

## Disclosure Schedules to Asset Purchase Agreement

This Disclosure Schedule to Asset Purchase Agreement is dated as of the date of that certain Asset Purchase Agreement dated as of September 14, 2011 by and between C Port Solutions, Incorporated (“CPort”) and BTM Ventures, LLC (the “Agreement”). The information set forth herein shall amend the corresponding sections of the Agreement as described therein, and any other sections to the extent reasonably apparent.

Sections	Title
Section 1.2	Excluded Assets
Section 3.1(c)	Independent Party Agreements
Section 3.1(d)	Employment Related Agreements
Section 3.1(g)	Third Party Consents, Waivers and Non-Disclosure Agreements
Section 3.3	Trade Payables and Accrued Expenses
Section 4.3	Violations
Section 4.4	Consents
Section 4.5(a)	Financial Statements
Section 4.6	Inventory
Section 4.7	Accounts Receivables and Deliverables
Section 4.9	Certain Developments
Section 4.10	Undisclosed Liabilities
Section 4.11	Contracts
Section 4.14	Real Property
Section 4.14(b)	Business Intellectual Property
Section 4.14(j)	Outsourced Intellectual Property
Section 4.16	Employee Benefit Plans
Section 4.17	Employees
Section 4.18	Insurance
Section 4.20	Litigation
Section 4.22	Product Warranties
Section 4.24	Brokers and Finders
Section 6.10	Proportionate Shares
Section 7.1	Employee Offers

## Section 1.2 Excluded Assets

<u>No.</u>	<u>Excluded item</u>
	<b>Books, Records and Physical Assets</b>
1.	All bank accounts, corporate charter, minute and stock record books, income tax returns and reports, corporate seal, checkbooks and cancelled checks
2.	1995 Chevy Astro Van, VIN # 1GCDM19W5SB114943 registered to CPort
3.	2012 FastTrac FT7142 Trailer VIN: 1WF200F23C3098252
	<b>Agent and Independent Contractor Agreements</b>
4.	Agent Agreement by and between CPort (as successor in interest to Advanced Collaboration Solutions, LLC) and Mockingbird Partners, LLC dated as of November 6, 2009.
5.	Independent Contractor Services and Commission Agreement by and between GCI Consulting LLC and H2 Strategies, LLC d/b/a CPort
6.	Independent Contractor Agreement dated as of February 2, 2011 by and between CPort and Jeff Shaginaw d/b/a Crew.
7.	Sales Representative Agreement dated as of June 9, 2011 by and between Dabtek Electronics and CPort.
8.	Independent Contractor Services and Commission Agreement dated as of November 5, 2010 by and between M2 Solutions LLC and CPort
9.	Independent Contractor Services and Commission Agreement, dated as of May 3, 2011 by and between Douglas Hobbs and CPort.
10.	Independent Contractor Agreement dated as of January 24, 2011 by and between James H. Custer II and CPort
11.	Independent Contractor Services and Commission Agreement dated as of March 1, 2011 by and between Mark Beatty and CPort
12.	Independent Contractor Agreement dated as of March 1, 2011 by and between Mark Beatty and CPort.
13.	All other agent and Independent Contractor agreements entered into by the Seller and not listed hereon.
	<b>Customer Referral Agreements</b>
14.	Customer Referral Agreement dated as of September 29, 2009 by and between Premiere Global Services, Inc. and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
15.	Customer Referral Agreement dated as of September 29, 2009 by and between American Teleconferencing Services, Ltd. d/b/a Premiere Global Services and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
16.	Customer Referral Agreement dated as of January 24, 2011 by and between Kelly McCutchen and CPort



<b>No.</b>	<b><u>Excluded item</u></b>
17.	Customer Referral Agreement dated as of April 18, 2011 by and between Bryn Henderson and CPort
18.	Customer Referral Agreement dated as of December 23, 2010 by and between Dorsett Electrical & Cabling Co. and CPort
19.	Customer Referral Agreement dated as of February 3, 2011 by and between Gilbert Reese and CPort
20.	Customer Referral Agreement dated as of June 8, 2010 by and between Healthcare Institute for Neuro-Recovery Innovation and CPort
21.	All other Customer Referral Agreements entered into by the Seller and not listed hereon.
	<b>Reseller Agreements</b>
22.	Reseller Agreement dated as of January 21, 2010 by and between AVI-SPL and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
23.	Reseller Agreement dated as of February 5, 2010 by and between BridgeOne Global Solutions LLC and CPort
24.	All other Reseller Agreements entered into by the Seller and not listed hereon.
	<b>Non-Disclosure/Confidentiality Agreements</b>
25.	Non-Disclosure Agreement dated September 1, 2010 between CPort and Riverrock Bioscience
26.	Non-Disclosure Agreement dated September 1, 2010 between CPort and LifeSize Communications, Inc.
27.	Mutual Confidentiality Agreement dated June 7, 2011 between CPort and Herman Miller, Inc.
28.	Non-Disclosure Agreement dated January 7, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and AVI-SPL
29.	Non-Disclosure Agreement dated July 30, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Beatty Global Services, LLC
30.	Non-Disclosure Agreement dated January 14, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and BOI Solutions
31.	Non-Disclosure Agreement dated May 1, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Catalysta Partners
32.	Non-Disclosure Agreement dated November 11, 2010 between CPort and Electrical & Cabling Co.
33.	Non-Disclosure Agreement dated November 11, 2010 between CPort and M2 Solutions LLC

