

70662-4

70662-4

No. 70662-4-I  
COURT OF APPEALS,  
DIVISION I  
OF THE STATE OF WASHINGTON

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Boris Petrenko, Appellant

v.

TBF Financial, LLC, Respondent

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REPLY BRIEF OF APPELLANT PETRENKO

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COURT OF APPEALS DIV I  
STATE OF WASHINGTON

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**I. APPELLANT’S REPLY TO BRIEF OF THE  
RESPONDENT**

In its brief, Respondent TBF Financial introduced quantity of information that has no relevance to this appeal. For this reason, Appellant Petrenko in his Reply Brief will focus only on the issues relevant to this appeal, with one exception. Specifically, in its brief, TBF Financial made a reference to unrelated matter entitled *TBF Financial, LLC v. Petrenko*, 171 Wn.App. 1018 (2012). (Br. of Respondent, pp. 1-2, FN2.). Since TBF Financial “opened the door” by referencing an unrelated matter, this Court should invoke its authority under RAP 9.11 to review additional evidence that this Court has in its records.

**a. RCW 19.80.005 Requires Careful Analysis, Which TBF Avoids**

In its brief, TBF Financial argues that “as RCW 19.80.040 makes clear, only a person transacting business “under any trade name” is required to complete registration provided for in RCW 19.80.010.” (Br. of Respondent, p. 12). However, TBF Financial ignores definition of a person under RCW 19.80.005, which defines ““(3) “Person” means any individual, partnership, *limited liability company*, or corporation conducting or having an interest in a business in the state.”” (Emphasis added) (RCW 19.80.005(3)). Unquestionably, TBF Financial, LLC is a

limited liability company within statutory definition of RCW

19.80.005(3).

Furthermore, in its brief TBF Financial argues that:

“Only LLC’s transacting business in Washington under a trade name are required to register in order to have capacity to sue. If an LLC does not use a trade name, no registration is required. In the underlying proceeding, TBF was clearly not required to register with the Secretary of State in order to have capacity to sue because TBF does not use a trade name. TBF only operates under its true name...” (Br. of Respondent, pp. 13-14).

Again, TBF Financial continuously avoids mention or discussion of RCW 19.80.005(5). This is simply because respondent is unable to make its argument that “TBF only operates under its true name” and “real name”, in light of the statutory definition under RCW 19.80.005(5). (Br. of Respondent, pp. 14-15). Specifically, the language of RCW 19.80.005(5) explicitly provides:

“True and real name” means: (a) the surname of an individual coupled with one or more of the individual’s other names, one or more of the individual’s initials, or any combination; (b) The designation or appellation by which an individual is best known and called in the business community where that individual transacts business, if this is used as that individual’s legal signature. (RCW 19.80.005(5)).

Respondent TBF does not use the sure name of an individual coupled with one or more of the individual’s other names, one or more of the individual’s initials, or any combination thereof. (CP 71).

Consequently, Respondent's assertion that it uses true and real name is contrary to the statutory definition under RCW 19.80.005(5). Such Respondent's position is non-sequitur; an implausible and self serving fallacy.

Moreover, TBF Financial argues that definition of "trade name" under RCW 19.80.005(4) does not apply because "TBF Financial does not have a trade name." (Br. of Respondent, p. 12) "Trade name" is defined by RCW 19.80.005(4) as:

"...a word or name, or any combination of a word or name, used by a person to identify the person's business which:  
(a) Is not, or does not include, the true and real name of all persons conducting the business; or (b) Includes words which suggest additional parties of interest such as "company," "and sons," or "and associates." (RCW 19.80.005(4)).

In our case, TBF Financial uses the word "company", which suggests additional parties of interest, yet TBF's name does not include the true and real name of all persons conducting the business. Consequently, Respondent uses "trade name" within statutory definition under RCW 19.80.005(4).

**b. TBF Misconstrues Chapter 19.80 and Cites Inapplicable Case**

**Law**

In its brief, TBF Financial cites *Seattle Ass'n of Credit Men v. Green*, 45 Wn.2d 139 (1954) and *Bacon v. Gardner*, 38 Wn.2d 299 (1951). (Br. of Respondent, p. 15) Both cases are misplaced and inapplicable to the case at hand for the following reasons.

In *Seattle Ass'n of Credit Men v. Green*, the trial court dealt with the issue as to “whether or not a corporation can do business under an assumed name in the state of Washington.” (*Id.*, at 140). In *Bacon v. Gardner*, the trial court addressed facts involving a business transaction under an “assumed” name. (*Id.*, at 303).

Unlike *Seattle Ass'n of Credit Men v. Green* and *Bacon v. Gardner*, this case involves interpretation of the Chapter 19.80 requirement for a foreign limited liability company doing business in this state, to register with the Secretary of State as a prerequisite to the commencement of a lawsuit.

TBF Financial also argues that “Mr. Petrenko appears to take the absurd position that under Washington law, every LLC, regardless of what name they use to do business, has no “true and real name” and therefore must register a trade name with the Secretary of State in order to sue

another party in Washington.” (Br. of Respondent, p. 14). However, such requirement is explicitly imposed by Chapter 19.80.

**c. The Evidence of Equipment Sale was Presented by the Respondent TBF Financial and Brought to the Attention of the Trial Court by Appellant Petrenko**

In its brief, TBF argues that “Mr. Petrenko offered no evidence, by declaration or any other means that these lawsuits involved anything other than collecting on debts.” (Br. of Respondent, p. 17) However, TBF overlooks the fact that Petrenko brought to the attention of the trial court exhibits, which Respondent TBF filed with its pleadings and which reflect residual value from the sale of the leased equipment. Specifically Petrenko identified the following exhibits to the trial court:

- Attached to Plaintiff’s original complaint a **Bill of Sale**, which transfers the equipment to TBF. (CP 6)
- Attached to Plaintiff’s original complaint, an **Accounting Statement**, which reflects **Equipment Residual Value** in the amount of \$1,936.80. (CP 8)
- Attached to Plaintiff’s amended complaint a **Bill of Sale**, which transfers the equipment to TBF. (CP 15)
- Attached to Plaintiff’s amended complaint an **Accounting Statement**, which reflects **Equipment Residual Value** in the

amount of \$1,936.80 and calculation of **Sale Tax** in the amount of \$213.66. (CP17)

- TBF Response to Discovery, Ex. 1, which reflects TBF's calculation for **Residual** value in the amount of \$1,936.80. (CP 39-41)
- Petrenko's argument in the form of a brief in which Petrenko argues that "Plaintiff is in fact engaged in business of its acquired equipment leases and sale of its equipment for residual value...for profit" (CP 83; CP 85)
- Petrenko submitted **Ex. "F"** to the trial court that indicates that TBF's sale of equipment for profit is not an isolated transaction. (CP 116)<sup>1</sup>

Although TBF conveniently overlooked the documents that it produced and filed with the trial court in the course of litigation, such evidence was in fact identified by Petrenko and brought to the attention of

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<sup>1</sup> Petrenko submitted to the trial court printout of other cases involving sale of the equipment for residual value: *TBF Financial, LLC v. Centralbank Mortgage Corp.*, King County Superior Court Case No. 10-2-10023-7 SEA; *TBF Financial, LLC v. PMT Solutions, LLC*, King County Superior Court Case No. 11-2-12564-5 SEA; *TBF Financial, LLC v. N.F. Enterprises, Inc.*, King County Superior Court Case No. 11-2-34600-5 SEA; *TBF Financial, LLC v. Myron L. Monso, et al*, King County Superior Court Case No. 12-2-04069-9 SEA; *TBF Financial, LLC v. Captain's Travel Service, Inc.*, King County Superior Court Case No. 10-2-32419-4 SEA; *TBF Financial, LLC v. West Coast Fabricators, LLC, et al*, King County Superior Court Case No. 12-2-14280-7 SEA, etc.

the trial court. Consequently, TBF's argument that "Petrenko offered no evidence, by declaration or any other means" lacks any merits and is frivolous in its nature. (Br. of Respondent, p. 17).

