me to suggest that our negotiations need to follow more along the lines of the arrangement Mr. Giuffre and I crafted at my kitchen table last winter just prior to Groundhog Day. This offer is a matter of record and is on file with your office and the Court. Below please find my thoughts on several key points in your "offer": .

1.) Your assertion on behalf of your Clients that I took over the Company and your Clients version of the events of late 2005 is denied. My position on this matter was made clear by Peter Smith, Esquire and is a matter of record with your office and the Court.

2.) I deny the history you portray as shared between my previous company, Unisun Communications, LLC and Harmony Multi-Media, LLC and that between Mr. Giuffre and myself. To my knowledge, there were not any clear and obvious assignments of creative property rights, rights to publicity and rights to intellectual and artistic property involved in the transactions between these entities. Nor any rights assignments of any kind. Nor do I believe there to be any such assignments made for any items or systems created by myself while I operated as Harmony prior to the LLC being formed. Our original Harmony LLC Operating Agreement clearly holds the opposite to be true.

Certainly no such assignment exists in regards to my professional business entity name or brand, Samuel Anthony Ettaro II, or any made by me as an individual.

Who owns what level of the creative, intellectual and business property that I generated since the inception of the LLC is in question here. What I created prior to the formation of the LLC is not. Furthermore, the notion that I will sign over all rights held by myself or others in everything I created in concert with associates or on my own over *any* part of my career is unreasonable and ridiculous.

Furthermore, for your records, the correct spelling for this entity was Unisun Communications, LLC, not Unison Communications, LLC as is listed in the settlement agreement you sent.

3.) I reiterate that I do not recognize your Client's attempt to transfer very specific and organic rights held in trust to myself and/or estate by our Operating Agreement from myself and/or estate into the property of the LLC. Peter Smith, Esquire made this a matter of record on my behalf last year.

4.) All matters regarding hard assets and equipment of the Company were resolved in a written agreement with Mr. Giuffre in the spring of 2005. This matter is closed and should be stricken from your document.

5.) Please do not associate my name, personally or professionally, with Harmony Multi-Media, LLC in the context of promotion for the Company entity, brand name, or services that the Company may offer. Likewise your Client's request to use my name, personal likeness, voice or image or any of my creative works for the continued promotion of the Company itself is strictly denied. This implies a professional endorsement of Harmony Multi-Media, LLC which I will not authorize.

Through further negotiations I might be willing to authorize use of such items in the context of promotional materials that I personally created which were intended to support any of my original productions. Such use should be specific and detailed in writing and meet with my approval prior to implementation.

All Rights to Publicity that I hold in my original works should be duly respected and honored as well by your Clients.

Reciprocal links from any websites associated with any of the original projects produced by myself is acceptable and can be of benefit to everyone if handled correctly. Such a method of association and cooperative cross-promotion I might well support depending on the specifics of any suggested plan.

7.) To my knowledge there are no fixed and recorded specific trade secrets developed by Harmony Multi-Media, LLC.

The rest of your text is under further consideration.

As an individual with an 18 year creative portfolio and publishing history, I choose to exercise all rights associated with items that I created or co-created with associates over my career. As a Member of Harmony Multi-Media, LLC I choose to exercise those rights as we proceed in our "negotiations".

Clearly we have a ways to go with this process but might I suggest a cooperative model such as the agreement made between Mr. Giuffre and myself as referenced above.

However things may develop in the future with our "negotiations" I still require cooperation from your Clients on some outstanding issues.

Please advise your Clients that any use by them of my personal name or professional entity name in official LLC business dealings or written correspondence is not authorized and is considered unacceptable by me under any and all circumstances.

President Judge Ammerman issued a Court Order on September 8<sup>th</sup>, 2005 directed to your Clients. They were ORDERED to fully answer the Interrogatories and COMPLY with the Request for Production of Documents and Things that I filed over the summer of 2005.

Without delay, kindly deliver the materials per the Court Order. This information is relevant and is needed so that I can make informed decisions.

Sincerely,



Samuel A. Ettaro II

Cc: file

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
Plaintiffs

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:

Defendant's Motion for Sanctions  
Against Plaintiffs with Entry of  
Judgment Against Plaintiffs for  
Failure to Obey Discovery Order

Filed on Behalf of:

DEFENDANT

Samuel Athony Ettaro II  
513 Thompson Street  
Curwensville PA 16833  
(814)236-3976

FILED 

JAN 31 2006  
0/9:00/w

William A. Shaw  
Prothonotary/Clerk of Courts  
3 CEM. 70 ARTS

**DEFENDANT'S MOTION FOR SANCTIONS WITH ENTRY OF JUDGMENT AGAINST  
PLAINTIFFS FOR FAILURE TO OBEY DISCOVERY ORDER**

Defendant, Samuel Anthony Ettaro II, hereby requests that the Court enter an order under Pa. R.C.P. No. 4019 imposing sanctions upon Plaintiffs, Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, for their failure to obey an ORDER to provide discovery information and to produce documents and things, and in support thereof avers as follows:

1. On August 1<sup>st</sup>, 2005, Defendant served a set of Interrogatories and Request for Production of Documents and Things upon counsel for Plaintiff restating Defendant's original complaints and requests and introducing important new matters in an ongoing attempt to negotiate an amicable business divorce and put a definite and final end to ongoing damaging litigation. A copy of Defendant's Interrogatories and Request for Production of Documents and Things and Defendant's transmittal letter of August 1<sup>st</sup>, 2005 are Attached as Exhibit "A".
2. Pursuant to Pa. R.C.P. No. 4006(a)(s), Plaintiff's answers and objections, if any, to the interrogatories and production of the requested documents and things were due on or before August 31<sup>st</sup>, 2005.
3. A period of 39 days elapsed and no response of any kind was provided.
3. On September 8<sup>th</sup>, 2005, Defendant entered a MOTION FOR SANCTIONS AGAINST PLAINTIFFS FOR PLAINTIFF'S FAILURE TO ANSWER DEFENDANT'S INTERROGATORIES AND COMPLY WITH REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS DIRECTED TO PLAINTIFFS. Copies of these documents are attached as Exhibit "B".
4. On September 8<sup>th</sup>, 2005 President Judge Frederic J. Ammerman issued an ORDER OF THE COURT granting the Defendant's MOTION. The order, in pertinent part, states that the Plaintiffs "shall answer Defendant's Interrogatories and comply with Defendant's Request for Production of Documents and Things within 30 days of the date of this order or appropriate sanctions will be imposed upon further application to the Court." Copies of these documents are attached as Exhibit "C".
5. A copy of this ORDER was served upon counsel for Plaintiff on September 9<sup>th</sup>, 2005. Certificate of Service is attached as Exhibit "D".
6. On September 16<sup>th</sup>, 2005 Plaintiff served their answers to Defendant's Interrogatories Directed to Plaintiff and its Request for Production of Documents and Things. Copies of these responses and associated documents are attached collectively as Exhibit "E".
7. Despite the Court's very specific direction, the Plaintiffs have to date failed to provide any information or adequate answers to the interrogatories and have not provided any of the items detailed in the request for documents and things. Plaintiffs have refused in writing to comply with the Court's Order based on their assertion that these interrogatories and requests are not relevant to the action originally filed against the Defendant.
8. These interrogatories and requests are relevant to the proceedings as pled.
9. Plaintiff's failure to provide full and complete answers to Defendant's interrogatories and items detailed in the request for documents and things constitute a direct and willful disobedience of the Court's Order of September 8<sup>th</sup>, 2005, and the Pennsylvania Rules of Civil Procedure.

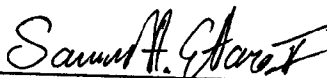


**DEFENDANT'S MOTION FOR SANCTIONS WITH ENTRY OF JUDGMENT AGAINST  
PLAINTIFFS FOR FAILURE TO OBEY DISCOVERY ORDER**

10. P.R.C.P. 4019(a)(1)(viii) provide, respectively, that the Court may make an appropriate Order if a party fails to serve sufficient answers to written interrogatories, fails to produce requested documents and things, or otherwise fails to make discovery or obey an ORDER of the court respecting discovery.
11. By virtue of the Plaintiff's failures to comply, Defendant has been unable to secure important evidence and documents essential to the proof of his case and claims against the Plaintiffs and his attempts to adequately defend himself and enter appropriate counterclaims are being prejudiced as a result.
12. Pa. R.C.P. 4019(c)(3) provides that the Court may strike out the pleadings, enter a judgment of non pros, or stay the proceedings and apply appropriate sanctions against the disobedient party for failure to comply with discovery rules and orders of the Court.
13. Pa. R.C.P. 4019(g)(1) provides that the Court may require a party to pay reasonable expenses, including attorney fees, incurred by the moving party in obtaining an order of compliance and subsequent Order for Sanctions. Defendant has and will incur attorneys' fees and costs estimated at \$1,500 in connection with this matter.
14. In light of the Plaintiff's failure to provide full and complete answers to Defendant's interrogatories and to produce items detailed in the request for documents and things in direct violation of Pa. R.C.P. 4006 and this Court's outstanding order dated, September 8<sup>th</sup>, 2005, the Court should enter judgment against the Plaintiffs and require the Plaintiffs to pay the reasonable expenses, including attorney's fees, incurred by the Defendant in obtaining the order of compliance and this Order for Sanctions.