<b>No.</b>	<b>Excluded item</b>
34.	Non-Disclosure Agreement dated June 15, 2011 between CPort and Med-RC LLC
35.	Non-Disclosure Agreement dated April 5, 2010 between CPort and RMC Consulting LLC
36.	Non-Disclosure Agreement dated September 3, 2010 between CPort and Polycom Corp.
37.	Non-Disclosure Agreement dated June 8, 2010 between CPort and Healthcare Institute for Neuro-Recovery Innovation
38.	Non-Disclosure Agreement dated February 8, 2011 between CPort and SimplifyRx
39.	Mutual Non-Disclosure Agreement dated June 10, 2010 between CPort and Saint Joseph's Translational Research Institute, Inc.
40.	Non-Disclosure Agreement dated August 10, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Steve Keaverey
41.	Mutual Nondisclosure Agreement dated July 7, 2011 between CPort and Visto Corporation d/b/a Good Technology
42.	All other non-disclosure agreements existing as of the date hereof between CPort Solutions and another party, to the extent such non-disclosure agreements specifically prevent the assignment of such agreements to a third party.
	<b>Other Agreements</b>
43.	Accounts Receivable Factoring Agreement dated as of July 21, 2011 by and between Facteon, Inc. and CPort
44.	Master Services Agreement by and between Source Support Services, Inc. and CPort dated as of December 7, 2010

### Section 3.3 Trade Account Payables and Accrued Expenses

#### Trade Account Payables:

Vendor ID Vendor Contact Telephone 1	Amount Due	
ANTHILL Ant Hill Communications  404-343-3206	6,000.00	✓
ARKELOPE Arkelope Design, LLC Jeff Montgomery (601) 529-6019	7,111.33	✓
BEATTY Mark Beatty	5,024.25	✓
CABLEQUEST Cable Quest LLC  770-720-8230	6,615.89	✓
CANVASSYS Canvas Systems Steve Hyser	13,850.00	✓
CDW CDW Direct  847-465-6000	13,993.28	✓
CUSTER James H. Custer II	19,705.08	✓
DABADEE Demetrious Dabadee	3,390.00	✓
DATTA Nilanjan Datta	1,600.70	✓
EDMEADESM Michael Edmeades	2,257.41	✓

HARTFORD The Hartford  866-467-8730 Cust Se	2,425.22	
JOHNSON Ray Johnson	4,494.03	✓
KBZ KBZ Communications, Inc.  215-348-9481	60,238.39	✓
MAXMEDIA Maxmedia, Inc.  404-564-0063	6,970.00	✓
MCLAIN James McLain	782.28	✓
MDI Micro Depot, Inc. Miles Melton 770-263-0339	13,373.00	✓
MORRISMANNING Morris, Manning and Martin. LLP  404-233-7000	9,854.90	✓
MULLER Peter Muller	667.99	✓
NELSONMULLINS Nelson Mullins Riley & Scarborough LLP	20,000.00	✓
PAETEC PAETEC Communications, Inc. Carly Pantano 585-340-2823	3,638.42	✓
PORTERLAWFIRM The Porter Law Firm  404-219-6113	7,140.00	✓
SANDERS Larry Sanders	5,589.10	✓
SCANSOURCE ScanSource Communications, Inc.	23,796.80	✓

1-877-847-7000

SMITHT  
Turner T. Smith III

159.00 ✓

XPANXION  
Xpanxion, LLC  
Nick Eurek  
678-867-0699

58,640.42 ✓

**Report Total**

**297,317.49**

Other Payables:

<u>Item</u>	<u>Amount</u>
Advance from-H2 Strategies	\$39,150.00 ✓
July Payrolls-accrued	\$62,029.50
August Payrolls -accrued	\$72,904.08
Offset from advances-Lee	\$(7,593.51)
Sept 13 Payroll	\$24,294.71
Total	\$190,784.78

### **Section 3.1(c) Offer Letters; Non-Disclosure Agreements**

1. Executed Offer Letter from James H. Custer II
2. Executed Distribution Agreement from Enterprise Collaboration Solutions, Inc.
3. Non-Disclosure/Non-Solicitation Agreements from the following individuals:
  - Louie P. Hicks II
  - Jeff Montgomery
  - J. Stephen Hufford
  - Jackson Houk
  - Randolph W. Salisbury
  - Charles R. Trippe



### **Section 3.1(d) Employment Related Agreements**

Muller, Peter M

Edmeades, Michael D

Sanders, Laurence E

Johnson, Raymond M

Kassens, David J

Datta, Nilanjan

Smith, Turner T

**Section 3.1(g) Third Party Consents, Waivers and Non-Disclosure Agreements**

Consent to assignment will be required from the following:

1. Canvas Solutions, Inc.
2. Paetec

### **Section 4.3    Violations**

See Section 4.4 of the Disclosure Schedule.

#### **Section 4.4 Consents**

Pursuant to the terms of thereof, each of the following Business Contracts cannot be assigned without the consent of the non-assigning contracting party:

1. Assembly, Distribution and Maintenance Agreement dated as of April 26, 2010 by and between CPort and Canvas Systems, LLC
2. Master Services Agreement by and between Source Support Services, Inc. and CPort dated as of December 7, 2010.
3. Non-Disclosure Agreement dated September 1, 2010 between CPort and Riverrock Bioscience
4. Non-Disclosure Agreement dated September 1, 2010 between CPort and LifeSize Communications, Inc.
5. Agent Agreement by and between CPort (as successor in interest to Advanced Collaboration Solutions, LLC) and Mockingbird Partners, LLC dated as of November 6, 2009.
6. Distributor Agreement by and between Rubbermaid Commercial Products LLC (d/b/a Rubbermaid Medical Solutions) dated as of April 1, 2011
7. Mutual Confidentiality Agreement dated June 7, 2011 between CPort and Herman Miller, Inc.
8. Service Agreement Quote Number 356363 by and between PAETEC and CPort dated June 14, 2010
9. Non-Disclosure Agreement dated January 7, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and AVI-SPL
10. Non-Disclosure Agreement dated July 30, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Beatty Global Services, LLC
11. Non-Disclosure Agreement dated January 14, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and BOI Solutions
12. Non-Disclosure Agreement dated May 1, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Catalysta Partners
13. Non-Disclosure Agreement dated November 11, 2010 between CPort and Electrical & Cabling Co.
14. Non-Disclosure Agreement dated November 11, 2010 between CPort and M2 Solutions LLC
15. Non-Disclosure Agreement dated June 15, 2011 between CPort and Med-RC LLC
16. Non-Disclosure Agreement dated April 5, 2010 between CPort and RMC Consulting LLC
17. Non-Disclosure Agreement dated September 3, 2010 between CPort and Polycom Corp.
18. Non-Disclosure Agreement dated June 8, 2010 between CPort and Healthcare Institute for Neuro-Recovery Innovation
19. Non-Disclosure Agreement dated February 8, 2011 between CPort and SimplifyRx



