

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

P. E. USA, INC.

Plaintiff

vs.

GIUSEPPE'S FINER FOODS, INC.
Defendants

: No. 06-235-CD
:
: Type of Case: Civil
:
: Type of Pleading: Complaint
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:
:
: Filed on Behalf of: Plaintiff
:
:
: Counsel of Record for this Party:
:
: Robert A. Mix, Esquire
: PA ID #16164
: LEE, GREEN & REITER, INC.
: 115 East High Street
: P.O. Box 179
: Bellefonte, PA 16823
: Phone: 814-355-4769
: Fax: 814-355-5024
: e-mail: bmix@lmgrlaw.com

FILED

FEB 14 2006

William A. Shaw
Prothonotary/Clerk of Courts

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Atty pd. 85.00

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

P. E. USA, INC.)	
	:	
Plaintiff)	No.
	:	
vs.)	
	:	
GIUSEPPE'S FINER FOODS, INC.)	
	:	
Defendant)	

NOTICE

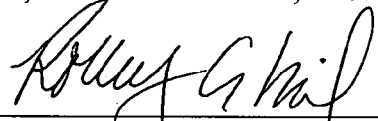
You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served by entering a written appearance personally or by attorney and filing in writing with the court your defenses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

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

David S. Meholick, Court Administrator
Clearfield County Courthouse
Clearfield, Pennsylvania 16830
814-765-2641, Ext. 5982

LEE, GREEN & REITER, INC.

By:


Robert A. Mix, Esq., ID #16164
Attorney for Plaintiff
115 East High Street, PO Box 179
Bellefonte, PA 16823
814-355-4769

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

P. E. USA, INC.)	
	:	
Plaintiff)	No.
	:	
vs.)	
	:	
GIUSEPPE'S FINER FOODS, INC.)	
	:	
Defendant)	

COMPLAINT

NOW COMES Plaintiff P. E. USA, Inc., by its attorneys, Lee, Green & Reiter, Inc., and respectfully represents:

1. Plaintiff is P. E. USA, Inc., an Ohio corporation with a place of business located at 11560 Rockfield Court, Cincinnati, Ohio 45241.
2. Defendant is Giuseppe's Finer Foods, Inc., a Pennsylvania corporation with a place of business located at 2529 Oklahoma-Salem Road, Dubois, Pennsylvania 15801.
3. At all times relevant to this civil action, Plaintiff was engaged in the business of manufacturing labeling systems for various applications, including pressure sensitive, hot melt and cold glue applications.
4. At all times relevant to this civil action, Plaintiff was engaged in the business of processing and packaging various food products.
5. On or about December 27, 2004, Defendant submitted a written Purchase Order to Plaintiff for a labeling machine of the description, at the prices and on the terms and conditions set forth therein, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "A."

6. Plaintiff accepted the Purchase Order and on or about September 29, 2005, shipped said labeling machine from its place of business to Defendant's place of business. The agreed upon aggregate price for said labeling machine was \$801,570.80, representing a purchase price of \$775,220.80, plus shipping of \$26,350.00, as set forth in Plaintiff's invoice, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "B."

7. Defendant received and accepted said labeling machine.

8. At Defendant's request, on or about October 30, 2005 through November 4, 2005 Plaintiff provided a technician and technical support at Defendant's place of business to install said labeling machine and to provide training to Defendant's personnel. The agreed upon price for said services was \$2,048.36, as set forth in Plaintiff's invoice, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "C."

9. Defendant received and accepted said services.

10. Defendant submitted an oral request to Plaintiff to purchase additional equipment for said labeling machine.

11. Plaintiff accepted the request and on or about November 16, 2005, shipped said additional equipment from its place of business to Defendant's place of business. The agreed upon aggregate price for said additional equipment was \$4,838.18, representing a purchase price of \$4,800.00, plus shipping of \$38.18, as set forth in Plaintiff's invoice, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "D."

12. Defendant received and accepted said additional equipment.

13. Defendant submitted an oral request to Plaintiff for additional equipment for said labeling machine.

14. Plaintiff accepted the request and on or about November 16, 2005, shipped said additional equipment from its place of business to Defendant's place of business. The agreed upon aggregate price for said additional equipment was \$27,000.00, as set forth in Plaintiff's invoice, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "E."

15. Defendant received and accepted said additional equipment.

16. At Defendant's request, on or about January 5 & 6, 2006, Plaintiff provided a technician and technical support at Defendant's place of business to inspect clean and test said labeling machine. The agreed upon price for said services was \$1,551.83, as set forth in Plaintiff's invoice, a true and correct copy of which is attached hereto, incorporated herein and marked Exhibit "F."

17. The prices charged for said labeling machine, additional equipment and services were fair and reasonable and the prices Defendant agreed to pay.

18. Defendant has paid \$643,371.98 toward the total aggregate price of \$837,009.17 for the purchases of said labeling machine, additional equipment and services.

19. At the present time, \$193,637.19 is presently due and owing to Plaintiff from Defendant for the purchases of said labeling machine, additional equipment and services.

20. Plaintiff has complied with all conditions precedent to payment of the amount presently due and owing to it from Defendant for the purchases of said labeling machine, additional equipment and services.

11. Despite a demand therefore, Defendant has failed and refused to pay to Plaintiff the amount presently due and owing.

WHEREFORE, Plaintiff demands judgment in its favor and against Defendant in the amount of \$193,637.19, plus interest and costs.

LEE, GREEN & REITER, INC.

By: 

Robert A. Mix, Esq., ID #16164
Attorney for Plaintiff
115 East High Street, PO Box 179
Bellefonte, PA 16823
814-355-4769



2592 Oklahoma-Salem Road • P.O. Box 687
DuBois, PA 15801

PAGE NO. 1	P.O. NO. 00069	ORDER DATE 12/27/2004	VEND NO. 16002
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PURCHASE ORDER

<<<< CHANGE ORDER >>>>

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P.E. USA, INC.
11560 ROCKFIELD CT.
CINCINNATI, OH 45241

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Giuseppe's Finer Foods
2592 Oklahoma-Salem Road
PO Box 687
DuBois, PA 15801

ORDER DATE	CANCELLATION DATE	SHIP VIA	F.O.B.	TERMS		
12/27/2004	5/1/2005	BEST METHOD		SEE BELOW		
RESALE NO.	RESPONSIBILITY	BRANCH				
DESCRIPTION	REQ. DATE LOCATION	QUANTITY ORDERED	QUANTITY BACK ORD	QTY REC	UNIT PRICE	EXTENSION
PE MODEL EXECUTIVE 1420-20T-3S-3L	8/20/2005	1.00			459,063.00	459,063.00
HOT MELT LABELING STATION INSTALLED	8/20/2005	1.00			69,950.00	69,950.00
P.S 120 METER LABELING STATION INSTALLED	8/20/2005	1.00			38,995.00	38,995.00
SERVO MOTOR BOTTLE PLATE ROTATION	8/20/2005	1.00			99,790.00	99,790.00
SPARE PARTS KIT	8/20/2005	1.00			8,500.00	8,500.00
TRUCK FOR CARRYING PARTS	8/20/2005	1.00			1,895.00	1,895.00
BOTTLE LABEL CHANGE PARTS	8/20/2005	1.00			5,624.00	5,624.00
ONE TO BOTTLE PLATE ACCORDING TO SIZE	8/20/2005	1.00			3,621.00	3,621.00
UNDER HANDLES CHANGE PARTS	8/20/2005	1.00			24,690.00	24,690.00
PLATE WITH BOTTLE PLATE 1000	8/20/2005	1.00			13,402.00	13,402.00
SUBTOTAL						18,302.00
PURCHASE ORDER NO.						
TOTAL ORDER VALUE						

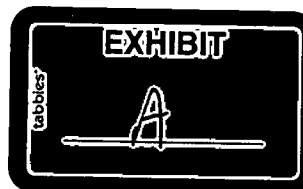
AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
6. Back orders must be prepaid when less than a minimum freight shipment.
7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquakes, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
8. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.

Another Quality Product From Altec (800) 333-5180 (949) 727-9243 Fax (949) 727-1253

PRW2501 7/15/00





2592 Oklahoma-Salem Road • P.O. Box 687
DuBois, PA 15801

PAGE NO. 2	P.O. NO. 00069	ORDER DATE 12/27/2004	VEND NO. 18002
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PURCHASE ORDER

<<<< CHANGE ORDER >>>>

V
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P.E. USA, INC.
11580 ROCKFIELD CT.
CINCINNATI, OH 45241

S
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Giuseppe's Finer Foods
2592 Oklahoma Salem Road
PO Box 687
DuBois, PA 15801

ORDER DATE	CANCELLATION DATE	SHIP METHOD	TERMS
12/27/2004	6/1/2005	SEE BELOW	SEE BELOW
RESALE NO.	RESPONSIBILITY	BRANCH	
DESCRIPTION	REQ. DATE	QUANTITY ORDERED	QUANTITY BACK ORD
UNIT PRICE	EXTENSION		
& SNET SUPPORT ET-GT-3ES-23C	6/20/2005	1.00	
& SNET ET-GT-SES-1	6/20/2005	1.00	
FORMAT 128 OZ MAYO - BOTTLE 62 CHQ PARTS	6/20/2005	1.00	
PLATFORMS	6/20/2005	1.00	
TWO (2) SHOOTING STATIONS	6/20/2005	1.00	
CAP PRESSING HEADS	6/20/2005	1.00	
TRUCK BODY 914 - BOTTLE 62 CHQ PARTS	6/20/2005	1.00	
PLATFORMS	6/20/2005	1.00	
TWO (2) SHOOTING STATIONS	6/20/2005	1.00	
TRUCK BODY 914 - BOTTLE 62 CHQ PARTS	6/20/2005	1.00	
SUBTOTAL			
PURCHASE ORDER NO.			
TOTAL ORDER VALUE			

AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
6. Back orders must be prepaid when less than a minimum freight shipment.
7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquake, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
8. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.