WHEREFORE, Defendant requests that this Court enter a judgment of non pros, strike out the pleadings, or stay the proceedings until compliance by the Plaintiffs and apply appropriate sanctions against the disobedient party and require the Plaintiffs to pay to the Defendant his costs and reasonable attorney's fees or any such other relief as deemed appropriate by the Court.

Respectfully Submitted,



---

Samuel Anthony Ettaro II  
Defendant

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:

INTERROGATORIES and  
REQUEST FOR PRODUCTION  
of DOCUMENTS

Filed on Behalf of:

DEFENDANT

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

Copy for  
Exhibit  
A

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

AUG 01 2005

Attest

*Michelle A. ...*  
County Clerk  
Clerk of Courts

EXHIBIT A-1

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

DEFENDANT'S INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS DIRECTED TO PLAINTIFF

TO: HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

Defendant, Samuel Anthony Ettaro II, hereby propounds the following Interrogatories and Requests for Production of Documents and Things to Plaintiffs, HARMONY MULTI-MEDIA, LLC and BRANDON J. GIUFFRE and JAMES J. BOYLES, pursuant to Pennsylvania Rules of Civil Procedure 4006 and 4009, to be answered in writing within 30 days to be continuing and must be supplemented should information become available to you or anyone acting on your behalf.

EXHIBIT A-2

**INTERROGATORIES**

1.) Please provide a written and true statement which clearly explains why 2004 federal tax documentation due Samuel A. Ettaro (K1) and Steven Spates (1099) were delayed beyond deadlines imposed under federal tax law.

**ANSWER:**

EXHIBIT A-3

**INTERROGATORIES**

2.) Please explain your inaction in not providing requested regular sales reports and royalty payments to Mr. Steven Spates as per the publishing contract between Harmony Multi-Media, LLC and Mr. Spates for the project "AroundPA".

**ANSWER:**

EXHIBIT A-4

### **INTERROGATORIES**

3.) Please provide a written and true statement which clearly explains the business/marketing rationale behind why the primary corporate Harmony website and the established Harmony e-commerce online store website, which has a six year history of worldwide product sales, have been dismantled and replaced with a site that does not offer any of the revenue-generating originally-published products brought into being by Defendant, Samuel A. Ettaro II nor an offering of services available through the Company's production wing.

**ANSWER:**

EXHIBIT A-5

### INTERROGATORIES

4.) Please provide a written and true statement which clearly explains the current status of the business relationship between Harmony Multi-Media, LLC and the Groundhog Club Inner Circle as it relates to Defendant, Samuel Anthony Ettaro's original documentary film, "The Life and Times of Punxsutawny Phil" which was delivered to the Groundhog Club Inner Circle January of 2005 to coincide with Groundhog Day 2005. Please include future marketing and distribution plans for this product.

ANSWER:

EXHIBIT A-6

### INTERROGATORIES

5.) Please provide a written and true statement which clearly explains the reasons why a meeting was missed with State Workman's Compensation Fund Representative, Mr. Ray Reed, which resulted in a phone call from Mr. Reed to Defendant, Samuel Anthony Ettaro's home and what the resulting rescheduled meeting entailed.

ANSWER:

EXHIBIT A-7



### INTERROGATORIES

6.) Please provide a written and true statement which clearly explains the reasons and motivations for attempting to continue to leverage Defendant, Samuel Anthony Ettaro II to agree to personally accept Company Liabilities in exchange for his release as a Member of the Company contrary to LLC law, our Company Operating Agreement and an agreement drafted January 30th, 2005 between Defendant, Samuel Anthony Ettaro II and Plaintiff, Brandon Giuffre. (see Exhibit A)

ANSWER:

# **INTERROGATORIES**

7.) Please provide a written and true statement explaining your reasons and motivations for not addressing specific requests made by myself for a proper accounting of Company Assets, to include, but not limited to; company name, websites, logo, client base and goodwill.

**ANSWER:**

# **INTERROGATORIES**

8.) Please provide a written and true statement explaining your reasons and motivations for not addressing the specific requests and concerns and providing the documents and things contained in a written request dated May 18th, 2005 by Defendant, Samuel Anthony Ettaro II and mailed via Registered Certified Mail-Return Receipt and signed for by James Boyles and Brandon Giuffre on May 20th and May 21st, 2005 respectively. (see *Exhibit 8*).

**ANSWER:**

## REQUEST for PRODUCTION OF DOCUMENTS and THINGS

9.) Please provide a true and correct hard copy and electronic copy of the following **financial reports and files**. All documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter from the Company Accountant to this effect.

a.) A complete financial accounting for the 2004 fiscal year including but not limited to: Federal and State Tax Filings; Complete Listing of Assets and Liabilities, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts.

b.) A complete financial accounting for the First and Second Quarters of 2005 fiscal year including but not limited to: Federal and State Tax Filings; Quickbooks Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; Complete Listing of Assets and Liabilities to date, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Customer Balance Detail Report, Vendor Balance Detail Report, Transaction Detail by Account.

c.) Master Quick Books File for 2004 and 2005.

d.) Statements of Member Capital Accounts which properly and correctly reflect any and all changes in those Capital Accounts during the period of January 2004 to Present.

e.) Statement of Compensation to Manager Mr. Samuel A. Ettaro for the Period of January 1st 2003 through August 15, 2005.

f.) All sales call reports and detail of current marketing and sales promotions and campaigns and their results from January 21st, 2005 to Present.

g.) Fiscal Year 2004 and First and Second Quarter 2005 Wholesale and Retail Product Sales Reports for any and all product sales fulfilled through Harmony Multi-Media, LLC for the following products and brands: All Episodes of AroundPA, Quiet Creek School of Country Living, Integrated World Arts, Will Thomas, The Life and Times of Punxsutawney Phil Documentary.

h.) Report of any Compensation or Draws taken by Members/Managers of the Company period January 21st, 2005 to Present and plans devised after January 21st which may provide for any such Compensation by Members/Managers.

i.) Status on Company Employee Aaron Rothrock to include incentive plans, commission plans and/or any financial restitution or compensation plan that he is currently operating under.

## REQUEST for PRODUCTION OF DOCUMENTS and THINGS

10.) Please provide a true and correct hard copy and electronic copy of the following **reports, documents and/or files**. All hard documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter to this effect. All files electronic files should be exact digital copies of the originals.

a.) Unisun Main Master folder from the old "D" drive which formerly resided in the Compaq office computer and all streaming media content hosted on the Unisun/Harmony Central Server that was originally created by Defendant, Samuel Anthony Ettaro II prior to and while working with Harmony Multi-Media, LLC.

The office file folder, approximately 4.5 gb in size, contains years worth of the Defendant's personal and professional information from a business endeavor previous to Harmony. The streaming media content in this folder and existing on the Unisun/Harmony servers also represents years worth of original works conducted by the Defendant over the years, many of which were produced well before the existence of Harmony, and are his original creations. This includes such original audio/video works as a complete line of original talk shows, music and news content: DC Action, Humus Workshop, Quiet Creek School of Country Living, Living is Simple, Myth and Integrated World Arts online radio, The Green Wave, Uncle Sam Band and Dawning of the Day original music files.

Defendant, Samuel Anthony Ettaro II has made numerous requests for and has been promised this information on several occasions by Manager, Mr. Giuffre. All of this information was present at the office and on the Company server upon Defendant's departure from the Company in January, 2005. Additionally, the Defendant is aware that Mr. Giuffre provided Mr. Dennis Bussell with copies of the interviews produced for him by the Defendant under the IWA web channel which were in this folder or on the Company server. Clearly this shows that the requested information is in Mr. Giuffre's possession and still in existence. Please provide the complete catalog and all associated internet websites, graphic design elements, business files, personal files and Corel Draw files containing press releases and poster information on a DVDR disc.

b.) Copies of any existing "Work for Hire" documentation that may be on file with the Company as it may apply to any original works conceived, created and produced by Defendant, Samuel Anthony Ettaro II for the Period of March 21st, 2001 through Present.

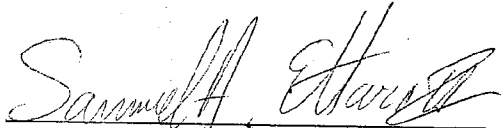
c.) Any and all records and minutes of all Manager and/or Member meetings held between November 1, 2004 to Present.

e.) Any written consent from the Commonwealth of Pennsylvania Securities and Exchange Commission, any appropriate and authorized authority or Company legal counsel which clarifies and accepts the transfer of any Membership Interests or Rights expressed in the Company Operating Agreement.

f.) The Original Articles of Incorporation filed with the State of Pennsylvania for the Company.

g.) Any and all Business Plans or Marketing Plans created since January 21st, 2005 which may clarify the business direction of Harmony Multi-Media, LLC.