20. Mutual Non-Disclosure Agreement dated June 10, 2010 between CPort and Saint Joseph's Translational Research Institute, Inc.
21. Non-Disclosure Agreement dated August 10, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Steve Keaverey
22. Mutual Nondisclosure Agreement dated July 7, 2011 between CPort and Visto Corporation d/b/a Good Technology

#### **Section 4.5(a) Financial Statements**

Attached are the following:

1. Financial Statements, including balance sheet, statement of income and cash flows, of CPort as of December 31, 2010.
2. Interim Financial Statements, including balance sheet, statement of income and cash flows, of CPort as of July 31, 2011.

# C Port Solutions, Inc.

Financial Statements  
As of December 31, 2010  
And for the Period then Ended  
(unaudited)

**C-Port Solutions, Incorporated**  
**Balance Sheet**  
**December 31, 2010**

Assets

Current Assets:

Cash	\$ 263,349.98
Accounts Receivable-Trade	628,352.15
Accounts Receivable-Other	13,764.67
Inventory	328,667.42
Prepaid Insurance	10,059.29
Prepaid-Other	<u>12,305.03</u>

Total Current Assets	1,256,498.54
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Property and Equipment:

Equipment-Demo	181,324.15
Software	112,531.47
Van	3,000.00
Furniture & Fixtures	7,748.20
Other Fixed Assets	0.00
Less: Accumulated Depreciation	<u>(48,287.56)</u>

Total Property and Equipment	256,316.26
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Other Assets:

Deposits	<u>800.00</u>
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Total Other Assets	<u>800.00</u>
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Total Assets	<u><u>\$ 1,513,614.80</u></u>
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Liabilities and Stockholders' Equity

Current Liabilities:

Accounts Payable-Trade	\$ 225,882.79
Accounts Payable-Other	40,000.00
Sales Tax Payable	30,000.00
Accrued Warranty Expense	4,467.65
Accrued Interest	2,520.34
Deferred Revenue	<u>765,972.08</u>

Total Current Liabilities	1,068,842.86
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Long-Term Liabilities:

Loan Payable	<u>500,000.00</u>
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Total Long-Term Liabilities	500,000.00
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Total Liabilities	<u>1,568,842.86</u>
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Stockholders' Equity

Paid in Capital	500,000.00
Net Income (Loss)	<u>(55,228.06)</u>

Total Stockholders' Equity (Deficit)	<u>(55,228.06)</u>
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Total Liabilities & Equity	<u><u>\$ 1,513,614.80</u></u>
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**C-Port Solutions, Incorporated**  
**Income Statement**  
**For the Month and Year to Date Ended December 31, 2010**

	<u>Current-Actual</u>	<u>%</u>	<u>YTD-Actual</u>	<u>%</u>
<b><u>Revenues:</u></b>				
Mobile Collaboration Units	\$ 518,292.00	97.40	\$ 713,979.00	86.87
Mimio Interactive	0.00	0.00	6,561.68	0.80
Other	13,854.53	2.60	101,338.79	12.33
Total Revenues	532,146.53	100.00	821,879.47	100.00
<b><u>Cost of Sales:</u></b>				
Mobile Collaboration Units	395,500.36	74.32	505,167.76	61.46
Mimio Interactive	0.00	0.00	916.00	0.11
Outside Commissions	0.00	0.00	27,472.93	3.34
Reim. Expenses	758.04	0.14	95,305.87	11.60
Professional Services	0.00	0.00	8,373.00	1.02
Other	10,690.17	2.01	13,686.41	1.67
Total Cost of Sales	406,948.57	76.47	650,921.97	79.20
Gross Profit	125,197.96	23.53	170,957.50	20.80
<b><u>Operating Expenses:</u></b>				
Depreciation	42,954.59	8.07	42,954.59	5.23
Employee Benefits	10,907.85	2.05	61,761.40	7.51
Insurance	1,557.42	0.29	13,817.28	1.68
Office Expense	(1,248.41)	(0.23)	15,565.48	1.89
Other Operating Expenses	(9,868.26)	(1.85)	27,892.40	3.39
Professional Fees	0.00	0.00	4,604.35	0.56
Recruiting/Training	0.00	0.00	0.00	0.00
Rent	2,400.00	0.45	22,732.46	2.77
Salaries & Wages	73,280.64	13.77	395,930.36	48.17
Sales & Marketing	4,184.32	0.79	47,072.54	5.73
Telecom & Connectivity	5,011.60	0.94	18,659.57	2.27
Travel, Meals & Entertainment	26,428.60	4.97	50,342.75	6.13
Total Operating Expenses	155,608.35	29.24	701,333.18	85.33
Operating Income (Loss)	(30,410.39)	(5.71)	(530,375.68)	(64.53)
<b><u>Other Income (Expense):</u></b>				
Interest Expense	(2,525.40)	(0.47)	(2,928.23)	(0.36)
Interest Income	64.40	0.01	721.39	0.09
Factoring Expense	0.00	0.00	(20,297.82)	(2.47)
Other	2.46	0.00	(2,347.72)	(0.29)
Total Other Inc (Exp)	(2,458.54)	(0.46)	(24,852.38)	(3.02)
Net Income before Taxes	(32,868.93)	(6.18)	(555,228.06)	(67.56)
Income Taxes	0.00	0.00	0.00	0.00
<b>Net Income</b>	<b>(\$ 32,868.93)</b>	<b>(6.18)</b>	<b>(\$ 555,228.06)</b>	<b>(67.56)</b>