2592 Oklahoma-Salem Road • P.O. Box 687
DuBois, PA 15801

PAGE NO. 3	P.O. NO. 00069	ORDER DATE 12/27/2004	VENDOR NO. 16062
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PURCHASE ORDER

<<<< CHANGE ORDER >>>>

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P.E. USA, INC.
11560 ROCKFIELD CT.
CINCINNATI, OH 45241

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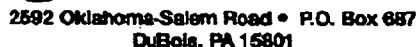
Giuseppe's Finer Foods
2592 Oklahoma Salem Road
PO Box 687
DuBois, PA 15801

ORDER DATE	CANCELLATION DATE	SHIP VIA	P.O.B.	TERMS
12/27/2004	6/1/2005	BEST METHOD		SEE BELOW
RESALE NO.		RESPONSIBILITY	BRANCH	
DESCRIPTION	QTY	UNIT PRICE	EXTENSION	
PLATFORMS	1.00	4,068.00	4,068.00	
LABEL EQUIPMENT	1.00	4,594.40	4,594.40	
CAP PRESSING HEADS	1.00	1,137.60	1,137.60	
1250Z JUG HANDLE BOTTLE SIZE CHG PARTS	1.00	4,736.80	4,736.80	
PLATFORMS	1.00	4,068.00	4,068.00	
TWO (2) SMOOTHING CYLINDERS	1.00	2,418.40	2,418.40	
PAYMENT TERMS				
DATE OF ORDER				
DATE OF PO				
DATE OF INVOICE				
SUBTOTAL				62262.80
PURCHASE ORDER NO.				
TOTAL ORDER VALUE				

AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
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7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquake, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
9. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.



PURCHASE ORDER

<<<< CHANGE ORDER >>>>

P.E. USA, INC.
11580 ROCKFIELD CT.
CINCINNATI, OH 45241

Giuseppe's Finer Foods
2592 Oklahoma Salem Road
PO Box 687
DuBois, PA 15801

ORDER DATE	CANCELLATION DATE	SHIP VIA	FOB	TERMS			
12/27/2004	5/1/2005	BEST METHOD		SEE BELOW			
RESALE NO.	RESPONSIBILITY	BRANCH					
ITEM NO.	DESCRIPTION	REQ. DATE LOCATION	QUANTITY ORDERED	QUANTITY BACK ORD	QTY REC	UNIT PRICE	EXTENSION
	25% AT SHIPPING						
	35% AFTER RECEIPT OF EQUIPMENT AT GFF						
	15% AFTER START UP, TRAINING COMPLETED						
						SUBTOTAL	
						775,220.80	775,220.80
PER PROPOSAL #E-1772004-R1						PURCHASE ORDER NO.	
						00089	
						TOTAL ORDER VALUE	

AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
6. Back orders must be prepaid when less than a minimum freight shipment.
7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquakes, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
8. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.



I N V O I C E

INVOICE No. PAGE

037683 1

INVOICE DATE

09/29/05

www.pe-us.com

11560 Rockfield Ct. - Cincinnati, OH 45241

P.O. Box 62067 - Cincinnati, OH 45262

Phone (513) 771-7374 - Fax (513) 771-3820

Website: www.pe-us.com

CHANGE
PARTS
DIVISION

SOLD TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

ORDER No.	ORDER DATE	CUSTOMER No.	LOC.	SLS'N	PURCHASE ORD. No.	JOB NUMBER	SHIP VIA	COL / PRO
0027485	01/07/05	GIU002	CI	TK	00069	0000027485	PER INSTRUCTION	Ppd

QUANTITY ORDERED / B.O.	QUANTITY SHIP / RETURN	ITEM No. / DESCRIPTION	UNIT PRICE	QTY / DISC.	NET PRICE
1.00	1.00	*MPE LABELING SYSTEM PER QUOTE #E-177-2004-R1 AS FOLLOWS: -P.E. 20T-1420-3S-3L EXECUTIVE MODULAR LABELER. TO INCLUDE: -(3) MODULAR COLD GLUE LABEL STATIONS, -(1) SET OF BOTTLE HANDLING PARTS AND BOTTLE PLATES FOR 24oz. KETCHUP, -(3) SETS OF LABEL HANDLING PARTS FOR 24oz. KETCHUP, -(1) SET OF BOTTLE HANDLING PARTS AND BOTTLE PLATES FOR FUTURE PACKAGE, -(3) SETS OF LABEL HANDLING PARTS FOR FUTURE PACKAGE, -ALLEN BRADLEY PLC 5/04 PROCESSOR, -ALLEN BRADLEY PANEL VIEW 600 OPERATOR INTERFACE, -MAIN DRIVE AND CONVEYOR DRIVE BY INVERTER, -ELECTRICAL PANEL INCORPORATED INTO DESIGN OF MACHINE-S.S. CABINET, -ELECTRICALLY INTERLOCKED SAFETY GUARDING, -SAFETY STOP FOR FEEDSCREW AND STAR WHEELS,	775,220.80	EA	775,220.80

COMMENTS:

SALES AMOUNT

MISC. CHARGES

FREIGHT

SALES TAX

TOTAL

AMOUNT RECEIVED

BALANCE DUE

TERMS:

EXHIBIT

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I N V O I C E

INVOICE No.	PAGE
037683	2
INVOICE DATE	
09/29/05	

www.pe-us.com

11580 Rockfield CL - Cincinnati, OH 45241

P.O. Box 62067 - Cincinnati, OH 45262

Phone (513) 771-7374 - Fax (513) 771-3820

Website: www.pe-us.com

CHANGE
PARTS
PRISON

SOLD TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

ORDER No.	ORDER DATE	CUSTOMER No.	LOC.	SLSMN	PURCHASE ORD. No.	JOB NUMBER	SHIP VIA	COL / PPD
0027485	01/07/05	GIU002	CI	TK	00069	0000027485	PER INSTRUCTION	ppd

QUANTITY ORDERED / B.O.	QUANTITY SHIP / RETURN	ITEM No. / DESCRIPTION	UNIT PRICE	UOM / DISC.	NET PRICE
		<ul style="list-style-type: none">-AUTOMATIC BOTTLE BACK-UP LINE CONTROL,-AUTOMATIC CAROUSEL HEAD HEIGHT CONTROL,-STAINLESS STEEL GMP DESIGN FOR FOOD INDUSTRY,-PRE-ARRANGEMENT FOR FUTURE IV BOTTLE SPOTTING FOR GRIP STYLE BOTTLE,-TWIN FEEDSCREW DRIVE WITH IN-PHASE STOP FOR SUPERIOR LINE CONTROL,-HOT MELT LABELING STATION ON TROLLEY,-MODEL 120 PRESSURE SENSITIVE LABELING STATION ON TROLLEY,-BOTTLE PLATE ROTATION BY SERVØ-MOTOR,-SPARE PARTS KIT,-(1) CART FOR (2) SETS OF CHANGE PARTS,-EXTENDED JOG CORD FOR SET-UP AND MAINTENANCE.-MACHINE CRATING,-OCEAN SHIPMENT,-FACTORY ACCEPTANCE TESTING IN ITALY PRIOR TO SHIPMENT,-(1) DAY OPERATOR/MECHANIC TRAINING IN CINCINNATI FACILITY,-(8) DAYS START-UP SUPERVISION SERVICE IN CUSTOMERS FACILITY.			

COMMENTS:

SALES AMOUNT

MISC. CHARGES

FREIGHT

SALES TAX

TOTAL

AMOUNT RECEIVED

BALANCE DUE

TERMS:



INVOICE

INVOICE No. PAGE

037683 3

INVOICE DATE

09/29/05

www.pe-us.com

11560 Rockfield Ct. - Cincinnati, OH 45241

P.O. Box 62067 - Cincinnati, OH 45262

Phone (513) 771-7374 - Fax (513) 771-3820

Website: www.pe-us.com

RJ CHANGE
PARTS
DIVISION

SOLD TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO

GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

ORDER No.	ORDER DATE	CUSTOMER No.	LOC.	SLSMTH	PURCHASE ORD. No.	JOB NUMBER	SHIP VIA	COL / PFD
0027485	01/07/05	GIU002	CI	TK	00069	0000027485	PER INSTRUCTION	Ppd

QUANTITY ORDERED / B.O.	QUANTITY SHIP / RETURN	ITEM No. / DESCRIPTION	UNIT PRICE	UOM / DISC.	NET PRICE
		(TRAVEL AND LIVING INVOICED SEPERATE) "ADDITIONS & UPGRADES 8-11-05", -PLC 5/05 W/ PANEL VIEW 1000 & SIXNET SUPPORT ET-GT-3ES-2SC & SIXNET ET-GT-SES-1, -128oz. BOTTLE HANDLING PARTS, -128oz. PLATFORMS, -(2) 128oz. WIPING UNITS, -128oz. CAP PRESSING HEADS, -160oz. BOTTLE HANDLING PARTS, -160oz. PLATFORMS, -(2) 160oz. WIPING UNITS, -32oz. BOTTLE HANDLING PARTS, -32oz. PLATFORMS, -32oz. LABEL EQUIPMENT, -32oz. CAP PRESSING HEADS, -128oz. "JUG" BOTTLE HANDLING PARTS -128oz. "JUG" PLATFORMS, -(2) 128oz. "JUG" BOTTLE WIPING UNITS.			

