

**Chapter 1 – These history1-4.pdf's are in response to Chris, Keith's & Karen's story they sent out to all my family members in June of 2001.**

## **The First Five Years**

Some of you may not know but I started developing software in the early 80's. I developed many applications for many companies, large and small. So, by the time I called Keith with the insurance idea I already had 10 years of experience writing code. In addition, everyone knows I've been involved in electronics, analog & digital forever.

In 1985 I came up with an idea of having people call into an automated system to request information by fax. I came up with the idea at Western Region Marketing when I noticed Mona the office manager having to fax electronic component spec sheets to engineers all of the time. I knew I could integrate a voice card and a fax card into a PC and have people request the spec sheets themselves without bothering Mona. I also knew I could sell this to other companies. I brought this up to Garth and Mona at Western Region Marketing. They liked the idea and I began researching the operating systems, hardware and programming languages that I could use to accomplish the project. This was a new idea and I had never heard of anything like it.

In 1988 when I moved to Rhode Island and started working for Computer Systems Integration. I brought up the Fax-On-Demand idea to the owner of the company and he also liked it. I told the owner that I've been working on it and asked if the company would sell it once it was completed. He said yes. I completed the first version around 1989 and the company sold our first copy to Gulf Oil in Massachusetts for about \$40,000. They also sold a couple of other FaxForce systems before I decided to go back to Colorado to start the new business with Keith and sell FaxForce to other non-competing companies.

In 1989, while still in Massachusetts, I had been talking to Sherry about all of the applications FaxForce could be used for. We came up with many, but I said... Who do people hate talking to the most? I thought about it, and said, "insurance agents and car salesman". I called Keith and told him about FaxForce and that I thought we could use it to sell insurance. He didn't sound like he was interested because he said people don't like the automated telephone voice systems. I told him people would not have a problem using it compared to having to talk to an insurance agent. It took me a couple of weeks to convince him that this was a good idea. He eventually agreed.

While still in Massachusetts, I told Keith after he said he was interested that we would split everything we made 50/50. He said that was great and I also told him I would start developing the scripts. I spent months after work every day and weekends developing the scripts. It was not easy because I had to integrate my

system with an application that insurance agents used to quote people for auto insurance.

When I did move back to Colorado around 1990, I continued to write scripts. At that time, I was not making much money after leaving New England. Keith said he could put money into it for his 50% at some point, and I agreed, and I continued working on developing the scripts for our company. **But, my FaxOnDemand/IVR System and the scripts I wrote were not paid by Keith. I owned the IVR system software rights and scripts! That was our deal! I made money selling FaxForce to other non-competing companies and writing apps for other companies.** I would try to teach Keith about developing scripts for our company, but he had a difficult time understanding it. He would try to make changes but most of the time I would have to go in and fix his changes. Keith would handle the data entry and other things that didn't require programming and integration. Keith eventually started to pay for hardware, advertising & office lease, just as we agreed to.

After the first Telerate system was completed I set it up and Keith began to advertise the service. We ran the system for a while and collected the leads and began to sell the insurance. Keith eventually said that we could also sell them to other insurance agents and I agreed. So, I began to modify the scripts to make it easier to distribute the leads to other insurance agents automatically by faxing the information we gathered from the prospects to the agents. Keith had his moments with ideas and deserves credit, but I have a major problem with him claiming my contributions too.