**C-Port Solutions, Incorporated**  
**Income Statement-Actual vs Budgeted**  
**For the Month and Year to Date Ended December 31, 2010**

	<u>Current-Actual</u>	<u>Current-Budget</u>	<u>Current-Variance</u>	<u>YTD-Actual</u>	<u>YTD-Budget</u>	<u>YTD-Variance</u>
<b><u>Revenues:</u></b>						
Mobile Collaboration Units	\$ 518,292.00	\$ 100,519.00	417,773.00	\$ 713,979.00	\$ 270,898.00	\$ 443,081.00
Mimio Interactive	0.00	0.00	0.00	6,561.68	0.00	6,561.68
Other	13,854.53	254,812.77	(240,958.24)	101,338.79	1,121,615.98	(1,020,277.19)
Total Revenues	532,146.53	355,331.77	176,814.76	821,879.47	1,392,513.98	(570,634.51)
<b><u>Cost of Sales:</u></b>						
Mobile Collaboration Units	395,500.36	50,918.00	344,582.36	505,167.76	150,612.00	354,555.76
Mimio Interactive	0.00	0.00	0.00	916.00	0.00	916.00
Outside Commissions	0.00	52,129.00	(52,129.00)	27,472.93	229,457.00	(201,984.07)
Reim. Expenses	758.04	0.00	758.04	95,305.87	0.00	95,305.87
Professional Services	0.00	0.00	0.00	8,373.00	0.00	8,373.00
Other	10,690.17	99,912.00	(89,221.83)	13,686.41	439,168.00	(425,481.59)
Total Cost of Sales	406,948.57	202,959.00	203,989.57	650,921.97	819,237.00	(168,315.03)
Gross Profit	125,197.96	152,372.77	(27,174.81)	170,957.50	573,276.98	(402,319.48)
<b><u>Operating Expenses:</u></b>						
Depreciation	42,954.59	5,665.31	37,289.28	42,954.59	48,696.12	(5,741.53)
Employee Benefits	10,907.85	18,063.33	(7,155.48)	61,761.40	132,200.65	(70,439.25)
Insurance	1,557.42	1,750.00	(192.58)	13,817.28	15,750.00	(1,932.72)
Office Expense	(1,248.41)	1,430.00	(2,678.41)	15,565.48	11,010.00	4,555.48
Other Operating Expenses	(9,868.26)	10,835.00	(20,703.26)	27,892.40	46,915.00	(19,022.60)
Professional Fees	0.00	11,000.00	(11,000.00)	4,604.35	99,000.00	(94,395.65)
Recruiting/Training	0.00	900.00	(900.00)	0.00	6,900.00	(6,900.00)
Rent	2,400.00	1,800.00	600.00	22,732.46	16,200.00	6,532.46
Salaries & Wages	73,280.64	52,916.69	20,363.95	395,930.36	404,583.45	(8,653.09)
Sales & Marketing	4,184.32	17,800.00	(13,615.68)	47,072.54	99,900.00	(52,827.46)
Telecom & Connectivity	5,011.60	2,798.00	2,213.60	18,659.57	23,954.00	(5,294.43)
Travel, Meals & Entertainment	26,428.60	17,980.00	8,448.60	50,342.75	161,580.00	(111,237.25)
Total Operating Expenses	155,608.35	142,938.33	12,670.02	701,333.18	1,066,689.22	(365,356.04)
Operating Income	(30,410.39)	9,434.44	(39,844.83)	(530,375.68)	(493,412.24)	(36,963.44)
<b><u>Other Income (Expense):</u></b>						
Interest Expense	(2,525.40)	0.00	(2,525.40)	(2,928.23)	0.00	(2,928.23)
Interest Income	64.40	2,194.13	(2,129.73)	721.39	9,683.53	(8,962.14)
Factoring Expense	0.00	(166,314.57)	166,314.57	(20,297.82)	(1,041,164.99)	1,020,867.17
Other	2.46	0.00	2.46	(2,347.72)	0.00	(2,347.72)
Total Other Inc (Exp)	(2,458.54)	(164,120.44)	161,661.90	(24,852.38)	(1,031,481.46)	1,006,629.08
Net Income before Taxes	(32,868.93)	(154,686.00)	121,817.07	(555,228.06)	(1,524,893.70)	969,665.64
Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	<b>(\$ 32,868.93)</b>	<b>(\$ 154,686.00)</b>	<b>\$ 121,817.07</b>	<b>(\$ 555,228.06)</b>	<b>(\$ 1,524,893.70)</b>	<b>\$ 969,665.64</b>



**C-Port Solutions, Incorporated**  
**Statement of Cash Flows**  
**For the Month and Year to Date Ended December 31, 2010**  
**Increase (Decrease) in Cash and Cash Equivalents**