COMMENTS:

SALES AMOUNT

775,220.80

MISC. CHARGES

.00

FREIGHT

26,350.00

SALES TAX

.00

TOTAL

801,570.80

AMOUNT RECEIVED

643,371.98 CR

BALANCE DUE

158,198.82

TERMS: NET 30 DAYS



INVOICE

www.pe-us.com
11560 Rockfield Ct. - Cincinnati, OH 45241
P.O. Box 62067 - Cincinnati, OH 45262
Phone (513) 771-7374 - Fax (513) 771-3820
Website: www.pe-us.com

RJ CHANGE
PARTS
DIVISION

INVOICE No. PAGE
037863 1
INVOICE DATE
11/07/05

SOLD TO: GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO: GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

ORDER No.	ORDER DATE	CUSTOMER No.	LOC.	SLSMAN	PURCHASE ORD. No.	JOB NUMBER	SHIP VIA	COL / PPD
0028576	11/07/05	GIU002	CI	TK	69		BEST WAY	

QUANTITY ORDERED / B.O.	QUANTITY SHIP / RETURN	ITEM No. / DESCRIPTION	UNIT PRICE	UOM / DISC.	NET PRICE
1.00	1.00	EXP-1	825.40		
		AIRFARE EXPENSE			825.40
1.00	1.00	EXP-2	502.95		
		AUTO RENTAL EXPENSE			502.95
1.00	1.00	EXP-3	485.60		
		LODGING EXPENSE			485.60
1.00	1.00	EXP-4	168.21		
		MEALS & ENTERTAINMENT EXPENSE			168.21
1.00	1.00	EXP-8	28.70		
		AIRPORT MILEAGE			28.70
1.00	1.00	EXP-5	37.50		
		AIRPORT PARKING			37.50

COMMENTS:

Technician Joe Cash Oct 30-Nov 4
Installation & Start-Up of Machine
KC247 Provided Training

TERMS: 40%, 50%, 10%

SALES AMOUNT	2,048.36
MISC. CHARGES	.00
FREIGHT	.00
SALES TAX	.00
TOTAL	2,048.36
AMOUNT RECEIVED	.00
BALANCE DUE	2,048.36

EXHIBIT

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www.pe-us.com

11560 Rockfield Ct. - Cincinnati, OH 45241
P.O. Box 62067 - Cincinnati, OH 45262
Phone (513) 771-7374 - Fax (513) 771-3820
Website: www.pe-us.com

INVOICE

INVOICE No. PAGE
038123 1
INVOICE DATE
02/15/06

SOLD TO GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

ORDER No.	ORDER DATE	CUSTOMER No.	LCC	SLSN	PURCHASE ORD. No.	JOB NUMBER	SHIP VIA	COL / PPD
0028620	11/16/05	GIU002	CI	TK	00261	0000028620	UPS GROUNDTRAC	Ppd

QUANTITY ORDERED / D.O.	QUANTITY SHIP / RETURN	ITEM No / DESCRIPTION	UNIT PRICE	UOM / DISC. 1	NET PRICE
20.00	20.00	REF: BOTTLE HANDLING PARTS TO RUN A 16oz. PET "RANCH" SALAD DRESSING BOTTLE ON A P.E. 20T-1420-3S-3E MODULO LABELER, S/N C247. AS FOLLOWS: *CPE SHAPE BOTTLE PLATES WITHOUT LIFT PLATE. NOTE: CUSTOMER TO USE BALANCE OF EXISTING BOTTLE HANDLING PARTS.	240.00	EA	4,800.00

COMMENTS:

TERMS: NET 30 DAYS

SALES AMOUNT	4,800.00
MISC. CHARGES	.00
FREIGHT	38.18
TOTAL	4,838.18
AMOUNT RECEIVED	.00
BALANCE DUE	4,838.18





www.pe-us.com
11560 Rockfield Ct. - Cincinnati, OH 45241
P.O. Box 62067 - Cincinnati, OH 45262
Phone (513) 771-7374 - Fax (513) 771-3820
Website: www.pe-us.com



INVOICE No. PAGE

0-1722 1

INVOICE DATE

12-00-05

SOLD TO GIUSEPPE'S FINER FOODS
P.O. BOX 687

DUBOIS, PA 15801
USA

SHIP TO GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801

ORDER No.	ORDER DATE	CUSTOMER No.	LOC	SLSN	PURCHASE ORD No	JOB NUMBER	SHIP VIA	COL/PPD
23686	12/08/05	GIUC02	CI	H000	00284	28686	Per Instructions	PPD

QUANTITY ORDERED / B O	QUANTITY SHIP / RETURN	ITEM No. / DESCRIPTION	UNIT PRICE	UOM / DISC	NET PRICE
1		*CPN \$9,000.00 Ea FACE LABEL HANDLING PARTS TO INCLUDE: (1) FACE LABEL MAGAZINE (1) FACE LABEL HOOK DRUM (4) FACE LABEL RUBBER PALLETS (1) FACE LABEL WIPING UNIT		Ea	\$9,000.00
1		*CPN \$9,000.00 EA SET OF BACK LABEL HANDLING PARTS TO INCLUDE: (1) BACK LABEL MAGAZINE (1) BACK LABEL HOOK DRUM (4) BACK LABEL RUBBER PALLETS (1) BACK LABEL WIPING UNIT		EA	\$9,000.00
1		*CPN \$9,000.00 EA SET OF NECK LABEL HANDLING PART TO INCLUDE: (1) NECK LABEL MAGAZINE (1) NECK LABEL HOOK DRUM (4) NECK LABEL RUBBER PALLETS (1) NECK LABEL WIPING UNIT NOTE: ALL PALLETS TO BE "GROOVED"		EA	\$9,000.00
		Amount Due Now Is 40% Down Payment			\$10,800.00

COMMENTS: REF: LABEL HANDLING PARTS TO APPLY FRONT, BACK & NECK COLD GLUE LABELS TO A 16oz. PET SALAD DRESSING BOTTLE ON A P.E. 20T-1420-3S-3E EXEC-MODULO LABELER, S/N C247

SALES AMOUNT \$27,000.00

MISC. CHARGES

FREIGHT

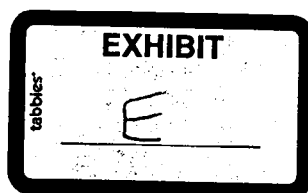
SALES TAX

TOTAL

AMOUNT RECEIVED

BALANCE DUE \$10,800.00

TERMS: DUE UPON RECEIPT





www.pe-us.com

11560 Rockfield Ct. - Cincinnati, OH 45241
P.O. Box 62067 - Cincinnati, OH 45262
Phone (513) 771-7374 - Fax (513) 771-3820
Website: www.pe-us.com



INVOICE NO. PAGE
038137 1
INVOICE DATE
01/17/06

SOLD TO GIUSEPPE'S FINER FOODS
P.O. BOX 687
2592 OKLAHOMA-SALEM RD.
DUBOIS, PA 15801
USA

SHIP TO GIUSEPPE'S FINER FOODS
2592 OKLAHOMA-SALEM ROAD
DUBOIS, PA 15801
USA

ORDER NO.	ORDER DATE	CUSTOMER NO.	LCC	S.S.M.N	PURCHASE ORD. NO.	JOB NUMBER	SHIP VIA	COL / PPD
0028800	01/17/06	GIU002	CI	TK			BEST WAY	

QUANTITY ORDERED / B.O.	QUANTITY SHIP / RETURN	ITEM NO. / DESCRIPTION	UNIT PRICE	UOM / DISC.	NET PRICE
		AIRFARE EXPENSE			1,193.60
1.00	1.00	EXP-2	162.91		
		AUTO RENTAL EXPENSE			162.91
1.00	1.00	EXP-3	97.12		
		LODGING EXPENSE			97.12
1.00	1.00	EXP-4	62.00		
		MEALS & ENTERTAINMENT EXPENSE			62.00
1.00	1.00	EXP-5	7.50		
		AIRPORT PARKING			7.50
1.00	1.00	EXP-8	28.70		
		AIRPORT MILEAGE			28.70
					1,551.83

COMMENTS: Technician Joe Cash 1-5-06 - 1-6-06

Inspected Hot Melt Set-Up, Cleaned Magazine, Set Hot Melt
Performed Testing, Brushes Need Cleaning and Need Spare
Brushes.

This Invoice is for Travel & Living Expenses Only

TERMS:

NET 30 DAYS

SALES AMOUNT

MISC. CHARGES

FREIGHT

TOTAL

AMOUNT RECEIVED

BALANCE DUE

.00

.00

.00

1,551.83

.00

1,551.83

EXHIBIT

tabbles

F

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

P. E. USA, INC.

Plaintiff

vs.

GIUSEPPE'S FINER FOODS, INC.