**d. The Court should Invoke its Authority under RAP 9.11 to Consider Additional Evidence Because Respondent "Opened the Door" by Making References to an Unrelated Matter**

Brief of Respondent references a matter unrelated to this Appeal, entitled *TBF Financial v. Petrenko*, Cause No. 66800-5-I. Thus, Respondent "opened the door" for this court to invoke its authority under RAP 9.11 to consider additional evidence. Specifically, similarly to this case, in *TBF Financial LLC v. Petrenko*, TBF conducted sale of its equipment for residual value on two separate lease agreements. (See *TBF Financial v. Petrenko*, Cause No. 66800-5-I, CP 78-97).

Surely, in search of the truth, Respondent will support this Honorable Court's invocation of its authority pursuant to RAP 9.11 to review an existing record with this Court involving prior respondent's litigation. At the same time this Honorable Court will have an opportunity to evaluate candor towards tribunal of the respondent's counsel, who claims that TBF Financial never sold its equipment for residual value and that no evidence of such sale exists. (See Appendix: TBF's Exhibits "E")

and “J” Accounting Statements reflect Equipment Residual Value in *TBF Financial, LLC v. Petrenko, et al.*).

This Court should not allow an officer of the court to chuckle at the tribunal as he argues on behalf of his client that no such sale of equipment took place, when in fact the same counsel was appearing in other unrelated matters and necessarily has knowledge of the TBF’s sale of equipment on numerous prior instances.

e. **TBF Financial Should be Judicially Estopped from Asserting Inconsistent Positions**

TBF Financial, LLC, must be judicially estopped from pleading inconsistent positions. Thus, in its brief, TBF Financial asserts that it “transacts business under their real name” and at the same time “TBF does not “transact business” for purposes of RCW 19.80.040. (Br. of Respondent, pp.15-16)

Judicial estoppel prevents a party from asserting one position in a judicial proceeding and later taking an inconsistent position to gain advantage. *Arkison v. Ethan Allen, Inc.*, 160 Wn.2d 535, 538, 160 P.3d 13 (2007). The core factors underlying the assertion of judicial estoppel are whether the later position is clearly consistent with the earlier position, whether judicial acceptance of the second position would create a

perception that the court was misled by the party's position, and whether the party asserting the inconsistent position would obtain an unfair advantage for imposed and unfair detriment on the opposing party if not estopped. *Id.* at 538-39. These factors are not an exhaustive formula but help guide a court's decision. *Id.* at 539. A court's decision to apply judicial estoppels is subject to review for abuse of discretion. *Id.* at 538.

In case at hand, TBF became so entangled in its own misrepresentations and deceptions that it cannot elect as to what position it should take. This Court should judicially estop Respondent from choosing various inconsistent positions for TBF's convenience.

**f. Sale of Equipment is *NOT* a Collection of Debt Under RCW 25.15.350(1)(h) as Asserted by Respondent TBF Financial**

In its brief, TBF argues that because its business only "relates to the collection of debt," TBF does "not transact business" and satisfies exception to registration requirement under RCW 25.15.350(1)(h). (Br. of Respondent, p. 16). However, the statute is limited only to collection of debt activities or enforcement of mortgages and does not encompass purchase-sale transactions. Respondent did not even attempt to explain how its reoccurring sale of equipment for residual value in the state constitutes collection under RCW 25.15.350(1)(h). (CP 48-56; CP 66-69;

RP 8-18) Respondent did not cite even one legal authority to support such an implausible assertion.

Respondent argues that:

“Mr. Petrenko apparently failed to realize that TBF merely sought the residual value of the leased equipment as part of its claim since the underlying contract allowed TBF to do so; here, the residual value of the equipment was part of the debt within the defaulted equipment lease that TBF purchased and attempted to collect. The fact that TBF included the residual value of equipment as part of its damages does not mean that TBF “sold” any equipment.” (Br. of Respondent, pp. 17-18).

“Residual Value” defined as “The price at which a fixed asset is expected to be sold at the end of its useful life. Residual value is used in calculating some types of depreciation. Also called *salvage value*, *scrap value*. ”<sup>2</sup> For example, if Ford Motor Company leases a vehicle to a customer, how does Ford collect the residual value of the vehicle at the end of the lease without selling it? Similarly, in this case TBF Financial fails to explain how it collects residual value of the equipment without selling it.

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<sup>2</sup> <http://financial-dictionary.thefreedictionary.com/Residual+Value>

**g. No Legal Authorities Exist to Support Finding that Petrenko's  
CR 12 Motion to Dismiss Was Frivolous in Light of the Facts of this  
Case**

“The burden is on the movant to justify the request for sanctions.”  
Brin v. Stutzman, 89 Wash.App. 809, 827, 951 P.2d 291 (1998) (citing  
Biggs, 124 Wash.2d at 202, 876 P.2d 448). TBF carries burden of proof  
that Petrenko's CR 12 Motion to Dismiss was in fact frivolous. Merely  
asserting that TBF Financial, LLC is not required to register its business  
under Chapter 19.80 and that TBF Financial, LLC is exempted by RCW  
25.15.350(1)(h) because it collects debts, does not satisfy TBF's burden of  
proof.

Furthermore, the rule is not intended to chill an attorney's  
enthusiasm or creativity in pursuing factual or legal theories. Bryant v.  
Joseph Tree, Inc., 119 Wash.2d 210, 219, 829 P.2d 1099 (1992).  
Petrenko's CR 12 Motion to Dismiss was based on the fact that TBF  
Financial was not registered with the Secretary of State and on the fact  
that TBF is purchasing and selling the leased equipment for profit in this  
state. Consequently, Petrenko's factual and legal theory was sound and not  
frivolous.

CR 11 does not provide for sanctions, however, merely because an  
action's factual basis proves deficient or a party's view of the law proves

incorrect. Doe v. Spokane and Inland Empire Blood, 55 Wash.App. 106, 111, 780 P.2d 853 (1989); Citizens for Clean Air. v. City of Spokane, 114 Wn.2d 20, 40, 785 P.2d 447 (1997). Petrenko's action was based on specific facts that TBF Financial was not registered with the Secretary of State and it was selling its equipment for residual value. Because RCW 25.15.350(1)(h) does not say that sale transaction(s) also constitute the act of debt collection, Petrenko assumed that his view of the law correct.

The principal concern of the rule is whether the attorney acted reasonably in taking the action. Id., at 111, citing Cabell v. Petty, 810 F.2d 463, 466 (4<sup>th</sup> Cir.1987). Based on the fact that TBF Financial, LLC was not registered with the Secretary of State and that TBF Financial, LLC produced Accounting Statements reflecting sale of equipment for residual value, Petrenko acted reasonably and did not violate CR 11. Petrenko reasonably relied on evidence produced by TBF, which showed purchase and sale of its equipment for residual value. (CP 6; CP 8; CP 15; CP 17; CP 41; CP 83; CP 85; CP 87; CP 116).

*A case of first impression cannot be said frivolous.* (Emphasis added). Collinson v. John L. Scott, Inc., 55 Wn.App. 481, 488, 778 P.2d 534 (1989). Cases of first impression that present debatable issues of substantial public importance are not frivolous. Moorman v. Walker, 54 Wash.App. 461, 466, 773 P.2d 887 (1989) (citing Linda D. v. Fritz C., 38

Wash. App. 288, 301, 687 P.2d 223, review denied, 102 Wash.2d 1024 (1984)). The case at hand is clearly a case of first impression and it cannot be said that Petrenko's CR 12 Motion to Dismiss was frivolous. Moreover, because the case involves interpretation of statutory language, which lacks any prior legal precedents, it is the issue of substantial public importance and for this reason Petrenko's CR 12 Motion to Dismiss was not frivolous.