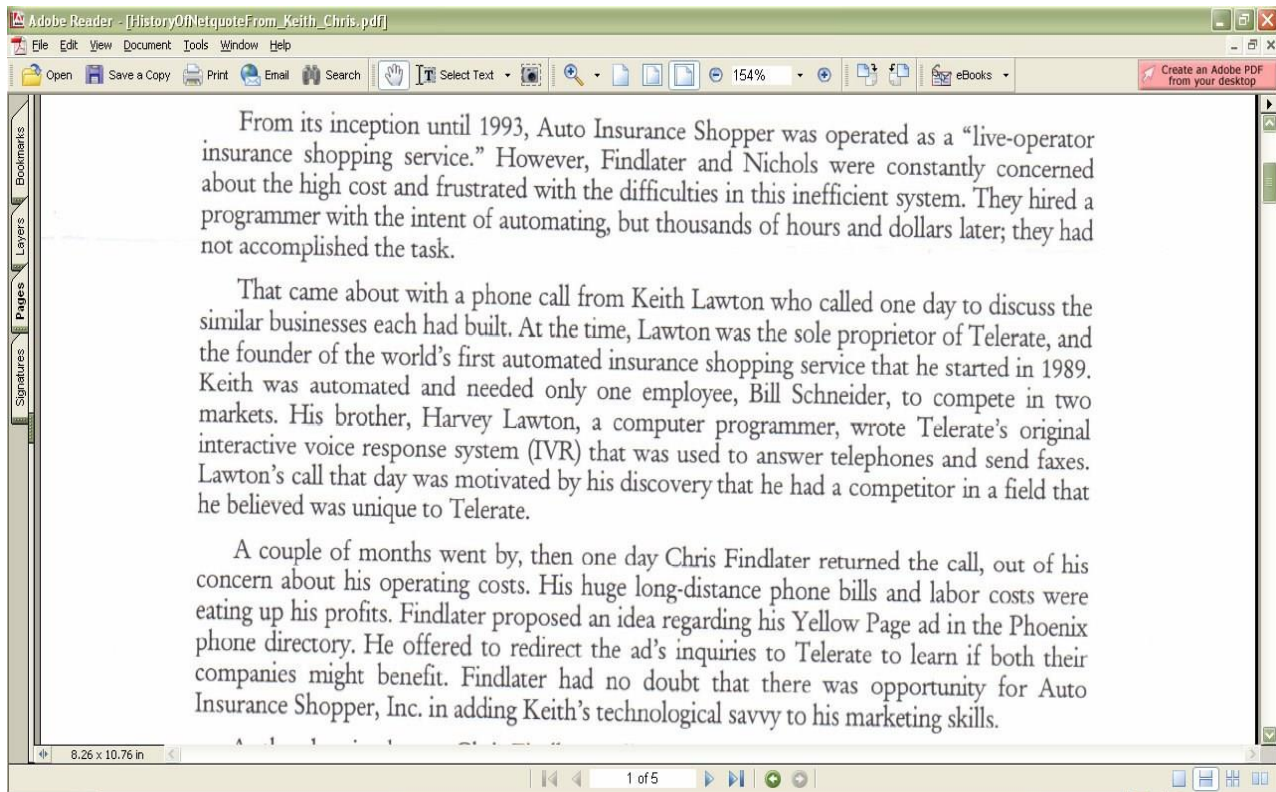
Knowing Keith now, he must have been telling other people that he had dictated in detail how to write these complex scripts but that was not the case. I would have to write a large amount of complex code first to get this system working before I ever needed to ask Keith anything. I had already integrated to a software system that insurance agents were using and knew what I needed to do. Out of all the scripts that I wrote I would only have to ask Keith a question a very small percentage of the time.

We continued to operate this way for years all the way up to 1994 when Keith began talking to Chris. So, I had already invested 5 years of hard work and that did not include the time I spent developing the FaxForce system in the first place. Keith and I did not make a profit so neither one of us could take any money for all of those years. Keith in fact was in the red for about \$150,000 (recently heard it may have been \$100K not sure).

Chris was in a competing business and when he found out that I had automated much of the work that he had people doing at his business he became interested in merging with us. At some later point Chris said he tried to develop a system just like FaxForce by hiring a programmer. He said after they spent a bunch of time and money they gave up. FaxForce by then was running on OS/2 which was the only stable operating system for a PC around and I can see why Chris never got it

working. OS/2 was a new operating system and there were only a few people in the country that could develop applications to run under it. Moving FaxForce to OS/2 from DOS was not an easy project but I had to do it because mission critical applications periodically failed in DOS. I'm not sure if Chris was using OS/2 but if he had he would have been successful if the programmers were competent at their job and he would not have had to merge with our company.