Respectfully Submitted,

  
Samuel Anthony Ettaro II

## Agreement in Principle

In a special meeting held January 30<sup>th</sup>, 2005 Mr. Samuel A. Ettaro and Mr. Brandon J. Giuffre went over, point by point, this agreement-in-principle with the intention of working out the details contained herein over the next 2 weeks.

These two parties, being the primary business partners in the firm, the initial Members in the firm, and representing 80% of the firm's interests hereby agree to the general terms laid out herein in Principle and will work together to solidify an amicable solution to their problems. Points below that are initialed by each party are agreed to by each party. Points not initialed are still open for negotiation and / or further compromise. Items struck out are non-negotiable and are rejected by the party who's initials indicate that they removed this clause. *SAZ BG*

### STATEMENT of AGREEMENT

It is hereby agreed that an amicable business divorce is in order between business partners Samuel Anthony Ettaro II, Brandon Giuffre and their joint venture, Harmony Multi-Media, LLC.

Mr. Ettaro has stated repeatedly that he wishes to be removed from the Company and expects little to no compensation for this release.

Mr. Giuffre has expressed in writing and verbally several times that he supports Mr. Ettaro's efforts to free himself from the Company and its limitation so that he may fairly and justly pursue his endeavors and properly provide for his family using his talents and experience which were with him prior to his founding of the Company. *BG SAZ*

### INDEMNIFICATION:

All parties agree to indemnify each other from any liabilities other than those included herein, future lawsuits and/or action of any kind upon Mr. Ettaro's complete exit from the Company and his termination/transfer of all of his Membership interests. This includes a complete waiver by Mr. Steven Spates for any future lawsuits and/or legal action against Harmony Multi-Media, LLC and its Members. *BG SAZ*

### RELEASE:

Under the terms of this agreement to allow Mr. Ettaro to permanently leave the LLC, transfer his rights legally and be completely free of any and all future obligations to Harmony Multi-Media, LLC or its Members under ANY circumstances or situation.

Samuel Anthony Ettaro shall disassociate himself entirely from Harmony Multi-Media, LLC with the support of Mr. Giuffre under the terms and steps necessary to accomplish this as laid out below. This practice is being done in good faith with the goodwill and wellbeing of each party, their families and the Company being kept in mind: *BG SAZ*

### PR STATEMENT of AMICABLE SPLIT:

This split shall be represented in all cases publicly as an amicable "buy out" where Mr. Ettaro is exiting Harmony Multi-Media, LLC for personal and professional reasons in order to pursue a career in film and television production and education. A Press Release shall be issued to this effect and will be made public upon the approval of the contents by Mr. Ettaro and Mr. Giuffre. *BG SAZ*

### First Step

Amendment to the Operating Agreement will be necessary to allow for this deal. Please note that References to sections 3.03 are actually 3.02 according to the contract. This was an obvious typo. References to 3.03 are clearly referring to 3.02 and should be considered as such.

It is hereby agreed to by the above mentioned majority Members of Harmony Multi-Media, LLC that the following amendments/changes shall be made to the current Operating agreement in order to accommodate this deal.

## Article III

### Membership, Dispositions of Interests

**3.02 (b) shall be changed to read:**

(b) Any disposition of an interest in the Company can be legally effected by simple majority vote agreement among the Members approving the Member Disposing of their interests and the person receiving these interests.

**3.02 (g) shall be changed to read:**

The Member receiving the Disposition shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred to in Section 3.03(f) in required by Manager on or before the tenth day after the receipt by that person of the Company's invoice for the amount due. If payment is not made by the date due, that person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

**3.02 (c) shall be changed to read:**

"Each Disposition and, if applicable, admission complying with the provisions of this Section 3.03(e) is effective immediately upon signing of the appropriate documents, agreement and presentation of necessary documents to the acting Manager of the LLC.

**3.05 Withdrawal shall be changed to read.**

A Member has the right to withdraw as a Member from the Company at will provided adequate provisions are made for transference of Membership interests in accordance with Article III.

### Second Step

#### TRANSFER OF INTERESTS

Effective February 10<sup>th</sup>, 2005, Samuel Anthony Ettaro II 513 Thompson Street, Curwensville, PA 16833, hereby transfer all of my 40% holding interests in Harmony Multi-Media, LLC to Brandon Giuffre, 209 Shardan Drive in entirety. There is no compensation offered or expected for this transfer by Mr. Ettaro. He willingly gives all of his shares to Mr. Giuffre with no-expectation of compensation.

Proper Documentation and Paperwork of this transfer pending.

**Van:**

Brandon Giuffre, as Manager of Harmony Multi-Media, LLC, and holding rights to liquidate any company assets which may be considered a liability agrees to sell one 1991 Pontiac TransPort mini van currently owned by Harmony Multi-Media, LLC to Samuel and Kimberly Ettaro for the sum of \$10 or the lowest legal possible rate.

BGS

### Third Step

#### Groundhog Day Completion

It is agreed and has been stated repeatedly that Mr. Ettaro and Mr. Steven Spates are entitled to a long-term royalty as compensation for their work, "The Life and Times of Punxsutawney Phil"

EXHIBIT A-14

Mr. Ettaro agrees to provide all information at his disposal in regards to all Groundhog Day transactions, associated loans and opportunities to Harmony Multi-Media, LLC and agrees to work with Mr. Spates along with Harmony Multi-Media, LLC over the period of January 30th, 31st, February 1st, and 2nd in Punxsutawney in order to maximize potential sales of these products.

All proceeds from ALL sales will be tallied and collected by agents of Harmony Multi-Media through established distribution channels and will be allocated over the period of January 28th, 2005 through February 10th, 2005 in the following priority:

Per-unit donation to Goodwill as agreed

Loan from Joey Castagnolo (total payback \$2,700.00)

Loan from Groundhog Club Inner Circle (total payback \$3,000.00 as changed by Giuffre/Johnston)

Any and all proceeds totaled during this period over and above these amounts shall be split between Mr. Ettaro and Harmony Multi-Media 50%-50%. Mr. Ettaro shall be solely responsible for compensating any other third parties for their part in the projects

Harmony Multi-Media, LLC agrees to provide a \$100 cash "bank" to Mr. Ettaro and Mr. Spates from which they will provide change to customers during their Groundhog Day sales efforts.

Mr. Ettaro and Mr. Spates shall hold 160 DVDR units and 30 VHS units for the purpose of selling these items over these days. All monies collected each day will be delivered to Brandon Giuffre.

Harmony Multi-Media, LLC shall pay for several hundred copies of handouts designed by Mr. Ettaro for the purpose of promoting AroundPA and The Life and Times of Punxsutawney Phil over the Groundhog Day festivities. Mr. Ettaro shall handle the duplication and cutting of these handouts at Batcho Office Systems in Clearfield.

Mr. Ettaro and Mr. Spates shall receive \$75 each for expenses over the Groundhog Day festivities.

Mr. Ettaro shall receive a 30% lifetime royalty on all Groundhog Day products produced by himself, including but not limited to, "The Life and Times of Punxsutawney Phil" original film production, all derivative works and any press and media sales of original stock footage as provided for under the Publishing Agreement with the Inner Circle.

Timetables and details of the royalty payments pending to be solidified by March 1st, 2005.

*SG*

## Fourth Step

### Intellectual Property Agreement

Samuel Anthony Ettaro has fully produced, brought to market and managed original films and TV creations while acting as agent of Harmony Multi-Media, LLC. These creations, hereby entitled "works" are:

- 1 AroundPA original television show
- 2 AroundPA.net website
- 3 "The Life and Times of Punxsutawney Phil" movie
- 4 therealgroundhogday.com website

### The Life and Times of Punxsutawney Phil

All rights associated with this product shall be held under a joint/shared copyright between Samuel Anthony Ettaro II and Harmony Multi-Media, LLC. Harmony Multi-Media, LLC shall be assigned rights to duplication and distribution of this product. Samuel Anthony Ettaro shall be assigned all rights to creative control, artistic design, marketing and PR associated with advancing this product. These rights shall NOT be perpetual, but shall be in effect as long as each party is still in existence. Should either party be terminated or cease to exist for any reason, their rights held shall be transferred immediately to the other party who shares in the copyright of this product. *Harmony right of first refusal on derivative products for dist. & sale*

*SG BG*

### AroundPA

All associated publishing agreements and rights attributed to these projects and held by Harmony Multi-Media, LLC shall be immediately transferred from Harmony Multi-Media, LLC to Samuel Anthony Ettaro completely and in their entirety, including all rights to duplicate, produce, market, promote, distribute, sell and pay royalties on these projects in perpetuity.

Mr. Ettaro accepts all responsibility from this point forward for all liabilities and responsibilities associated with this product line and the Works herein.

*SG BG*

EXHIBIT A15

Exhibit A



Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
(814) 236-3976

May 18, 2005

Brandon Giuffre  
Jim Boyles  
Harmony Multi-Media, LLC  
26 S. 2<sup>nd</sup> Street  
Clearfield, PA 16830

Re: Demand for Reports/Documents

Dear Brandon & Jim,

Since our court date of January 21st, 2005, when Judge Ammerman granted your Injunction, I have made every effort to steer clear of Harmony's Management so you can run Harmony as you deem appropriate. Although I have made no secret of my doubts of business or managerial abilities now present at Harmony, on the flip side of that, I yet personally hope you two are successful with Harmony Multi-Media. At the very least it will not have all been for nothing and Clearfield will keep a technology based company.