Defendant

)
:
) No.
:
)
:
)
:
)

VERIFICATION

Rhonda Kelley states that he is the See/Measurer of P. E. USA, Inc.; that he is acquainted with the facts set forth in the foregoing Complaint; that the same are true and correct to the best of his knowledge, information and belief; and that this statement is made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.

Rhonda Kelley

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

No. 06-235-CD

P.E. USA, INC.,

Plaintiff,

-vs-

GIUSEPPE'S FINER FOODS, INC.,

Defendant.

**ANSWER, NEW MATTER, AND
COUNTERCLAIM**

CODE NO.

ISSUE NO.

FILED ON BEHALF OF:
Defendant, GIUSEPPE'S FINER FOODS,
INC.

COUNSEL OF RECORD FOR THESE
PARTIES:

NOTICE TO PLEAD

To: Plaintiff, P.E. USA, Inc.

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


Christopher E. Mohny, Esquire
Attorney for Defendant

Gregory H. Teufel, Esquire
PA Id. 73062
Schnader Harrison Segal & Lewis LLP
Firm No. 061
Fifth Avenue Place, Suite 2700
120 Fifth Avenue
Pittsburgh, PA 15222-3010
Telephone: (412) 577-5289
Facsimile: (412) 765-3858

Christopher E. Mohny, Esquire
Pa. Id. 63494
90 Beaver Drive, Suite 201A
DuBois, PA 15801
(814) 375-1044

FILED *no cc*
m/1: 38301
MAR 13 2006 *(5)*

William A. Shaw
Prothonotary/Clerk of Courts

PTDATA 294538_1

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

P.E. USA, INC.,

Plaintiff,

-vs-

GIUSEPPE'S FINER FOODS, INC.,

Defendant.

No. 06-235-CD

ANSWER AND NEW MATTER

AND NOW, comes Defendant, GIUSEPPE'S FINER FOODS, INC. ("GFF"), by and through its undersigned counsel, and hereby files the following Answer and New Matter:

ANSWER

1. Admitted.
2. Admitted in part and denied in part. The correct address is 2592 Oklahoma-Salem Road, not 2529.
3. Admitted.
4. Denied. It is denied that Plaintiff was engaged in the business of processing and packaging various food products. On the contrary, upon information and belief, Plaintiff was not engaged in that business.
5. Admitted in part and denied in part as stated. The documents attached to the Complaint as Exhibit A speak for themselves. Moreover, it appears that Plaintiff has included in Exhibit A to the Complaint an invoice that was not part of the December 27, 2004 Purchase Order. It is admitted that GFF submitted a written purchase order to Plaintiff for a labeling machine and associated equipment, as described in the purchase order ("the Purchase Order")

attached to the Complaint as Exhibit A, excluding the September 29, 2005 invoice inexplicably included in what was attached to the Complaint as Exhibit A. However, portions of the poor copy of the Purchase Order attached to the Complaint are unreadable and the original was readable.

6. Admitted in part and denied in part. It is admitted that Plaintiff accepted the Purchase Order. It is denied that Plaintiff did not accept the Purchase Order until on or about September 29, 2005. On the contrary, Plaintiff accepted the Purchase Order on or about December 27, 2004. It is admitted that Plaintiff shipped the labeling machine from its place of business to GFF'S place of business on or about September 29, 2005. It is denied that the agreed upon aggregate price for the labeling machine was \$801,570.80, representing a purchase price of \$775,220.80, plus shipping of \$26,350.00, as set forth in Plaintiff's invoice. On the contrary, the agreed upon purchase price included all of the equipment referenced in the Purchase Order, not just the labeling machine. It is admitted that a true and correct copy of Plaintiff's invoice is attached to the Complaint as Exhibit B, however, it appears that a copy of page three of that invoice is set forth at Exhibit A rather than Exhibit B.

7. Admitted.

8. Admitted in part and denied in part. It is admitted that, at GFF'S request, on or about October 30, 2005 through November 4, 2005 Plaintiff provided a technician and technical support at GFF'S place of business to install the labeling machine. However, it is denied that Plaintiff provided training to GFF personnel at that time. On the contrary, because the installation and start up could not be completed at that time, no training was provided at that time. It is denied that the agreed upon price for those services was \$2,048.36. On the contrary,

eight (8) days of system start-up and training at GFF were supposed to be included as part of the price for the labeling machine, per the Quotation #E-177-2004-R1 referenced by the Purchase Order, which Quotation is attached hereto as Exhibit A and incorporated by reference as if fully set forth herein. It is admitted that a true and correct copy of Plaintiff's invoice for the travel and living expenses related to those services is attached to the complaint as Exhibit C.

9. Admitted in part and denied in part. It is admitted that GFF received and accepted installation services. No training of GFF personnel occurred however.

10. Admitted in part and denied in part. It is admitted that GFF submitted a request to Plaintiff to purchase additional equipment for the labeling machine, but it is denied that GFF submitted only an oral request to purchase the additional equipment referenced in paragraphs 10 and 11 of the Complaint. On the contrary, GFF sent Plaintiff a written purchase order for the referenced additional equipment (16 oz salad dressing bottle plates).

11. Admitted in part and denied in part. It is denied that Plaintiff accepted the request on or about November 16, 2005. On the contrary, Plaintiff accepted the request on or about November 10, 2005.

12. Admitted.

13. Admitted in part and denied in part. It is admitted that GFF submitted a request to Plaintiff to purchase additional equipment for the labeling machine, but it is denied that GFF submitted only an oral request to purchase the additional equipment referenced in paragraphs 13 and 14 of the Complaint. On the contrary, GFF sent Plaintiff a written purchase order for the referenced additional equipment (label handling parts).

14. Admitted in part and denied in part. It is denied that Plaintiff accepted the request

on or about November 16, 2005. On the contrary, Plaintiff accepted the request on or about November 22, 2005. It is denied that Plaintiff shipped said additional equipment. On the contrary, the additional equipment referenced in Exhibit E to the Complaint has never been shipped to GFF.

15. Denied. It is denied that GFF ever received or accepted the additional equipment referenced in paragraphs 13 and 14 of the Complaint.

16. Admitted.

17. Admitted in part and denied in part. It is denied that GFF expressly agreed to pay all of the prices charged for the labeling machine, additional equipment, and services. On the contrary, some of the prices charged for those items were not previously specifically agreed upon. Moreover, whether the prices charged were unfair or unreasonable is a legal conclusion to which no response is required.

18. Admitted in part and denied in part. GFF paid Plaintiff \$35,647.90 on December 31, 2004, \$142,591.60 on March 3, 2005, \$193,805.20 on September 6, 2005, and \$271,327.28 on September 29, 2005, totaling the \$643,371.98 referenced in paragraph 18 of the Complaint. However, GFF also paid Plaintiff \$4,838.18 on February 3, 2006 and \$1,551.83 on February 7, 2006.

19. Denied. It is denied that \$193,637.19 is presently due and owing to the Plaintiff from GFF for the purchase of the labeling machine, additional equipment, and services. On the contrary, only \$187,247.18 remains to be paid to Plaintiff from GFF and none of that amount is presently due and owing. The averment that amounts are presently due and owing is a legal conclusion to which no response is required. To the extent a response may be required, said

remaining amounts are not yet due and owing because the terms were, as reflected in the Quotation attached hereto as Exhibit A, 5% down at the time of the Purchase Order, 20% at drawing approval or 45 days after down payment, 25% at shipping, 35% 30 days after receipt of equipment at GFF, and 15% after start up and training and all punch-list items are completed, and start up and training have never been completed and not all of the equipment ordered has been shipped to or received by GFF. In particular, the label handling parts, which are the additional equipment referenced in the Complaint at paragraphs 13, 14, and 15, were never shipped to or received by GFF.

20. Denied. It is denied that Plaintiff has complied with all conditions precedent to payment of the amount alleged to be presently due and owing to it from GFF for the purchase of the labeling machine, additional equipment, and services. On the contrary, for the reasons explained in response to paragraph 19 of the Complaint, the amounts alleged to be due and owing are not due and owing because Plaintiff has failed to meet all of the conditions precedent to full payment.

21. Denied. The averments of the second paragraph 11 of the Complaint, which presumably was intended to be numbered paragraph 21, are denied. It is denied that, despite a demand therefore, Guiseppe's has failed and refused to pay Plaintiff the amounts alleged to be presently due and owing. On the contrary, for the reasons explained in response to paragraph 19 of the Complaint, the amounts alleged to be due and owing are not due and owing because Plaintiff has failed to meet all of the conditions precedent to full payment.

WHEREFORE, the Defendant Giuseppe's Finer Foods, Inc. requests that this Court enter judgment against Plaintiff and in favor of the Defendant on Plaintiff's claims and award such

other and further relief as this Court deems proper.

NEW MATTER

1. GFF incorporates the averments in the responses set forth at paragraphs 1 through 21 above as if fully set forth herein.

2. The purchase orders attached hereto as Exhibits B and C are incorporated by reference as if fully set forth herein.

3. Plaintiff's claims are barred or reduced by Plaintiff's own breach of the agreement, as amended, between Plaintiff and GFF. Plaintiff breached said agreement by failing to deliver the label handling parts, which are the additional equipment referenced in the Complaint at paragraphs 13, 14, and 15, and without which the labeling equipment cannot be used as intended or for its ordinary purposes, and by failing to ever complete start up and training.