**h. Evidence Showed that Petrenko's CR 12 Motion to Dismiss Was NOT Frivolous**

The record clearly shows that in preparation of defendant's CR 12 Motion to Dismiss, Petrenko minutely marshaled all of the facts, evidence, case law research, and statutory authority. Petrenko presented to the trial court his brief, which reflected legal authorities and argument. (CP 18-23). In support of his argument, Petrenko submitted to the trial court exhibits with evidence that Petrenko conducted investigation in preparation of Defendant's CR 12 Motion to Dismiss. (CP 24-42). Petrenko presented to the trial court Defendant's Reply Brief with additional legal analysis of statutory authorities and argument. (CP 79-85). Petrenko also submitted additional exhibits in support of Defendant's Reply Brief, which clearly show that Petrenko conducted thorough investigation in preparation of Defendant's CR 12 Motion to Dismiss (CP 86-120).

In light of the record presented to the trial court, it is clear the trial court was deceived by TBF's counsel to such an extent that the trial court simply ignored Petrenko's arguments and exhibits that showed TBF was selling its equipment for profit within the state. The true nature of TBF's operations disguised as "collection activities" is clearly for the purposes of defeating the state law, which equally applies to TBF as to any other business. Furthermore, TBF's attorneys made numerous misrepresentations to the courts of this state as to the true nature of TBF's business, which involves sale of equipment.

The trial judge was misled by such misrepresentations of TBF's attorneys and was deceitfully induced to impose sanctions against Petrenko. For TBF's attorneys, candor towards tribunal is secondary, profit comes first. Similarly, TBF's attorney makes misrepresentations to this Court as he did before the trial judge when he denies that TBF in fact sells equipment without registration.

**i. The Court should NOT Award Attorney's Fees to TBF Financial Because Petrenko's Appeal Presented Genuine Debatable Issue and Was NOT Frivolous**

In determining whether an appeal is frivolous and brought for the purpose of delay, the appellate court is guided by the following considerations: (1) a civil appellant has a right to appeal under RAP 2.2;

(2) all doubts as to whether the appeal is frivolous should be resolved in favor of the appellant; (3) the record should be considered as a whole; (4) an appeal is not frivolous simply because the arguments are rejected and the judgment affirmed; (5) an appeal is frivolous if there are no debatable issues upon which reasonable minds might differ, and it is so totally devoid of merits that there was no reasonable possibility of reversal.

*Millers Cas. Ins. Co. v. Briggs*, 100 Wn.2d 9, 665 P.2d 887 (1983) (terms and damages awarded); *Streater v. White*, 26 Wn.App. 430, 613 P.2d 187, review denied, 94 Wn.2d 1014 (1980) (same). *Lee v. Columbian, Inc.*, 64 Wn.App. 534, 826 P.2d 217 (1991) (attorney fees awarded to appellant when cross appeal was frivolous).

The record clearly shows that: (1) Petrenko identified evidence, (2) Petrenko's brief reflects thorough investigation of the pertinent facts in support of his CR 12 Motion to Dismiss, (3) and Petrenko's arguments supported by legal authorities. Consequently, considering the trial court's record as a whole, it is clear that Petrenko's appeal presents debatable issues and is ***not*** frivolous. For these reasons, the Court should deny TBF's request for an award of attorney's fees.

## II. CONCLUSION

Appellant Petrenko therefore requests that this Court reverse the lower court and vacate the imposition of CR 11 sanctions in its entirety.

Dated this 9<sup>th</sup> day of July, 2014.



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### III. APPENDIX

#### *TBF v. Petrenko*

**King County Superior Court Cause No. 10-2-39911-9 SEA**

**(The case referenced by Respondent TBF Financial in its brief)**

- TBF Exhibit “D” reflects purchase of equipment
- TBF Exhibit “E” reflects Equipment Residual Value
- TBF Exhibit “I” reflects purchase of equipment
- TBF Exhibit “J” reflects Equipment Residual Value

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR KING COUNTY

TBF FINANCIAL, LLC,	)	
	)	NO.
Plaintiff,	)	
vs.	)	COMPLAINT FOR BREACH
	)	OF EQUIPMENT LEASE
BORIS PETRENKO, dba PETRENKO LAW FIRM,	)	
and the marital community composed of BORIS	)	
PETRENKO and JANE DOE PETRENKO;	)	
KONSTANTIN BOGOLYUBOV, and the marital	)	
community composed of KONSTANTIN	)	
BOGOLYUBOV and JANE DOE BOGOLYUBOV,	)	
	)	
Defendant.	)	

COMES NOW Plaintiff, TBF FINANCIAL, LLC, and alleges the following cause of  
action against defendant.

**I. PARTIES**

1.1 Plaintiff is a corporation duly organized and existing in the State of Illinois with its  
principal place of business in Deerfield, Illinois. Plaintiff has paid all its license fees and has  
satisfied all bonds and requirements and is legally authorized to bring this to action.

1 1.2 Defendant Boris Petrenko dba or fdba Petrenko Law Firm (“Petrenko”) is a sole  
2 proprietorship doing business in King County, Washington. Plaintiff alleges and believes the  
3 credit issued to the defendant Boris Petrenko was provided for the benefit of his marital  
4 community, if any.  
5

6 1.3 Defendant Konstantin Bogolyubov (“Bogolyubov”) is an individual residing in King  
7 County, State of Washington. Plaintiff alleges and believes the credit issued to the defendant  
8 Konstantin Bogolyubov was provided for the benefit of his marital community, if any.  
9

## 10 **II. JURISDICTION**

11 2.1 The Court has jurisdiction over the parties and the subject matter of this action pursuant  
12 to RCW 4.28.185. Venue is appropriate pursuant to RCW 4.12 because the defendants reside in  
13 King County, Washington.  
14

## 15 **III. FACTS AND DEMAND**

16 3.1 On or about January 31, 2005, Boris Petrenko dba Petrenko Law Firm executed a  
17 S.M.A.R.T. Solution Lease Agreement for a Konica Minolta copier with Konica Minolta  
18 Business Solutions USA, Inc. (“Konica Minolta”) as lessor under Lease No. 4199760 (“Lease  
19 #1”), a true and correct copy of which is attached and incorporated as Exhibit A.  
20

21 3.2 To further secure the aforementioned lease, on January 31, 2005 defendant  
22 Konstantin Bogolyubov executed a personal Guaranty of Lease #1, a true and correct copy of  
23 which is attached and incorporated as Exhibit A.  
24

25 3.3 On or about July 27, 2005, Boris Petrenko dba Petrenko Law Firm executed a  
26 second Lease Agreement for an additional copier with Konica Minolta as lessor under Lease No.  
27 200156106 (“Lease #2”), a true and correct copy of which is attached and incorporated as

1 Exhibit F. Lease #2 was signed by Konstantin Bogolyubov, creating personal liability for its  
2 terms, notwithstanding the lack of a signed personal guaranty on Lease #2, as the lessee,  
3 Petrenko Law Firm was not a legal, separate entity.  
4

5 3.4 On or about January 31, 2005, Konica Minolta assigned Lease #1 to Citicorp  
6 Vendor Finance, Inc., by Assignment of Lease, as true and correct copy of which is attached and  
7 incorporated as Exhibit B.

8 3.5 On or about April 30, 2007, Citicorp Vendor Finance, Inc. assigned Lease #1 to  
9 CIT Technology Financing Services I LLC, as set forth in the Notice of Assignment, a true and  
10 correct copy of which is attached and incorporated as Exhibit C.