Over the past few months I have made numerous verbal and email requests for various reports, in particular, the value of Company assets. As of this date, despite these repeated requests, I have not received anything except a late K-1 necessary to file my own personal taxes. I have no true picture of what is happening with the company that I originally founded.

It is standard business practice to provide annual reports to Members or fellow partners you're in business with, whether you "like" or "hate" them or whatever. When I make requests for this information, what I do almost immediately receive from Brandon The Manager, are threats to be drug back into Court if I do not come to an agreement on the liabilities of the company and how I intend on paying the LLC back. I don't understand this. How can we take the next step in any sort of "negotiations" when as time ticks by, it more so seems that I am deliberately being kept in the dark on the overall status and picture of the company, yet pressed to settle - settle what? A few adjectives do not suffice to describe the overall status and picture of the company; but financial and sales reports and a business plan do. What is your motive for not providing these documents?

As I've typed to you in emails, it would be most appropriate and fair to have an accurate (certified by a qualified party or individual), company valuation available as a starting point so that we may, in a fair and logical manner, further assess our situations. This would be a good keystone block for your solid foundation.

I am of course still a Member of Harmony Multimedia, LLC. I have a Right as a Member to be provided information and to be advised of the LLC status and direction. It is not enough to keep me in the LLC as a Member against my expressed will, and yet withhold standard business information to one of the Members. So you've got me locked in still, but won't supply information about what's going on. You really need to get the reports together and provide them.

EXHIBIT A-16

~~Exhibit B~~

**Demand is being made for the following documents to be provided within ten (10) days of receipt of this letter:**

- 1.) Any and all records and minutes of all Manager and Member meetings held between November 1, 2004 to present.
- 2.) A complete financial accounting for the 2004 fiscal year including but not limited to: Federal and State Tax Filings; Complete Listing of Assets and Liabilities, Profit and Loss Statements (standard & detail), Balance Sheet (standard & detail); Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; and a State of Changes in Members' Capital Accounts for the 2004 fiscal year. ALL of the aforementioned documents must be accompanied by a cover letter from the certified public accountant who prepared the returns for the 2004 fiscal year, verifying all to be true and accurate or stating otherwise.
- 3.) First quarter 2005: Profit and Loss (standard & detail), Balance Sheet (standard & detail), Quickbooks Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; Customer Balance Detail Report, Vendor Balance Detail Report, Transaction Detail by Account for the First Fiscal Quarter of 2005. All of these are reports easily printed from Quickbooks.
- 4.) Statements of Member Capital Accounts properly reflecting all changes in those Capital Accounts for the period of 2004 to present date.
- 5.) Written consent from the Commonwealth of Pennsylvania Securities and Exchange Commission accepting and approving the transfer of any Membership Interests or Rights expressed in our Operating Agreement.
- 6.) Any and all Business Plans or any created since January 21, 2005 clarifying the business direction of Harmony Multimedia, LLC. It has been four months since Brandon Giuffre testified at the court hearing on 1/21/05, that he did not know what his plan and direction for the company was but that he would figure it out once given the opportunity.
- 7.) Copies of any existing "work for hire" documentation on file with the Company as it may apply to any original works created and conceived by myself for the period of March 1st, 2001 through present day.
- 8.) Fiscal Year 2004 and 1<sup>st</sup> quarter 2005 - Product Sales Reports for any and all product sales fulfilled through Harmony Multimedia, LLC.

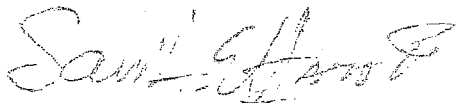
Samuel A. Ettaro II  
May 18, 2005  
Page Three

My concerns also extend to:

- A.) The untimely filing of simple tax reports for Steve Spates and how it resulted in a formal complaint to the IRS being issued against Harmony Multi-Media, LLC. The IRS apparently then sent a notice of such to Harmony as Member, Jim Boyles called the Spates residence asking Steve's elderly mother if Steve received his 1099 because they received a letter from the IRS regarding the delivery of such. Manager Giuffre, had all the information he needed to fill out or print out from Quickbooks, a standard 1099 form and mail by the end of January.
- B.) Status of the inquiry from Mr. Ray Reed, Auditor for the State Workmen's Insurance Fund.

Again, please supply the items listing of 1.) through 8.) within ten days of receipt of this correspondence. Your clarification of above items A.) and B.) are also requested.

Cordially,



Samuel Anthony Ettaro II  
Member, Harmony Multi-Media, LLC

cc: Peter Smith, Esquire  
James Naddeo, Esquire  
Tim Fannin, CPA  
file

EXHIBIT A-18

~~EXHIBIT B~~

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Brandon Giuffre  
209 Sharden ~~Dr.~~ Dr.  
Curwensville PA  
16833

2. Article Number

(Transfer from service label)

7004 2510 0007 6100 2504

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Brandon Giuffre*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Brandon Giuffre

C. Date of Delivery

5-21

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

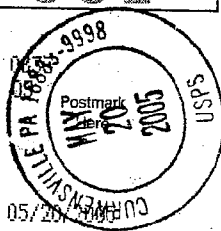
☐ Yes

**Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(First-Class Mail Only: No Insurance Coverage Provided)

For more information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

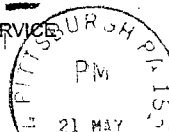
|                            |           |
|----------------------------|-----------|
| Postage                    | \$ \$0.60 |
| Certified Fee              | \$2.30    |
| Receipt Fee (if Required)  | \$1.75    |
| Delivery Fee (if Required) | \$0.00    |
| Postage & Fees             | \$ \$4.65 |



No. *Brandon Giuffre*  
to *209 Sharden Dr.*  
ZIP+4 *Curwensville PA 16833*

1025-100-2002 See Reverse for Instructions

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

*Sam Citaro II*  
*513 Thompson St.*  
*Curwensville PA 16833*

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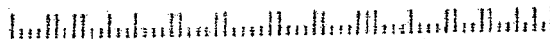
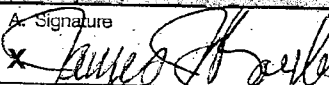


EXHIBIT A-19

EXHIBIT B

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY   |  |
|---|--|---|--|
| <p> <input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.<br/> <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.<br/> <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. </p> |  | <p>A. Signature<br/>  <input type="checkbox"/> Agent<br/> <input type="checkbox"/> Addressee </p> |  |
| <p>1. Article Addressed to:</p> <p> Brandon Giuffre or<br/> Jim Boyle<br/> Harmony Multi-Media LLC<br/> 26 S. 2nd St.<br/> Clearfield PA 16830 </p>   |  | <p>B. Received by (Printed Name)<br/> James J. Boyle </p> <p>C. Date of Delivery<br/> 5/20/05 </p>  |  |
| <p>2. Article Number<br/> (Transfer from service label)</p>   |  | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/> If YES, enter delivery address below: <input type="checkbox"/> No </p>                           |  |
| <p>3. Service Type</p> <p> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br/> <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise<br/> <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>   |  | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>   |  |
| <p>PS Form 3811, February 2004</p>  |  | <p>Domestic Return Receipt</p>  |  |

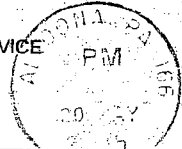

| UNITED STATES POSTAL SERVICE  |   |
|---|---|
| <p>   </p> | <p> First-Class Mail<br/> Postage &amp; Fees Paid<br/> USPS<br/> Permit No. G-10 </p> |
| <p>• Sender: Please print your name, address, and ZIP+4 in this box •</p> <p> Sam Ettaro II<br/> 513 Thompson St.<br/> Curwensville PA 16833 </p>                                 |   |
| <p>16833+1117</p>   |   |

EXHIBIT A-20

EXHIBIT B

DEFENDANT'S INTERROGATORIES AND REQUEST FOR  
PRODUCTION OF DOCUMENTS and THINGS  
DIRECTED TO PLAINTIFFS

HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

CERTIFICATE OF SERVICE

I do hereby certify that on the 1<sup>st</sup> day of AUGUST, 2005, a  
certified, true and correct copy of the interrogatories and request for production of  
documents and things was hand-delivered to the following:

James Nadeo  
Attorney at Law  
207 East Market Street  
PO Box 552  
Clearfield, Pennsylvania 16830

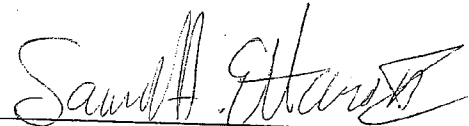
  
Samuel Anthony Ettaro II

EXHIBIT A-21

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

Copy for  
Exhibit "B"

No. 05-83-CD

Type of Pleading:

Defendant's Motion For Sanctions  
Against Plaintiff for Plaintiff's  
Failure to Answer Interrogatories  
and Comply with Request for  
Production of Documents and Things  
Directed to Plaintiff

Filed on Behalf of:

DEFENDANT

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

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

SEP 08 2005

Attest

*[Signature]*  
Prothonotary/  
Clerk of Courts

EXHIBIT B-1

**DEFENDANT'S MOTION FOR SANCTIONS AGAINST PLAINTIFF FOR PLAINTIFF'S  
FAILURE TO ANSWER DEFENDANT'S INTERROGATORIES AND COMPLY WITH  
REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS  
DIRECTED TO PLAINTIFFS**

Defendant, Samuel Anthony Ettaro, hereby moves this Court to enter an order pursuant to Pa. R.C.P. No. 4019(a)(1)(i) directing Plaintiffs, Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, to serve full and complete answers to Defendant's Interrogatories and comply with Defendant's Request for Production of Documents and Things propounded to Plaintiffs or suffer sanctions, and in support thereof avers as the follows:

1. The action was instituted by Defendant by written complaint and detailed requests made to Plaintiffs on May 22nd, 2005.
2. A response was requested within 10 days, and no response of any kind was ever provided.
3. On August 1st, 2005, Defendant hand-served a certified copy of Interrogatories and Request for Production of Documents and Things upon counsel for Plaintiff.
4. Pursuant to Pa. R.C.P. No. 4006(a)(2), Plaintiff's answers and objections, if any, to the Interrogatories along with the requested Documents and Things were due on or before August 30th, 2005.
5. A period of 39 days has elapsed since the Defendant's Interrogatories and Request for Production of Documents and Things was served upon counsel for Plaintiff and no response of any kind has been provided.
6. For the foregoing reasons, Defendant believes and avers that Plaintiff will not answer Defendant's Interrogatories and Request for Production of Documents and Things absent a court order pursuant to Pa. R.C.P. 4019(a)(1)(i).

WHEREFORE, Defendant requests that the Court enter an order directing defendant to file full and complete answers to Defendant's Interrogatories and comply with the Request for Production of Documents and Things or suffer appropriate sanctions to be imposed upon further application of the Court.

Respectfully Submitted,



Samuel Anthony Ettaro II  
Defendant



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

BRANDON J. GIUFFRE and  
JAMES J. BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL A. ETTARO II,  
DEFENDANT

**SUPPLEMENTAL CERTIFICATE OF SERVICE**

I do hereby certify that on the 8<sup>th</sup> day of September, 2005, a true and correct certified copy of Defendant's Motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer Defendant's Interrogatories and Comply with Request for Production of Documents and Things Directed to Plaintiffs was served upon the following individual in the manner indicated below:

(Hand delivered)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

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

SEP 09 2005

Attest.

*William A. Hines*  
Prothonotary/  
Clerk of Courts

So Certified,

*Samuel A. Ettaro II*  
Samuel A. Ettaro II,  
Defendant

EXHIBIT B-3

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

*Copy for  
Exhibit  
a/c n*

ORDER

AND NOW, this 8<sup>th</sup> day of September, 2005, upon consideration of Defendant's motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer Defendant's Interrogatories to Plaintiff and Request for Production of Documents and Things directed to Plaintiff, it is hereby ORDERED that the motion is granted and Plaintiffs, Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, shall answer Defendant's Interrogatories and comply with Defendant's Request for Production of Documents and Things within 30 days of the date of this order or appropriate sanctions will be imposed upon further application to the Court.

By the Court:

/s/ Fredric J. Ammerman

Honorable Fredric J. Ammerman  
President Judge

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

SEP 08 2005

Attest:

*William A. Ghera*  
Prothonotary/  
Clerk of Courts

EXHIBIT C

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

BRANDON J. GIUFFRE and  
JAMES J. BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC,  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL A. ETTARO II,  
DEFENDANT

*Copy for  
Exhibit  
"D"* *change  
last  
to  
9/9/05*

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 9<sup>th</sup> day of September, 2005, a true and correct certified copy of Court Order dated the 8<sup>th</sup> of September, 2005, granting Defendant's motion for Sanctions Against Plaintiff for Plaintiff's Failure to Answer Defendant's Interrogatories to Plaintiff and Request for Production of Documents and Things directed to Plaintiff, was served upon the following individual in the manner indicated below:

(Hand delivered)

James Naddeo, Esquire  
207 E. Market Street  
Clearfield, PA 16830

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

SEP 09 2005

Attest:

*James J. Boyes*  
Prothonotary/  
Clerk of Courts

So Certified,

*Samuel A. Ettaro II*  
Samuel A. Ettaro II,  
Defendant

EXHIBIT D

JAMES A. NADDEO  
ATTORNEY AT LAW  
207 EAST MARKET STREET  
P.O. BOX 552  
CLEARFIELD, PENNSYLVANIA 16830

ASSOCIATE  
LINDA C. LEWIS

(814) 765-1601  
FAX: (814) 765-8142  
naddeolaw@atlanticbbn.net

September 16, 2005

*Cory Sa*  
*Exhibit*  
*2*

Mr. Samuel A. Ettaro, II  
513 Thompson Street  
Curwensville, PA 16833

RE: Giuffre, et al v. Ettaro

Dear Mr. Ettaro:

Enclosed is Plaintiffs' Response to Interrogatories.  
I am also enclosing my clients' response to your Motion for  
Production.

The Plaintiffs have authorized me to make a proposal  
to conclude the litigation and to terminate your association  
with Harmony Multi-Media, LLC. This proposal is in the  
alternative. It is as follows:

A. You relinquish your interest in Harmony  
Multi-Media, LLC in return for a mutual release of all  
claims.

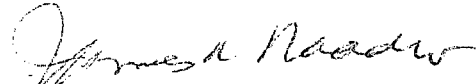
B. Pay your proportionate share of the  
liabilities of Harmony Multi-Media, LLC. The company  
will assign to you its rights to "The Life and Times  
of Punxsutawney Phil". The parties to exchange mutual  
releases.

If either of the foregoing options appeal to you,  
please contact me. For purpose of calculating your share of the  
company's liabilities the date of January 21, 2005 will be used.  
Finally, this settlement proposal shall remain open for a period  
of thirty days after which it will be withdrawn.

EXHIBIT E-1

Mr. Samuel A. Ettaro, II  
September 16, 2005  
Page 2

Sincerely,

A handwritten signature in dark ink, appearing to read "James A. Naddeo". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James A. Naddeo

JAN/lcl

Enclosures

Cc: Brandon Giuffre  
James Boyles

EXHIBIT E-2

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - 83 -CD

Type of Pleading:

CERTIFICATE OF  
SERVICE

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 E. Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

\*  
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\*  
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\*

No. 05 - 83 -CD

CERTIFICATE OF SERVICE

I, James A. Naddeo, Esquire, do hereby certify that a  
certified copy of the Plaintiffs' Answers to Interrogatories and  
Request for Production of Documents and Things was served on the  
following and in the following manner on the 16<sup>th</sup> day of  
September, 2005:

First-Class Mail, Postage Prepaid

Samuel A. Ettaro, II  
513 Thompson Street  
Curwensville, PA 16833

James A. Naddeo  
Attorney for Plaintiffs

EXHIBIT E-4

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:  
PLAINTIFFS ANSWERS TO  
INTERROGATORIES and  
REQUEST FOR PRODUCTION  
of DOCUMENTS

Filed on Behalf of:

DEFENDANT

Samuel A. Ettaro II  
513 Thompson Street  
Curwensville, PA 16833  
814-236-3976

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

AUG 01 2005

Attest,

*William B. R.*  
Prothonotary/  
Clerk of Courts

EXHIBIT E-5



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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
PLAINTIFF

No. 05-83-CD

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

DEFENDANT'S INTERROGATORIES  
AND REQUEST FOR PRODUCTION OF DOCUMENTS DIRECTED TO PLAINTIFF

TO: HARMONY MULTI-MEDIA, LLC and  
BRANDON J. GIUFFRE and JAMES J. BOYLES  
Plaintiffs  
26 South Second Street Suite 202  
Clearfield, PA 16833

Defendant, Samuel Anthony Ettaro II, hereby propounds the following Interrogatories and Requests for Production of Documents and Things to Plaintiffs, HARMONY MULTI-MEDIA, LLC and BRANDON J. GIUFFRE and JAMES J. BOYLES, pursuant to Pennsylvania Rules of Civil Procedure 4006 and 4009, to be answered in writing within 30 days to be continuing and must be supplemented should information become available to you or anyone acting on your behalf.

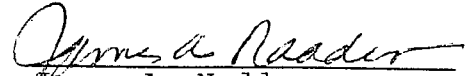
EXHIBIT E-6

## INTERROGATORIES

1.) Please provide a written and true statement which clearly explains why 2004 federal tax documentation due Samuel A. Ettaro (K1) and Steven Spates (1099) were delayed beyond deadlines imposed under federal tax law.

### ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

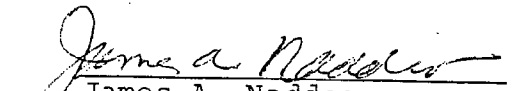
  
James A. Naddeo  
Attorney for Plaintiffs

## INTERROGATORIES

2.) Please explain your inaction in not providing requested regular sales reports and royalty payments to Mr. Steven Spates as per the publishing contract between Harmony Multi-Media, LLC and Mr. Spates for the project "AroundPA".

### ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

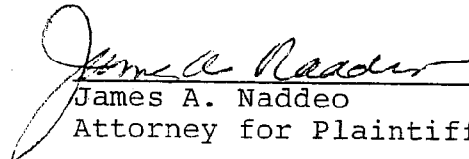
  
James A. Naddeo  
Attorney for Plaintiffs

### INTERROGATORIES

3.) Please provide a written and true statement which clearly explains the business/marketing rationale behind why the primary corporate Harmony website and the established Harmony e-commerce online store website, which has a six year history of worldwide product sales, have been dismantled and replaced with a site that does not offer any of the revenue-generating originally-published products brought into being by Defendant, Samuel A. Ettaro II nor an offering of services available through the Company's production wing.

### ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

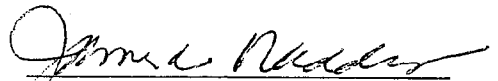
  
James A. Naddeo  
Attorney for Plaintiffs

#### INTERROGATORIES

4.) Please provide a written and true statement which clearly explains the current status of the business relationship between Harmony Multi-Media, LLC and the Groundhog Club Inner Circle as it relates to Defendant, Samuel Anthony Ettaro's original documentary film, "The Life and Times of Punxsutawny Phil" which was delivered to the Groundhog Club Inner Circle January of 2005 to coincide with Groundhog Day 2005. Please include future marketing and distribution plans for this product.

#### ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

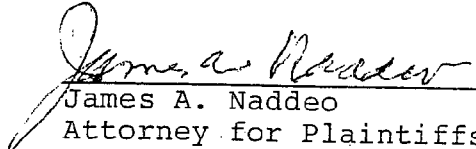
  
James A. Naddeo  
Attorney for Plaintiffs

### INTERROGATORIES

5.) Please provide a written and true statement which clearly explains the reasons why a meeting was missed with State Workman's Compensation Fund Representative, Mr. Ray Reed, which resulted in a phone call from Mr. Reed to Defendant, Samuel Anthony Ettaro's home and what the resulting rescheduled meeting entailed.

### ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

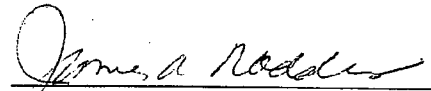
  
James A. Naddeo  
Attorney for Plaintiffs

## INTERROGATORIES

6.) Please provide a written and true statement which clearly explains the reasons and motivations for attempting to continue to leverage Defendant, Samuel Anthony Ettaro II to agree to personally accept Company Liabilities in exchange for his release as a Member of the Company contrary to LLC law, our Company Operating Agreement and an agreement drafted January 30th, 2005 between Defendant, Samuel Anthony Ettaro II and Plaintiff, Brandon Giuffre. (see Exhibit A)

## ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.



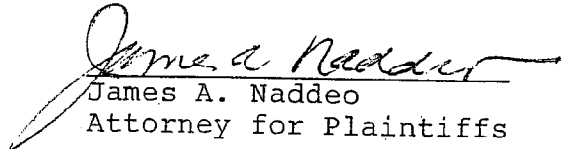
James A. Naddeo  
Attorney for Plaintiffs

# **INTERROGATORIES**

7.) Please provide a written and true statement explaining your reasons and motivations for not addressing specific requests made by myself for a proper accounting of Company Assets, to include, but not limited to; company name, websites, logo, client base and goodwill.

## **ANSWER:**

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

  
James A. Naddeo  
Attorney for Plaintiffs

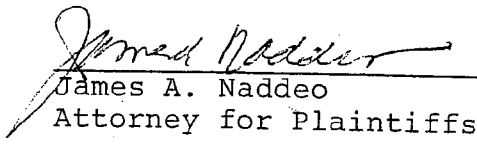


## INTERROGATORIES

8.) Please provide a written and true statement explaining your reasons and motivations for not addressing the specific requests and concerns and providing the documents and things contained in a written request dated May 18th, 2005 by Defendant, Samuel Anthony Ettaro II and mailed via Registered Certified Mail-Return Receipt and signed for by James Boyles and Brandon Giuffre on May 20th and May 21st, 2005 respectively. (see Exhibit B).

## ANSWER:

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. This Interrogatory is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to answer this Interrogatory.

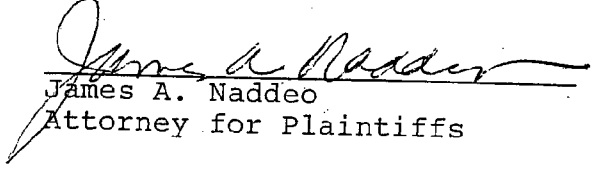
  
James A. Naddeo  
Attorney for Plaintiffs

**REQUEST for PRODUCTION OF DOCUMENTS and THINGS**

9.) Please provide a true and correct hard copy and electronic copy of the following **financial reports and files**. All documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter from the Company Accountant to this effect.

- a.) A complete financial accounting for the 2004 fiscal year including but not limited to: Federal and State Tax Filings; Complete Listing of Assets and Liabilities, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts.
- b.) A complete financial accounting for the First and Second Quarters of 2005 fiscal year including but not limited to: Federal and State Tax Filings; Quickbooks Bank Reconciliation Reports for all Harmony Multi-Media, LLC Bank Accounts; Complete Listing of Assets and Liabilities to date, Profit and Loss Statements (standard and detail, Balance Sheet (standard and detail); Customer Balance Detail Report, Vendor Balance Detail Report, Transaction Detail by Account.
- c.) Master Quick Books File for 2004 and 2005.
- d.) Statements of Member Capital Accounts which properly and correctly reflect any and all changes in those Capital Accounts during the period of January 2004 to Present.
- e.) Statement of Compensation to Manager Mr. Samuel A. Ettaro for the Period of January 1st 2003 through August 15, 2005.
- f.) All sales call reports and detail of current marketing and sales promotions and campaigns and their results from January 21st, 2005 to Present.
- g.) Fiscal Year 2004 and First and Second Quarter 2005 Wholesale and Retail Product Sales Reports for any and all product sales fulfilled through Harmony Multi-Media, LLC for the following products and brands: All Episodes of AroundPA, Quiet Creek School of Country Living, Integrated World Arts, Will Thomas, The Life and Times of Punxsutawney Phil Documentary.
- h.) Report of any Compensation or Draws taken by Members/Managers of the Company period January 21st, 2005 to Present and plans devised after January 21st which may provide for any such Compensation by Members/Managers.
- i.) Status on Company Employee Aaron Rothrock to include incentive plans, commission plans and/or any financial restitution or compensation plan that he is currently operating under.

Plaintiffs in this action have filed a Complaint seeking injunctive relief due to Defendant's unilateral exclusion of Plaintiffs from the business known as Harmony Multi-Media, LLC. These Requests for Production of Documents and Things is neither relevant to the issues pending before the Court nor can it lead to relevant information. Upon advice of counsel, Plaintiffs refuse to respond to the Requests.

  
James A. Naddeo  
Attorney for Plaintiffs

## REQUEST for PRODUCTION OF DOCUMENTS and THINGS

10.) Please provide a true and correct hard copy and electronic copy of the following **reports, documents and/or files**. All hard documents should be notarized and authorized by the Company Accountant of Record as to their authenticity and should contain a cover letter to this effect. All files electronic files should be exact digital copies of the originals.

a.) Unisun Main Master folder from the old "D" drive which formerly resided in the Compaq office computer and all streaming media content hosted on the Unisun/Harmony Central Server that was originally created by Defendant, Samuel Anthony Ettaro II prior to and while working with Harmony Multi-Media, LLC.

The office file folder, approximately 4.5 gb in size, contains years worth of the Defendant's personal and professional information from a business endeavor previous to Harmony. The streaming media content in this folder and existing on the Unisun/Harmony servers also represents years worth of original works conducted by the Defendant over the years, many of which were produced well before the existence of Harmony, and are his original creations. This includes such original audio/video works as a complete line of original talk shows, music and news content: DC Action, Humus Workshop, Quiet Creek School of Country Living, Living is Simple, Myth and Integrated World Arts online radio, The Green Wave, Uncle Sam Band and Dawning of the Day original music files.

Defendant, Samuel Anthony Ettaro II has made numerous requests for and has been promised this information on several occasions by Manager, Mr. Giuffre. All of this information was present at the office and on the Company server upon Defendant's departure from the Company in January, 2005. Additionally, the Defendant is aware that Mr. Giuffre provided Mr. Dennis Bussell with copies of the interviews produced for him by the Defendant under the IWA web channel which were in this folder or on the Company server. Clearly this shows that the requested information is in Mr. Giuffre's possession and still in existence. Please provide the complete catalog and all associated internet websites, graphic design elements, business files, personal files and Corel Draw files containing press releases and poster information on a DVDR disc.

b.) Copies of any existing "Work for Hire" documentation that may be on file with the Company as it may apply to any original works conceived, created and produced by Defendant, Samuel Anthony Ettaro II for the Period of March 21st, 2001 through Present.