4. GFF is justified in withholding further payment until proper and complete performance by Plaintiff are assured. Plaintiff's actions and statements have unreasonably created doubt as to whether Plaintiff will properly and completely perform all of its obligations pursuant to the agreement.

5. Plaintiff's claims are barred or reduced by Plaintiff's breaches of the implied warranties of merchantability and fitness for particular purpose, because the labeling equipment cannot be used as intended or for its ordinary purposes without the label handling parts that Plaintiff never delivered.

WHEREFORE, the Defendant Giuseppe's Finer Foods, Inc. requests that this Court enter judgment against Plaintiff and in favor of the Defendant on Plaintiff's claims and award such

other and further relief as this Court deems proper.

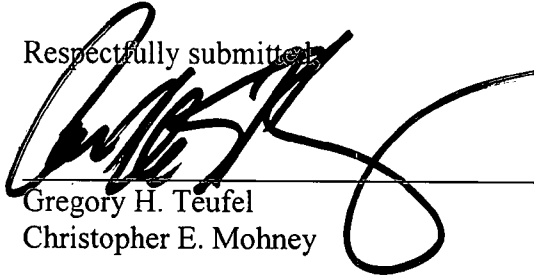
COUNTERCLAIM

1. GFF incorporates the averments in the responses set forth at paragraphs 1 through 21 above and in paragraphs 1 through 5 above of the New Matter as if fully set forth herein.

2. By reason of Plaintiff's breach of the agreement between Plaintiff and GFF and the implied warranties of merchantability and fitness for particular purpose, start up of the labeling equipment at GFF has been unreasonably delayed, causing damages to GFF, including lost profits and increased costs.

WHEREFORE, the Defendant Giuseppe's Finer Foods, Inc. requests that this Court enter judgment against Plaintiff and in favor of the Defendant and award damages and such other and further relief as this Court deems proper.

Respectfully submitted,



Gregory H. Teufel
Christopher E. Mohnery

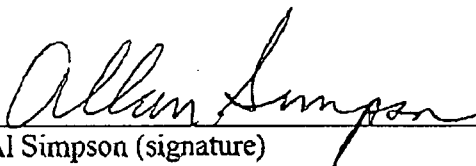
DATED: 3/10, 2006

*Attorneys for Defendant GIUSEPPE'S FINER
FOODS, INC.*

VERIFICATION

I, Al Simpson, as Chief Operating Officer of GIUSEPPE'S FINER FOODS, INC., am authorized to make this verification on behalf of GIUSEPPE'S FINER FOODS, INC. and hereby verify that I have reviewed the information provided in the **Answer, New Matter, and Counterclaim** in response to the foregoing Complaint in Civil Action and that the information provided therein is true and correct to the best of my knowledge, information, and belief.

I give this Verification pursuant to 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities.


Al Simpson (signature)
Date: 3/10/06



October 7, 2004

George Bennett
MPE Services
3030 Armstrongs Drive
Corona, CA 92881
Phone # 909-735-4418
george@mpeconsulting.com

Subject: P.E. Labellers

Dear George,

Attached is our revised proposal. Please note that we had to change the delivery schedule:

- Letter of intent by October 15, 2004;
- Official P.O. by October 22.

Thank you and if you have any questions please do not hesitate to call our office.

Best regards,

Tom Kauffmann

EXHIBIT A.



www.pe-us.com

**Quotation #E-177-2004-R1**

October 7, 2004

P.E. model Executive Modular 1420-20T-3S-3L

Prepared for:

Giuseppe's Finer Foods
Oklahoma Salem Road
P.O. Box 687
DuBois, PA 15801
Phone (814) 375-0516
Fax (814) 375-0364

Attention:

Allan Simpson
V.P. of Plant Operations
asimpson@giuseppesfinerfoods.com
Tierney Wheaton
Plant Manager
twheaton@giuseppefinerfoods.com
George Bennett
MPE Services

Your P.E. Contact:

Tom Kauffmann
P.E. USA, Inc.
11560 Rockfield Court
Cincinnati, OH 45241
Phone: (513) 771-7374
Fax: (513) 771-3820
tkauffmann@pe-us.com

Your local representative:

Mike Cernak
Quest Packaging
1205 Eugenia Way
Bel-Air, MD 21014
Phone: 410-879-7753
Fax: 410-838-1961
mcernak@questpkg.com

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct. Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3820 - E-mail: info@pe-us.com - Website: www.pe-us.com

Quotation #E-177-2004-R1
October 7, 2004

Gluseppe's Finer Foods
Page 2

PROJECT SPECIFICATIONS

EQUIPMENT:

Executive 1420-20T-3S-3L

- 1420: Diameter of the central carousel in millimeters;
- 20T: Twenty (20) holding bottle-plates;
- 3S: Three (3) cold glue-labeling stations (front, back and neck);
- 3L: able to apply up to three (3) labels.

CONTAINERS:

24 oz Ketchup: 95 mm (L) x 55 mm (W) x 240 mm (H)

MAX. BOTTLE DIAM: 160 mm

LABELS:

24oz Ketchup: Front label: 78 mm (L) x 80 mm (H)
Back Label: 78 mm (L) x 80 mm (H)
Neck Label: 125 mm (L) x 33 mm (H)
Max. Label length: 180 mm

SPEED:

450 BPM

EQUIPMENT DESCRIPTION - P.E. Model Executive 1420-20T-3S-3L

Machine Price Includes:

- Three (3) Modular Cold Glue Labeling Stations – Neck, Body Front, & Body Back
- One (1) Set of Bottle Handling Change Parts for 24oz Ketchup
- One (1) Set of Label Handling Change Parts for 24 oz Ketchup – Neck, Front, & Back
- One (1) Set of Shaped, Quick Release, with Mechanical Eject for 24oz Ketchup
- Allen Bradley PLC 5/04
- Allen Bradley Panel View 600 Operator Interface
- Inverter for Main Carousel and Conveyor Drive
- Electrical Panel Incorporated into Design of Machine – Stainless Steel Cabinet
- Electrically Interlocked Safety Guarding
- Safety Stop for Feed screw and Star Wheels
- Automatic Bottle Back-up Line Control
- Automatic Carousel Head Height Control
- Stainless Steel GMP Design for the Food Industry
- Pre-Arrangement for future I/V Bottle Spotting for "Grip" Style Bottle
- Twin Feed Screw Drive with In-Phase Stop for superior Line Control
- Mechanical Cam Bottle Rotation with Automatic Lubrication System
- Two (2) Cam Sections for future Pressure Sensitive application
- Extended Jog Cord for Set-up and Maintenance
- One (1) Day of Operator/Mechanic Training in our Cincinnati Facility
- Factory Acceptance Test (FAT) in Italy Prior to Shipment
- Eight (8) Days System Start-up and Training at the customers location
(Travel and living expenses to be paid separately by the customer)
- Crating
- System Delivery to the customer via ocean shipment (3-4 weeks)

Total System Investment

\$ 459,093.00

Quotation #E-177-2004-R1
October 6, 2004

Giuseppe's Finer Foods
Page 3

Options:

• Hot Melt Labeling Station Installed on Trolley	\$ 69,950.00
• P.S 120 Meter Labeling Station Installed on Trolley	\$ 39,995.00 (ea.)
• Servo Motor Bottle Plate Rotation	\$ 99,790.00
• Spare Parts Kit	\$ 8,500.00
• Trolley for Carrying Change Parts Holds two (2) Sets	\$ 1,695.00 (ea)

Future change parts:

Bottle Handling Change Parts	\$ 5,624.00
Shaped Bottle Plates according to size	\$ 3,621.00
Label Handling Change Parts (\$ 8,100.00ea x3)	\$ 24,690.00

Estimated Freight Costs:

Supply estimated Not To Exceed cost for all freight in the proposal. Actual cost to be billed. **Included in base price USD 16,000.00**

Start up and Commissioning:

Include 1 week (5 days) of start-up assistance/ commissioning and operator training. Include all travel and expenses for this week. **Included in base price USD 4,500.00**

List the cost per hour for any additional start-up assistance, if needed, including hourly rate, overtime rate, weekend rate, etc. Include living expenses per day.

Saturday USD 90.00 Sunday USD 100.00 Estimated meal expenses: USD 40.00 per day

DELIVERY DATE: 120 DAYS TO 180 DAYS FROM THE ORDER DATE

NOTE: Final pricing and delivery confirmed after receipt of product samples. A subsequent engineering review with P.E. Engineering and the Customer may be necessary regarding the specific application.

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct. Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3820 - E-mail: info@pe-us.com - Website: www.pe-us.com

Quotation #E-177-2004-R1
October 7, 2004

Giuseppe's Finer Foods
Page 4

TERMS AND CONDITIONS

PAYMENT TERMS:

- 0% Letter of Intent to purchase Equipment. Locks Quote price. (P.O. Optional)
October 15, 2004
- 5% at time of P.O. (This down payment date will be established by the required equipment delivery date to DuBois, PA minus equipment lead-time, factory acceptance test and shipping time.) Equipment on-site delivery date is May 1, 2005. October 22, 2004
- 20% at drawing approval or 45 days from time of 5% down payment, whichever is greater. December 17, 2004
- 25% at time of shipping (factory acceptance done) March 25, 2005
- 35% 30 days after arrival at DuBois facility May 31, 2005
- 15% after start-up is complete, employee training is done and all punch list items have been completed. Maximum 90 days from May 1, 2005 – July 31, 2005

LEASE OPTIONS:

- Lease options are available through a third party leasing arrangement. For full details contact our sales office at 1-513-771-7374.

