

05-1542-CD
Richard Jolley al vs J. Pannette

Richard Jolley et al vs. Joseph Pannette
2005-1542-CD

In The Court of Common Pleas of Clearfield County, Pennsylvania

Service # 1 of 1 Services

Sheriff Docket # **100887**

RICHARD C. JOLLEY and ANN B. JOLLEY

Case # 05-1542-CD

vs.

JOSEP G. PANETTE, Ind.

FILED

09:52 AM
OCT 20 2006

William A. Shaw
Prothonotary/Clerk of Courts

TYPE OF SERVICE COMPLAINT/CONFESION JUDGT.;NOTICE;CONFESS./J

SHERIFF RETURNS

NOW February 08, 2006 AFTER DILIGENT SEARCH IN MY BAILIWICK I RETURNED THE WITHIN COMPLAINT/CONFESION JUDGT.;NOTICE;CONFESS./JUDGT. "NOT FOUND" AS TO JOSEPH G. PANETTE, IND., DEFENDANT. ATTEMPTED, NOT HOME.

SERVED BY: /

Return Costs

PURPOSE	VENDOR	CHECK #	AMOUNT
SURCHARGE	MOROCO	2599	10.00
SHERIFF HAWKINS	MOROCO	2599	90.00
SHERIFF HAWKINS	Pictrogallo	123654	16.52

Sworn to Before me This

So Answers,

____ Day of _____ 2006

Chester A. Hawkins
by *Marilyn Harr*
Chester A. Hawkins
Sheriff

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

No. 2005-1542 - CD

JOSEPH G. PANNETTE, Individual,

Defendant,

NOTICE

TO THE ABOVE DEFENDANT:

YOU ARE HEREBY NOTIFIED as required by law that a judgment has been entered against you in the amount of \$157,500.00, plus interest and costs at the above term and number on **5** October 2005. You will find enclosed copies of all documents filed in this office in support of the confession of Judgment.

CLEARFIELD COUNTY PROTHONOTARY

By: 

William A. Shaw, Prothonotary

If you have any questions regarding this Notice, please contact the filing party:

Name: Richard F. Moroco, Esquire, Attorney for Plaintiff

Address: 194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Tel. No. Phone: 724.981.4770

(This Notice is given in accordance with Pa.R.C.P. 236)

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

No. 2005-1542-C

JOSEPH G. PANNETTE, Individual,

Defendant,

Confession of Judgment

Filed on behalf of Plaintiffs:
Richard C. Jolley and
Ann B. Jolley

Counsel of Record for this Party:

Richard F. Moroco, Esquire
PA I.D.# 74693

194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146
Telephone: 724.981.4770
Telecopier: 724.981.4103

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

OCT 06 2005

Attest.

William C. Brown
Prothonotary/
Clerk of Courts

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs

vs.

No. 2005-_____

JOSEPH G. PANNETTE, Individual,

Defendant,

CONFESSON OF JUDGMENT

Pursuant to the authority contained in the Warrant of Authority, a true and correct copy of which is attached to the Complaint filed in this action, I appear for the Defendant and confess judgment in favor of Plaintiff and against Defendant as follows:

Unpaid Line of Credit:	\$150,000.00
Unpaid Payments	<u>\$7,500.00</u>
TOTAL:	\$157,500.00

Plus, costs and interest at the legal rate of interest per day from and after 5 October 2005.

Respectfully submitted,

LAW OFFICES OF RICHARD F. MOROCO

By: _____



Richard F. Moroco, Esquire,
PA I.D. #74693
194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Counsel for the Plaintiffs
Richard C. Jolley and Ann B. Jolley

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

No. 2005-1542-CO

JOSEPH G. PANNETTE, Individual,

Defendant,

**Complaint in Confession
of Judgment**

Filed on behalf of Plaintiffs:
Richard C. Jolley and
Ann B. Jolley

Counsel of Record for this Party:

Richard F. Moroco, Esquire
PA I.D.# 74693

194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146
Telephone: 724.981.4770
Telecopier: 724.981.4103

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

OCT 06 2005

Attest.

W. J. Jolley
Prothonotary/
Clerk of Courts

**IN THE COURT OF COMMON PLEAS OF MERCER COUNTY, PENNSYLVANIA
CIVIL ACTION – LAW**

RICHARD C. JOLLEY and ANN B. JOLLEY, :
Husband and Wife, :
:

Plaintiffs :
:

vs. : No. 2005-_____

JOSEPH G. PANNETTE, Individual, :
:

Defendant, :
:

COMPLAINT IN CONFESSION OF JUDGMENT

AND NOW comes the Plaintiffs, Richard C. Jolley and Ann B. Jolley, by and through their attorney, Richard F. Morocco, averring the following facts as the basis for its Complaint in Confession of Judgment against the Defendant:

1. The Plaintiffs are Richard C. Jolley and Ann B. Jolley, husband and wife, with an address of R.D. #1, Atlantic, Pennsylvania 16111 (hereinafter the "Plaintiff").
2. The Defendant, Joseph G. Pannette, resides at 470 Treasure Lake, Dubois, Pennsylvania 15801 (hereinafter the "Defendant").
3. On or about 9 January 2005, Plaintiff entered into a Memorandum of Understanding with Advocacies, Inc., Marketing Specialists, Inc. and the Defendant wherein the Plaintiff entered into a Commercial Pledge and Security Agreement with First National Bank of Pennsylvania in order to facilitate a commercial loan for Marketing Specialists, Inc. A true and correct copy of the Memorandum of Understanding is attached hereto and incorporated herein as Exhibit 1.

4. On or about 9 January 2004, Marketing Specialists, Inc. granted Plaintiff a security interest in certain collateral more particularly identified in a Security Agreement of even date therewith. A true and correct copy of the Security Agreement is attached hereto and incorporated as Exhibit 2.

5. Pursuant to the terms and conditions of the Security Agreement a default occurs if the Plaintiff deems itself insecure, in good faith, believing that the prospect of payment of the Liabilities or performance of the Security Agreement is impaired.

6. The Defendant, pursuant to the terms and conditions of the Memorandum of Understanding has failed to remit the payments identified therein for a period of at least three (3) months and has failed to effectively communicate with the Plaintiff regarding its efforts to release the collateral pledged by the Plaintiff to First National Bank more particularly set forth in the Memorandum of Understanding.

7. On or about 9 January 2004, Defendant executed a Guaranty Agreement (the "Guaranty") by which the Defendant agreed to act as surety for the prompt payment of all amounts due Plaintiff and the performance of all obligations of Marketing Specialist, Inc. pursuant to the Memorandum of Understanding. A true and correct copy of the Guaranty Agreement is attached hereto and incorporated herein as Exhibit 3.

8. The Memorandum of Understanding, Security Agreement and Guaranty Agreement have not been assigned.

9. Judgment has not been entered against Defendant on the Guaranty Agreement in this or any other jurisdiction.

10. According to the terms of the Guaranty Agreement, judgment may be entered at any time without filing a declaration of default.

11. The amount due from the Defendant to Plaintiff for which judgment is authorized, as of 5 October 2005, is One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00) computed as follows:

Unpaid Line of Credit:	\$150,000.00
Unpaid Payments	<u>\$7,500.00</u>
 TOTAL:	 \$157,500.00

12. Judgment is not being confessed against a natural person in connection with a consumer credit transaction.

13. The underlying transaction, as evidenced by Exhibit 1 and Exhibit 2 is a commercial transaction.

WHEREFORE, Plaintiff demands that judgment be entered in their favor and against the Defendant in the amount of One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00), plus costs and interest at the legal rate from and after 5 October 2005.

Respectfully submitted,

LAW OFFICES OF RICHARD F. MOROCO

By: _____



Richard F. Moroco, Esquire,
PA I.D. #74693
194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Counsel for Plaintiffs,
Richard C. Jolley and Ann B. Jolley

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as the "Agreement") is entered into this 9th day of January, 2004, between ADVOCACIES, INC. a Pennsylvania corporation with its principal registered office at 12 Murland Avenue, Dubois, Pennsylvania 15801, MARKETING SPECIALISTS, INC., 118 West Long Avenue, Dubois, Pennsylvania 15801, JOSEPH G. PANNETTE, an individual, residing at 470 Treasure Lake, Dubois, Pennsylvania 15801 (hereinafter referred to herein as "PANNETTE") and RICHARD C. JOLLEY and ANN B. JOLLEY, of RD #1, Atlantic, Pennsylvania 16111 (hereinafter collectively referred to herein as "JOLLEY").

RECITALS

WHEREAS, ADVOCACIES, INC. has applied for a commercial loan with First National Bank of Pennsylvania (the "Bank") to be used as working capital for the business operations of MARKETING SPECIALISTS, INC. (the "Loan");

WHEREAS, the Bank will grant, renew and extend the Loan only upon the receipt of sufficient collateral from ADVOCACIES, INC. to protect the Bank in the event of a default on the Loan;

WHEREAS, JOLLEY, as an accommodation to ADVOCACIES, INC. and MARKETING SPECIALISTS, INC., to assist ADVOCACIES, INC. in securing the Loan which shall be used as working capital for MARKETING SPECIALISTS, INC., has agreed to enter into a Commercial Pledge and Security Agreement with the Bank, a copy of which is attached hereto and incorporated herein as Exhibit "A";

WHEREAS, ADVOCACIES, INC. MARKETING SPECIALISTS, INC. and PANNETTE, in consideration of JOLLEY'S execution of the Commercial Pledge and Security Agreement and the pledge of the assets set forth therein, has agreed to pay JOLLEY the amounts more particularly set forth in this Agreement;

WHEREAS, PANNETTE, as further security to JOLLEY for the pledge of the assets more particularly set forth in the Commercial Pledge and Security Agreement, has offered to grant JOLLEY a mortgage on the property more particularly set forth on Exhibit "B" and personally guaranty the repayment of the amount pledged as collateral for the Loan in the event of a default on the Loan, which offer JOLLEY has accepted;

WHEREAS, MARKETING SPECIALISTS, INC., as further security to JOLLEY for the pledge of the assets more particularly set forth in the Commercial Pledge and Security Agreement, has offered to grant JOLLEY a security interests in the assets of MARKETING SPECIALISTS, INC. more particularly set forth on Exhibit "C", which offer JOLLEY has accepted;

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements herein contained, ADVOCACIES, INC., MARKETING SPECIALISTS, INC., PANNETTE and JOLLEY agree as follows:

1. **Term.** The term of this Agreement shall be effective as of the date first above-written and shall continue in full force and effect until such time as ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE shall have obtained the release of the collateral pledged by JOLLEY to the Bank in support of the Loan pursuant to the Commercial Pledge and Security Agreement.

2. **Release of Commercial Pledge and Security Agreement.** During the term of this Agreement, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. AND PANNETTE shall utilize their best efforts to obtain the release of the collateral pledged by JOLLEY to the Bank.

3. **Payments.** ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE have jointly and severally agreed to make the following payments to JOLLEY in consideration of their agreement to enter into the Commercial Pledge and Security Agreement:

a. On or before 13 January 2004, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE shall pay JOLLEY the sum of THIRTY THOUSAND AND 00/100 (\$30,000.00) DOLLARS in cash, wire transfer or certified funds;

b. In the event ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE, are not successful in obtaining the release of the collateral pledged by JOLLEY in support of the Commercial Pledge and Security Agreement on or before 31 December 2004, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. AND PANNETTE agree to pay JOLLEY TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00) per month for each month in which the collateral remains pledged to the Bank in support of the Loan commencing 2 January 2005 and continuing on the same day of each month thereafter. All payments to be made hereunder shall be paid to JOLLEY at 105-109 Agate Way, Sharon, Pennsylvania 16146.