11 3.6 On or about March 26, 2010, CIT Technology Financing Services I LLC assigned  
12 Lease #1 to TBF Financial, LLC by Bill of Sale, a true and correct copy of which is attached and  
13 incorporated as Exhibit D. TBF Financial, LLC is the present holder of Lease #1 and is the true  
14 party in interest to enforce its terms.  
15

16 3.7 A true and correct copy of an Accounting Statement setting forth the amounts due  
17 and owing on Lease #1 is attached and incorporated as Exhibit E.  
18

19 3.8 On or about September 15, 2005 Konica Minolta assigned Lease #2 to Citicorp  
20 Vendor Finance, Inc., by Assignment of Lease, a true and correct copy of which is attached and  
21 incorporated as Exhibit G.  
22

23 3.9 On or about March 31, 2007 Citicorp Vendor Finance, Inc. assigned Lease #2 to  
24 CIT Technology Financing Services I LLC by Notice of Assignment, as true and correct copy of  
25 which is attached and incorporated as Exhibit H.

26 3.10 On or about March 26, 2010, CIT Technology Financing Services I LLC assigned  
27

1 Lease #2 to TBF Financial, LLC, by Bill of Sale, a true and correct copy of which is attached and  
2 incorporated as Exhibit I. TBF Financial, LLC is the present holder of Lease #2, and is the true  
3 party in interest to enforce its terms.

4  
5 3.11 A true and correct copy of an Accounting Statement setting forth the amounts due  
6 and owing on Lease #2 is attached and incorporated as Exhibit J.

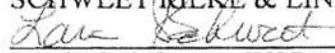
7 3.12 Defendants have breached the Lease Agreements, and there is presently due and  
8 owing to the Plaintiff the sum of \$7,518.67, together with interest thereon at the rate of 13.8%  
9 per annum, until fully paid, plus such other and further sums as Plaintiff may prove and establish  
10 at the time of trial.

11  
12 3.13 The Defendants agreed that in the event of default they would pay all of the  
13 Plaintiff's costs of collection including a reasonable attorney's fee. Plaintiff states that the sum  
14 of \$1,500.00 is a reasonable sum for Plaintiff's attorney's fees in the event this matter is  
15 uncontested, Plaintiff reserving the right to prove a greater sum upon contest.

16  
17 WHEREFORE, Plaintiff prays for judgment against Boris Petrenko dba Petrenko Law  
18 Firm, and the marital community composed of Boris Petrenko and Jane Doe Petrenko, and  
19 Konstantin Bogolyubov, and the marital community composed of Konstantin Bogolyubov and  
20 Jane Doe Bogolyubov, for the sum of \$7,518.67, together with interest thereon at the rate of  
21 13.8% per annum, for Plaintiff's costs and disbursements incurred herein, including reasonable  
22 attorney's fees, and that said judgment accrues interest at the highest legal rate.

23  
24 DATED this 8<sup>th</sup> day of September, 2010.

25 SCHWEET/RIEKE & LINDE, PLLC

26   
27 \_\_\_\_\_  
Laurin S. Schweet, WSBA 16431  
Attorneys for Plaintiff



KONICA MINOLTA

S.M.A.R.T. SOLUTION

KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC

ACCOUNT # 4199760

EQUIPMENT DESCRIPTION	SERIAL NUMBER	MONTHLY MINIMUM RENTAL*	QUARTERLY COPY ALLOWANCE	EXCESS COPY CHARGE*	UNIT #
1 Konica Minolta P-2010F		\$129.29	6,000 COPIES	0145 PER COPY	
2		\$	COPIES	PER COPY	
3		\$	COPIES	PER COPY	

INITIAL TERM OF AGREEMENT 60 MONTHS      SECURITY DEPOSIT \$ 0  
\*plus applicable tax

TERMS AND CONDITIONS

The words YOU and YOUR mean the User of the Equipment. The words WE, US, and OUR refer to the Owner of the Equipment.

1 RENTAL AGREEMENT ("AGREEMENT") We agree to rent to you and you agree to rent from us the equipment listed above ("Equipment") You promise to pay us the Monthly Minimum Rental Payment ("MMR") in accordance with the terms below plus the Excess Copy Charge ("ECC") on copies in excess of the Quarterly Copy Allowance ("QCA") You authorize us to insert in this Agreement serial numbers of Equipment when we so determine them.

2 TERM AND RENT The Agreement shall commence on the day that any of the Equipment is delivered to you ("The Commencement Date") The installments of rent shall be payable in arrears, in the amounts and for the initial term provided above, commencing 28 days after the Commencement Date, with subsequent payments due on the same day of each successive month thereafter until all rent and any additional rent or expenses chargeable under this Agreement shall have been paid in full Your obligation to pay the rent and other obligations hereunder shall be absolute and unconditional and are not subject to any abatement, set-off, defense or counter claim for any reason whatsoever This Agreement is NON-CANCELABLE If the initial term of this Agreement (as described above) is greater than twenty four (24) months, we reserve the right to increase the MMR by an amount equal to one percent (1%) for each 12 month period commencing at month 25 and continuing for each 12 month period thereafter until the end of the initial term of this Agreement If any payment hereunder is not made by you when

(continued on reverse)

THE TERMS AND CONDITIONS PRINTED ON THE REVERSE SIDE ARE MADE A PART HEREOF

IMPORTANT INFORMATION ABOUT THE PATRIOT ACT EFFECTIVE OCTOBER 1, 2003

To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify, and record information that identifies each person or business that opens an account or establishes a relationship. What this means for you when you open an account or establish a relationship, we will ask for your name, street address, date of birth, and identification number, such as a social security number or taxpayer identification number. For businesses, we will ask for the business name, street address and tax identification number. Federal law requires us to obtain this information. We may also ask to see your driver's license or other identifying documents that will allow us to identify you. We appreciate your cooperation.

SOLE PROPRIETORSHIP      DATE OF BIRTH \_\_\_\_\_  
NAME \_\_\_\_\_ SS# \_\_\_\_\_  
ADDRESS \_\_\_\_\_

CORPORATION/PARTNERSHIP TAX ID# 86-1124298

If this information differs for each machine, please attach schedule

2700 NE Anderson Rd Ste D-28  
Equipment Location      Street

Vancouver      WA      98661  
City      State      Zip

Konstantin Bogolyubov  
Customer Contact

Fax No \_\_\_\_\_ Purchase Order No \_\_\_\_\_  
If Sales Tax Exempt, a valid tax exempt certificate must accompany this Agreement

Petranta Law Firm  
FULL LEGAL NAME OF USER

15152 SE 54th Place  
BILLING ADDRESS

Bellevue      WA      98006  
CITY      STATE      ZIP

PHONE NO (360) 213-3653      DATE @ 01-31-05

BY Konstantin Bogolyubov      @ 01-31-05

Konstantin Bogolyubov  
PRINT NAME

GUARANTY

To induce us to enter into the within Agreement, the undersigned, jointly and severally if more than one, unconditionally guarantees to us the prompt payment when due of all of your obligations to us under the Agreement, including without limitation every rental installment, the accelerated balance of rents, administrative charges, collect on charges and interest. We shall not be required to proceed against you or the Equipment or to enforce any of its other remedies before proceeding against the undersigned. The undersigned agrees to pay all reasonable attorney's fees, court costs and other expenses incurred by us by reason of any default by you. The undersigned waives notice of acceptance hereof and of other notices or demands of any kind to which the undersigned may be entitled except demand for payment. The undersigned consents to any extensions of time or modification of amount of payment granted to you and the release and/or compromise of any obligations of you or any other obligors and/or guarantors without in any way releasing the undersigned's obligations hereunder. This is a continuing Guaranty and shall not be discharged or affected by your administrators, representatives, successors and assigns. This Guaranty may be enforced by or for the benefit of any assignee or successor of us. Nothing shall discharge or satisfy the undersigned's liability except the full performance and payment of all your obligations to us, with interest. THE UNDERSIGNED CONSENTS TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW JERSEY WITH RESPECT TO ANY ACTION ARISING OUT OF ANY AGREEMENT, GUARANTY, SETTLEMENT, PROMISSORY NOTE OR OTHER ACCOMMODATION OR AGREEMENT WITH US. THIS MEANS THAT ANY LEGAL ACTION FILED AGAINST YOU AND/OR GUARANTORS MAY BE FILED IN NEW JERSEY AND THAT YOU AND/OR ANY OF THE GUARANTORS MAY BE REQUIRED TO DEFEND AND LITIGATE ANY SUCH ACTION IN NEW JERSEY. You and all Guarantors agree that service of process by certified mail, return receipt requested, shall be deemed the equivalent of personal service in any such action. Any legal action concerning this Agreement shall be governed by and construed according to the laws of the State of New Jersey.