SHIPMENT DATE:

- Estimated shipment date. – March 31, 2005
- Estimated number of containers. – Two
- Estimated size of containers & shipping weight. – Weight: estimated 9000 KG
- Delivery Time:
Provide time needed from the date of Factory Acceptance Test to equipment arrival in DuBois, PA. One week beginning approximately March 20, 2005.

SAMPLES AND TECHNICAL INFORMATION:

- A minimum quantity of product samples must be received within two weeks of order placement. Any delay in receiving the necessary samples could result in system shipment delay.
- All technical information such as voltage, conveyor height, machine flow direction, etc, should be supplied with the order.
- Signing the final layout drawing and sending back to P.E. within the first two weeks of order placement is necessary so our engineers can release the order to production.

SYSTEM START-UP AND SUPERVISORY TRAINING:

- The customer will position the equipment in the line and make all mechanical and electrical connections.
- P.E. will provide a technician for two (2) to ten (10) working days depending upon the size of equipment. This technician will be provided free of labor charges for normal working hours.
- P.E. will charge to the customer travel time, which is \$ 70.00 per hour, and all expenses, which are at cost, such as hotel, meals, transportation, etc.
- In the unlikely event our service technician arrives and the equipment is not mechanically or electrically connected, the customer will be charged accordingly to our normal service rates of \$80.00 per hour for work performed between 8:00am and 5:00pm.

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct. Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3620 - E-mail: info@pe-us.com - Website: www.pe-us.com

Quotation #E-177-2004-R1
October 7, 2004

Giuseppe's Finer Foods
Page 5

Reliability

- **P.E. USA, Inc.** Guarantees that the equipment will be designed for failure-free operation. Mechanical reliability will be a minimum of 98.5%, i.e., downtime due to machine failure will not exceed 1.5% of scheduled operating time.

Speeds

- **P.E. USA, Inc.** guarantees that the production rates shown as "Guaranteed" are genuine Bottles Per Minute/Gallons Per Minute rates obtained at the end of the equipment exit conveyor/pip

Warranty:

- **P.E. USA, Inc.** guarantees that the equipment will be covered, unconditionally, for a period of 18 months from the date of START-UP, provided that the equipment start-up will take place within 4 months of the equipment delivery date. This warranty will not cover normal wear items.
- **P.E. USA, Inc.** guarantees that the equipment will not require more than \$ 9,000.00/year of consumable parts (normal wear items). Should the need of parts be higher than our forecasted guarantee, **P.E. USA, Inc.** will supply the exceeding amount free-of-charge.

Preventative Maintenance (PM)

- **P.E. USA, Inc.** agrees to have an equipment service technician available (4) times a year (quarterly basis) for a minimum of (2) days to look over the equipment, operational procedures and parts usage to determine if machine is being properly maintained. Giuseppe's will agree to pay expenses such as car, hotel and meals during these visits. This service will only be provided for the first year at no charge. This service can be provided as a Maintenance Service Agreement for the following years at a cost of \$5,500.00/year.

Spare Parts:

- **P.E. USA, Inc.** will supply on consignment to Giuseppe's a full set of required spare parts for the equipment. Giuseppe's will notify **P.E. USA, Inc.** about the spare parts used under the 18 months warranty period. **P.E. USA, Inc.** agrees to replace parts that were covered under warranty so that Giuseppe's has complete set of spares at all times. At the end of the warranty period Giuseppe's will inventory the spare parts (warranty and consumable) and will pay for any parts utilized outside the warranty terms. Giuseppe's will have the option to hold and pay for the balance of the remaining spare parts or return the non-utilized parts without payments.

Quotation #E-177-2004-R1
October7, 2004

Giuseppe's Finer Foods
Page 6

TECHNICAL SPECIFICATIONS OF THE FIXED MAGAZINES LABELER MODEL EXECUTIVE 1420/20T

OPERATION

A spacing screw and an infeed starwheel at the entrance guide the containers arriving on the conveyor transferring them to the central carousel. During the labeling operations, a centering head locks them on the supporting plates. The label transfer system with mobile magazine is mechanically operated. Then the discharge starwheel is transferred to the conveyor.

TECHNICAL SPECIFICATIONS

The label structure is in steel with protective priming and corrosion-proof paint coated with AISI 304. The machine height can be adjusted by operating on its feet with an allowance of +/- 50 mm.

BOTTLE CAROUSEL

The containers are locked on the plates by centering heads controlled by a cam with automatic height adjustment up to 15 mm. The plates have independent rotation controls by means of sector gear and gear wheel. The cam driving the whole system is in an oil bath. If required, the machine can be equipped with centering plates with mechanical bottle ejection. A centralized keyed column provides for the alignment of plates carousel and jacks carousel. Automatic height adjustment and clamping of the head for the different containers is by a geared motor, with up/down push buttons.

THE LABELING STATION CONSISTS OF:

- * Centralized group controlling the rotation of the labels transfer pallets
- * Control group and label magazine
- * Hook drum group for label picking up and transfer
- * Rubber cylinder for glue distribution on the labels transfers pallets

The whole system is assembled in a sturdy casting in oil bath. Adjustment of the labeling stations by crossed guides for tangential and axial displacement. An adjustment indicator allows the regulation of the gluing pressure and of the positioning of the labels without stopping the machine.

CENTRAL GROUP

It includes a two-tracks cam, shafts and sector gears (tempered and rectified) with independent control for each label transfer pallet. The pallets have a partial rotary movement.

MAGAZINE GROUP

For label transfer the upper magazine chariot is moved forward by a synchronized electro pneumatic control "no bottle - no label". During normal operation, the chariot is in the proper position for label transfer. The guides on the label magazine are in AISI 304 and are adjusted independently adjustable. The label grippers are in precision-cast stainless steel 304. Both label pushers are assembled on roller casings. Two spring-loaded pulleys assembled backward on the magazine allow the labels to be fed into the magazine during production. The magazine has a capacity of 7,000/8,000 labels.

GRIPPERS UNIT

The gripping cylinder takes the label from the gluing pallets by grippers mechanically controlled by two closing/opening cams. The moving and rotating parts are assembled on bushes in corrosion-proof resins. The control levers and the grippers are in precision-cast AISI 304. The label is applied onto the container by compound silicone rubber.

RUBBER CYLINDER

A glue pump for continuous recycling provides for a steady glue flow in the rubber cylinder, made of acid-proof rubber. The glue film on the gluing pallets is automatically adjusted according to the speed of the machine by an electro pneumatic control, which adjusts the scraper of the rubber cylinder. The parts in contact with the glue are easily removable for cleaning interventions without using tools.

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct, Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3820 - E-mail: info@pe-us.com - Website: www.pe-us.com

Quotation # E-177-2004-R1
October 7, 2004

Giuseppe's Finer Foods
Page 7

BOTTLE TRANSFER

Infeed screw, infeed starwheel, central guide and discharge starwheel are in wear-resistant plastic material. The central guide is provided with wearing stripes, which can be easily replaced. Lateral guides and conveyor guides are in plastic material.

SMOOTHING

The smoothing includes brushes and/or rollers, which can be disassembled in one piece for size changeover interventions without using tools. For particular applications, an additional smoothing station can be fitted on the conveyor.

TRANSMISSION AND MAIN CONTROL

Gears in C40 steel alternated with Zellamid give the transmission to all moving parts. Because of this, noise and lubrication are highly reduced. A reduction gear controlled by an electronic frequency converter "INVERTER" gives the central motorization.

SPEED ADJUSTMENT AND AUTOMATIC CONTROL

The production speed of the machine is entirely automatic and can be changed according to the infeed flow as well as the unloading flow of the containers. A stop device at the infeed of the machine guarantees a minimum storage of bottles to be fed into the machine and an automatic safety stop of the machine in case of containers jam on the discharge conveyor. This process is controlled by a PLC piloting a frequency converter "INVERTER".

PNEUMATIC SYSTEM

Service group incorporated in the machine with register, water filter and oil nozzle, ready to be connected to the existing network.

SAFETIES

In case of anomalous operation the emergency stops are located on: spacing screw, loading/unloading stars, safety guards and emergency button.

ELECTRIC SYSTEM

Voltage will be according to customer's requirements. Control Voltage 24/48 Volt. Separate tight electric cabinet. Electric controls guarantee a perfect general operation of the machine. The machine is always provided with: electronic display of the production speed/hour, synoptic panel with emergency display, manual operation system for the machine adjustments and automatic system for production start. If required, with additional cost, a 180° revolving control panel can be supplied including all controls and displays of the machine.

SERVICING

Parts manually greased by grouped nipples. Materials requiring low maintenance are used such as self-lubricating moving parts or tight roller bearings. Periodic control is needed of oil level in labeling units, spacing screw and in the main carousel.