June 2001 - History of NetQuote by Keith & Chris...



**THE ABOVE DOCUMENT PROVIDED BY CHRIS, KEITH & KAREN** - Its part of Chris's and Keith's history of NetQuote... He has some truth in this part of the document, but the rest of the document is filled with lies. I will be presenting evidence in the next chapter proving this. Keith and Chris sent this out to all of you.

Now all of what is being said here is in reference to 1994 or so...

It says Keith was the founder and only owner. Wow!

It also says I wrote the original interactive voice response system. Wow, another lie. I wrote all of it. Also, it was a Fax-On-Demand system that was new technology that I invented called FaxForce.

What is true is it says the only reason he wanted our company was to reduce his operating costs with automation. It also says they spent thousands of hours programming and they still failed. I had already automated all of this and it was running for years.

The funniest lie; it says Keith was the “technological savvy” one.

How did you become technically savvy by 1994 Keith? Was it all of the companies you worked for, all of the technical books you read and studying you did?

Chris, like I said, must have become frustrated and decided to try to merge with Keith and I. Chris eventually learned that TeleRate was \$100k-\$150k in debt. We had a meeting in a restaurant to see if Chris, Keith and I could figure out a deal to merge the companies. Chris was there with Nina, Keith was there with Karen and I was there alone. When we got into the discussions I said I wanted to split our ownership a third for Keith, me and Chris. Chris said that would not work because he said that Keith and I could out vote him. He wanted to split the company 50% to him and 50% to Keith and I. Keith said let me talk to Harvey alone. Keith and I got up from the table and went to the other room out of hearing distance. I told Keith I didn't like what was going on and didn't think we needed to merge with Chris. Keith said we needed to because Chris had the marketing experience and would help Keith pay the debt. After talking to Keith, I finally agreed to take the 50% and Chris have 50%. I told Keith, as long as you and I split our 50% down the middle. Keith said OK I agree to that and we shook on it. We went back to the table and I said to everyone that we have a deal based on what Keith and I had just agreed upon. Chris and Keith then began to talk about who were going to be directors. Keith said he wanted to be a director. Keith then said, Harvey you're going to be so busy writing code for our company and taking care of your other FaxForce customers that you won't have time to vote when needed. Keith said he would need to have more shares than me on paper because he will have to vote on things. Keith said what if I take 35% of the shares and you can take 10%. I said we just agreed and shook on 50/50 with this. Keith said this was just on paper and that we would split everything down the middle when we start making money just like we agreed. I finally agreed, and we went forward with the merger.

Keith told me that Chris had more experience with advertising and that more than likely could get the costs down and be more successful with methods of advertising. Keith said the main reason we didn't make any money were the advertising costs.

Chris also said the new company would pay Keith, so he could pay the debt he had. I'm not sure how long it took for the company to pay the debt, but I know it was paid.

I felt like I was being a generous brother to Keith and he acted like he was more than happy with the deal.