X \_\_\_\_\_  
WITNESS SIGNATURE      DATE

PRINT NAME

Konstantin Bogolyubov  
GUARANTOR SIGNATURE      INDIVIDUALLY

Konstantin Bogolyubov      @ 01-31-05  
PRINT NAME      DATE

**TERMS AND CONDITIONS**

due, you shall be charged a late fee of ten percent (10%) of the amount of such payment, plus interest on such amount at the rate of 1 1/2% per month from the due date until the date paid, but as to each of the foregoing, in no event more than the maximum rate permitted by law

**3 USE, MAINTENANCE, REPAIR, AND WARRANTIES** We agree to provide Equipment maintenance, during normal business hours and to provide inspections, adjustments, parts replacements, drums, developer, toner and cleaning material required for the proper operation of the Equipment as determined by us. Paper, staples and/or other copying substances must be separately purchased by you from us or other suppliers at the then current prices. You agree to pay us our then published rates for any repairs requested by you to be performed outside our normal business hours or caused by your negligence, or operation of the Equipment not in accordance with accepted procedures established by the manufacturer or us. You agree to provide suitable space and electrical services for the operation of the Equipment as recommended by the manufacturer or us. All meter calculations are based on actual usage. Single sided 8.5 x 11 or 8.5 x 14 images are counted as 1 copy. Duplexed 8.5 x 11 or 8.5 x 14 images are counted as 2 copies. Single sided 11 x 17 images are counted as 2 copies and duplexed 11 x 17 images are counted as 4 copies. All parts replaced or installed in the Equipment remain our property. Except for the above maintenance obligation, we are renting the Equipment to you "AS IS" WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT. We transfer to you for the term of this Agreement all warranties, if any, made by the manufacturer. We are not liable to you for any modification or decision of manufacturer warranties. You agree to continue making payments to us under this Agreement regardless of any claims you may have against the manufacturer.

**4 OWNERSHIP, REDELIVERY AND RENEWAL** We are the Owner of the Equipment and have title to the Equipment. In states where permissible, you hereby authorize us, at your expense, to cause this Agreement, or any statement or other instrument in respect to this Agreement showing our interest in the Equipment, including Uniform Commercial Code Financing Statement, to be filed or recorded and re-filed and re-recorded, and grant us the right to execute your name thereto. To protect our rights in the Equipment, in the event this Agreement is determined to be a security agreement, you hereby grant to us a security interest in the Equipment and all proceeds, products, rents or profits therefrom. You agree to execute and deliver any statement or instrument requested by us for such purpose, and agree to pay and reimburse us for any searches, filings, recordings, stamp fees or taxes related to the filing or recording of any such instrument or statement. The parties intend this Agreement to be a Finance Lease under Article 2A of the Uniform Commercial Code. You hereby waive any and all rights to and remedies granted you by Section 2A-508 through 2A-522 of the Uniform Commercial Code. On or before ninety (90) days prior to the expiration of the initial term of this Agreement, you shall give us written notice of your intention to return the equipment to us. Provided you have given such timely notice, you shall return the Equipment, freight and insurance prepaid, to us in good repair condition and working order, ordinary wear and tear excepted, in a manner and to a location designated by us. If you fail to so notify us, or having notified us, you fail to return the Equipment as provided herein, this Agreement shall renew for additional terms of ninety (90) days at a periodic rent equal to 100% of the rent provided herein.

**5 RISK OF LOSS AND INSURANCE** You are responsible for providing an installation site which conforms to the manufacturer's published space, electrical and environmental requirements, and allowing us access to the Equipment for purposes of maintenance and monitoring meter readings. Except for ordinary wear and tear, you are responsible for protecting the Equipment from damage and loss of any kind. If the Equipment is damaged or lost, you agree to continue to pay rent. You agree during the term of this Agreement, to keep the Equipment fully insured against loss, naming us as loss payee, to obtain a general public liability insurance policy from a company acceptable to us, including us as an insured on the policy. You agree to provide certificates or other evidence of insurance. Should you fail to provide such insurance, you agree that we may obtain such insurance, and charge you therefor.

**6 INDEMNITY** We are not responsible for any losses or injuries caused by the installation, removal or use of the Equipment. You agree to reimburse us for and to defend us against any claims for losses or injuries (including pre- and post-judgment attorney's fees and costs) caused by the Equipment.

**7 TAXES AND FEES** You agree to pay when due or reimburse us for all taxes, fees, fines and penalties relating to use or ownership of the Equipment or to this Agreement, now or hereafter imposed, levied or assessed by any state, federal or local government agency.

**EQUIPMENT LOCATED IN CERTAIN STATES** is subject to sales tax laws which require that tax be paid up front. If you choose to pay this tax up front, you may include, with your advance payment, your check for the current percent of tax applied to the cost of the Equipment. If you do not include it up front, then you hereby authorize us to advance the tax and increase your monthly payment by an amount equal to the current tax percentage applied to the monthly rental shown above.

**8 LOCATION OF EQUIPMENT** You will keep and use the Equipment only at your address shown above and for business purposes only. You agree that the Equipment will not be removed from that address unless you get our written permission in advance to move it. You agree that the Equipment will be used for business purposes only.

**9 DEFAULT AND REMEDIES** If you (a) fail to pay rent or any other payment hereunder when due, or (b) fail to perform any of the other terms, covenants, or conditions of this Agreement after ten (10) days written notice, or (c) become insolvent or make an assignment for the benefit of creditors, or file a petition under the Bankruptcy Code or one is filed against you, or (d) a receiver, trustee, conservator, or liquidator is appointed with or without your consent, you shall be in default under this Agreement and, we may, to the extent permitted by applicable law, exercise any one or more of the following remedies, (i) declare due, sue for and receive from you the sum of all rental payments and other amounts due and owing under this Agreement or any schedule thereto, plus the sum of the MMR payments for the unexpired term of this Agreement or any schedule hereto discounted at the rate of 6% per annum and demand return of the Equipment in accordance with Section 4 hereof, (ii) to similarly accelerate the balances due under any other agreements between you and us, (iii) to take immediate possession of the Equipment, (iv) require you to return all Equipment at your expense to a place reasonably designated by us, (v) to charge you for all the expenses incurred in connection with the enforcement of any of our remedies including all costs of collection, reasonable attorney's fees and court costs. Lessee shall also be liable for the pre- and post-judgment attorney's fees and costs incurred by Lessor after a judgement has been entered against Lessee by any court. (vi) apply any security deposit held by us to reduce any amounts you owe us.

All our remedies are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised either concurrently or separately. Exercise of any one remedy shall not be deemed an election of such remedy, or to preclude the exercise of any other remedy. No failure on our part to exercise any right or remedy and no delay in exercising any right or remedy shall operate as a waiver of any right or remedy or to modify the terms of this Agreement. A waiver of default shall not be construed as a waiver of any other or subsequent default.

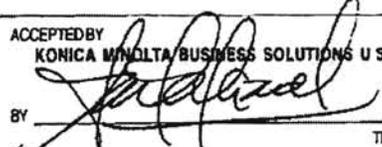
**10 ASSIGNMENT** YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN THIS AGREEMENT OR SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER THE EQUIPMENT WE MAY SELL, ASSIGN OR TRANSFER THIS AGREEMENT. You agree that if we sell, assign or transfer this Agreement, the new owner will have the same rights that we have now and will not have to perform any of our obligations. You agree that the right of the new owner will not be subject to any claims, defenses, or set-offs that you may have against us. In the event of a sale, transfer or assignment, we agree to remain responsible for our obligations hereunder.