4. **Default.** Each of the following shall constitute an Event of Default under this Agreement:

a. **Payment Default.** ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE fail to make any payment when due under this Agreement.

b. **Other Defaults.** ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE fail to comply with or perform any other term, obligation, covenant or condition contained in this Agreement, the Security Agreement or the Mortgage granted in favor of JOLLEY by PANNETTE.

c. **Insolvency.** The dissolution or termination of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.'s existence as a going business, the insolvency of ADVOCACIES, INC or MARKETING SPECIALISTS, INC., the appointment of a receiver for any part of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.'s property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against or ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.

d. **Change in Ownership.** Any change in ownership of twenty-five (25%) percent or more of the common stock of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.

5. **Assignment.** This Agreement is binding on the heirs, successors and assigns of the parties. ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE shall not assign or transfer their obligations under this Agreement without the prior written consent of JOLLEY. JOLLEY may, without the consent of ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE, assign this Agreement to their heirs, successors and assigns.

6. **Governing Law.** This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the laws of said Commonwealth applicable to contracts made and to be performed in said Commonwealth. All Litigation hereunder shall be brought in the Court of Common Pleas of Mercer County, Pennsylvania.

7. **Entire Agreement/Modification.** This Agreement constitutes and contains the entire agreement of the parties and supersedes any and all prior negotiations, correspondence, understandings and agreements between the parties respecting the subject matter hereof. This Agreement may only be amended by a written instrument signed by the parties.

8. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any other circumstances, that finding shall not make the offending provision illegal, invalid or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the

offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

9. **Headings.** The headings appearing at the beginning of the articles and sections contained herein have been inserted for identification and reference purposes and shall not themselves determine the construction or interpretation of this Agreement.

10. **Joint Drafting and Neutral Construction.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular party based on a contention that the Agreement was drafted by one of the Parties. This Agreement shall be construed and interpreted in a neutral manner.

11. **No Waiver by Jolley.** JOLLEY shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by JOLLEY. No delay or omission on the part of JOLLEY in exercising any right shall operate as a waiver of such right or any other right. A waiver by JOLLEY of a provision of this Agreement shall not prejudice or constitute a waiver of JOLLEY's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by JOLLEY, nor any course of dealing between JOLLEY, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANETTE, shall constitute a waiver of any of JOLLEY's rights or any of ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANETTE's obligations hereunder. Whenever the consent of JOLLEY is required under this Agreement, the granting of such consent by JOLLEY in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of JOLLEY.

12. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement on the day and year first written above with the intention that this Agreement shall constitute a sealed instrument.

ATTEST:

Jeffrey A. Samick, Secretary

ATTEST:

Joseph C. Pannette, Secretary

WITNESS:

WITNESS:

ADVOCATES INC.

By: Jeffrey A. Samick (SEAL)
Jeffrey A. Samick, President

MARKETING SPECIALISTS, INC.

By: Joseph G. Pannette (SEAL)
Joseph G. Pannette, President

RICHARD C. JOLLEY

ANN B. JOLLEY

SECURITY AGREEMENT

This **SECURITY AGREEMENT** dated 9TH January 2004, by and between **MARKETING SPECIALISTS, INC.** (herein called the "Debtor") and **RICHARD C. JOLLEY AND ANN B. JOLLEY** (herein called the "Lender").

WITNESSETH:

In consideration of the mutual covenants herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. THE SECURITY INTEREST

The Debtor hereby grants to the Lender, as the Secured Party hereunder, a security interest in the collateral described below to secure the Lender's pledge of assets in favor of First National Bank of Pennsylvania pursuant to the terms and conditions of a Commercial Pledge and Security Agreement plus all other liabilities or obligations of the Debtor to the Lender under that certain Memorandum of Understanding dated 9 January 2004 and all other liabilities or obligations of the Debtor to the Lender howsoever evidenced, of every kind and description, including those indirect, contingent, to become due, or hereafter arising (herein called the "Liabilities"). The purpose of the Commercial Pledge and Security Agreement with First National Bank of Pennsylvania is to facilitate a loan by and between Advocacies, Inc. and First National Bank of Pennsylvania which shall be utilized to fund the working capital of the Debtor.

Collateral: "Collateral" shall include the property described herein or in any attachment hereto and all replacements, accessions, substitutions, additions, products and proceeds thereof, whether now owned by Debtor or hereafter acquired.

A. Description of Collateral. All of Debtor's presently owned or hereafter acquired (1) accounts receivable, accounts (including health care insurance receivables), chattel paper, documents, contract rights, instruments, (including promissory note), documents, general intangibles (including payment intangibles), supporting obligations, and all right, title, and interest in sold, leased, or furnished goods giving rise thereto (including, without limitation, all rights (a) of stoppage in transit, (b) of reclamation, and (c) in returned or repossessed goods), (2) inventory (including, without limitation, all goods that are (a) raw materials, (b) work in process, (c) materials used or consumed in the ordinary course of Debtor's business, or (d) in the ordinary course of Debtor's business, held for sale or lease or furnished or to be furnished under contracts of service), and (3) equipment, (including, without limitation, (a) all machinery, office furniture and furnishings, (b) all goods used or bought for use primarily in Debtor's business, (c) all goods that are not consumer goods, fare products, or inventory).

B. Other Collateral. Collateral shall include all property, including but not limited to Deposit Accounts, Investment Property, which now or hereafter may be pledged, hypothecated or otherwise encumbered in favor of the Lender by the Debtor, or be in the possession of the Lender.

C. Location of Collateral. Collateral or records concerning same shall be kept at 101 North Main Street, 118 West Long Avenue, Dubois, Pennsylvania 15801.

2. COVENANTS AND REPRESENTATIONS

The Debtor covenants and represents as follows:

Section 2.1. Ownership. The Debtor is and shall continue to be the owner of the Collateral free of any lien or encumbrance and will defend same against all adverse claims and demands.

Section 2.2. Possession. Unless the Lender demands possession or agrees otherwise, the Debtor shall have possession of the Collateral in trust for the Lender and shall not sell, lease, encumber or dispose of the Collateral, except for inventory sold or leased in the ordinary course of the Debtor's business. The Debtor will

notify the Lender of any change in location of the Collateral and will not change the location of the Collateral without the written consent of the Lender.

Section 2.3. Maintenance and Insurance. The Debtor will care for, protect, and maintain the Collateral; keep proper record thereof; permit the Lender to inspect the Collateral; and inform the Lender of the Collateral's location. The Debtor will keep the Collateral insured by such companies, in such amounts, and against such risks as shall be acceptable to the Lender with loss payable clauses in favor of the Lender, and shall furnish evidence of such insurance satisfactory to the Lender. The Debtor assigns and directs any insurer to pay to the Lender the proceeds of all such insurance and any premium refund, and authorizes the Lender to endorse in the name of the Debtor any instrument for such proceeds and refunds and, at the option of the Lender, to apply such proceeds and refunds to any unpaid balance of the Liabilities, whether or not due, and/or to restoration of the Collateral, returning any excess to the Debtor. The Lender is authorized in the name of the Debtor or otherwise to purchase, adjust, settle claims under and/or cancel any insurance on the Collateral, and is hereby appointed the Debtor's attorney-in-fact to make adjustments of all insurance losses, to sign applications, receipts, releases, and other papers necessary for the purchase of insurance or the collection of any loss and any returned or unearned premium, to execute proofs of loss, to make settlements and to endorse and collect any check or other item payable to the Debtor issued in connection therewith. The power of attorney hereby created is a power coupled with an interest with full power of substitution. The Debtor will promptly pay all taxes, fees, liens, encumbrances, and costs pertaining to the Collateral. At its option, the Lender may discharge taxes, liens or security interests or other encumbrances on the Collateral and may pay for the maintenance and preservation of the Collateral. The Debtor agrees to repay all amounts advanced by the Lender upon demand, together with interest at the highest rate then in effect on any note evidencing the Liabilities.

Section 2.4. Financial Statements. The Debtor agrees to deliver to the Lender, when requested, a balance sheet, profit and loss statement, and reconciliation of surplus of the Debtor and, if requested by the Lender, such financial statements shall be prepared and certified by an independent public accountant acceptable to the Lender. The Debtor also agrees to permit any employee or representative of the Lender to examine all of the Debtor's books and records at any time during normal business hours. The Debtor represents and warrants to the Lender that all financial statements furnished to the Lender do and will accurately reflect the financial condition and operations of the Debtor at the times and for the periods stated therein.

Section 2.5. Sale or Lease of Collateral. If any part of the Collateral is sold or leased in the ordinary course of the Debtor's business, the Debtor agrees to keep the proceeds thereof separate from the Debtor's business; and the Lender is hereby granted a security interest in any sales agreement or lease and all amounts due and to become due thereunder, which amounts the Debtor agrees to assign to the Lender by separate instrument at the Lender's request. If the Debtor collects any amount due under any such sales agreement or lease, such amounts shall be kept separate from the Debtor's funds and shall be remitted by the Debtor to the Lender on demand. All proceeds received by the Lender shall be applied against the Liabilities in such order and at such times as the Lender shall determine. If Collateral includes inventory, until the occurrence of a default hereunder, the Debtor may sell its inventory in the ordinary course of its business and retain the proceeds thereof.

Section 2.6. Collection of Accounts Receivable. If Collateral includes accounts receivable, the Debtor agrees to collect all such accounts receivable as they become due, unless otherwise directed by the Lender, and the Lender shall have the right during the term hereof to notify any and all account debtors to make all payments due the Debtor directly to the Lender. The Debtor further agrees that, at any time before or after default hereunder, the Lender shall have the right to receive a list of all the account borrowers of the Debtor and the right to notify the account borrowers obligated on any or all of the Debtor's accounts, to make payments thereof directly to the Lender and to take control of all proceeds of any such accounts without limiting any other rights granted under the terms of this Agreement to the Lender.

3. EVENTS OF DEFAULT AND REMEDIES

Section 3.1. Events of Default. The occurrence of any of the following events with respect to the Debtor shall constitute a default hereunder: (i) Failure by Debtor to pay any of the Liabilities when due; (ii) Failure by Debtor to observe or perform any provision of this Agreement or of any instrument pertaining to the Liabilities; (iii) The making or furnishing by Debtor to Lender of any representation, warranty, financial statement, or other information in connection with this Agreement which is materially false; (iv) The calling of a meeting of creditors; (v) An order for relief is entered in any case commenced by or against Debtor under the federal Lenderrupcy laws, as now or hereafter in effect; (vi) The filing or commencing of any action or proceeding under any federal or state Lenderrupcy, insolvency, composition, reorganization, liquidation, dissolution or other similar law, or such a proceeding is commenced against Debtor and either an order of insolvency, dissolution, liquidation or reorganization is entered against Debtor or the proceeding remains undismissed or unstayed for 60 days; (vii) The making of an assignment for the benefit of creditors or commencing any similar Debtor relief proceeding, whether judicial or non-judicial; (viii) The making of an application for, or the appointment of, any receiver, trustee, or custodian of Debtor or its property; (ix) The death of Debtor; (x) The insolvency, dissolution, failure or suspension of the usual business of Debtor; (xi) The failure to pay, or admission in writing of inability to pay, debts generally as they become due; (xii) An order or issuance of an injunction, attachment, garnishment, execution, Federal tax levy, or other process or seizure against Debtor's property or the Collateral; (xiii) The award by any court of a final money judgment against Debtor or any injunctive or other equitable order suspending the usual business of Debtor; (xiv) Failure to pay, withhold, collect or remit any tax or tax deficiency, Federal, state or local, when assessed or due; (xv) Failure to pledge or hypothecate hereunder additional security when and as demanded by the Lender; and (xvi) Lender shall deem itself insecure, in good faith believing that the prospect of payment of the Liabilities or performance of this Agreement is impaired.

