

MEMORANDUM

PERSONAL AND CONFIDENTIAL ATTORNEY WORK PRODUCT

The following is a summary that will help establish that the accounting firm of Rachlin Cohen & Holtz, LLP (“Rachlin”), had knowledge, or should have had knowledge, of the non-payment of taxes by their clients: Frank Amodeo, an individual (“Amodeo”), and the Sunshine Companies, Presidion Solutions, Inc., Mirabilis Ventures, Inc., and their respective affiliate, parent and subsidiary companies (collectively the “Companies”). Ultimately, Rachlin failed to inform and advise Mr. Amodeo and the various Companies of the ramifications of not making timely payments of taxes, specifically, payroll trust fund taxes.

Rachlin, and specifically Laurie Holtz, had been working for Mr. Amodeo, as his personal accounting firm, since late 2003. Rachlin’s accounting services to Mr. Amodeo, included, without limitation, reviewing Mr. Amodeo’s personal finances. In early 2005, Rachlin was hired to work on the various tax issues surrounding the Companies. Mr. Amodeo instructed Rachlin to have one of its principals, José Marrero, to contact the Criminal Investigation Division of the IRS (“CID”) to determine what help and assistance could be provided with any IRS inquiry into the Companies, and to apprise the CID of Mr. Amodeo’s actions and plan for the repayment of taxes. This was especially appropriate since Mr. Marrero had 28 years of experience with the IRS, part of which included serving as deputy director of the CID.

Between 2004 and 2006, Mr. Marrero had extensive contacts and communications with the IRS in connection with the outstanding tax liabilities of the Companies, specifically Revenue Officer Judy Berkowitz. *See Composite Exhibit 1*, for examples of such communications. Additionally, officers and directors of the various Companies were continuously communicating with Rachlin about the taxes and how much money was owed to the IRS. For example, Mr. Amodeo discussed and outlined his plan for repayment of taxes, and how much was currently estimated to be owed by those certain Companies, in his proposed letter to Ms. Berkowitz dated February 8, 2006. This letter was sent to Mr. Holtz and Matt Druckman of Rachlin for their review and comments. *See Exhibit 2*. Also, Dan Myers of Mirabilis Ventures, Inc. discussed the IRS tax liabilities with Mr. Marrero and Mr. Druckman in our about January 2006. *See Exhibit 3*.

Upon information and belief, Rachlin has asserted that they did not know of the non-payment of taxes, and that this information was hidden from them by Mr. Amodeo and various officers and directors of the Companies. This seems unbelievable in light of all the facts to the contrary. Rachlin worked for Mr. Amodeo and the Companies for approximately 2 ½ years. There are hundreds of communications, letters and emails between the principals of Rachlin (on behalf of Mr. Amodeo and the Companies) and Ms. Berkowitz of the IRS. There are video recordings containing hours of meetings and conversations whereby principals of Rachlin were involved in discussions concerning the

non-payment of taxes. *See Composite Exhibit 4* (which includes a Mirabilis Board of Directors meeting on March 23, 2006; Chairman's Meeting on April 18, 2006; Chief Officers meeting on April 19, 2006; meeting between Sharmila Khanorkar and Edith Curry on April 25, 2006; the Frank Amodeo Mock Deposition on August 28, 2006; and a Tax Adjustment meeting in or about November 2006).

Furthermore, during Rachlin's representation of Mr. Amodeo and the Companies, principals and employees of Rachlin constantly traveled to the offices of the Companies, and vice versa, on a monthly if not weekly basis. Rachlin was hired, and did perform, numerous due diligence reports for the Companies in connection with various corporate acquisitions. Certain Rachlin employees were on the payroll of Mr. Amodeo and/or certain entities of the Companies, including Laurie Holtz¹ (one of the senior principals of Rachlin), and Sharmila Khanorkar² (an employee of Rachlin).

With the overwhelming evidence against Rachlin, for Rachlin to make a claim, allegation, or assertion that Rachlin was not aware of, or was never informed of, any issues surrounding the non-payment of taxes, that such information was hidden from Rachlin, or not knowing what the Companies approximately owed to the IRS for outstanding tax liabilities, is quite simply inconceivable and unconscionable. Rachlin knew, or should have known, about the increasing tax liabilities of the Companies. As such, Rachlin was negligent and commit malpractice in its representation of both Mr. Amodeo and the Companies.

¹ Mr. Holtz served as director and chairman of the Board of Directors of Mirabilis Ventures, Inc. between 03/2006 - 02/2007.

² Ms. Khanorkar was employed by Mr. Amodeo's company, AQMI Strategy Corporation, between 08/2006 - 12/2006.