	<u>Current Month</u>	<u>YTD</u>
<b>Cash flows from operating activities:</b>		
Net Loss	\$ (32,868.93)	\$ (555,228.06)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,287.56	48,287.56
Loss (Gain) Sale of Assets	-	2,439.27
Net change in current assets and liabilities:		
Accounts Receivable	(464,359.64)	(642,116.82)
Inventory	173,074.88	(328,667.42)
Prepaid Expenses	(2,360.36)	(22,364.32)
Deposits	-	(800.00)
Accounts Payable-Trade	137,262.90	225,882.79
Accounts Payable-Other	(10,513.94)	40,000.00
Sales Tax Payable	29,918.00	30,000.00
Accrued Expenses	5,792.24	6,987.99
Deferred Revenue	66,205.62	765,972.08
Total Adjustments	<u>(64,980.30)</u>	<u>74,894.30</u>
Net cash provided (used) in operating activities	<u>(49,561.67)</u>	<u>(429,606.93)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of assets	-	2,239.95
Purchases of fixed assets	<u>(36,864.48)</u>	<u>(309,283.04)</u>
Net cash used in investing activities	<u>(36,864.48)</u>	<u>(307,043.09)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of stock	-	500,000.00
Proceeds from loan	<u>-</u>	<u>500,000.00</u>
Net cash provided by financing activities	<u>-</u>	<u>1,000,000.00</u>
Net increase in cash and cash equivalents	<u>(86,426.15)</u>	<u>263,349.98</u>
Cash and cash equivalents at beginning of period	<u>349,776.13</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 263,349.98</u>	<u>\$ 263,349.98</u>

**Supplementary disclosures of cash flow information:**

Cash paid during the year for:

Interest	5.06	407.89
Income tax	-	-

**Supplementary schedule for noncash investing and financing activities:**

# C Port Solutions, Inc.

Financial Statements  
As of July 31, 2011  
And for the Period then Ended  
(unaudited)



**C-Port Solutions, Incorporated**  
**Balance Sheet**  
**July 31, 2011**

Assets

Current Assets:		
Cash	(\$ 1,173.08)	
Accounts Receivable-Trade	109,980.55	
Accounts Receivable-Other	13,186.30	
Inventory	145,201.06	
Prepaid Insurance	15,134.59	
Prepaid Exp.-Other	35,101.19	
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Total Current Assets		317,430.61
Property and Equipment:		
Equipment-Demo	217,985.55	
Software	149,771.89	
Vehicles/Trailers	7,044.47	
Furniture & Fixtures	9,443.20	
Other Fixed Assets	21,820.29	
Less: Accumulated Depreciation	(111,920.31)	
	<hr/>	
Total Property and Equipment		294,145.09
Other Assets:		
Deposits	800.00	
	<hr/>	
Total Other Assets		800.00
		<hr/>
Total Assets		<u><u>\$ 612,375.70</u></u>

Liabilities and Stockholders' Equity

Current Liabilities:		
Accounts Payable-Trade	\$ 345,150.04	
Accounts Payable-Other	101,179.50	
Accrued Expense-Warranty	5,433.63	
Accrued Interest	14,135.82	
Deferred Revenue	520,691.96	
	<hr/>	
Total Current Liabilities		986,590.95
Long-Term Liabilities:		
Loan Payable	500,000.00	
	<hr/>	
Total Long-Term Liabilities		500,000.00
		<hr/>
Total Liabilities		1,486,590.95
Stockholders' Equity		
Paid in Capital	500,000.00	
Retained Earnings	(555,228.06)	
Net Income	(818,987.19)	
	<hr/>	
Total Stockholders' Equity		(874,215.25)
		<hr/>
Total Liabilities & Equity		<u><u>\$ 612,375.70</u></u>

**C-Port Solutions, Incorporated**  
**Income Statement**  
**For the Month and Year to Date Ended July 31, 2011**

	<u>Current-Actual</u>	<u>%</u>	<u>YTD-Actual</u>	<u>%</u>
<b><u>Revenues:</u></b>				
Mobile Collaboration Units	\$ 24,232.00	80.04	\$ 743,485.74	94.31
Mimio Interactive	0.00	0.00	2,200.00	0.28
Other	6,044.51	19.96	42,620.22	5.41
Total Revenues	30,276.51	100.00	788,305.96	100.00
<b><u>Cost of Sales:</u></b>				
Mobile Collaboration Units	15,419.96	50.93	734,614.99	93.19
Mimio Interactive	0.00	0.00	1,831.96	0.23
Outside Commissions	0.00	0.00	300.00	0.04
Reim. Expenses	0.00	0.00	2,206.94	0.28
Prof. Services	0.00	0.00	0.00	0.00
Other	2,429.18	8.02	43,632.23	5.53
Total Cost of Sales	17,849.14	58.95	782,586.12	99.27
Gross Profit	12,427.37	41.05	5,719.84	0.73
<b><u>Operating Expenses:</u></b>				
Depreciation	9,051.04	29.89	56,166.59	7.12
Employee Benefits	15,930.90	52.62	94,264.36	11.96
Insurance	1,601.58	5.29	11,485.67	1.46
Office Expense	119.28	0.39	11,369.01	1.44
Other Operating Expenses	6,301.21	20.81	85,840.81	10.89
Professional Fees	0.00	0.00	9,100.00	1.15
Recruiting/Training	0.00	0.00	0.00	0.00
Rent	3,485.00	11.51	22,225.00	2.82
Salaries & Wages	57,949.96	191.40	390,967.06	49.60
Sales & Marketing	(1,475.00)	(4.87)	45,205.27	5.73
Telecom & Connectivity	3,279.70	10.83	27,611.10	3.50
Travel, Meals & Entertainment	1,807.95	5.97	59,306.00	7.52
Total Operating Expenses	98,051.62	323.85	813,540.87	103.20
Operating Income	(85,624.25)	(282.81)	(807,821.03)	(102.48)
<b><u>Other Income (Expense):</u></b>				
Interest Expense	(1,698.49)	(5.61)	(11,615.48)	(1.47)
Interest Income	0.00	0.00	144.50	0.02
Other	0.00	0.00	304.82	0.04
Total Other Inc (Exp)	(1,698.49)	(5.61)	(11,166.16)	(1.42)
Net Income before Taxes	(87,322.74)	(288.42)	(818,987.19)	(103.89)
Income Taxes	0.00	0.00	0.00	0.00
<b>Net Income</b>	<b>(\$ 87,322.74)</b>	<b>(288.42)</b>	<b>(\$ 818,987.19)</b>	<b>(103.89)</b>