Section 3.2. Rights After Default. Upon the occurrence of any event of default, all the Liabilities, at the option of the Lender and without any notice or demand, shall become due and payable immediately; and the Lender shall have all rights and remedies for default provided by law and in this or any other instrument of the Debtor to the Lender or to which the Debtor and the Lender are parties. The Lender may require the Debtor to assemble the Collateral and to make it available to the Lender at any convenient place designated by the Lender, which the Debtor hereby agrees to do. At any time or times after the Liabilities become due, the Lender is empowered to collect, sell, assign, transfer, set over and deliver the whole or any part of the Collateral, as may be appropriate, through any stock exchange or broker or at public or private sale, either for cash or on credit or for future delivery, without assumption of credit risk, without demand, advertisement or notice, which are hereby expressly waived, unless prohibited by law, and at any such sale the Lender may become the purchaser of the whole or any part of the Collateral, discharged from any right of redemption. Upon any such sale, after deducting all costs and expenses of every kind, the residue of proceeds thereof may be applied as the Lender may determine toward the payment of any or all of the Liabilities, whether due or not due, returning the surplus, if any, to the Debtor, and the Debtor shall be and remain liable to the Lender for any and every deficiency after application of such proceeds as aforesaid. The Lender is authorized to transfer into its own name or that of its nominee, at any time and from time to time, any or all of the Collateral. Until such transfer and in the absence of agreement to the contrary, the Debtor shall be entitled to receive and retain all ordinary cash dividends and interest in respect of the Collateral; but in any event all other dividends, payments, split-ups, substitutions and divisions in respect of the Collateral shall be forthwith delivered to the Lender, together with such instruments of transfer as the Lender may require. The Lender shall not be bound to take any steps to preserve any rights in the Collateral against prior parties, which the Debtor hereby assumes to do and the Lender shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor may reasonably request, but no omission to comply with any such request shall be deemed a failure to exercise reasonable care.

4. MISCELLANEOUS

Section 4.1. Waiver. The Lender shall not be deemed to have waived any of its rights hereunder or in the Collateral (or any part thereof) unless such waiver is in writing, and no delay or omission by the Lender in exercising any right shall operate as a waiver thereof or of any other right. The Lender may permit the Debtor to remedy any default without waiving the default so remedied and the Lender may waive any default without waiving any other subsequent or prior default by the Debtor.

Section 4.2. Expenses and Application of Proceeds. The Debtor shall reimburse the Lender for any expense incurred by the Lender in protecting or enforcing its rights under this Agreement including, without limitation, reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition or disposing of the Collateral. After deduction of such expenses, the Lender may apply the proceeds from disposition to the Liabilities in such order and amounts as it elects.

Section 4.3. Authority to Complete and Perform. The Lender is authorized to fill in any blank space herein, to correct patent errors herein, to complete or correct the description of the Collateral and to date this Agreement. If the Debtor fails to act as required by this Agreement or the Liabilities, the Lender is authorized, in the Debtor's name or otherwise, to take any such action including, without limitation, signing the Debtor's name or paying any amount so required and the cost of taking such action shall be one of the Liabilities secured hereby from the date of payment by the Lender.

Section 4.4. Parties Bound. Each person signing this Agreement, other than the Lender, is a Debtor, and the Liabilities hereunder of all the Debtors are joint and several. This Agreement benefits the Lender, its successors and assigns, and binds the Debtors and their respective heirs, personal representatives, successors and assigns.

Section 4.5. Notices. Written notice, when required by law, sent to the address of the Debtor at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

Section 4.6. Term. This Agreement and the security interest in the Collateral created hereby shall terminate when the Liabilities have been paid in full and all other agreements between the Debtor and the Lender relating to the Liabilities have terminated, and prior to such payment and termination, this shall be a continuing agreement.

Section 4.7. Authorization and Execution of Documents. The Debtor authorizes the Lender to file financing statements required to perfect and continue the validity of the security interest of the Lender hereunder. The Debtor further agrees to execute all necessary documents to accomplish the purpose of this Security Agreement.

Section 4.8. Governing Law. This Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania without regard to principles of conflict of laws. All litigation hereunder shall be brought in the Court of Common Pleas of Mercer County, Pennsylvania.

Section 4.9. Enforceability. Any provision hereof which shall be proven unenforceable under any law or regulation shall not affect the validity of any other provision of this Agreement.

Section 4.10. Entire Agreement. This Agreement contains the entire agreement between the parties, and no oral agreement shall be binding.

Section 4.11. Photocopy. The Debtor agrees that the Lender may make a photocopy of this Agreement in the ordinary course of business and such photocopy may be used in place of the original of this Agreement. A carbon, photographic or other reproduction of this Agreement may be used as a financing statement.

Section 4.12. JURY TRIAL WAIVER. THE DEBTOR, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE LENDER AND THE DEBTOR ARISING OUT OF, IN CONNECTION WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE LENDER'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED AND DELIVERED BY THE DEBTOR TO THE LENDER.

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed on the date first above written.

MARKETING SPECIALISTS, INC.

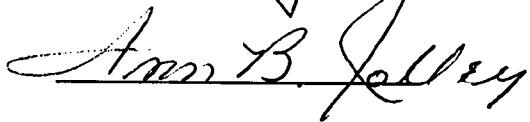
By:


Joseph G. Pannette, President

RICHARD C. JOLLEY


Richard C. Jolley

ANN B. JOLLEY


Ann B. Jolley

GUARANTY

The undersigned, JOSEPH MICHAEL G. PANETTE, in order to induce **RICHARD C. JOLLEY and ANN B. JOLLEY**, of R.D. #1, Atlantic, Pennsylvania 16111 (herein called the "Lender"), to enter into that certain Commercial Pledge and Security Agreement with First National Bank of Pennsylvania so as to facilitate the a loan by and between First National Bank of Pennsylvania and Advocacies, Inc. to be used as working capital for Marketing Specialists, Inc. (Advocacies, Inc. and Marketings Specialists, Inc. are herein collectively referred to herein as the "Borrower"), and in consideration thereof, and other good and valuable consideration, hereby unconditionally and absolutely guarantees the punctual and full payment when due, by acceleration or otherwise, of all such credit and/or obligations as identified in the Memorandum of Understanding by and between the parites, whether now owing or hereafter arising (herein called the "Liabilities").

The undersigned hereby agrees that:

Section 1.1. Modifications. Any of the Liabilities may be renewed, replaced, rearranged or the maturity thereof extended, from time to time and at any rate of interest, without notice to, without the consent of and without affecting the liability of the undersigned.

Section 1.2. Payment Guaranty. It shall not be necessary for the Lender to resort to or to exhaust its remedies against the Borrower or any of them or against any other party liable on any of the Liabilities or to resort to or marshal any property held as security therefor or pertaining thereto before calling upon the undersigned for payment of any of the Liabilities.

Section 1.3. Security. Any property now or hereafter held as security for or pertaining to the Liabilities may be sold, exchanged, surrendered or otherwise dealt with by the Lender without notice to and without affecting the liability of the undersigned. The undersigned shall not have any rights or claims against the Lender by reason of any action the Lender may take or fail to take in connection with perfecting its security interest in property held as collateral for the Liabilities or enforcing its security interest in such property.

Section 1.4. Binding Effect. All settlements, compromises, compositions, accounts stated and agreed balances with regard to any of the Liabilities made in good faith between the Lender and the Borrower shall be binding upon the undersigned.

Section 1.5. Modification of Agreements. The Lender, without notice to, without the consent of and without affecting the liability of the undersigned, may modify, waive, supplement or otherwise change any of the terms, conditions, provisions or restrictions contained in any of the Liabilities or in any agreement or other instrument evidencing, securing or pertaining to any of the Liabilities.

Section 1.6. Waiver of Notice. This Guaranty is unconditional and continuing and the undersigned waives notice of the acceptance hereof, waives all notices to which the undersigned might otherwise be entitled by law, waives all defenses, legal or equitable, otherwise available to the undersigned and waives presentment, demand for payment, notice of dishonor, protest and notice of protest and non-payment relative to any of the Liabilities or instruments evidencing the Liabilities. If any term or provision of this Guaranty shall be held to be invalid, illegal or unenforceable, the remaining provisions hereof shall remain in full force and effect.

Section 1.7. Payments Unconditional. The payment obligations of the undersigned under this Guaranty shall be absolute, unconditional and irrevocable and shall be satisfied strictly in accordance with the terms of this Guaranty, under all circumstances whatsoever, including, without limitation, the existence of any claim, setoff, defense or right which the undersigned or the Borrower, or any one of them, may have at any time against the Lender or any other person or entity, whether in connection with this Guaranty, any of the Liabilities or the transactions contemplated hereby or any unrelated transaction.

Section 1.8. Continuing Liabilities. The Liabilities shall continue to be effective, or be reinstated, if any amount paid by or on behalf of the Borrower to the Lender with regard to any such Liability is rescinded, restored, or returned in connection with the insolvency, Bankruptcy, dissolution, liquidation or reorganization of the Borrower, or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar

officer for, the Borrower or any part of its property, or otherwise, all as though such payment had not been made.

Section 1.9. Financial Statements. The undersigned agrees to deliver to the Lender, when requested financial statements in form and substance reasonably acceptable to the Lender. The undersigned represents and warrants to the Lender that all financial statements furnished to the Lender do and will accurately reflect the financial condition and operations of the undersigned at the times and for the periods stated therein.

Section 1.10. Waiver. The undersigned hereby waives all rights it may have at law or in equity, including, without limitation, rights under any law subrogating the undersigned to the rights of Lender, to seek contribution, indemnification, or any other form of reimbursement from Borrower, any other guarantor or any other person or entity now or hereafter primarily or secondarily liable for any obligations of Borrower to Lender, for any payment or disbursement made by the undersigned under or in connection with this Guaranty or otherwise.

Section 1.11. Appointment of Attorney-at-Law. Each of the undersigned, jointly and severally, authorizes any attorney-at-law to appear before any Court of Record in the Commonwealth of Pennsylvania, or in any other State or Territory of the United States, after the unpaid principal of, premium, if any, or interest on, the Liabilities becomes due, either by lapse of time or by operation of any provision for acceleration contained in any Liabilities or in any agreement pursuant to which said Liabilities may have been issued or secured, and to waive the issuance and service of process, to admit the maturity of any Liabilities for the amount appearing due, together with interest thereon and costs of suit, and thereupon to release all errors and waive all rights of appeal and stay of execution; but no such judgment or judgments against less than all of the undersigned shall be a bar to a subsequent judgment pursuant to this warrant of attorney against any one or more of the undersigned against whom judgment has not been obtained hereon. The death of any of the undersigned shall not impair the authority herein granted as to the survivor(s) of the undersigned. The undersigned agrees that Lender's attorney may confess judgment pursuant to the foregoing warrant of attorney. The undersigned further agrees that the attorney confessing judgment pursuant to the foregoing warrant of attorney may receive a legal fee or other compensation from Lender.

Section 1.12. Jurisdiction. This Guaranty shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and shall inure to the benefit of the Lender, its successors and assigns, and to any other holder who derives title to or an interest in this Guaranty or the Liabilities.

This Guaranty shall constitute a joint and several guaranty. This Guaranty shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned. Executed on the 9th day of January, 2004.

WARNING: BY SIGNING THIS PAPER, YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE LENDER WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.