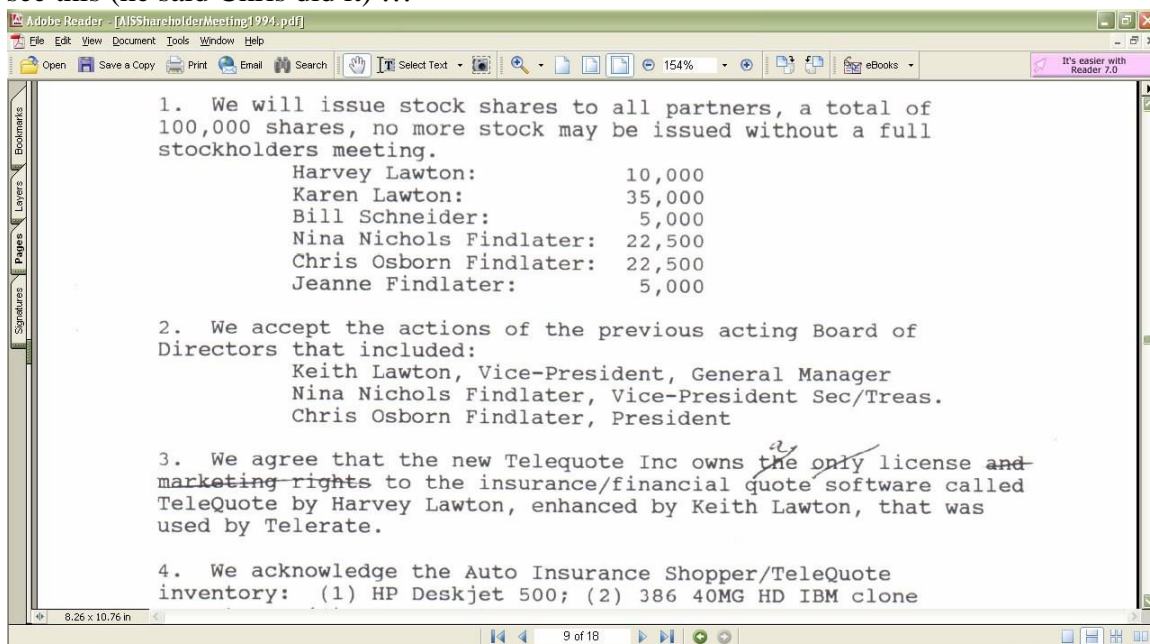
I trusted Keith at the time and it was the only reason I agreed to merge with Chris.

Look, Chris got 50% because of Keith's debt, that's it! Keith and I got 25% each for my technology that Chris could not duplicate. It's as simple as that!

**In conclusion, on this merger, and this is very important!**

I owned 25% of the company for what I had already contributed for five years at the time of this meeting to merge. Keith got 25% for what he contributed for five years at the time of the meeting (1994). But, Keith in or about the year 2000 said "things change" about our 50/50 verbal agreement. Karen, mom and dad were present when Keith said that. My 25% of the whole company did not depend on anything I did into the future; it was set at the time of the merger! I did keep working for our company into the future and will prove that too, even though it did not matter.

Like I said, at the time I felt comfortable and trusted Keith, but soon after I started to see this (he said Chris did it) ...



**THE ABOVE DOCUMENT PROVIDED BY CHRIS, KEITH & KAREN** - Keith and Chris trying to get the rights to my FaxForce system and TeleQuote scripts. (Document created by Keith and Chris for Shareholders Meeting and Bylaws. - 1994)

As you can see with #3, Keith & Chris were trying to get me to sign over all my rights to TeleQuote Scripts. I wrote the TeleQuote scripts, but they are worthless without FaxForce. They tried to slip this by me, but this time, I caught it. I had them change it right at the meeting.

**Important:**

Why would they even want me to sign over all of this if Keith was the author and “technologically savvy” one like Chris said in the earlier document?

To be clearer... FaxForce is a development tool to develop scripts for all types of businesses. So, you need FaxForce to develop and run the scripts that answer the callers, process the data collected by touch tone phone and fax out the leads all automatically.