**C-Port Solutions, Incorporated**  
**Statement of Cash Flows**  
**For the Month and Year to Date Ended July 31, 2011**  
**Increase (Decrease) in Cash and Cash Equivalents**

	<u>Current Month</u>	<u>YTD</u>
<b>Cash flows from operating activities:</b>		
Net Loss	\$ (87,322.74)	\$ (818,987.19)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,117.63	63,632.75
Loss (Gain) Sale of Assets	-	-
Net change in current assets and liabilities:		
Accounts Receivable	(72,692.21)	518,949.97
Inventory	337.98	183,466.36
Prepaid Expenses	(10,101.31)	(27,871.46)
Deposits	-	-
Accounts Payable-Trade	10,296.16	119,267.25
Accounts Payable-Other	10,476.50	61,179.50
Sales Tax Payable	-	(30,000.00)
Accrued Expenses	1,360.11	12,581.46
Deferred Revenue	63,272.49	(245,280.12)
Total Adjustments	<u>2,949.72</u>	<u>592,292.96</u>
Net cash provided (used) in operating activities	(74,255.39)	(163,061.48)
<b>Cash flows from investing activities:</b>		
Proceeds from sale of assets	-	-
Purchases of fixed assets	(500.00)	(101,461.58)
Net cash used in investing activities	(500.00)	(101,461.58)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of stock	-	-
Proceeds from loan	-	-
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	(74,755.39)	(264,523.06)
Cash and cash equivalents at beginning of period	73,582.31	263,349.98
Cash and cash equivalents at end of period	<u>\$ (1,173.08)</u>	<u>\$ (1,173.08)</u>

**Supplementary disclosures of cash flow information:**

Cash paid during the year for:

Interest	-	-
Income tax	-	-

**Supplementary schedule for noncash investing and financing activities:**

#### **Section 4.6 Inventory**

Each of the following suppliers is a bailee of CPort and maintains inventory at its location in the amounts and types set forth below:

1. Canvas Systems, 3025 Northwoods Parkway, Norcross, Georgia 30071
  - a. Small parts including nuts, bolts, zip ties, screws etc. - \$300.00
2. DYNICS, Inc., 4330 Varsity Drive, Ann Arbor, Michigan 48108
  - a. 70" OmniPORT with Cables - \$15,000.00
  - b. 3 ea 22" C Views - \$11,400.00

Each of the above listed suppliers has outstanding invoices with CPort. Canvas is contractually allowed to retain inventory pending payment. There is no written contractual agreement with Dynics, therefore, CPort has no written contractual right to the inventory pending payment therefor.



## Section 4.7   Accounts Receivable

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM #	Amount Due
L&T L&T Infotech Ltd Punneet Singal	153	2,524.00
L&T L&T Infotech Ltd		2,524.00
RMS Rubbermaid Medical Solutions	152 155	2,275.00 404.25
RMS Rubbermaid Medical Solutions		2,679.25
Report Total		5,203.25

#### Section 4.9 Certain Developments

None.

**Section 4.10 Undisclosed Liabilities**

None

#### **Section 4.11 Contracts**

1. Non-Disclosure Agreement dated January 15, 2010 between CPort and Raymond Johnson
2. Non-Disclosure Agreement dated May 15, 2010 between CPort and David Kassens
3. Non-Disclosure Agreement dated February 29, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Peter Muller
4. Non-Disclosure Agreement dated April 12, 2010 by and between The Datta Group and CPort
5. Non-Disclosure Agreement dated s February 15, 2011 by and between Turner T Smith and CPort
6. Non-Disclosure Agreement dated December 29, 2010 by and between Lee Hicks and CPort
7. Non-Disclosure Agreement dated July 30, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Sanders & Associates International
8. Non-Disclosure Agreement dated June 6, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Arkelope
9. Non-Disclosure Agreement dated September 7, 2011 between Michael Edmeades and C Port
10. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and Peter Muller
11. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and Michael Edmeades
12. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and Louie P. Hicks
13. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and Raymond M. Johnson
14. Intellectual Property Rights Assignment Agreement dated as of May 1, 2010 between CPort and David Kassens
15. Intellectual Property Rights Assignment Agreement dated as of May 1, 2010 between CPort and Laurence E. Sanders
16. Intellectual Property Rights Assignment Agreement dated as of February 16, 2011 between CPort and Turner Taliaferro Smith, III
17. Noncompetition Agreement dated as of December 3, 2010 between CPort and Nilanjan Datta
18. Noncompetition Agreement dated as of February 16, 2011 between CPort and Turner T Smith III
19. Non-Disclosure Agreement dated January 7, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and AVI-SPL
20. Non-Disclosure Agreement dated July 30, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Beatty Global Services, LLC