MICHAEL G. PANETTE
JOSEPH 

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

No. 2005-1542-CO

JOSEPH G. PANNETTE, Individual,

Defendant,

**Complaint in Confession
of Judgment**

Filed on behalf of Plaintiffs:
Richard C. Jolley and
Ann B. Jolley

Counsel of Record for this Party:

Richard F. Morocco, Esquire
PA I.D.# 74693

194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146
Telephone: 724.981.4770
Telecopier: 724.981.4103

FILED

JK

OCT 06 2005

11:25 AM

William A. Shaw
Prothonotary

1 CERT w/NOTICE &
CONF. OF JWS.
TO SHAW

1 CERT w/NOTICE, CONF. OF
JUDGE + STATEMENT
TO ATTY

**IN THE COURT OF COMMON PLEAS OF MERCER COUNTY, PENNSYLVANIA
CIVIL ACTION – LAW**

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs

vs.

No. 2005-_____

JOSEPH G. PANNETTE, Individual,

Defendant,

COMPLAINT IN CONFESSION OF JUDGMENT

AND NOW comes the Plaintiffs, Richard C. Jolley and Ann B. Jolley, by and through their attorney, Richard F. Morocco, averring the following facts as the basis for its Complaint in Confession of Judgment against the Defendant:

1. The Plaintiffs are Richard C. Jolley and Ann B. Jolley, husband and wife, with an address of R.D. #1, Atlantic, Pennsylvania 16111 (hereinafter the "Plaintiff").
2. The Defendant, Joseph G. Pannette, resides at 470 Treasure Lake, Dubois, Pennsylvania 15801 (hereinafter the "Defendant").
3. On or about 9 January 2005, Plaintiff entered into a Memorandum of Understanding with Advocacies, Inc., Marketing Specialists, Inc. and the Defendant wherein the Plaintiff entered into a Commercial Pledge and Security Agreement with First National Bank of Pennsylvania in order to facilitate a commercial loan for Marketing Specialists, Inc. A true and correct copy of the Memorandum of Understanding is attached hereto and incorporated herein as Exhibit 1.

4. On or about 9 January 2004, Marketing Specialists, Inc. granted Plaintiff a security interest in certain collateral more particularly identified in a Security Agreement of even date therewith. A true and correct copy of the Security Agreement is attached hereto and incorporated as Exhibit 2.

5. Pursuant to the terms and conditions of the Security Agreement a default occurs if the Plaintiff deems itself insecure, in good faith, believing that the prospect of payment of the Liabilities or performance of the Security Agreement is impaired.

6. The Defendant, pursuant to the terms and conditions of the Memorandum of Understanding has failed to remit the payments identified therein for a period of at least three (3) months and has failed to effectively communicate with the Plaintiff regarding its efforts to release the collateral pledged by the Plaintiff to First National Bank more particularly set forth in the Memorandum of Understanding.

7. On or about 9 January 2004, Defendant executed a Guaranty Agreement (the "Guaranty") by which the Defendant agreed to act as surety for the prompt payment of all amounts due Plaintiff and the performance of all obligations of Marketing Specialist, Inc. pursuant to the Memorandum of Understanding. A true and correct copy of the Guaranty Agreement is attached hereto and incorporated herein as Exhibit 3.

8. The Memorandum of Understanding, Security Agreement and Guaranty Agreement have not been assigned.

9. Judgment has not been entered against Defendant on the Guaranty Agreement in this or any other jurisdiction.

10. According to the terms of the Guaranty Agreement, judgment may be entered at any time without filing a declaration of default.

11. The amount due from the Defendant to Plaintiff for which judgment is authorized, as of 5 October 2005, is One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00) computed as follows:

Unpaid Line of Credit:	\$150,000.00
Unpaid Payments	<u>\$7,500.00</u>
 TOTAL:	 \$157,500.00

12. Judgment is not being confessed against a natural person in connection with a consumer credit transaction.

13. The underlying transaction, as evidenced by Exhibit 1 and Exhibit 2 is a commercial transaction.

WHEREFORE, Plaintiff demands that judgment be entered in their favor and against the Defendant in the amount of One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00), plus costs and interest at the legal rate from and after 5 October 2005.

Respectfully submitted,

LAW OFFICES OF RICHARD F. MOROCO

By: _____



Richard F. Morocco, Esquire,
PA I.D. #74693
194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Counsel for Plaintiffs,
Richard C. Jolley and Ann B. Jolley

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as the "Agreement") is entered into this 9th day of January, 2004, between ADVOCACIES, INC. a Pennsylvania corporation with its principal registered office at 12 Murland Avenue, Dubois, Pennsylvania 15801, MARKETING SPECIALISTS, INC., 118 West Long Avenue, Dubois, Pennsylvania 15801, JOSEPH G. PANNETTE, an individual, residing at 470 Treasure Lake, Dubois, Pennsylvania 15801 (hereinafter referred to herein as "PANNETTE") and RICHARD C. JOLLEY and ANN B. JOLLEY, of RD #1, Atlantic, Pennsylvania 16111 (hereinafter collectively referred to herein as "JOLLEY").

RECITALS

WHEREAS, ADVOCACIES, INC. has applied for a commercial loan with First National Bank of Pennsylvania (the "Bank") to be used as working capital for the business operations of MARKETING SPECIALISTS, INC. (the "Loan");

WHEREAS, the Bank will grant, renew and extend the Loan only upon the receipt of sufficient collateral from ADVOCACIES, INC. to protect the Bank in the event of a default on the Loan;

WHEREAS, JOLLEY, as an accommodation to ADVOCACIES, INC. and MARKETING SPECIALISTS, INC., to assist ADVOCACIES, INC. in securing the Loan which shall be used as working capital for MARKETING SPECIALISTS, INC., has agreed to enter into a Commercial Pledge and Security Agreement with the Bank, a copy of which is attached hereto and incorporated herein as Exhibit "A";

WHEREAS, ADVOCACIES, INC. MARKETING SPECIALISTS, INC. and PANNETTE, in consideration of JOLLEY'S execution of the Commercial Pledge and Security Agreement and the pledge of the assets set forth therein, has agreed to pay JOLLEY the amounts more particularly set forth in this Agreement;

WHEREAS, PANNETTE, as further security to JOLLEY for the pledge of the assets more particularly set forth in the Commercial Pledge and Security Agreement, has offered to grant JOLLEY a mortgage on the property more particularly set forth on Exhibit "B" and personally guaranty the repayment of the amount pledged as collateral for the Loan in the event of a default on the Loan, which offer JOLLEY has accepted;

WHEREAS, MARKETING SPECIALISTS, INC., as further security to JOLLEY for the pledge of the assets more particularly set forth in the Commercial Pledge and Security Agreement, has offered to grant JOLLEY a security interests in the assets of MARKETING SPECIALISTS, INC. more particularly set forth on Exhibit "C", which offer JOLLEY has accepted;

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements herein contained, ADVOCACIES, INC., MARKETING SPECIALISTS, INC., PANNETTE and JOLLEY agree as follows:

1. Term. The term of this Agreement shall be effective as of the date first above-written and shall continue in full force and effect until such time as ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE shall have obtained the release of the collateral pledged by JOLLEY to the Bank in support of the Loan pursuant to the Commercial Pledge and Security Agreement.

2. Release of Commercial Pledge and Security Agreement. During the term of this Agreement, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. AND PANNETTE shall utilize their best efforts to obtain the release of the collateral pledged by JOLLEY to the Bank.

3. Payments. ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE have jointly and severally agreed to make the following payments to JOLLEY in consideration of their agreement to enter into the Commercial Pledge and Security Agreement:

a. On or before 13 January 2004, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE shall pay JOLLEY the sum of THIRTY THOUSAND AND 00/100 (\$30,000.00) DOLLARS in cash, wire transfer or certified funds;

b. In the event ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE, are not successful in obtaining the release of the collateral pledged by JOLLEY in support of the Commercial Pledge and Security Agreement on or before 31 December 2004, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. AND PANNETTE agree to pay JOLLEY TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00) per month for each month in which the collateral remains pledged to the Bank in support of the Loan commencing 2 January 2005 and continuing on the same day of each month thereafter. All payments to be made hereunder shall be paid to JOLLEY at 105-109 Agate Way, Sharon, Pennsylvania 16146.

4. **Default.** Each of the following shall constitute an Event of Default under this Agreement:

a. **Payment Default.** ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE fail to make any payment when due under this Agreement.

b. **Other Defaults.** ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE fail to comply with or perform any other term, obligation, covenant or condition contained in this Agreement, the Security Agreement or the Mortgage granted in favor of JOLLEY by PANNETTE.

c. **Insolvency.** The dissolution or termination of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.'s existence as a going business, the insolvency of ADVOCACIES, INC or MARKETING SPECIALISTS, INC., the appointment of a receiver for any part of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.'s property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against or ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.

d. **Change in Ownership.** Any change in ownership of twenty-five (25%) percent or more of the common stock of ADVOCACIES, INC. or MARKETING SPECIALISTS, INC.

5. **Assignment.** This Agreement is binding on the heirs, successors and assigns of the parties. ADVOCACIES, INC., MARKETING SPECIALISTS, INC. and PANNETTE shall not assign or transfer their obligations under this Agreement without the prior written consent of JOLLEY. JOLLEY may, without the consent of ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANNETTE, assign this Agreement to their heirs, successors and assigns.

6. **Governing Law.** This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and for all purposes shall be governed by and construed and enforced in accordance with the laws of said Commonwealth applicable to contracts made and to be performed in said Commonwealth. All Litigation hereunder shall be brought in the Court of Common Pleas of Mercer County, Pennsylvania.

7. **Entire Agreement/Modification.** This Agreement constitutes and contains the entire agreement of the parties and supersedes any and all prior negotiations, correspondence, understandings and agreements between the parties respecting the subject matter hereof. This Agreement may only be amended by a written instrument signed by the parties.

8. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any other circumstances, that finding shall not make the offending provision illegal, invalid or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the

offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

9. **Headings.** The headings appearing at the beginning of the articles and sections contained herein have been inserted for identification and reference purposes and shall not themselves determine the construction or interpretation of this Agreement.

10. **Joint Drafting and Neutral Construction.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular party based on a contention that the Agreement was drafted by one of the Parties. This Agreement shall be construed and interpreted in a neutral manner.

11. **No Waiver by Jolley.** JOLLEY shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by JOLLEY. No delay or omission on the part of JOLLEY in exercising any right shall operate as a waiver of such right or any other right. A waiver by JOLLEY of a provision of this Agreement shall not prejudice or constitute a waiver of JOLLEY's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by JOLLEY, nor any course of dealing between JOLLEY, ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANETTE, shall constitute a waiver of any of JOLLEY's rights or any of ADVOCACIES, INC., MARKETING SPECIALISTS, INC. or PANETTE's obligations hereunder. Whenever the consent of JOLLEY is required under this Agreement, the granting of such consent by JOLLEY in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of JOLLEY.

12. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement on the day and year first written above with the intention that this Agreement shall constitute a sealed instrument.

ATTEST:

~~Jeffrey A. Samick, Secretary~~

ATTEST:

~~Joseph G. Pannette, Secretary~~

WITNESS:

ADVOCATES INC.

By: Jeffrey A. Samick (SEAL)
Jeffrey A. Samick, President

MARKETING SPECIALISTS, INC.

By: Joseph G. Pannette (SEAL)
Joseph G. Pannette, President

~~RICHARD C. JOFFEY~~

ANN B. JOLLEY

WITNESS:

SECURITY AGREEMENT

This **SECURITY AGREEMENT** dated 9th January 2004, by and between **MARKETING SPECIALISTS, INC.** (herein called the "Debtor") and **RICHARD C. JOLLEY AND ANN B. JOLLEY** (herein called the "Lender").