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct. Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3820 - E-mail: info@pe-us.com - Website: www.pe-us.com

Quotation # E-177-2004-R1
October 7, 2004

Giuseppe's Finer Foods
Page 8

Prepared By: P.E. USA, Inc.
Service Charge Policy

**THE CHARGES FOR SERVICE BY AUTHORIZED P.E. USA, INC.
SERVICE ENGINEERING REPRESENTATIVES ARE DETERMINED AS FOLLOWS:**

1. The customer shall pay all travel expenses. These expenses include air, train, rental car, taxi or bus fare. A rate of .31 cents per mile will be charged if the service engineering representative uses personal automobile.
2. The customer shall pay all living expenses when service engineering representative is required to be away from permanent residence. Living expenses include, but are not limited to lodging, meals and local transportation costs.
3. Service charges are as follows:
 - A) \$80.00 per hour for work performed between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday holidays excepted.
 - B) \$90.00 per hour for work performed after 8 hours have been worked or outside the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday except as noted in paragraph 3E. Traveled hours will be counted as work hours in determining premium charges for the day.
 - C) \$90.00 per hour for work performed on Saturday. \$100.00 per hour for work performed on Sunday.
 - D) It is not mandatory for P.E. USA employees to work Holidays. Holidays are New Year's Eve, New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. A rate of \$250.00 per hour will be charged for each day of the Holiday weekend (ex.: Good Friday, Saturday and Sunday are considered a Holiday weekend).
 - E) \$100.00 per hour for work performed after ten consecutive hours have been worked.
4. Travel time will be charged at \$70.00 per hour. Travel time shall include delays beyond the control of P.E. USA, Inc.
5. The minimum charge for a service call is \$250.00 plus travel time and expenses per paragraphs 1 & 2.
6. If for any reason beyond the control of P.E. USA, Inc., a service engineering representative is delayed or prohibited from working, the customer will be charged at the applicable service rate for the idle time.

It is understood and agreed that the customer will indemnify and save harmless P.E. USA, Inc. And its' employees from and against any and all claims for injury for death to persons or damage to property (including costs of litigation and attorney's fees) in any manner caused by, arising from, incident to, connected with, or growing out of service to be performed hereunder. Neither P.E. USA, Inc. Nor its' employees shall be liable for consequential or incidental damages arising from performance of this policy.

All Service Rates Are Subject To Change Without Notice.

Receipt of copy of policy prior to start of work is hereby acknowledged.

Customer _____ By _____
Date _____ P.O.# _____

Quotation # E-177-2004-R1
October 7, 2004

Giuseppe's Finer Foods.
Page 9

Prepared By: P.E. USA, Inc.
Warranty

P.E. USA, Inc. warrants that each item exclusive of electrical and normal wear (Springs, Hooks, Change Parts, Etc.) components delivered hereunder shall, at the time of delivery and for a period of eighteen (18) months thereafter, (based on an eight (8) hour shift operation) be free from defects in materials and workmanship, and if any such item shall prove to be defective in material or workmanship under normal intended usage and maintenance during the warranty period, upon examination by P.E. USA, Inc., then P.E. USA, Inc., shall repair or replace, at its' sole option, such defective item at its' own expense provided, however, that the owner shall be required to ship each such defective item, freight prepaid, to P.E. USA, Inc.'s, plant in Cincinnati, Ohio. The warranty on components not manufactured by P.E. USA, Inc., but a part of the system is limited to the warranty provided by the original manufacturer of said components. All warranties hereunder are expressly limited to the repair or replacement of defective items as set forth herein, and in no event shall P.E. USA, Inc., be liable for special, incidental or consequential damages by reason of any breach of warranty or defect in material or workmanship. P.E. USA, Inc., shall not be responsible for repair or replacement of items, which have been subjected to neglect, accident, or improper use, or which have been altered by other than authorized P.E. USA, Inc., personnel.

P.E. USA, Inc.

Mailing: P.O. Box 62067 Cincinnati, OH 45262 - Shipping: 11560 Rockfield Ct. Cincinnati, OH 45241
Phone: (513) 771-7374 Fax: (513) 771-3820 - E-mail: info@pe-us.com - Website: www.pe-us.com



2592 Oklahoma-Salem Road - P.O. Box 687
DuBois, PA 15801

PAGE NO.	P.C. NO	ORDER DATE	VEND NO.
1	00261	11/10/2005	000000016002

PURCHASE ORDER

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P.E. USA, INC.
11560 ROCKFIELD CT.
CINCINNATI, OH 45241

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Giuseppe's Finer Foods
2592 Oklahoma Salem Road
PO Box 687
DuBois, PA 15801

ORDER DATE	CANCELLATION DATE	SHIP VIA	F.O.B.				TERMS	
11/10/2005	2/8/2006	BEST METHOD					NET 30	
RESALE NO.	RESPONSIBILITY		BRANCH					
ITEM NO. MFG. NO.	DESCRIPTION		REQ. DATE LOCATION	QUANTITY ORDERED	QUANTITY BACK ORD	QTY REC	UNIT PRICE	EXTENSION
	16oz SALAD DRESSING BOTTLE PLATES		11/21/2005	20.000			240.00000	4,800.00
	WITHOUT LIFT PLATE							0.00

SUBTOTAL
4,800.00
PURCHASE ORDER NO.
00261
TOTAL ORDER
VALUE

AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
6. Back orders must be prepaid when less than a minimum freight shipment.
7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquake, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
8. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.



2592 Oklahoma-Salem Road • P.O. Box 687
DuBois, PA 15801

PAGE NO.	P.O. NO.	ORDER DATE	VEND NO.
1	00284	11/22/2005	000000016002

PURCHASE ORDER

P.E. USA, INC.
11560 ROCKFIELD CT.
CINCINNATI, OH 45241

Giuseppe's Finer Foods
2592 Oklahoma Salem Road
PO Box 687
DuBois, PA 15801

S
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ORDER DATE	CANCELLATION DATE	SHIP VIA	F.O.B.	TERMS
11/22/2005	2/20/2006	UPS REGULAR		40%DOWN/NET 30
RESALE NO.	RESPONSIBILITY	BRANCH		

ITEM NO. MFG. NO.	DESCRIPTION	REQ. DATE LOCATION	QUANTITY ORDERED	QUANTITY BACK ORD	QTY REC	UNIT PRICE	EXTENSION
	SET OF FACE LABEL HANDLING PARTS	12/22/2005	1.000			9,000.00000	9,000.00
	SET OF BACK LABEL HANDLING PARTS	12/22/2005	1.000			9,000.00000	9,000.00
	SET OF NECK LABEL HANDLING PARTS	12/22/2005	1.000			9,000.00000	9,000.00
	EACH SET INCLUDES LABEL MAGAZINE, HOOK						0.00
	DRUM, & LABEL PALLETS						0.00

SUBTOTAL
27,000.00 27,000.00
PURCHASE ORDER NO.

PER QUOTE 3429-R3

00284 TOTAL ORDER
VALUE

AUTHORIZED SIGNATURE

ORDER TERMS AND CONDITIONS

1. INVOICES must bear exact same prices and terms or authorization for changes must be received from our company in writing prior to shipping.
2. Goods not in accordance with specifications will be rejected and held at vendor's risk awaiting disposal. Vendor must pay freight on all rejected material.
3. The right is reserved, to cancel all or part of this order if not delivered within the time specified.
4. Packing slips must accompany all shipments.
5. By acceptance of this order, vendor warrants that all merchandise shipped under this order does comply with all laws and regulations of Federal and State governments.
6. Back orders must be prepaid when less than a minimum freight shipment.
7. In the event of interruption of our business in whole or in part by reason of fire, flood, windstorm, earthquake, war, strike, embargo, acts of God, governmental action, or any causes beyond our control, we shall have the option of cancelling undelivered orders in whole or part.
8. Acceptance of this purchase order, or shipment of any part of it will constitute an agreement to all of its specifications as to terms, delivery and prices.

EXHIBIT C

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Answer, New Matter, and Counterclaim** has been served upon Plaintiff's counsel this 10th day of March 2006 via first-class U.S. Mail:

Robert A. Mix, Esquire
LEE, GREEN & REITER, INC.
115 East High Street
P.O. Box 179
Bellefonte, PA 16823

A handwritten signature in black ink, appearing to read "Robert A. Mix, Esq.", is written over a horizontal line.

CHRISTOPHER E. MOHNEY

ATTORNEY AT LAW

90 BEAVER DRIVE
SUITE 111B

DuBOIS, PA 15801

TELEPHONE: (814) 375-1044

FACSIMILE: (814) 375-1088

March 10, 2006

William A. Shaw, Prothonotary
Clearfield County Courthouse
230 East Market Street
Clearfield, AP 16830

Re: P.E. USA, Inc. vs. Giuseppe's Finer Foods, Inc.
No. 06-235-CD

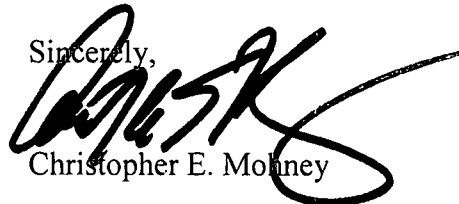
Dear Mr. Shaw:

Please file the enclosed original Answer, New Matter and Counterclaim on behalf of Defendant in the above-captioned case. Kindly enter my appearance of record along with co-counsel Gregory H. Teufel, Esquire, whose information is provided on the cover sheet for the enclosed pleading.

By copy of this correspondence, a true and correct copy of this pleading is being served on opposing counsel.

Thank you.

Sincerely,



Christopher E. Mohney

Copy to: Robert A. Mix, Esquire (w/encl.)
Gregory H. Teufel, Esquire (w/encl.)
Giuseppe's Finer foods, Inc. (w/encl.)