**11 CONSENT TO JURISDICTION AND GOVERNING LAW** YOU AND ALL GUARANTORS CONSENT TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW JERSEY WITH RESPECT TO ANY ACTION ARISING OUT OF ANY AGREEMENT, GUARANTY, SETTLEMENT AGREEMENT, PROMISSORY NOTE OR OTHER ACCOMMODATION OR AGREEMENT WITH US. THIS MEANS THAT ANY ACTION FILED AGAINST YOU AND/OR ANY GUARANTORS MAY BE FILED IN NEW JERSEY AND THAT YOU AND/OR ANY OF THE GUARANTORS MAY BE REQUIRED TO DEFEND AND LITIGATE ANY SUCH ACTION IN NEW JERSEY. You and all guarantors agree that service of process by certified mail, return receipt requested, shall be deemed the equivalent of personal service in any such action. However, nothing in this paragraph shall be construed to limit the jurisdictions of which suit may be filed by any party to this Agreement or the means of obtaining service of process in any such suit. **ANY LEGAL ACTION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY TO THE EXTENT PERMITTED BY LAW. YOU WAIVE TRIAL BY JURY IN ANY ACTION HEREUNDER.**

**12 CUSTOMER PO** You agree that any purchase order issued to us covering the rental of this Equipment, is issued for purposes of authorization and your internal use only, and none of its terms and conditions shall modify the terms and conditions of this Agreement.

**13 SECURITY DEPOSIT** Any security deposit in non-interest bearing. Provided it has not been applied in accordance with paragraph 9, we shall return any security deposit to you at the termination of this Agreement.

**14 ENTIRE AGREEMENT** You agree that we may insert or correct missing information on this Agreement including your legal name and the Equipment's description, serial number and location, otherwise, this Agreement contains the entire arrangement between you and us and no modifications of this Agreement shall be effective unless in writing and signed by the parties.

ACCEPTED BY  
KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC. OWNER  
BY   
TITLE \_\_\_\_\_ DATE \_\_\_\_\_



ASSIGNMENT OF LEASE

LESSEE: Detrems Law Firm  
LEASE NUMBER: 4197760  
DATE OF LEASE: 1/31/01

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, transfers and sets over unto Citicorp Vendor Finance, Inc. ("CVF") its successors and assigns all right, title and interest in and to the lease agreement identified above between the undersigned as Lessor and the above named Lessee pursuant to the Lease Assignment Master Agreement dated October 25, 1988, between the undersigned and CVF fka Copelco Capital, Inc.

LESSOR: KONICA MINOLTA BUSINESS SOLUTIONS  
U.S.A., INC. formerly known as  
MINOLTA BUSINESS SOLUTIONS, INC.

By: [Signature]

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Exhibit B

NOTICE

Please be advised that pursuant to a certain Purchase & Sale Agreement dated as of March 31, 2007, Citicapital Technology Finance, Inc., a Pennsylvania corporation, and Citicorp Vendor Finance, Inc., a Delaware corporation (each, a "Seller", collectively, "Sellers") have sold, granted, conveyed and assigned all of their respective right, title and interest in the contract(s) listed on Schedule A hereto and any and all related receivables, equipment thereunder and ancillary documentation thereto to CIT Technology Financing Services I LLC ("Purchaser"). This transaction closed as of 11:59 P.M. (EST) on April 30, 2007.

It is Sellers' and Purchaser's intent that this document be used as evidence in legal proceedings of the transfer and assignment of the contract(s) and any all related equipment thereunder and ancillary documentation thereto by Sellers to Purchaser and their successors and assigns. Sellers by execution below and Purchaser by acceptance hereof do consent to the filing of this Notice in court proceedings for such purpose.

IN WITNESS WHEREOF, each Seller has caused this Notice to be executed in its name and by an authorized officer as of April 30, 2007.

Citicapital Technology Finance, Inc.

By: Mary C. Tucker  
Mary C. Tucker  
Deputy General Counsel – Litigation Management

Citicorp Vendor Finance, Inc.

By: Mary C. Tucker  
Mary C. Tucker  
Deputy General Counsel – Litigation Management

CIT Technology Financing Services I LLC

By: Rob Arrington  
Name: Rob Arrington  
Title: President

4/30/07 C

Schedule A (Partially Redacted)

Citicorp Vendor Finance, Inc. file  
4199760

CIT Technology  
Financing Services, Inc. file  
930-0063724-000

Lessee  
Petrenko Law Firm

Guarantor  
Konstantin Bogolyubov

CIT 29r30  
Cik 9r10

**BILL OF SALE**

For value received, the undersigned hereby transfers, sells, conveys, grants and delivers to TBF Financial, LLC, its successors and assigns ("TBF"), "as-is, where-is" without representation, warranty or recourse, except as provided in that certain Asset Purchase Agreement dated August 14, 2006, between TBF and the undersigned, those leases identified on Exhibit A attached hereto as a part hereof and the equipment subject to, and the documents supporting, said leases.

Dated: March 26, 2010

At Jacksonville, Florida

**CIT TECHNOLOGY FINANCING SERVICES, INC.  
CIT TECHNOLOGY FINANCING SERVICES I LLC  
CIT TECHNOLOGY FINANCING SERVICES II LLC**

By:   
Its: Jim Marino, Director, Portfolio Services

Exhibit D

**Exhibit A (Partially Redacted)**

<u>TBF Financial, LLC file</u>	<u>CIT Technology Financing Services, Inc. File</u>	<u>Lessee</u>	<u>Guarantor</u>
72070	930-0063724-000	Petrenko Law Firm	Konstantin Bogolyubov

**Accounting Statement**

TBF File Number	72070
Date	May 1, 2010
Re: TBF Financial, LLC v.	Petrenko Law Firm and Konstantin Bogolyubov

Total Payments Due	60 @ \$129.29	\$7,757.40
Payments Made		(\$6,214.05)
Late Charges		\$ 154.34
Interest		\$ 0.00
Attorney Fees		\$ 0.00
Equipment Residual Value		\$ 620.59
Sales Tax		\$ 0.00
Personal Property Tax		\$ 0.00
Insurance		\$ 0.00
Sales Proceeds		(\$ 0.00)
<b>Balance Due</b>		<b>\$2,318.28</b>

**Plus 13.8% interest from March 13, 2009, the date of default**

Exhibit E



KONICA MINOLTA

S.M.A.R.T. SOLUTION

KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC

ACCOUNT # 200156106

EQUIPMENT DESCRIPTION	SERIAL NUMBER	MONTHLY MINIMUM RENTAL*	QUARTERLY COPY ALLOWANCE	EXCESS COPY CHARGE*	UNIT #
1 Konica Minolta Di 470		\$ 205.00	6000 COPIES	012 PER COPY	
2 pi 4700e		\$	COPIES	PER COPY	
3		\$	COPIES	PER COPY	
INITIAL TERM OF AGREEMENT <u>60</u> MONTHS		SECURITY DEPOSIT <u>0</u> *plus applicable tax			

TERMS AND CONDITIONS

The words YOU and YOUR mean the User of the Equipment. The words WE, US, and OUR refer to the Owner of the Equipment.

1 RENTAL AGREEMENT ("AGREEMENT") We agree to rent to you and you agree to rent from us the equipment listed above ("Equipment"). You promise to pay us the Monthly Minimum Rental Payment ("MMR") in accordance with the terms below plus the Excess Copy Charge ("ECC") on copies in excess of the Quarterly Copy Allowance ("QCA"). You authorize us to insert in this Agreement serial numbers of Equipment when we so determine them.