WITNESSETH:

In consideration of the mutual covenants herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. THE SECURITY INTEREST

The Debtor hereby grants to the Lender, as the Secured Party hereunder, a security interest in the collateral described below to secure the Lender's pledge of assets in favor of First National Bank of Pennsylvania pursuant to the terms and conditions of a Commercial Pledge and Security Agreement plus all other liabilities or obligations of the Debtor to the Lender under that certain Memorandum of Understanding dated 9 January 2004 and all other liabilities or obligations of the Debtor to the Lender howsoever evidenced, of every kind and description, including those indirect, contingent, to become due, or hereafter arising (herein called the "Liabilities"). The purpose of the Commercial Pledge and Security Agreement with First National Bank of Pennsylvania is to facilitate a loan by and between Advocacies, Inc. and First National Bank of Pennsylvania which shall be utilized to fund the working capital of the Debtor.

Collateral: "Collateral" shall include the property described herein or in any attachment hereto and all replacements, accessions, substitutions, additions, products and proceeds thereof, whether now owned by Debtor or hereafter acquired.

A. Description of Collateral. All of Debtor's presently owned or hereafter acquired (1) accounts receivable, accounts (including health care insurance receivables), chattel paper, documents, contract rights, instruments, (including promissory note), documents, general intangibles (including payment intangibles), supporting obligations, and all right, title, and interest in sold, leased, or furnished goods giving rise thereto (including, without limitation, all rights (a) of stoppage in transit, (b) of reclamation, and (c) in returned or repossessed goods), (2) inventory (including, without limitation, all goods that are (a) raw materials, (b) work in process, (c) materials used or consumed in the ordinary course of Debtor's business, or (d) in the ordinary course of Debtor's business, held for sale or lease or furnished or to be furnished under contracts of service), and (3) equipment, (including, without limitation, (a) all machinery, office furniture and furnishings, (b) all goods used or bought for use primarily in Debtor's business, (c) all goods that are not consumer goods, fare products, or inventory).

B. Other Collateral. Collateral shall include all property, including but not limited to Deposit Accounts, Investment Property, which now or hereafter may be pledged, hypothecated or otherwise encumbered in favor of the Lender by the Debtor, or be in the possession of the Lender.

C. Location of Collateral. Collateral or records concerning same shall be kept at 101 North Main Street 118 West Long Avenue, 15801, Dubois, Pennsylvania 15801.

2. COVENANTS AND REPRESENTATIONS

The Debtor covenants and represents as follows:

Section 2.1. Ownership. The Debtor is and shall continue to be the owner of the Collateral free of any lien or encumbrance and will defend same against all adverse claims and demands.

Section 2.2. Possession. Unless the Lender demands possession or agrees otherwise, the Debtor shall have possession of the Collateral in trust for the Lender and shall not sell, lease, encumber or dispose of the Collateral, except for inventory sold or leased in the ordinary course of the Debtor's business. The Debtor will

notify the Lender of any change in location of the Collateral and will not change the location of the Collateral without the written consent of the Lender.

Section 2.3. Maintenance and Insurance. The Debtor will care for, protect, and maintain the Collateral; keep proper record thereof; permit the Lender to inspect the Collateral; and inform the Lender of the Collateral's location. The Debtor will keep the Collateral insured by such companies, in such amounts, and against such risks as shall be acceptable to the Lender with loss payable clauses in favor of the Lender, and shall furnish evidence of such insurance satisfactory to the Lender. The Debtor assigns and directs any insurer to pay to the Lender the proceeds of all such insurance and any premium refund, and authorizes the Lender to endorse in the name of the Debtor any instrument for such proceeds and refunds and, at the option of the Lender, to apply such proceeds and refunds to any unpaid balance of the Liabilities, whether or not due, and/or to restoration of the Collateral, returning any excess to the Debtor. The Lender is authorized in the name of the Debtor or otherwise to purchase, adjust, settle claims under and/or cancel any insurance on the Collateral, and is hereby appointed the Debtor's attorney-in-fact to make adjustments of all insurance losses, to sign applications, receipts, releases, and other papers necessary for the purchase of insurance or the collection of any loss and any returned or unearned premium, to execute proofs of loss, to make settlements and to endorse and collect any check or other item payable to the Debtor issued in connection therewith. The power of attorney hereby created is a power coupled with an interest with full power of substitution. The Debtor will promptly pay all taxes, fees, liens, encumbrances, and costs pertaining to the Collateral. At its option, the Lender may discharge taxes, liens or security interests or other encumbrances on the Collateral and may pay for the maintenance and preservation of the Collateral. The Debtor agrees to repay all amounts advanced by the Lender upon demand, together with interest at the highest rate then in effect on any note evidencing the Liabilities.

Section 2.4. Financial Statements. The Debtor agrees to deliver to the Lender, when requested, a balance sheet, profit and loss statement, and reconciliation of surplus of the Debtor and, if requested by the Lender, such financial statements shall be prepared and certified by an independent public accountant acceptable to the Lender. The Debtor also agrees to permit any employee or representative of the Lender to examine all of the Debtor's books and records at any time during normal business hours. The Debtor represents and warrants to the Lender that all financial statements furnished to the Lender do and will accurately reflect the financial condition and operations of the Debtor at the times and for the periods stated therein.

Section 2.5. Sale or Lease of Collateral. If any part of the Collateral is sold or leased in the ordinary course of the Debtor's business, the Debtor agrees to keep the proceeds thereof separate from the Debtor's business; and the Lender is hereby granted a security interest in any sales agreement or lease and all amounts due and to become due thereunder, which amounts the Debtor agrees to assign to the Lender by separate instrument at the Lender's request. If the Debtor collects any amount due under any such sales agreement or lease, such amounts shall be kept separate from the Debtor's funds and shall be remitted by the Debtor to the Lender on demand. All proceeds received by the Lender shall be applied against the Liabilities in such order and at such times as the Lender shall determine. If Collateral includes inventory, until the occurrence of a default hereunder, the Debtor may sell its inventory in the ordinary course of its business and retain the proceeds thereof.

Section 2.6. Collection of Accounts Receivable. If Collateral includes accounts receivable, the Debtor agrees to collect all such accounts receivable as they become due, unless otherwise directed by the Lender, and the Lender shall have the right during the term hereof to notify any and all account debtors to make all payments due the Debtor directly to the Lender. The Debtor further agrees that, at any time before or after default hereunder, the Lender shall have the right to receive a list of all the account borrowers of the Debtor and the right to notify the account borrowers obligated on any or all of the Debtor's accounts, to make payments thereof directly to the Lender and to take control of all proceeds of any such accounts without limiting any other rights granted under the terms of this Agreement to the Lender.

3. EVENTS OF DEFAULT AND REMEDIES

Section 3.1. Events of Default. The occurrence of any of the following events with respect to the Debtor shall constitute a default hereunder: (i) Failure by Debtor to pay any of the Liabilities when due; (ii) Failure by Debtor to observe or perform any provision of this Agreement or of any instrument pertaining to the Liabilities; (iii) The making or furnishing by Debtor to Lender of any representation, warranty, financial statement, or other information in connection with this Agreement which is materially false; (iv) The calling of a meeting of creditors; (v) An order for relief is entered in any case commenced by or against Debtor under the federal Lenderruptcy laws, as now or hereafter in effect; (vi) The filing or commencing of any action or proceeding under any federal or state Lenderruptcy, insolvency, composition, reorganization, liquidation, dissolution or other similar law, or such a proceeding is commenced against Debtor and either an order of insolvency, dissolution, liquidation or reorganization is entered against Debtor or the proceeding remains undismissed or unstayed for 60 days; (vii) The making of an assignment for the benefit of creditors or commencing any similar Debtor relief proceeding, whether judicial or non-judicial; (viii) The making of an application for, or the appointment of, any receiver, trustee, or custodian of Debtor or its property; (ix) The death of Debtor; (x) The insolvency, dissolution, failure or suspension of the usual business of Debtor; (xi) The failure to pay, or admission in writing of inability to pay, debts generally as they become due; (xii) An order or issuance of an injunction, attachment, garnishment, execution, Federal tax levy, or other process or seizure against Debtor's property or the Collateral; (xiii) The award by any court of a final money judgment against Debtor or any injunctive or other equitable order suspending the usual business of Debtor; (xiv) Failure to pay, withhold, collect or remit any tax or tax deficiency, Federal, state or local, when assessed or due; (xv) Failure to pledge or hypothecate hereunder additional security when and as demanded by the Lender; and (xvi) Lender shall deem itself insecure, in good faith believing that the prospect of payment of the Liabilities or performance of this Agreement is impaired.

Section 3.2. Rights After Default. Upon the occurrence of any event of default, all the Liabilities, at the option of the Lender and without any notice or demand, shall become due and payable immediately; and the Lender shall have all rights and remedies for default provided by law and in this or any other instrument of the Debtor to the Lender or to which the Debtor and the Lender are parties. The Lender may require the Debtor to assemble the Collateral and to make it available to the Lender at any convenient place designated by the Lender, which the Debtor hereby agrees to do. At any time or times after the Liabilities become due, the Lender is empowered to collect, sell, assign, transfer, set over and deliver the whole or any part of the Collateral, as may be appropriate, through any stock exchange or broker or at public or private sale, either for cash or on credit or for future delivery, without assumption of credit risk, without demand, advertisement or notice, which are hereby expressly waived, unless prohibited by law, and at any such sale the Lender may become the purchaser of the whole or any part of the Collateral, discharged from any right of redemption. Upon any such sale, after deducting all costs and expenses of every kind, the residue of proceeds thereof may be applied as the Lender may determine toward the payment of any or all of the Liabilities, whether due or not due, returning the surplus, if any, to the Debtor, and the Debtor shall be and remain liable to the Lender for any and every deficiency after application of such proceeds as aforesaid. The Lender is authorized to transfer into its own name or that of its nominee, at any time and from time to time, any or all of the Collateral. Until such transfer and in the absence of agreement to the contrary, the Debtor shall be entitled to receive and retain all ordinary cash dividends and interest in respect of the Collateral; but in any event all other dividends, payments, split-ups, substitutions and divisions in respect of the Collateral shall be forthwith delivered to the Lender, together with such instruments of transfer as the Lender may require. The Lender shall not be bound to take any steps to preserve any rights in the Collateral against prior parties, which the Debtor hereby assumes to do and the Lender shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor may reasonably request, but no omission to comply with any such request shall be deemed a failure to exercise reasonable care.

4. MISCELLANEOUS

Section 4.1. Waiver. The Lender shall not be deemed to have waived any of its rights hereunder or in the Collateral (or any part thereof) unless such waiver is in writing, and no delay or omission by the Lender in exercising any right shall operate as a waiver thereof or of any other right. The Lender may permit the Debtor to remedy any default without waiving the default so remedied and the Lender may waive any default without waiving any other subsequent or prior default by the Debtor.

Section 4.2. Expenses and Application of Proceeds. The Debtor shall reimburse the Lender for any expense incurred by the Lender in protecting or enforcing its rights under this Agreement including, without limitation, reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition or disposing of the Collateral. After deduction of such expenses, the Lender may apply the proceeds from disposition to the Liabilities in such order and amounts as it elects.

Section 4.3. Authority to Complete and Perform. The Lender is authorized to fill in any blank space herein, to correct patent errors herein, to complete or correct the description of the Collateral and to date this Agreement. If the Debtor fails to act as required by this Agreement or the Liabilities, the Lender is authorized, in the Debtor's name or otherwise, to take any such action including, without limitation, signing the Debtor's name or paying any amount so required and the cost of taking such action shall be one of the Liabilities secured hereby from the date of payment by the Lender.