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

P. E. USA, INC.)
)
) Plaintiff) No. 06-235-CD
)
)
 vs.)
)
)
 GIUSEPPE'S FINER FOODS, INC.)
)
)
) Defendant)

REPLY TO NEW MATTER AND COUNTERCLAIM

NOW COMES Plaintiff P. E. USA, Inc., by its attorneys, Lee, Green & Reiter, Inc., and respectfully represents:

NEW MATTER

1. The averments of paragraphs 1 through 21 of the Complaint are incorporated herein by reference.
2. Neither admitted nor denied inasmuch as no reply is required.
3. The averments stating that Plaintiff's claims are barred or reduced by its breach of the agreement, as amended, and that the described conduct constitutes a breach of the agreement are neither admitted nor denied inasmuch as they state conclusions of law to which no reply is required.

Admitted that Plaintiff did not deliver the described label handling parts to Defendant. By way of further answer, Defendant refused to pay the required down payment for shipment of said parts and Plaintiff refused to extend further credit to Defendant.

FILED No. 06-235-CD
MAR 30 2006

William A. Shaw
Prothonotary/Clerk of Courts

The remaining averments are denied. To the contrary, Plaintiff completed such startup and training as was necessary for Defendant to use the labeling equipment for its intended and ordinary purposes. By way of further answer, upon information and belief, the labeling equipment can and currently is being used by Defendant for its intended and ordinary purposes.

4. Neither admitted nor denied inasmuch as the averments state conclusions of law to which no reply is required.
5. The averments stating that Plaintiff's claims are barred or reduced by its breach of the implied warranties of merchantability and fitness for a particular purpose, and that the described conduct constitutes a breach of said warranties are neither admitted nor denied inasmuch as they state conclusions of law to which no reply is required.

The remaining averments are denied. To the contrary, the averments of paragraph 3 above are incorporated herein by reference.

WHEREFORE, Plaintiff demands judgment in its favor and against Defendant in the amount of \$193,637.19, plus interest and costs.

COUNTERCLAIM

1. The averments of paragraphs 1 through 21 of the Complaint and 1 through 5 of New Matter above are incorporated herein by reference.
2. The averments stating that Plaintiff breached the agreement and the implied warranties of merchantability and fitness for a particular purpose, and that the described conduct caused Defendant to sustain the described damages are neither

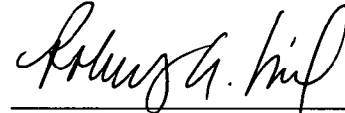
admitted nor denied inasmuch as they state conclusions of law to which no reply is required.

The remaining averments are denied. To the contrary, after reasonable investigation Plaintiff is without information or knowledge sufficient to form a belief as to the truth of the averments and proof thereof is demanded at trial.

WHEREFORE, Plaintiff demands judgment in its favor and against Defendant on the counterclaim.

LEE, GREEN & REITER, INC.

By:



Robert A. Mix, Esq., ID #06164

Attorney for Plaintiff

115 East High Street, PO Box 179

Bellefonte, PA 16823

814-355-4769

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

P. E. USA, INC.

Plaintiff

vs.

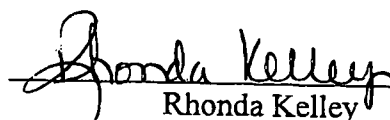
GIUSEPPE'S FINER FOODS, INC.

Defendant

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:
) No. 06-235-CD
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VERIFICATION

Rhonda Kelley states that she is the Secretary / Treasurer of PE USA, Inc.; that she is acquainted with the facts set forth in the foregoing Reply to New Matter and Counterclaim; that the same are true and correct to the best of her knowledge, information and belief; and that this statement is made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.


Rhonda Kelley

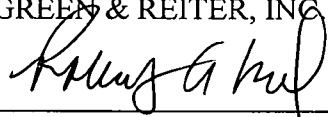
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION – LAW

P. E. USA, INC.)	
	:	
Plaintiff)	No. 06-235-CD
	:	
vs.)	
	:	
GIUSEPPE'S FINER FOODS, INC.)	
	:	
Defendant)	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Reply to New Matter and Counterclaim was deposited in the United States mail, postage prepaid, in Bellefonte, Pennsylvania, on the 29th day of March, 2006, addressed to the following:

Christopher E. Mohney, Esquire
90 Beaver Drive
Suite 201A
DuBois, PA 15801

LEE, GREEN & REITER, INC
By: 
Robert A. Mix, Esq., ID #16164
Attorney for Plaintiff
115 East High Street
Lock Drawer 179
Bellefonte, PA 16823
814-355-4769

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101254
NO: 06-235-CD
SERVICE # 1 OF 1
COMPLAINT

PLAINTIFF: P.E. USA, INC.
vs.
DEFENDANT: GIUSEPPE'S FINER FOODS, INC.

SHERIFF RETURN

NOW, February 21, 2006 AT 10:50 AM SERVED THE WITHIN COMPLAINT ON GIUSEPPE'S FINER FOODS, INC. DEFENDANT AT 2529 OKLAHOMA-SALEM ROAD, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO LINDA KNISELY, DIRECTOR HUMAN RESOURCES A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: COUDRIET / DEHAVEN

FILED
019:0930
APR 10 2006

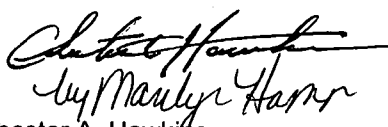
William A. Shaw
Prothonotary/Clerk of Courts

PURPOSE	VENDOR	CHECK #	AMOUNT
SURCHARGE	LEE	920	10.00
SHERIFF HAWKINS	LEE	920	35.30

Sworn to Before Me This

_____ Day of _____ 2006

So Answers,


Chester A. Hawkins
Sheriff

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

P. E. USA, INC.

Plaintiff

vs.

GIUSEPPE'S FINER FOODS, INC.

Defendant

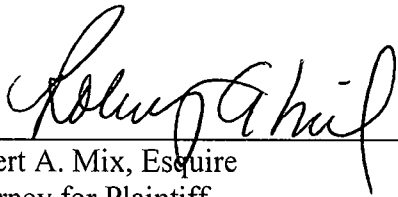
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PRAECIPE

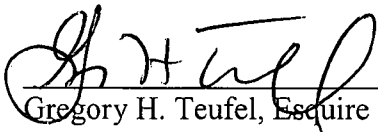
TO THE PROTHONOTARY:

Please mark the above-captioned civil action settled and discontinued, both as to
Plaintiff's claims and Defendant's counterclaims.

By:


Robert A. Mix, Esquire
Attorney for Plaintiff
115 East High Street
Lock Drawer 179
Bellefonte, PA 16823

By:


Gregory H. Teufel, Esquire
Attorney for Defendant
Fifth Avenue Place, Suite 2700
120 Fifth Avenue
Pittsburgh, PA 15222-3010

FILED *icct 2 cert*
4/3:30 am of disc issued
JAN 26 2007 *to Atty*
Teufel

William A. Shaw
Prothonotary/Clerk of Courts

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

P. E. USA, INC.

Plaintiff

vs.

GIUSEPPE'S FINER FOODS, INC.

Defendant

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No. 06-235-CD

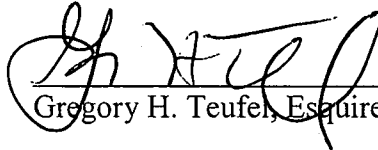
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Praecipe was deposited in
the United States mail, postage prepaid, in Pittsburgh, Pennsylvania, on the 23rd day of
January, 2007, addressed to the following:

Robert A. Mix, Esquire
LEE, GREEN & REITER, INC.
P.O. Box 179
Bellefonte, PA 16823

Christopher E. Mohnery, Esquire
90 Beaver Drive
Suite 201A
DuBois, PA 15801

By:



Gregory H. Teufel, Esquire

January 24, 2007

Gregory H. Teufel
Direct Dial 412-577-5289
Direct Fax 412-765-3858
E-mail: gteufel@schnader.com

Prothonotary
Court of Common Pleas - Clearfield County
230 East Market Street
Clearfield, PA 16830

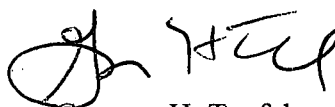
RE: P. E. USA, Inc. v. Giuseppe's Finer Foods, Inc.
No. 06-235-CD

Dear Sir or Madam:

Please find enclosed an original and one copy of a Praeipie to settle and discontinue the above-referenced action. Please file the original Praeipie and have the copy time-stamped and returned in the enclosed self-addressed, stamped envelope.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Gregory H. Teufel
For SCHNADER HARRISON SEGAL & LEWIS LLP

GHT/gr

Enclosure

cc: Robert A. Mix, Esquire (w/enc.)
Christopher E. Mohney, Esquire (w/enc.)

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

COPY

P. E. USA, Inc.

Vs.

No. 2006-00235-CD

Giuseppe's Finer Foods, Inc.

CERTIFICATE OF DISCONTINUATION

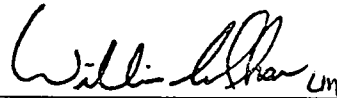
Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on January 26, 2007, marked:

Settled and discontinued

Record costs in the sum of \$85.00 have been paid in full by Robert A. Mix Esq. .

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 26th day of January A.D. 2007.



William A. Shaw, Prothonotary