21. Non-Disclosure Agreement dated January 14, 2010 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and BOI Solutions
22. Non-Disclosure Agreement dated May 1, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Catalysta Partners
23. Non-Disclosure Agreement dated November 11, 2010 between CPort and Electrical & Cabling Co.
24. Mutual Confidentiality Agreement dated June 7, 2011 between CPort and Herman Miller, Inc.
25. Non-Disclosure Agreement dated November 11, 2010 between CPort and M2 Solutions LLC
26. Non-Disclosure Agreement dated September 1, 2010 between CPort and LifeSize Communications, Inc.
27. Non-Disclosure Agreement dated June 15, 2011 between CPort and Med-RC LLC
28. Non-Disclosure Agreement dated April 5, 2010 between CPort and RMC Consulting LLC
29. Non-Disclosure Agreement dated September 3, 2010 between CPort and Polycom Corp.
30. Non-Disclosure Agreement dated September 1, 2010 between CPort and Riverrock Bioscience
31. Non-Disclosure Agreement dated June 8, 2010 between CPort and Healthcare Institute for Neuro-Recovery Innovation
32. Non-Disclosure Agreement dated February 8, 2011 between CPort and SimplifyRx
33. Mutual Non-Disclosure Agreement dated June 10, 2010 between CPort and Saint Joseph's Translational Research Institute, Inc.
34. Non-Disclosure Agreement dated August 10, 2009 between CPort (as successor in interest to Advanced Collaboration Solutions, Inc.) and Steve Keaverey
35. Mutual Nondisclosure Agreement dated July 7, 2011 between CPort and Visto Corporation d/b/a Good Technology
36. Contract for Provision of Professional Graphic and Web-Based Products and Services dated as of June 1, 2009 by and between Arkelope Design, LLC and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
37. Reseller Agreement dated as of January 21, 2010 by and between AVI-SPL and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
38. Reseller Agreement dated as of February 5, 2010 by and between BridgeOne Global Solutions LLC and CPort
39. Domain Name Renewal between GoDaddy.com and CPort dated October 17, 2010
40. Assembly, Distribution and Maintenance Agreement dated as of April 26, 2010 by and between CPort and Canvas Systems, LLC
41. Customer Referral Agreement dated as of January 24, 2011 by and between Kelly McCutchen and CPort



42. Independent Contractor Services and Commission Agreement by and between GCI Consulting LLC and H2 Strategies, LLC d/b/a CPort
43. Agent Agreement by and between CPort (as successor in interest to Advanced Collaboration Solutions, LLC) and Mockingbird Partners, LLC dated as of November 6, 2009.
44. Engagement Letter dated as of August 5, 2011 by and between Nelson Mullins Riley & Scarborough LLP and CPort
45. Customer Referral Agreement dated as of September 29, 2009 by and between Premiere Global Services, Inc. and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
46. Customer Referral Agreement dated as of September 29, 2009 by and between American Teleconferencing Services, Ltd. d/b/a Premiere Global Services and CPort (as successor in interest to Advanced Collaboration Solutions, Inc.)
47. Engagement Letter dated as of February 9, 2011 by and between ThePorterLawFirm and CPort
48. Independent Contractor Agreement dated as of February 2, 2011 by and between CPort and Jeff Shaginaw d/b/a Crew.
49. Master Services Agreement by and between Source Support Services, Inc. and CPort dated as of December 7, 2010.
50. Master Services Agreement dated as of April 26, 2010 by and between Xpansion, LLC and CPort
51. Assignment of Intellectual Property dated as of October 7, 2010 by Xpansion, LLC in favor of CPort
52. Distributor Agreement by and between Rubbermaid Commercial Products LLC (d/b/a Rubbermaid Medical Solutions) dated as of April 1, 2011
53. Accounts Receivable Factoring Agreement dated as of July 21, 2011 by and between Facteon, Inc. and CPort
54. Customer Referral Agreement dated as of April 18, 2011 by and between Bryn Henderson and CPort
55. Customer Referral Agreement dated as of December 23, 2010 by and between Dorsett Electrical & Cabling Co. and CPort
56. Sales Representative Agreement dated as of June 9, 2011 by and between Dabtek Electronics and CPort.
57. Customer Referral Agreement dated as of February 3, 2011 by and between Gilbert Reese and CPort
58. Independent Contractor Services and Commission Agreement dated as of November 5, 2010 by and between M2 Solutions LLC and CPort
59. Non-Disclosure Agreement dated February 9, 2010 by and between East West Manufacturing and CPort
60. Non-Disclosure Agreement by and between Jay Stratton and CPort

61. Engagement Letter dated July 28, 2010 by and between Morris, Manning and Martin and CPort
62. Customer Referral Agreement dated as of June 8, 2010 by and between Healthcare Institute for Neuro-Recovery Innovation and CPort
63. Intellectual Property Rights Assignment Agreement dated as of July 27, 2008 between CPort and Charles R. Trippe, Sr.
64. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and James H. Custer II
65. Intellectual Property Rights Assignment Agreement dated as of July 1, 2010 between CPort and J. Peter McLain
66. Intellectual Property Rights Assignment Agreement dated August 29, 2011 between CPort and Mark Beatty
67. Master Service Agreement made as of November 1, 2010 between CPort and Ripple IT, LLC
68. Independent Contractor Services and Commission Agreement, dated as of May 3, 2011 by and between Douglas Hobbs and CPort.
69. Any and all software licenses, including shrink-wrap licenses, issued to CPort supporting any and all software running CPort hardware and/or operations
70. Service Agreement Quote number 356363 PAETEC Telecommunications
71. Independent Contractor Agreement dated as of January 24, 2011 by and between James H. Custer II and CPort
72. Independent Contractor Services and Commission Agreement dated as of March 1, 2011 by and between Mark Beatty and CPort
73. Independent Contractor Agreement dated as of March 1, 2011 by and between Mark Beatty and CPort.
74. Non-Disclosure Agreement dated January 24, 2011 by and between James H. Custer II and CPort

#### **Section 4.14 Real Property**

CPort subleases space at 2160 Hills Avenue, Suite A, Atlanta, GA 30318 from Max Media at a rate of \$3,835 per month on a month-to-month lease, the terms of which are set forth in email correspondence between the parties, which includes two (2) offices and one (1) warehouse unit.

## **Section 4.14(b) Business Intellectual Property**

### **Patent Applications**

Provisional patent application 61317150 was filed with the United States Patent and Trademark Office March 24, 2010. Such application has since been abandoned or lapsed.