Section 4.4. Parties Bound. Each person signing this Agreement, other than the Lender, is a Debtor, and the Liabilities hereunder of all the Debtors are joint and several. This Agreement benefits the Lender, its successors and assigns, and binds the Debtors and their respective heirs, personal representatives, successors and assigns.

Section 4.5. Notices. Written notice, when required by law, sent to the address of the Debtor at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

Section 4.6. Term. This Agreement and the security interest in the Collateral created hereby shall terminate when the Liabilities have been paid in full and all other agreements between the Debtor and the Lender relating to the Liabilities have terminated, and prior to such payment and termination, this shall be a continuing agreement.

Section 4.7. Authorization and Execution of Documents. The Debtor authorizes the Lender to file financing statements required to perfect and continue the validity of the security interest of the Lender hereunder. The Debtor further agrees to execute all necessary documents to accomplish the purpose of this Security Agreement.

Section 4.8. Governing Law. This Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania without regard to principles of conflict of laws. All litigation hereunder shall be brought in the Court of Common Pleas of Mercer County, Pennsylvania.

Section 4.9. Enforceability. Any provision hereof which shall be proven unenforceable under any law or regulation shall not affect the validity of any other provision of this Agreement.

Section 4.10. Entire Agreement. This Agreement contains the entire agreement between the parties, and no oral agreement shall be binding.

Section 4.11. Photocopy. The Debtor agrees that the Lender may make a photocopy of this Agreement in the ordinary course of business and such photocopy may be used in place of the original of this Agreement. A carbon, photographic or other reproduction of this Agreement may be used as a financing statement.

Section 4.12. JURY TRIAL WAIVER. THE DEBTOR, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE LENDER AND THE DEBTOR ARISING OUT OF, IN CONNECTION WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE LENDER'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED AND DELIVERED BY THE DEBTOR TO THE LENDER.

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed on the date first above written.

MARKETING SPECIALISTS, INC.

By:


Joseph G. Pannette, President

RICHARD C. JOLLEY


Richard C. Jolley

ANN B. JOLLEY


Ann B. Jolley

JOSEPH

GUARANTY

The undersigned, ~~MICHAEL G.~~ **PANNETTE**, in order to induce **RICHARD C. JOLLEY and ANN B. JOLLEY**, of R.D. #1, Atlantic, Pennsylvania 16111 (herein called the "Lender"), to enter into that certain Commercial Pledge and Security Agreement with First National Bank of Pennsylvania so as to facilitate the a loan by and between First National Bank of Pennsylvania and Advocacies, Inc. to be used as working capital for Marketing Specialists, Inc. (Advocacies, Inc. and Marketings Specialists, Inc. are herein collectively referred to herein as the "Borrower"), and in consideration thereof, and other good and valuable consideration, hereby unconditionally and absolutely guarantees the punctual and full payment when due, by acceleration or otherwise, of all such credit and/or obligations as identified in the Memorandum of Understanding by and between the parites, whether now owing or hereafter arising (herein called the "Liabilities").

The undersigned hereby agrees that:

Section 1.1. Modifications. Any of the Liabilities may be renewed, replaced, rearranged or the maturity thereof extended, from time to time and at any rate of interest, without notice to, without the consent of and without affecting the liability of the undersigned.

Section 1.2. Payment Guaranty. It shall not be necessary for the Lender to resort to or to exhaust its remedies against the Borrower or any of them or against any other party liable on any of the Liabilities or to resort to or marshal any property held as security therefor or pertaining thereto before calling upon the undersigned for payment of any of the Liabilities.

Section 1.3. Security. Any property now or hereafter held as security for or pertaining to the Liabilities may be sold, exchanged, surrendered or otherwise dealt with by the Lender without notice to and without affecting the liability of the undersigned. The undersigned shall not have any rights or claims against the Lender by reason of any action the Lender may take or fail to take in connection with perfecting its security interest in property held as collateral for the Liabilities or enforcing its security interest in such property.

Section 1.4. Binding Effect. All settlements, compromises, compositions, accounts stated and agreed balances with regard to any of the Liabilities made in good faith between the Lender and the Borrower shall be binding upon the undersigned.

Section 1.5. Modification of Agreements. The Lender, without notice to, without the consent of and without affecting the liability of the undersigned, may modify, waive, supplement or otherwise change any of the terms, conditions, provisions or restrictions contained in any of the Liabilities or in any agreement or other instrument evidencing, securing or pertaining to any of the Liabilities.

Section 1.6. Waiver of Notice. This Guaranty is unconditional and continuing and the undersigned waives notice of the acceptance hereof, waives all notices to which the undersigned might otherwise be entitled by law, waives all defenses, legal or equitable, otherwise available to the undersigned and waives presentment, demand for payment, notice of dishonor, protest and notice of protest and non-payment relative to any of the Liabilities or instruments evidencing the Liabilities. If any term or provision of this Guaranty shall be held to be invalid, illegal or unenforceable, the remaining provisions hereof shall remain in full force and effect.

Section 1.7. Payments Unconditional. The payment obligations of the undersigned under this Guaranty shall be absolute, unconditional and irrevocable and shall be satisfied strictly in accordance with the terms of this Guaranty, under all circumstances whatsoever, including, without limitation, the existence of any claim, setoff, defense or right which the undersigned or the Borrower, or any one of them, may have at any time against the Lender or any other person or entity, whether in connection with this Guaranty, any of the Liabilities or the transactions contemplated hereby or any unrelated transaction.

Section 1.8. Continuing Liabilities. The Liabilities shall continue to be effective, or be reinstated, if any amount paid by or on behalf of the Borrower to the Lender with regard to any such Liability is rescinded, restored, or returned in connection with the insolvency, Bankruptcy, dissolution, liquidation or reorganization of the Borrower, or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar

officer for, the Borrower or any part of its property, or otherwise, all as though such payment had not been made.

Section 1.9. Financial Statements. The undersigned agrees to deliver to the Lender, when requested financial statements in form and substance reasonably acceptable to the Lender. The undersigned represents and warrants to the Lender that all financial statements furnished to the Lender do and will accurately reflect the financial condition and operations of the undersigned at the times and for the periods stated therein.

Section 1.10. Waiver. The undersigned hereby waives all rights it may have at law or in equity, including, without limitation, rights under any law subrogating the undersigned to the rights of Lender, to seek contribution, indemnification, or any other form of reimbursement from Borrower, any other guarantor or any other person or entity now or hereafter primarily or secondarily liable for any obligations of Borrower to Lender, for any payment or disbursement made by the undersigned under or in connection with this Guaranty or otherwise.

Section 1.11. Appointment of Attorney-at-Law. Each of the undersigned, jointly and severally, authorizes any attorney-at-law to appear before any Court of Record in the Commonwealth of Pennsylvania, or in any other State or Territory of the United States, after the unpaid principal of, premium, if any, or interest on, the Liabilities becomes due, either by lapse of time or by operation of any provision for acceleration contained in any Liabilities or in any agreement pursuant to which said Liabilities may have been issued or secured, and to waive the issuance and service of process, to admit the maturity of any Liabilities for the amount appearing due, together with interest thereon and costs of suit, and thereupon to release all errors and waive all rights of appeal and stay of execution; but no such judgment or judgments against less than all of the undersigned shall be a bar to a subsequent judgment pursuant to this warrant of attorney against any one or more of the undersigned against whom judgment has not been obtained hereon. The death of any of the undersigned shall not impair the authority herein granted as to the survivor(s) of the undersigned. The undersigned agrees that Lender's attorney may confess judgment pursuant to the foregoing warrant of attorney. The undersigned further agrees that the attorney confessing judgment pursuant to the foregoing warrant of attorney may receive a legal fee or other compensation from Lender.

Section 1.12. Jurisdiction. This Guaranty shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and shall inure to the benefit of the Lender, its successors and assigns, and to any other holder who derives title to or an interest in this Guaranty or the Liabilities.

This Guaranty shall constitute a joint and several guaranty. This Guaranty shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned. Executed on the 9th day of January, 2004.

WARNING: BY SIGNING THIS PAPER, YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE LENDER WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.



MICHAEL G. PANNEtte
JOSEPH

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

JOSEPH G. PANNETTE, Individual,

Defendant,

No. 2005-1542-C9

Confession of Judgment

Filed on behalf of Plaintiffs:
Richard C. Jolley and
Ann B. Jolley

Counsel of Record for this Party:

Richard F. Moroco, Esquire
PA I.D.# 74693

194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146
Telephone: 724.981.4770
Telecopier: 724.981.4103

FILED

OCT 06 2005

William A. Shaw
Prothonotary

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs

vs.

No. 2005-_____

JOSEPH G. PANNETTE, Individual,

Defendant,

CONFESSTION OF JUDGMENT

Pursuant to the authority contained in the Warrant of Authority, a true and correct copy of which is attached to the Complaint filed in this action, I appear for the Defendant and confess judgment in favor of Plaintiff and against Defendant as follows:

Unpaid Line of Credit:	\$150,000.00
Unpaid Payments	<u>\$7,500.00</u>
 TOTAL:	 \$157,500.00

Plus, costs and interest at the legal rate of interest per day from and after 5 October 2005.

Respectfully submitted,

LAW OFFICES OF RICHARD F. MOROCO

By: _____



Richard F. Morocco, Esquire,
PA I.D. #74693
194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Counsel for the Plaintiffs
Richard C. Jolley and Ann B. Jolley

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

RICHARD C. JOLLEY and ANN B. JOLLEY,
Husband and Wife,

Plaintiffs,

vs.

No. 2005-1542-C9

JOSEPH G. PANNETTE, Individual,

Defendant,

NOTICE

TO THE ABOVE DEFENDANT:

YOU ARE HEREBY NOTIFIED as required by law that a judgment has been entered against you in the amount of \$157,500.00, plus interest and costs at the above term and number on 6 October 2005. You will find enclosed copies of all documents filed in this office in support of the confession of Judgment.

CLEARFIELD COUNTY PROTHONOTARY

By: 
William A. Shaw, Prothonotary

If you have any questions regarding this Notice, please contact the filing party:

Name: Richard F. Morocco, Esquire, Attorney for Plaintiff

Address: 194 East State Street
P.O. Box 3066
Sharon, Pennsylvania 16146

Tel. No. Phone: 724.981.4770

(This Notice is given in accordance with Pa.R.C.P. 236)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY ,
PENNSYLVANIA
STATEMENT OF JUDGMENT

Richard C. Jolley
Ann B. Jolley Husband and Wife
Plaintiff(s)

No.: 2005-01542-CD

Real Debt: \$157,500.00

Atty's Comm: \$

Vs.

Costs: \$

Joseph G. Pannette, Individual
Defendant(s)

Entry: \$85.00

Instrument: Confession of Judgment

Date of Entry: October 6, 2005

Expires: October 6, 2010

Certified from the record this October 6, 2005

William A. Shaw, Prothonotary

SIGN BELOW FOR SATISFACTION

Received on _____, _____, of defendant full satisfaction of this Judgment, Debt, Interest and Costs and Prothonotary is authorized to enter Satisfaction on the same.

Plaintiff/Attorney

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH G. PANETTE, Individual,
Defendant.

**CIVIL ACTION FILE
NO. 2005-1542-CD**

PRAECIPE FOR WRIT OF EXECUTION

Filed on behalf of:
Plaintiffs, Richard C. Jolley and Ann B.
Jolley

Counsel of Record for Plaintiffs:

Richard F. Moroco, Esquire
PA I.D. No. 74693

Albert N. Peterlin, Esquire
PA I.D. No. 84180

PIETRAGALLO BOSICK & GORDON, LLP
54 Buhl Blvd
Sharon, PA 16146

(724) 981-1397

FILED Atty pd. 20.00
M 11-26-01
JUN 07 2001 2cc & 6writs
William A. Shaw to Sheriff
Prothonotary/Clerk of Courts (6k)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH G. PANNETTE, Individual,

Defendant.