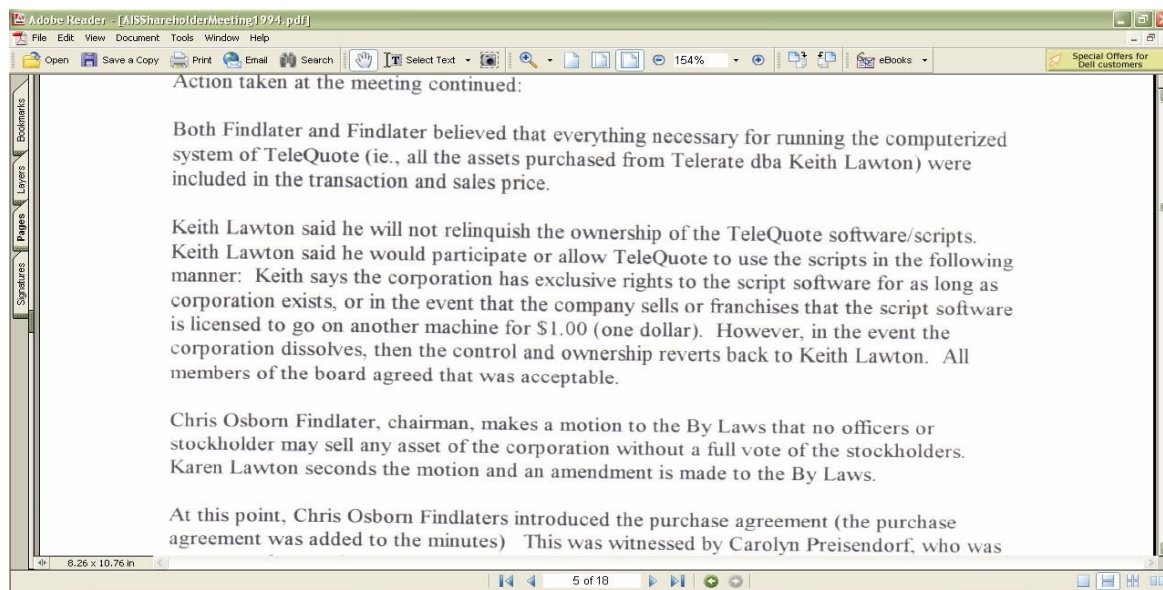
They also mention that they wanted me to sign over the marketing rights. Meaning they could take my FaxForce systems and scripts and sell it to other companies. And worse, they mention nothing about paying me for any of this.

Who was involved with writing this document up? Chris, Keith and Karen? Keith will probably say it was Chris as usual... But does it matter who wrote it? He went along with it several times.

I would love to have heard the discussions Chris had with Keith and Karen behind my back before and after the meetings, especially after the meeting when I caught them attempting the scam.

When I asked what this was all about they said it was just a mistake in the document. You have to understand that by now I had spent 5 years developing all of these scripts. It was a ton of work and the most difficult scripts I ever had to write.

1994 - The Next Document... Read where it starts “Keith Lawton said”.



**THE ABOVE DOCUMENT PROVIDED BY CHRIS, KEITH & KAREN** - At or about the same time we now have Keith trying to say that he owned all the rights to the TeleQuote software. They said it was a mistake in the previous document. Now we have Keith saying he owns it. Like I've said before they kept over and over again for years trying to claim that Keith was the “technological savvy” one.



**Important:**

In the first document they tried to get me to sign my rights over and now they're trying to say Keith owned the rights. This is a legal attempt that now says Keith always owned the rights. This is another big lie. They knew that I owned the rights to all of this and they either talked to a lawyer or read the law and then said, we have to figure out a way to say instead of Harvey owning all of this we have to state that it was Keith instead. I was never an employee at the company and was never paid anything to this point, so I had the rights. I told them at the time I didn't need to be an employee and to use the money in the company for other things in order to grow it. I thought they would be grateful.

This proves the way Keith and Chris scheme and not just once, twice but many times as you will see. I know you're not lawyers but my lawyer after the company sold could not believe what they were looking at. They said they were conning you and trying to rob you from the beginning Harvey.

The scripts were a work in progress for years before and after 1994. Please understand that I did not just write some code and it sat there for years. I had to constantly add and modify the TeleQuote scripts and improve FaxForce.