2 TERM AND RENT The Agreement shall commence on the day that any of the Equipment is delivered to you ("The Commencement Date"). The installments of rent shall be payable in arrears, in the amounts and for the initial term provided above, commencing 29 days after the Commencement Date, with subsequent payments due on the same day of each successive month thereafter until all rent and any additional rent or expenses chargeable under this Agreement shall have been paid in full. Your obligation to pay the rent and other obligations hereunder shall be absolute and unconditional and are not subject to any abatement, set-off, defense or counter claim for any reason whatsoever. This Agreement is NON-CANCELABLE. If the initial term of this Agreement (as described above) is greater than twenty four (24) months, we reserve the right to increase the MMR by an amount equal to one percent (1%) for each 12 month period commencing at month 25 and continuing for each 12 month period thereafter until the end of the initial term of this Agreement. If any payment hereunder is not made by you when

(continued on reverse)

THE TERMS AND CONDITIONS PRINTED ON THE REVERSE SIDE ARE MADE A PART HEREOF

IMPORTANT INFORMATION ABOUT THE PATRIOT ACT EFFECTIVE OCTOBER 1, 2003

To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify, and record information that identifies each person or business that opens an account or establishes a relationship. What this means for you when you open an account or establish a relationship, we will ask for your name, street address, date of birth, and identification number, such as a social security number or taxpayer identification number. For businesses, we will ask for the business name, street address and tax identification number. Federal law requires us to obtain this information. We may also ask to see your driver's license or other identifying documents that will allow us to identify you. We appreciate your cooperation.

SOLE PROPRIETORSHIP DATE OF BIRTH \_\_\_\_\_

NAME \_\_\_\_\_ SS# \_\_\_\_\_

ADDRESS \_\_\_\_\_

CORPORATION/PARTNERSHIP TAX ID# 86-1124298

If this information differs for each machine, please attach schedule

Equipment Location \_\_\_\_\_ Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Customer Contact \_\_\_\_\_

Fax No \_\_\_\_\_ Purchase Order No \_\_\_\_\_

If Sales Tax Exempt, a valid tax exempt certificate must accompany this Agreement

Petrenko Law Firm

FULL LEGAL NAME OF USER

15152 SE 54th Place

BILLING ADDRESS

Bellevue WA 98006

CITY STATE ZIP

PHONE NO 206 213-3653 DATE 07/27/05

BY \* [Signature]

Konstantin Booolyubay

PRINT NAME

GUARANTY

To induce us to enter into the within Agreement, the undersigned, jointly and severally, if more than one, unconditionally guarantees to us the prompt payment when due of all of your obligations to us under the Agreement, including without limitation every rental installment, the accelerated balance of rents, administrative charges, collection charges and interest. We shall not be required to proceed against you or the Equipment or to enforce any of its other remedies before proceeding against the undersigned. The undersigned agrees to pay all reasonable attorney's fees, court costs and other expenses incurred by us by reason of any default by you. The undersigned waives notice of acceptance hereof and all other notices or demands of any kind to which the undersigned may be entitled except demand for payment. The undersigned consents to any extensions of time or modification of amount of payment granted to you and the release and/or compromise of any obligations of you or any other obligors and/or guarantors without in any way releasing the undersigned's obligations hereunder. This is a continuing Guaranty and shall not be discharged or affected by your administrator's representatives, successors and assigns. This Guaranty may be enforced by or for the benefit of any assignee or successor of us. Nothing shall discharge or satisfy the undersigned's liability except the full performance and payment of all your obligations to us with interest. THE UNDERSIGNED CONSENTS TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW JERSEY WITH RESPECT TO ANY ACTION ARISING OUT OF ANY AGREEMENT, GUARANTY, SETTLEMENT, PROMISSORY NOTE OR OTHER ACCOMMODATION OR AGREEMENT WITH US. THIS MEANS THAT ANY LEGAL ACTION FILED AGAINST YOU AND/OR GUARANTORS MAY BE FILED IN NEW JERSEY AND THAT YOU AND/OR ANY OF THE GUARANTORS MAY BE REQUIRED TO DEFEND AND LITIGATE ANY SUCH ACTION IN NEW JERSEY. You and all Guarantors agree that service of process by certified mail, return receipt requested, shall be deemed the equivalent of personal service in any such action. Any legal action concerning this Agreement shall be governed by and construed according to the laws of the State of New Jersey.

X \_\_\_\_\_ DATE \_\_\_\_\_  
WITNESS SIGNATURE

\_\_\_\_\_  
PRINT NAME

X \_\_\_\_\_ INDIVIDUALLY  
GUARANTOR SIGNATURE

\_\_\_\_\_  
PRINT NAME

LEASE ORIGINAL

FORM 490 REV10 03 1

**TERMS AND CONDITIONS**

due, you shall be charged a late fee of ten percent (10%) of the amount of such payment, plus interest on such amount at the rate of 1 1/2% per month from the due date until the date paid, but as to each of the foregoing, in no event more than the maximum rate permitted by law

**3 USE, MAINTENANCE, REPAIR, AND WARRANTIES** We agree to provide Equipment maintenance, during normal business hours and to provide inspections, adjustments, parts replacements, drums, developer, toner and cleaning material required for the proper operation of the Equipment as determined by us. Paper, staples and/or other copying substances must be separately purchased by you from us or other suppliers at the then current prices. You agree to pay us our then published rates for any repairs requested by you to be performed outside our normal business hours or caused by your negligence, or operation of the Equipment not in accordance with accepted procedures established by the manufacturer or us. You agree to provide suitable space and electrical services for the operation of the Equipment as recommended by the manufacturer or us. All meter calculations are based on actual usage. Single sided 8.5 x 11 or 8.5 x 14 images are counted as 1 copy. Duplexed 8.5 x 11 or 8.5 x 14 images are counted as 2 copies. Single sided 11 x 17 images are counted as 2 copies and duplexed 11 x 17 images are counted as 4 copies. All parts replaced or installed in the Equipment remain our property. Except for the above maintenance obligation, we are renting the Equipment to you "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT. We transfer to you for the term of this Agreement all warranties, if any, made by the manufacturer. We are not liable to you for any modification or decision of manufacturer warranties. You agree to continue making payments to us under this Agreement regardless of any claims you may have against the manufacturer.

**4 OWNERSHIP, REDELIVERY AND RENEWAL** We are the Owner of the Equipment and have title to the Equipment. In states where permissible, you hereby authorize us, at your expense, to cause this Agreement, or any statement or other instrument in respect to this Agreement showing our interest in the Equipment, including Uniform Commercial Code Financing Statement, to be filed or recorded and re-filed and re-recorded, and grant us the right to execute your name thereto. To protect our rights in the Equipment, in the event this Agreement is determined to be a security agreement, you hereby grant to us a security interest in the Equipment and all proceeds, products, rents or profits therefrom. You agree to execute and deliver any statement or instrument requested by us for such purpose, and agree to pay and reimburse us for any searches, filings, recordings, stamp fees or taxes related to the filing or recording of any such instrument or statement. The parties intend this Agreement to be a Finance Lease under Article 2A of the Uniform Commercial Code. You hereby waive any and all rights to and remedies granted you by Section 2A-508 through 2A-522 of the Uniform Commercial Code. On or before ninety (90) days prior to the expiration of the initial term of this Agreement, you shall give us written notice of your intention to return the equipment to us. Provided you have given such timely notice, you shall return the Equipment, freight and insurance prepaid, to us in good repair condition and working order, ordinary wear and tear excepted, in a manner and to a location designated by us. If you fail to so notify us, or having notified us, you fail to return the Equipment as provided herein, this Agreement shall renew for additional terms of ninety (90) days at a periodic rent equal to 100% of the rent provided herein.