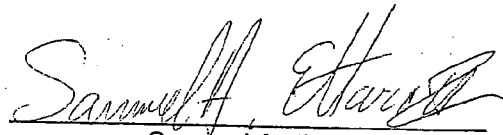
c.) Any and all records and minutes of all Manager and/or Member meetings held between November 1, 2004 to Present.

e.) Any written consent from the Commonwealth of Pennsylvania Securities and Exchange Commission, any appropriate and authorized authority or Company legal counsel which clarifies and accepts the transfer of any Membership Interests or Rights expressed in the Company Operating Agreement.

f.) The Original Articles of Incorporation filed with the State of Pennsylvania for the Company.

g.) Any and all Business Plans or Marketing Plans created since January 21st, 2005 which may clarify the business direction of Harmony Multi-Media, LLC.

Respectfully Submitted,

  
Samuel Anthony Ettaro II

COMMONWEALTH OF PENNSYLVANIA )  
 ) ss.  
COUNTY OF CLEARFIELD )

Before me, the undersigned officer, personally appeared BRANDON J. GIUFFRE, who being duly sworn according to law, depose and state that the facts set forth in the foregoing Answers to Interrogatories and Production of Documents are true and correct to the best of his knowledge, information and belief.

Brandon J. Gluffre

SWORN and SUBSCRIBED before me this 16<sup>th</sup> day of September, 2005.

*Linda C. Lewis*

COMMONWEALTH OF PENNSYLVANIA  
National Form  
Linda C. Lewis, 100-1-2856  
Clearfield Bldg., 100-1-2856  
Reg. Commission Expires July 25, 2007

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
Plaintiff

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

SANCTION ORDER ENTERING JUDGMENT FOR FAILURE TO  
OBEY DISCOVERY ORDER

ORDER

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2006, upon consideration of Defendant's Motion for Sanctions and Plaintiff's answers thereto, and it appearing that the Plaintiffs have to date failed to COMPLY with the ORDER of this Court dated September 8<sup>th</sup>, 2005, despite repeated opportunities, it is hereby

ORDERED that judgment is entered in favor of the Defendant, Samuel Anthony Ettaro II, and against Plaintiffs Brandon J. Giuffre, James J. Boyles and Harmony Multi-Media, LLC, together with reasonable attorney's fees and costs of \$1, 500.00 incurred by the Defendant in connection with this motion.

It is furthermore hereby ORDERED that sanctions in the amount of \$\_\_\_\_\_ per day shall be imposed upon Plaintiffs, as per this Court's prerogative of Order dated September 8<sup>th</sup>, 2005, until such time as this Court deems that Plaintiffs have provided to the Defendant adequate answers to the interrogatories and provision of items detailed in the Defendant's requests for documents and things.

By the Court

Honorable Fredric J. Ammerman  
President Judge

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
Plaintiffs

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

Type of Pleading:

Certificate of Service

Filed on Behalf of:

DEFENDANT

Samuel Athony Ettaro II  
513 Thompson Street  
Curwensville PA 16833  
(814)236-3976

FILED

0/3:48um

JAN 31 2008

acc deft

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William A. Shaw  
Prothonotary

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

BRANDON J. GIUFFRE and JAMES J.  
BOYLES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC  
Plaintiffs

v.

SAMUEL ANTHONY ETTARO II,  
DEFENDANT

No. 05-83-CD

CERTIFICATE OF SERVICE

I do hereby certify that on the 31<sup>st</sup> day of January, 2006, a certified, true and correct copy of the DEFENDANT'S MOTION FOR SANCTIONS WITH ENTRY OF JUDGMENT AGAINST PLAINTIFFS FOR FAILURE TO OBEY DISCOVERY ORDER was served upon the following in the manner indicated below:

(Hand Delivered)

James Naddeo, Esquire  
207 East Market Street  
Clearfield, PA 16830  
Attorney for the Plaintiffs

So Certified,



Samuel Anthony Ettaro II

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

BRANDON J. GIUFFRE and JAMES J. :  
BOYLES individually and on behalf of :  
HARMONY MULTI-MEDIA, LLC :

vs. :

No. 05-83-CD


SAMUEL ANTHONY ETTARO II, :

**ORDER**

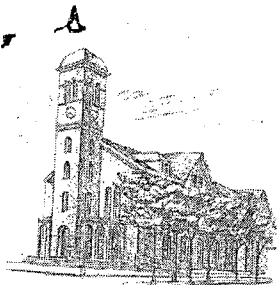
NOW, this 3<sup>rd</sup> day of February, 2006, upon consideration of Defendant's Motion for Sanctions Against Plaintiffs with Entry of Judgment Against Plaintiffs for Failure to Obey Discovery Order, a Rule is hereby issued upon Plaintiff to Appear and Show Cause why the Motion should not be granted. Rule Returnable is scheduled the 15<sup>th</sup> day of March, 2006, at 10:30 A.M. in Courtroom No. 1, Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:

FILED <sup>3cc</sup>  
013:26801 Def.  
FEB 07 2006  
William A. Shaw  
Prothonotary/Clerk of Courts

  
FREDRIC J. AMMERMAN  
President Judge





## Clearfield County Office of the Prothonotary and Clerk of Courts

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

**David S. Ammerman**  
Solicitor

**Jacki Kendrick**  
Deputy Prothonotary

**Bonnie Hudson**  
Administrative Assistant

To: All Concerned Parties

From: William A. Shaw, Prothonotary

It has come to my attention that there is some confusion on court orders over the issue of service. To attempt to clear up this question, from this date forward until further notice, this or a similar memo will be attached to each order, indicating responsibility for service on each order or rule. If you have any questions, please contact me at (814) 765-2641, ext. 1331. Thank you.

Sincerely,

William A. Shaw  
Prothonotary

DATE: 2/7/06

☒ You are responsible for serving all appropriate parties.

☐ The Prothonotary's office has provided service to the following parties:

☐ Plaintiff(s)/Attorney(s)

☐ Defendant(s)/Attorney(s)

☐ Other

☐ Special Instructions:

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
(Civil Division)

BRANDON J. GIUFFRE and JAMES J.  
BOYES individually and on behalf of  
HARMONY MULTI-MEDIA, LLC

vs.

SAMUEL ANTHONY ETTARO II

NO. 05-083-CD

**CERTIFICATE OF SERVICE**

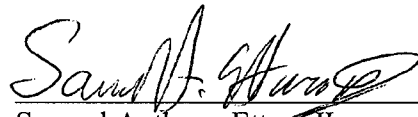
It is hereby certified that a true and correct copy of the ORDER issueing a Rule to Show Cause as to why Defendant's Motion for Sanctions should not be granted was served in the manner indicated, upon the following:

(hand delivered to)

James Naddeo, Esquire  
2307 E. Market Street  
Clearfield, PA 16830

So Certified,

Date: 2-8-06

  
Samuel Anthony Ettaro II  
Defendant

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

**FILED**

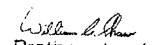
FEB 08 2006

013:40/6  
William A. Shaw  
Prothonotary/Clerk of Courts

3 cert to  
SAM ETTARO

FEB 08 2006

Attest.

  
Prothonotary/  
Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, CLEARFIELD,  
PA

CIVIL DIVISION

BRANDON J. GIUFFRE, and  
JAMES J. BOYLES,  
Individually and on Behalf of  
HARMONY MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

No. 05 - 83 -CD

Type of Pleading:

ANSWER TO MOTION FOR  
SANCTIONS

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 East Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

FILED <sup>ice</sup>  
010:48/01 Amy Naddeo  
FEB 13 2006  
William A. Shaw  
Prothonotary/Clerk of Courts

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

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No. 05 - 83 - CD

ANSWER TO MOTION FOR SANCTIONS

NOW COME the Plaintiffs and by their attorney, James A. Naddeo, Esquire, set forth the following:

1. Admitted in so far as it states that Defendant served Interrogatories and Request for Production of Documents upon Plaintiffs' counsel. The rest of said allegation is impertinent and to that extent no answer is required.

2. Admitted.

3. Admitted.

4. Admitted.

5. Admitted.

6. Admitted.

7. Denied in so far as it states that Plaintiffs have failed to provide adequate answers to Defendant's Interrogatories and to the contrary it is alleged that the Interrogatories directed by Defendant to Plaintiffs are irrelevant to any issues pending between the parties incident to the Complaint in Equity

filed by the Plaintiffs or to any issues raised in Defendant's responsive pleading.

8. Denied and to the contrary it is alleged that the sole issue pending before the Court was Defendant's improper assumption of sole control over the business known as Harmony Multi-Media, LLC and Defendant's exclusion of the majority owners of said business from participation in the business affairs of said business. Any matter pertaining to Plaintiff's stewardship of the business subsequent to the Court's continuance of the Temporary Restraining Order dated January 20, 2005 has not been pled by the Defendant in any responsive pleading nor has Defendant filed an independent action against Plaintiffs for an accounting. In further answer thereto it is alleged that while Defendant may be entitled to the information that he has requested, such entitlement does not lie with the suit initiated by Plaintiffs.