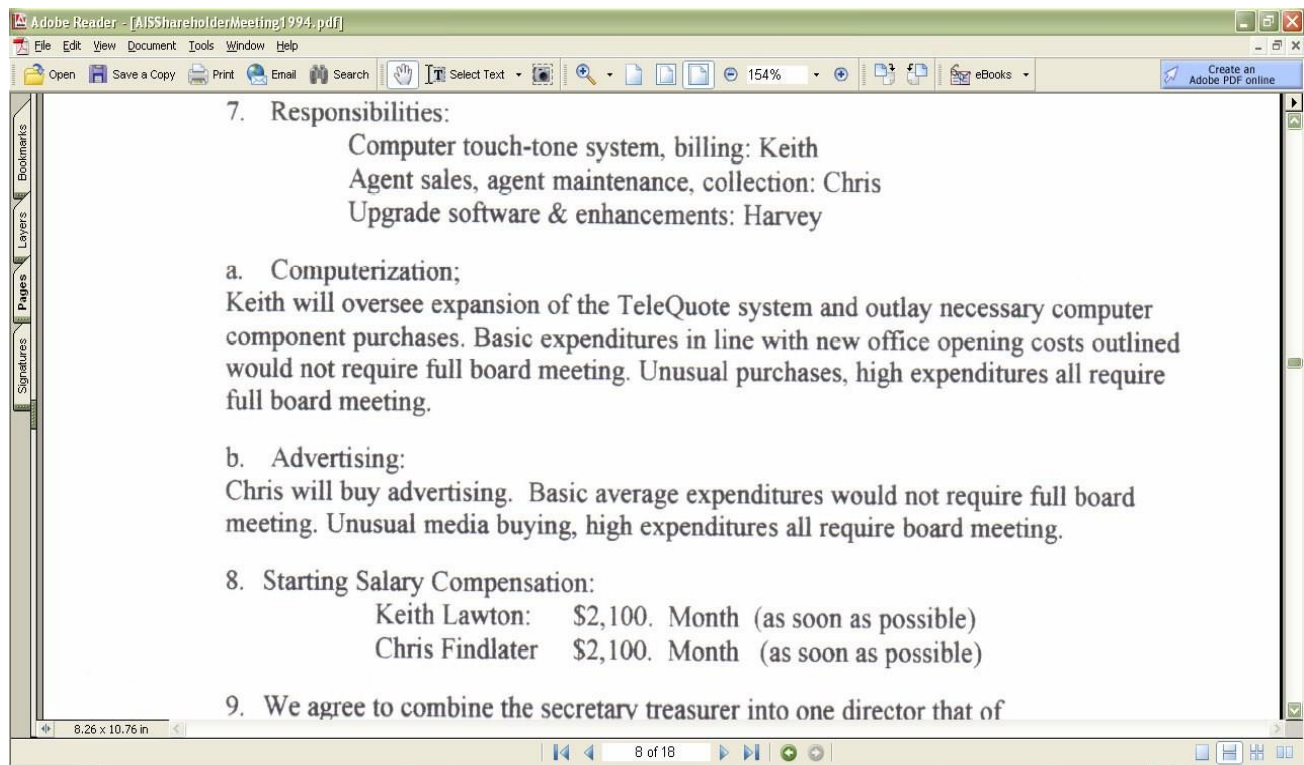
Keith and Chris have tried to give everybody the impression I was paid for all of this. Up until 1995 or so I was paid nothing for my work. What does it matter? Keith and Chris were paid for their work... and again the 25% was for what we brought to the table in the 1994 merger.

I also heard Keith and Chris say they paid for all the programming after 1994. I will show everyone that I got paid a small percentage for my work.

I will also show what I charged other companies for FaxForce. After you see this evidence you will see our company got it for virtually nothing.

I had to make some money eventually just like Keith and Chris. My responsibilities at our company were taking a significant amount of my time. Keith and Chris have said they didn't make any money for years after 1994. I never heard them complain at the time and was under the assumption that they were taking money out of the company per the documents I saw. See next page 8.

1/26/1994 Shareholders and Bylaws Agreement.



**THE ABOVE DOCUMENT PROVIDED BY CHRIS, KEITH & KAREN - I**  
have now shown everyone the kind of people I was dealing with in black and white  
and all of it **written by them.**

Question #1:

Were you the only owner of the company from 1989 to 1994?

Question #2:

So, Keith, explain, why you were trying to get me to sign over my rights?

Question #3:

After that failed; why did you try to claim it was you that owned all the rights?

Question #4:

So, Keith, why did you go back on your word?

If you would like the full documents email me and I will send them in a  
PDF. If you would like to see all of the programming I did I will send that  
too.



If anyone has any questions, feel free to email me or call.

Harvey