CIVIL ACTION FILE
2005-1542-CD

PRAECIPE FOR WRIT OF EXECUTION

TO THE PROTHONOTARY:

Please issue a writ of execution in the above matter,

- (1) directed to the Sheriff of Clearfield County, Pennsylvania;
- (2) against Joseph G. Pannette, Defendant;
- (3) Amount due is \$157,500.00 plus interest from October 5, 2005 and costs of execution; and,
- (4) Instructions for execution are attached hereto as Exhibit "A."

Respectfully submitted,

PIETRAGALLO BOSICK & GORDON, LLP



Date: June 4, 2007

By:

Richard F. Moroco, Esquire
PA I.D. No. 74693
Albert N. Peterlin, Esquire
PA I.D. No. 84180

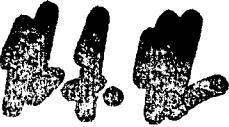
*Counsel for Plaintiffs,
Richard C. Jolley and Ann B. Jolley*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing PRAECIPE FOR WRIT OF EXECUTION was, on this 4th day of June 2007, served by Certified Mail, Return-Receipt

Requested on:

Joseph G. Pannette
470 Treasure Lake
Dubois, PA 15801

By: 

Richard F. Morocco
PA ID. #74693

EXHIBIT A

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,
Plaintiffs,

v.

JOSEPH PANNETTE, Individual,
Defendant.

CIVIL ACTION FILE
NO. 2005-01542-CD

WRIT OF EXECUTION NOTICE

Filed on behalf of:
Plaintiffs, Richard C. Jolley and Ann B.
Jolley

Counsel of Record for Plaintiff:

Richard F. Morocco, Esquire
PA I.D. No. 74693

Albert N. Peterlin, Esquire
PA I.D. No. 84180

PIETRAGALLO BOSICK & GORDON, LLP
54 Buhl Blvd
Sharon, PA 16146

(724) 981-1397

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH PANNETTE, Individual,

Defendant.

CIVIL ACTION FILE

NO. 2005-01542-CD

WRIT OF EXECUTION
NOTICE

This paper is a Writ of Execution. It has been issued because there is a judgment against you. It may cause your property to be held or taken to pay the judgment. You may have legal rights to prevent your property from being taken. A lawyer can advise you more specifically of these rights. If you wish to exercise your rights, you must act promptly.

The law provides that certain property cannot be taken. Such property is said to be exempt. There is a debtor's exemption of \$300. There are other exemptions which may be applicable to you. Attached is a summary of some of the major exemptions. You may have other exceptions or other rights.

If you have an exemption, you should do the following promptly: (1) Fill out the attached claim form and demand for a prompt hearing. (2) Deliver the form or mail it to the Sheriff's Office at the address noted.

You should come to the court ready to explain your exemption. If you do not come to court and prove your exemption, you may lose some of your property.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

**MIDPENN LEGAL SERVICES - CLEARFIELD OFFICE
211½ EAST LOCUST STREET
MARINO BUILDING
CLEARFIELD, PA 16830
(814) 765-1396**

**MAJOR EXEMPTIONS UNDER PENNSYLVANIA
AND FEDERAL LAW**

1. \$300 statutory exemption
2. Bibles, school books, sewing machines, uniforms and equipment
3. Most wages and unemployment compensation
4. Social Security benefits
5. Certain retirement funds and accounts
6. Certain veteran and armed forces benefits
7. Certain insurance proceeds
8. Such other exemptions as may be provided by law

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH PANNETTE, Individual,

Defendant.

CIVIL ACTION FILE

NO. 2005-01542-CD

CLAIM FOR EXEMPTION

To the Sheriff:

I, the above-named defendant, claim exemption of property from levy or attachment:

(1) From my personal property in my possession which has been levied upon,
(a) I desire that my \$300 statutory exemption be

(i) set aside in kind (specify property to be set aside in kind):

(ii) paid in cash following the sale of the property levied upon; or

(b) I claim the following exemption (specify property and basis of exemption)

(2) From my property which is in the possession of a third party, I claim the following exemptions:

(a) my \$300 statutory exemption: in cash; in kind (specify property):

(b) Social Security benefits on deposit in the amount of \$_____;

(c) other (specify amount and basis of exemption):

(Continued On Next Page)

I request a prompt court hearing to determine the exemption. Notice of the hearing should be given to me at _____
(Address)

(Telephone Number)

I verify that the statements made in this Claim for Exemption 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.

Date: _____

(Defendant)

**THIS CLAIM TO BE FILED WITH THE OFFICE OF THE SHERIFF OF
CLEARFIELD COUNTY:**

Chester Hawkins, Sheriff
P.O. Box 549
Clearfield, PA 16830-0549
(814) 765-2641 ext. 5986

COPY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH PANETTE, Individual,

Defendant.

CIVIL ACTION FILE

NO. 2005-01542-CD

WRIT OF EXECUTION

To the Sheriff of Clearfield County:

To satisfy the judgment, interest and costs against Joseph G. Pannette, Defendant.

- (1) You are directed to levy upon the property of the defendant located at 470 Treasure Lake, Dubois, Pennsylvania 15801 and to sell his interest therein;
- (2) You are also directed to attach the property of the defendant not levied upon in the possession of: Not Applicable
 - (a) an attachment has been issued;
 - (b) the garnishees are enjoined from paying any debt to or for the account of the defendant and from delivering any property of the defendant's or otherwise disposing thereof;
- (3) If property of the defendant not levied upon and subject to attachment is found in the possession of anyone other than a named garnishee, you are directed to notify him that he has been added as a garnishee and is enjoined as above stated.

Amount due

\$ 157,500.00

Interest to Date of Sale

\$ _____

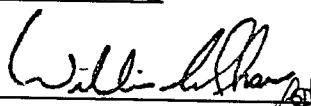
Attorneys' Fees

\$ _____

Costs

\$ 105.00

Prothonotary costs


(Name of Prothonotary (Clerk))

Seal of the Court

By _____

(Deputy)

IF SOCIAL SECURITY OR SUPPLEMENTAL SECURITY INCOME FUNDS ARE DIRECTLY DEPOSITED INTO AN ACCOUNT OF THE DEFENDANT, THE LEVY AND ATTACHMENT SHALL NOT INCLUDE ANY FUNDS THAT MAY BE TRACED TO SUCH DIRECT DEPOSITS. IN ADDITION, THE LEVY AND ATTACHMENT SHALL NOT INCLUDE \$300.00 IN THE ACCOUNT OF THE DEFENDANT.



CHESTER A. HAWKINS
SHERIFF

Sheriff's Office Clearfield County

COURTHOUSE
1 NORTH SECOND STREET, SUITE 116
CLEARFIELD, PENNSYLVANIA 16830

OFFICE (814) 765-2641
FAX (814) 765-5915
ROBERT SNYDER
CHIEF DEPUTY
MARILYN HAMM
DEPT. CLERK
CYNTHIA AUGHENBAUGH
OFFICE MANAGER
KAREN BAUGHMAN
CLERK TYPIST
PETER F. SMITH
SOLICITOR

July 7, 2008

RE: RICHARD C. JOLLEY AND ANN B. JOLLEY,
HUSBAND AND WIFE VS JOSEPH G. PANETTE
NO. #2005-01542-CD

To All Interested Parties:

Now this 7TH day of JULY, 2008, after having reviewed all the material of the property claim filed by JARED M. PANETTE, on JUNE 19, 2008. I find in favor of the claimant. The property levied upon is owned by JARED M. PANETTE.

A handwritten signature in black ink, appearing to read "Chester A. Hawkins".

Chester A. Hawkins,
Sheriff

FILED
07/10/2008
JUL 07 2008
NOC
GK

William A. Shaw
Prothonotary/Clerk of Courts



CHESTER A. HAWKINS
SHERIFF

Sheriff's Office Clearfield County

COURTHOUSE
1 NORTH SECOND STREET, SUITE 116
CLEARFIELD, PENNSYLVANIA 16830

OFFICE (814) 765-2641
FAX (814) 765-5915
ROBERT SNYDER
CHIEF DEPUTY
MARILYN HAMM
DEPT. CLERK
CYNTHIA AUGHENBAUGH
OFFICE MANAGER
KAREN BAUGHMAN
CLERK TYPIST
PETER F. SMITH
SOLICITOR

July 7, 2008

RE: RICHARD C. JOLLEY AND ANN B. JOLLEY,
HUSBAND AND WIFE VS JOSEPH G. PANETTE
NO. #2005-01542-CD

To All Interested Parties:

Now this 7TH day of JULY, 2008, after having reviewed all the material of the property claim filed by JUDITH A. ERICKSON, on JUNE 19, 2008. I find in favor of the claimant. The property levied upon is owned by JUDITH A. ERICKSON.

A handwritten signature in black ink, appearing to read "Chester A. Hawkins".

Chester A. Hawkins,
Sheriff

FILED
0105781
JUL 07 2008
NOCC
60

William A. Shaw
Prothonotary/Clerk of Courts



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July 7, 2008

RE: RICHARD C. JOLLEY AND ANN B. JOLLEY,
HUSBAND AND WIFE VS JOSEPH G. PANETTE
NO. #2005-01542-CD

To All Interested Parties:

Now this 7TH day of JULY, 2008, after having reviewed all the material of the property claim filed by JOSEPH G. PANETTE, JR., on JUNE 19, 2008. I find in favor of the claimant. The property levied upon is owned by JOSEPH G. PANETTE, JR.

A handwritten signature in black ink, appearing to read "Chester A. Hawkins".

Chester A. Hawkins,
Sheriff

FILED NO CC
0105764
JUL 07 2008
©

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 20599
NO: 05-1542-CD

PLAINTIFF: RICHARD C. JOLLEY AND ANN B. JOLLEY, HUSBAND AND WIFE

VS.

DEFENDANT: JOSEPH PANETTE, INDIVIDUALLY

Execution PERSONAL PROPERTY

SHERIFF RETURN

DATE RECEIVED WRIT: 6/7/2007

LEVY TAKEN 8/2/2007 @ 1:30 PM

POSTED 5/13/2008 @ 11:45 AM

SALE HELD

SOLD TO

SOLD FOR AMOUNT PLUS COSTS

WRIT RETURNED 2/9/2009

DATE DEED FILED

PROPERTY ADDRESS SECT. 2, LOT 98, SANTA CRUZ A/K/A 470 TREASURE LAKE DUBOIS , PA 15801

S
FILED
01910871
FEB 09 2009
William A. Shaw
Prothonotary/Clerk of Courts

SERVICES

SEE ATTACHED SHEET(S) OF SERVICES

SHERIFF HAWKINS \$155.16

SURCHARGE \$20.00 PAID BY ATTORNEY

Sworn to Before Me This

So Answers,

____ Day of _____ 2009

Chester A. Hawkins
by Cynthia Butler-Ayheral
Chester A. Hawkins
Sheriff

RICHARD C. JOLLEY AND ANN B. JOLLEY, HUSBAND AND WIFE

vs
JOSEPH PANETTE, INDIVIDUALLY

1 7/13/2007 @ 2:45 PM SERVED JOSEPH G. PANETTE

SERVED JOSEPH G. PANETTE, DEFENDANT, AT HIS PLACE OF EMPLOYMENT J'S COLLECTABLES, DUBOIS MALL, DUBOIS, CLEARFILED COUNTY, PENNSYLVANIA BY HANDING TO JOSEPH G. PANETTE

A TRUE AND ATTESTED COPY OF THE ORIGINAL WRIT OF EXECUTION AND BY MAKING KNOWN TO HIM THE CONTENTS THEREOF.