9. Denied and in answer thereto Plaintiffs' incorporate their answer to Paragraph 8 of Defendant's Motion by reference and makes it a part hereof.

10. States a conclusion of law to which no answer is required.

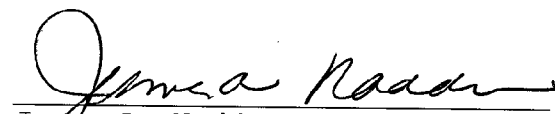
11. Denied and on the contrary it is alleged that none of the discovery sought by the Defendant is in any manner relevant to the defense of his case for the reasons set forth in answer to Paragraph 8 of Defendant's Motion which is incorporated herein by reference.

12. States a conclusion of law to which no answer is required.

13. States a conclusion of law to which no answer is required. To the extent that an answer may be required, it is specifically denied that Defendant is entitled to counsel fees in any amount and to the contrary it is alleged that Plaintiffs have been required to retain counsel at the rate of \$150.00 per hour to respond to Defendant's vexatious and obdurate use of the discovery process by demanding these sanctions.

14. States a conclusion of law to which no answer is required. To the extent that an answer may be required, it is alleged that Plaintiffs' objections to Defendant's discovery are proper and that Defendant's request for judgment in his favor should be denied and further that Plaintiffs should be awarded reasonable counsel fees for Defendant's vexatious and obdurate use of the discovery process.

WHEREFORE, Plaintiffs respectfully request that Defendant's prayer for relief be denied and that Plaintiffs be awarded reasonable counsel fees in the amount of One Hundred Fifty (\$150.00) Dollars per hour.

  
James A. Naddeo  
Attorney for Plaintiffs

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

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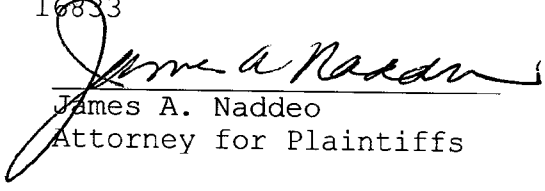
No. 05 - 83 -CD

CERTIFICATE OF SERVICE

I, James A. Naddeo, Esquire, do hereby certify that a  
certified copy of the Plaintiffs' Answer to Motion for Sanctions  
was served on the following and in the following manner on the  
13<sup>th</sup> day of February, 2006:

First-Class Mail, Postage Prepaid

Samuel A. Ettaro, II  
513 Thompson Street  
Curwensville, PA 16833

  
James A. Naddeo  
Attorney for Plaintiffs

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

BRANDON J. GIUFFRE, and \*  
JAMES J. BOYLES, \*  
Individually and on Behalf of \*  
HARMONY MULTI-MEDIA, LLC, \*  
Plaintiff \*

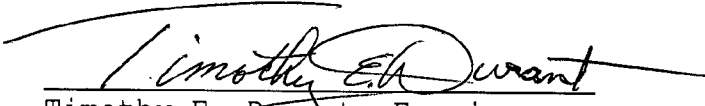
VS. \*

No. 05-83-CD

SAMUEL A. ETTARO, II \*  
Defendant \*

ENTRY OF APPEARANCE

Please enter my appearance for Samuel A. Ettaro, II,  
Defendant, in regard to the above-captioned matter.

  
Timothy E. Durant, Esquire  
I.D. No. 21352  
201 North Second Street  
Clearfield, PA 16830  
(814) 765-1711

Dated: March 14, 2006

FILED 3cc  
019:0561 Atty Durant  
MAR 14 2006 copy to CIA  
(m)  
William A. Shaw  
Prothonotary/Clerk of Courts



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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on behalf of  
HARMONY MULTI-MEDIA, LLC

VS.

SAMUEL ANTHONY ETTARO II

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NO. 05-83-CD

FILED acc. Mgs.  
01/28/06 Waddes  
MAR 17 2006 Swant

William A. Shaw  
Prothonotary/Clerk of Courts

O R D E R

AND NOW, this 15th day of March, 2006, following  
argument on the Defendant's Motion for Sanctions, it is the  
ORDER of this Court as follows:

1. The Defendant's Motion for Sanctions is hereby  
dismissed, without prejudice;

2. The Defendant shall have no more than twenty  
(20) days from this date in which to file an Amended Answer and  
New Matter which will contain a counterclaim setting forth the  
Defendant's claims against Plaintiff;

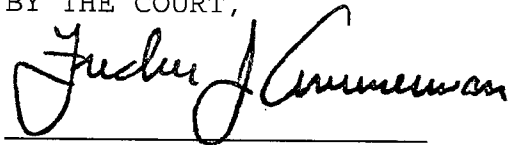
3. Upon the timely filing of the amended document  
as provided for in Paragraph 2 above, the Plaintiffs shall  
either file preliminary objections or a responsive pleading  
within the time periods as set forth within the Rules of Civil  
Procedure;

4. Assuming that a reply is filed and not  
preliminary objections on the part of the Plaintiff, the

Plaintiff shall, upon the close of the pleadings, have no more than thirty (30) days from that date in which to respond to the original interrogatories and request for production of documents in such manner as they deem to be appropriate;

5. Following the Plaintiffs' responding to the said discovery requests, the Court will entertain any such motion that either party deems to be appropriate at that time.

BY THE COURT,

A handwritten signature in cursive script, reading "Frederick J. Cummings", written over a horizontal line.

President Judge



# Clearfield County Office of the Prothonotary and Clerk of Courts

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

**David S. Ammerman**  
Solicitor

**Jacki Kendrick**  
Deputy Prothonotary

**Bonnie Hudson**  
Administrative Assistant

To: All Concerned Parties

From: William A. Shaw, Prothonotary

It has come to my attention that there is some confusion on court orders over the issue of service. To attempt to clear up this question, from this date forward until further notice, this or a similar memo will be attached to each order, indicating responsibility for service on each order or rule. If you have any questions, please contact me at (814) 765-2641, ext. 1331. Thank you.

Sincerely,

William A. Shaw  
Prothonotary

DATE: 3/17/06

\_\_\_\_\_ You are responsible for serving all appropriate parties.

X The Prothonotary's office has provided service to the following parties:

X Plaintiff(s)/Attorney(s)

X Defendant(s)/Attorney(s)

\_\_\_\_\_ Other

\_\_\_\_\_ Special Instructions:

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, CLEARFIELD,  
PA

CIVIL DIVISION

BRANDON J. GIUFFRE, and :  
JAMES J. BOYLES, :  
Individually and on Behalf of :  
HARMONY MULTI-MEDIA, LLC, :  
Plaintiffs :

v. :

SAMUEL A. ETTARO, II :  
Defendant :

No. 05 - 83 -CD

Type of Pleading:

PRAECIPE TO SETTLE  
AND DISCONTINUE

Filed on behalf of:  
Plaintiffs

Counsel of Record for  
this party:

James A. Naddeo, Esq.  
Pa I.D. 06820

207 East Market Street  
P.O. Box 552  
Clearfield, PA 16830  
(814) 765-1601

FILED

MAY 12 2006

013:3016

William A. Shaw  
Prothonotary/Clerk of Courts

1 CENT to Attys

CENT. OF DISC TO

Attys + C/A

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant


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No. 05 - 83 - CD

**PRAECIPE TO SETTLE AND DISCONTINUE**

TO THE PROTHONOTARY:

Please mark the above-captioned case settled and  
discontinued.

  
James A. Naddeo, Esquire  
Attorney for Plaintiff

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

BRANDON J. GIUFFRE and  
JAMES J. BOYLES, individually  
and on Behalf of HARMONY  
MULTI-MEDIA, LLC,  
Plaintiffs

v.

SAMUEL A. ETTARO, II  
Defendant

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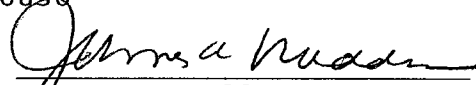
No. 05 - 83 -CD

CERTIFICATE OF SERVICE

I, James A. Naddeo, Esquire, do hereby certify that a  
certified copy of the Praecept to Settle and Discontinue was  
served on the following and in the following manner on the 12<sup>th</sup>  
day of May, 2006:

First-Class Mail, Postage Prepaid

Timothy E. Durant, Esquire  
201 North Second Street  
Clearfield, PA 16830

  
James A. Naddeo  
Attorney for Plaintiffs

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

**CIVIL DIVISION**

**Brandon J. Giuffre  
James J. Boyles  
Harmony Multi-Media, LLC**

**Vs.  
Samuel A. Ettaro II**

**No. 2005-00083-CD**

**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 May 12, 2006, marked:

Settle and Discontinued

Record costs in the sum of \$85.00 have been paid in full by James A. Naddeo, Esq..

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 12th day of May A.D. 2006.

---

William A. Shaw, Prothonotary