### **Material Unregistered Trademarks**

1. CPort
2. Omni-Port
3. Tele-Port
4. Medi-Port
5. NavPort
6. Duo-Port
7. Tri-Port
8. CPort Solutions
9. SmartPod

### **Domain Names**

1. <http://www.cportsolutions.com/>
2. <http://www.mobile-telehealth.com/>
3. <http://www.mobiletelehealth.org/>

Also have rights to cportsolutions.info, cportsolutions.me, cportsolutions.net, cportsolutions.org, cportsolutions.mobi and cportsolutions.biz, registered through GoDaddy.com

**Section 4.14(j)      Outsourced Intellectual Property**

Xpansion, LLC has developed a second generation NavPort solution which shall be delivered to CPort upon payment of all outstanding sums owing to Xpansion. Xpansion shall deliver with the new software solution together with an assignment of all rights with respect to such software upon final payment.



## **Section 4.16 Employee Benefit Plans**

### **Summary of Benefits:**

1. Health Insurance
2. Dental Insurance
3. Health Saving Account
4. Life Insurance
5. Long Term Disability Insurance
6. AD&D Insurance

### **Section 4.17 Employees**

All salaries, wages and payroll taxes have been paid in full to CPort employees through pay period ending June 30, 2011. CPort has not paid employees' salaries, wages, commissions or payroll taxes on any amounts owed to employees from July 1, 2011 to date. All such amount shall be paid to the employees at closing from the Liability Satisfaction Amount.

#### **CPort Employees**

	Name	Title	<u>Hire Date</u>	<u>Current Salary/Wage</u>	<u>Bonus</u>	<u>Accrued Vacation</u>	<u>Active/ Inactive</u>
1	Hicks II, Louie P	CEO	5/1/2010	80,000	None	None	Active
2	Muller, Peter M	SVP-Business Develop. & Strategy	5/1/2010	80,000	None	None	Active
3	Edmeades, Michael D	SVP-Marketing & International Biz Develop	5/1/2010	80,000	None	None	Active
4	Sanders, Laurence E	SVP-Manufacturing & Supply Chain	5/1/2010	80,000	None	None	Active
5	Johnson, Raymond M	SVP-Business Development	5/1/2010	80,000	None	None	Active
6	Montgomery, Jeff M	IT Administrator	5/1/2010	11,400	None	None	Active
7	Kassens, David J	SVP-Finance	5/1/2010	80,000	None	None	Active
8	McLain, Peter J*	VP-Bus Dev (Gov. & Medical)	7/1/2010	72,000	None	None	Inactive
9	Datta, Nilanjan	SVP-Product & Services	12/1/2010	60,000	None	None	Active
10	Smith, Turner T	Senior Director-Healthcare Solutions	2/16/2011	72,000	None	None	Active

\*Peter McLain became an employee of Rubbermaid Medical Solutions as of August 22, 2011.

## Section 4.18 Insurance

### Auto Insurance

Insurer: Sentinel Insurance Company LTD  
Insured: CPort  
Binder: 20UECHH0312  
Amount: \$1,000,000  
Premium: \$2,245.00  
Expiration Date: March 31, 2012

### Key Man Life Insurance

Insurer: ReliaStar Life Insurance Company  
Insured: Louie P. Hicks II  
Policy Date: July 5, 2010  
Policy Number: AD20296415  
Amount: \$1,000,000  
Premium: \$798.00  
Expiration Date: June 30, 2012

### Director and Officers Insurance

Insurer: Twin City Fire Insurance Company  
Insured: CPort  
Policy Number: 00KB 0262804 10  
Amount:  
Premium:  
Expiration Date: Terminated May 2011 due to under capitalization of the Business

### Property / General Liability / Umbrella Insurance

Insurer: Sentinel Insurance Company LTD  
Insured: CPort  
Binder: 20SBAPO5563  
Amount: \$175,000 / \$2,000,000 / \$5,000,000  
Premium: \$10,236.00  
Expiration Date: March 31, 2012

### Workers Compensation

Insurer: Hartford Fire Insurance Company  
Insured: CPort  
Binder: 20WECZI9618  
Amount: \$500,000.00  
Premium: \$1,459.00  
Expiration Date: March 31, 2012

**Section 4.20   Litigation**

None

#### **Section 4.22 Product Warranties**

1. Each of the products sold by CPort are backed up by warranties, some such warranties are initially serviced by Source Support Services, the balance of which, include tier 2 warranty cover on the Source Support Services units, is provided by CPort Warranties on the units runs from 12 months to 36 months.
2. CPort passes through all manufacturer warranties to its customers.
3. CPort has received at least 4 reports that cameras supplied by LifeSize were not operating properly. LifeSize has responded to all warranty claims in respect of those units and has fixed the issued.



**Section 4.24 Brokers and Finders**

None

### Section 6.10 Proportionate Share

<u>Shareholder*</u>	<u>Shares of Outstanding Stock of CPort*</u>	<u>Percentage Ownership*</u>
Lee Hicks	2,050,720	45.6%
Steve Hufford	640,823	14.2%
Michael Edmeades	429,925	9.6%
Jackson Houk	225,001	5.0%
Peter Muller	213,617	4.7%
Larry Sanders	213,617	4.7%
Randy Salisbury	213,617	4.7%
Ray Johnson	213,617	4.7%
Chuck Trippe	42,723	0.9%
David Kassens	42,723	0.9%
Nilanjan Datta (Pap)	213,617	4.7%

\*After giving effect to the forfeit of the BTM Ventures LLC shares.

## **Section 7.1 Employment Offers**

Muller, Peter M

Edmeades, Michael D

Sanders, Laurence E

Johnson, Raymond M

Kassens, David J

Datta, Nilanjan

Smith, Turner T