2 8/2/2007 @ 1:30 PM SERVED JOSEPH G. PANETTE

SERVED JOSEPH G. PANETTE, DEFENDANT, AT HIS PLACE OF EMPLOYMENT J'S COLLECTABLES, DUBOIS MALL, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO JOSEPH G. PANETTE

A COPY OF THE LEVY AND BY MAKING KNOWN TO HIM THE CONTENTS THEREOF.

3 @ SERVED JOSEPH G. PANETTE

DEPUTIES UNABLE TO SERVE JOSEPH G. PANETTE, DEFENDANT, THE HOUSE IS EMPTY. THE DEFENDANT PICKS UP HIS MAIL AT P. O. BOX IN TREASURE LAKE BUT WE HAVE NO PHYSICAL ADDRESS FOR HIM.

@ SERVED

AFTER MONTHS OF DETERMINING IF THE GUNS AND AMMO COULD BE SOLD AT SHERIFF SALE A SALE WAS SET WITHOUT THE GUNS FOR JUNE 20, 2008.

@ SERVED

JUNE 19, 2008 PROPERTY CLAIMS WERE FILED BY JARED PANETTE, JOE PANETTE, JR. AND JUDITH ERICKSON.

@ SERVED

JULY 7, 2008 THE SHERIFF FOUND IN FAVOR OF THE CLAIMANTS JARED PANETTE, JOE PANETTE, JR. AND JUDITH ERICKSON

@ SERVED

NOW, JULY 8, 2008 LETTER FROM THE PLAINTIFF'S ATTORNEY; THE PLAINTIFF'S HAD NO OBJECTION TO THE PROPERTY CLAIMS SUBMITTED. A NEW SALE DATE OF OCTOBER 10, 2008 WAS SET.

RICHARD C. JOLLEY AND ANN B. JOLLEY, HUSBAND AND WIFE

vs

JOSEPH PANNETTE, INDIVIDUALLY

@ SERVED

AUGUST 27, 2008 POSTED THE NOTICE OF SALE FOR OCTOBER 3, 2008 SALE.

@ SERVED JOSEPH G. PANNETTE

DEPUTIES UNABLE TO LOCATE JOSEPH G. PANNETTE TO SERVE THE NOTICE OF SALE.

@ SERVED

NOW, OCTOBER 2, C008 RECEIVED A FAX LETTER FROM THE PLAINTIFF'S ATTORNEY TO DISCONTINUE THE SHERIFF SALE SCHEDULED FOR OCTOBER 10, 2008; DUE TO THE REMOVAL OF ALL THE VALUE PROPERTY BY THE

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

RICHARD C. JOLLEY and ANN B.
JOLLEY, Husband and Wife,

Plaintiffs,

v.

JOSEPH PANETTE, Individual,

Defendant.

CIVIL ACTION FILE

NO. 2005-01542-CD

WRIT OF EXECUTION

To the Sheriff of Clearfield County:

To satisfy the judgment, interest and costs against Joseph G. Pannette, Defendant.

- (1) You are directed to levy upon the property of the defendant located at 470 Treasure Lake, Dubois, Pennsylvania 15801 and to sell his interest therein;
- (2) You are also directed to attach the property of the defendant not levied upon in the possession of: Not Applicable
 - (a) an attachment has been issued;
 - (b) the garnishees are enjoined from paying any debt to or for the account of the defendant and from delivering any property of the defendant's or otherwise disposing thereof;
- (3) If property of the defendant not levied upon and subject to attachment is found in the possession of anyone other than a named garnishee, you are directed to notify him that he has been added as a garnishee and is enjoined as above stated.

Amount due

\$ 157,500.00

Interest to Date of Sale

\$ _____

Attorneys' Fees

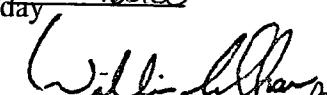
\$ _____

Costs

\$ 105.00

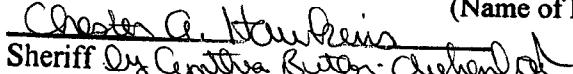
Prothonotary costs

Received this writ this 7th
of June A.D. 2007
At 3:00 A.M. (P.M.)



(Name of Prothonotary (Clerk))

Seal of the Court



By

(Deputy)

IF SOCIAL SECURITY OR SUPPLEMENTAL SECURITY INCOME FUNDS ARE DIRECTLY DEPOSITED INTO AN ACCOUNT OF THE DEFENDANT, THE LEVY AND ATTACHMENT SHALL NOT INCLUDE ANY FUNDS THAT MAY BE TRACED TO SUCH DIRECT DEPOSITS. IN ADDITION, THE LEVY AND ATTACHMENT SHALL NOT INCLUDE \$300.00 IN THE ACCOUNT OF THE DEFENDANT.

**PERSONAL PROPERTY SALE
SCHEDULE OF DISTRIBUTION**

NAME JOSEPH G. PANNETTE

NO. 05-1542-CD

NOW, February 07, 2009, by virtue of the Writ hereunto attached, after having given due and legal notice of time and place of sale by handbills posted on the premises setting forth the date, time and place of sale, I exposed the within described real estate of Joseph Pannette, Individually to public venue or outcry at which time and place I sold the same to he/she being the highest bidder, for the sum of and made the following appropriations, viz:

SHERIFF COSTS:

PLAINTIFF COSTS, DEBT AND INTEREST:

RDR	9.00	DEBT-AMOUNT DUE	157,500.00
SERVICE	9.00	INTEREST @ %	0.00
MILEAGE	18.43	FROM TO	
LEVY	20.00		
MILEAGE	18.43	PROTH SATISFACTION	
POSTING	9.00	LATE CHARGES AND FEES	
HANDBILLS		COST OF SUIT-TO BE ADDED	
COMMISSION	0.00	FORECLOSURE FEES	
POSTAGE	2.87	ATTORNEY COMMISSION	
HANDBILLS	10.00	REFUND OF ADVANCE	
DISTRIBUTION		REFUND OF SURCHARGE	20.00
ADVERTISING		SATISFACTION FEE	
ADD'L SERVICE		ESCROW DEFICIENCY	
ADD'L POSTING		PROPERTY INSPECTIONS	
ADD'L MILEAGE	18.43	INTEREST	
ADD'L LEVY		MISCELLANEOUS	
BID/ SETTLEMENT AMOUNT		TOTAL DEBT AND INTEREST	\$157,780.16
RETURNS/DEPUTIZE		COSTS:	
COPIES	10.00	ADVERTISING	0.00
BILLING/PHONE/FAX	10.00	TAXES - COLLECTOR	
CONTINUED SALES	20.00	TAXES - TAX CLAIM	
MISCELLANEOUS		DUE	
TOTAL SHERIFF COSTS	\$155.16	LIEN SEARCH	
		ACKNOWLEDGEMENT	
		SHERIFF COSTS	155.16
		LEGAL JOURNAL COSTS	0.00
		PROTHONOTARY	105.00
		MORTGAGE SEARCH	
		MUNICIPAL LIEN	
		TOTAL COSTS	\$260.16
		TOTAL COSTS	\$157,780.16

COMMISSION 2% ON THE FIRST \$ 100,000 AND 1/2% ON ALL OVER THAT. DISTRIBUTION WILL BE MADE IN ACCORDANCE WITH THE ABOVE SCHEDULE UNLESS EXCEPTIONS ARE FILED WITH THIS OFFICE **WITHIN TEN (10) DAYS FROM THIS DATE.**

CHESTER A. HAWKINS, Sheriff



PIETRAGALLO
PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP

ATTORNEYS AT LAW

54 BUHL BOULEVARD
SHARON, PA 16146
724.981.1397 FAX: 724.981.1398

FILE NO.: jolley/panette
E-MAIL: RJP@Pietragallo.com

April 11, 2008

Sheriff Chester A. Hawkins
Office of the Sheriff
1 North Second Street
Suite 116
Clearfield, Pennsylvania 16830

RE: RICHARD C. JOLLEY and ANN B. JOLLEY VS. JOSEPH G. PANNETTE
Civil Action File No. 2005-1542-CD

Dear Sheriff Hawkins:

Pursuant to your recent request related to the levy against Pannette, which we do not want to expire, please schedule the personal property, without any guns, for sale as soon as possible by your office.

As mentioned to you previously, this matter has dragged out to the point where the guns just are not worth the expense of taking to sale. We therefore ask to go forward without the sale of any guns by the Sheriff.

Very truly yours,

PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP

By: Richard J. Parks
Richard J. Parks

RJP/vah



54 BUHL BOULEVARD
SHARON, PA 16146
724.981.1397 FAX: 724.981.1398

FILE NO.: jolley/panette
E-MAIL: RJP@Pietragallo.com

July 8, 2008

Sheriff Chester A. Hawkins
Office of the Sheriff
1 North Second Street
Suite 116
Clearfield, Pennsylvania 16830

RE: RICHARD C. JOLLEY and ANN B. JOLLEY VS. JOSEPH G. PANETTE
Civil Action File No. 2005-1542-CD

Dear Sheriff Hawkins:

As a follow up to our telephone conversation concerning the property claims, please be advised that the Mr. and Mrs. Jolley do not intend to challenge the property claims as submitted to your office by what appears to be the Defendant's children and sister.

Please advise the claimants that they must contact me and arrange for removal no later than July 15, 2008, which will be supervised by the Realtor for the property.

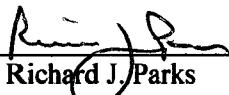
In addition, we would ask that the claimants allow you to complete your duties under Pennsylvania Rule of Civil Procedure 3206(d) before July 15, 2008.

Please advise the claimants that should they fail to remove their personal property by July 15, 2008, the Jolleys will then impose a \$40.00 a day storage charge beginning July 16, 2008. It is the Jolley's intent to have the personal property removed from their real estate and have the property cleaned in order to facilitate a sale. With the claimant's personal property located there, the clean up is harder.

Please advise the claimants of the above as soon as possible.

Very truly yours,

PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP

By: 
Richard J. Parks

RJP/vah
cc: Ann Jolley
1380885

RECEIVED

JUL 10 2008

OHIO

PENNSYLVANIA

WEST VIRGINIA



54 BUHL BOULEVARD
SHARON, PA 16146
724.981.1397 FAX: 724.981.1398

FILE NO.: jolley/pannetta
E-MAIL: RJP@Pietragallo.com

October 2, 2008

Sheriff Chester A. Hawkins
Office of the Sheriff
1 North Second Street
Suite 116
Clearfield, Pennsylvania 16830

RE: RICHARD C. JOLLEY and ANN B. JOLLEY VS. JOSEPH G. PANETTE
Civil Action File No. 2005-1542-CD

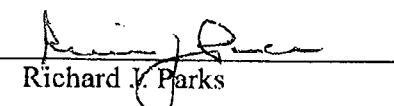
Dear Sheriff Hawkins:

Pursuant to the property claims and the stipulations we made with respect to the claimants, please be advised that the claimants have had the opportunity to remove all personal property and basically have ransacked the real estate leaving junk and garbage behind while taking the items they wanted. Due to the fact that the parties have now abandoned the personal property after having the opportunity to remove it from the premises and leaving only behind junk, it is our intention to deem the remaining personal property abandoned and dispose of it or donate it to a charity as applicable.

Since there is no value left in the personality still located at the house, please immediately discontinue the Sheriff's Sale to save all of us the inconvenience of going through a Sheriff's Sale of junk and abandoned property.

Very truly yours,

PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP

By: 

Richard J. Parks

RJP/vah

cc: Mr. and Mrs. Jolley
1419432

OHIO

PENNSYLVANIA

WEST VIRGINIA