**5 RISK OF LOSS AND INSURANCE** You are responsible for providing an installation site which conforms to the manufacturer's published space, electrical and environmental requirements, and allowing us access to the Equipment for purposes of maintenance and monitoring meter readings. Except for ordinary wear and tear, you are responsible for protecting the Equipment from damage and loss of any kind. If the Equipment is damaged or lost, you agree to continue to pay rent. You agree during the term of this Agreement, to keep the Equipment fully insured against loss, naming us as loss payee, to obtain a general public liability insurance policy from a company acceptable to us, including us as an insured on the policy. You agree to provide certificates or other evidence of insurance. Should you fail to provide such insurance, you agree that we may obtain such insurance, and charge you therefor.

**6 INDEMNITY** We are not responsible for any losses or injuries caused by the installation, removal or use of the Equipment. You agree to reimburse us for and to defend us against any claims for losses or injuries (including pre- and post-judgment attorney's fees and costs) caused by the Equipment.

**7 TAXES AND FEES** You agree to pay when due or reimburse us for all taxes, fees, fines and penalties relating to use or ownership of the Equipment or to this Agreement, now or hereafter imposed, levied or assessed by any state, federal or local government agency.

**EQUIPMENT LOCATED IN CERTAIN STATES** is subject to sales tax laws which require that tax be paid up front. If you choose to pay this tax up front, you may include, with your advance payment, your check for the current percent of tax applied to the cost of the Equipment. If you do not include it up front, then you hereby authorize us to advance the tax and increase your monthly payment by an amount equal to the current tax percentage applied to the monthly rental shown above.

**8 LOCATION OF EQUIPMENT** You will keep and use the Equipment only at your address shown above and for business purposes only. You agree that the Equipment will not be removed from that address unless you get our written permission in advance to move it. You agree that the Equipment will be used for business purposes only.

**9 DEFAULT AND REMEDIES** If you (a) fail to pay rent or any other payment hereunder when due, or (b) fail to perform any of the other terms, covenants, or conditions of this Agreement after ten (10) days written notice, or (c) become insolvent or make an assignment for the benefit of creditors, or file a petition under the Bankruptcy Code or one is filed against you, or (d) a receiver, trustee, conservator, or liquidator is appointed with or without your consent, you shall be in default under this Agreement and, we may, to the extent permitted by applicable law, exercise any one or more of the following remedies: (i) declare due, sue for and receive from you the sum of all rental payments and other amounts due and owing under this Agreement or any schedule thereto, plus the sum of the MMR payments for the unexpired term of this Agreement or any schedule hereto discounted at the rate of 6% per annum and demand return of the Equipment in accordance with Section 4 hereof, (ii) to similarly accelerate the balances due under any other agreements between you and us, (iii) to take immediate possession of the Equipment, (iv) require you to return all Equipment at your expense to a place reasonably designated by us, (v) to charge you for all the expenses incurred in connection with the enforcement of any of our remedies including all costs of collection, reasonable attorney's fees and court costs. Lessee shall also be liable for the pre- and post-judgment attorney's fees and costs incurred by Lessor after a judgment has been entered against Lessee by any court. (vi) apply any security deposit held by us to reduce any amounts you owe us.

All our remedies are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised either concurrently or separately. Exercise of any one remedy shall not be deemed an election of such remedy, or to preclude the exercise of any other remedy. No failure on our part to exercise any right or remedy and no delay in exercising any right or remedy shall operate as a waiver of any right or remedy or to modify the terms of this Agreement. A waiver of default shall not be construed as a waiver of any other or subsequent default.

**10 ASSIGNMENT** YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN THIS AGREEMENT OR SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER THE EQUIPMENT. WE MAY SELL, ASSIGN OR TRANSFER THIS AGREEMENT. You agree that if we sell, assign or transfer this Agreement, the new owner will have the same rights that we have now and will not have to perform any of our obligations. You agree that the right of the new owner will not be subject to any claims, defenses, or set-offs that you may have against us. In the event of a sale transfer or assignment, we agree to remain responsible for our obligations hereunder.

**11 CONSENT TO JURISDICTION AND GOVERNING LAW** YOU AND ALL GUARANTORS CONSENT TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW JERSEY WITH RESPECT TO ANY ACTION ARISING OUT OF ANY AGREEMENT, GUARANTY, SETTLEMENT AGREEMENT, PROMISSORY NOTE OR OTHER ACCOMMODATION OR AGREEMENT WITH US. THIS MEANS THAT ANY ACTION FILED AGAINST YOU AND/OR ANY GUARANTORS MAY BE FILED IN NEW JERSEY AND THAT YOU AND/OR ANY OF THE GUARANTORS MAY BE REQUIRED TO DEFEND AND LITIGATE ANY SUCH ACTION IN NEW JERSEY. You and all guarantors agree that service of process by certified mail, return receipt requested, shall be deemed the equivalent of personal service in any such action. However, nothing in this paragraph shall be construed to limit the jurisdictions of which suit may be filed by any party to this Agreement or the means of obtaining service of process in any such suit. **ANY LEGAL ACTION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. TO THE EXTENT PERMITTED BY LAW, YOU WAIVE TRIAL BY JURY IN ANY ACTION HEREUNDER.**

**12 CUSTOMER PO** You agree that any purchase order issued to us covering the rental of this Equipment, is issued for purposes of authorization and your internal use only, and none of its terms and conditions shall modify the terms and conditions of this Agreement.

**13 SECURITY DEPOSIT** Any security deposit in non-interest bearing. Provided it has not been applied in accordance with paragraph 9, we shall return any security deposit to you at the termination of this Agreement.

**14 ENTIRE AGREEMENT** You agree that we may insert or correct missing information on this Agreement including your legal name and the Equipment's description, serial number and location, otherwise, this Agreement contains the entire arrangement between you and us and no modifications of this Agreement shall be effective unless in writing and signed by the parties.

ACCEPTED BY  
KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC., OWNER  
BY Shannon Hall  
TITLE DATE

ASSIGNMENT OF LEASE

RE: MASTER ASSIGNMENT AND BILL OF SALE DATED September 7, 2005.

LESSEE Petrenko LAW Firm

LEASE AGREEMENT NUMBER 200156106

DATE OF LEASE 7/27/05

INITIAL TERM 60

MONTHLY RENTAL PAYMENT 205<sup>00</sup>

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers to Citicorp Vendor Finance, Inc its successors and assigns, all of its rights, title and interest in and to Assigned Assets related to the Lease between Konica Minolta Business Solutions U S A , Inc , as lessor, and the Lessee

KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC

By

Shannon Hill

TITLE

DATE

9/15/05

G

NOTICE

Please be advised that pursuant to a certain Purchase & Sale Agreement dated as of March 31, 2007, Citicapital Technology Finance, Inc., a Pennsylvania corporation, and Citicorp Vendor Finance, Inc., a Delaware corporation (each, a "Seller", collectively, "Sellers") have sold, granted, conveyed and assigned all of their respective right, title and interest in the contract(s) listed on Schedule A hereto and any and all related receivables, equipment thereunder and ancillary documentation thereto to CIT Technology Financing Services I LLC ("Purchaser"). This transaction closed as of 11:59 P.M. (EST) on April 30, 2007.

It is Sellers' and Purchaser's intent that this document be used as evidence in legal proceedings of the transfer and assignment of the contract(s) and any all related equipment thereunder and ancillary documentation thereto by Sellers to Purchaser and their successors and assigns. Sellers by execution below and Purchaser by acceptance hereof do consent to the filing of this Notice in court proceedings for such purpose.

IN WITNESS WHEREOF, each Seller has caused this Notice to be executed in its name and by an authorized officer as of April 30, 2007.

Citicapital Technology Finance, Inc.

By: Mary C. Tucker  
Mary C. Tucker  
Deputy General Counsel – Litigation Management

Citicorp Vendor Finance, Inc.

By: Mary C. Tucker  
Mary C. Tucker  
Deputy General Counsel – Litigation Management

CIT Technology Financing Services I LLC

By: Ron Arrington  
Name: Ron Arrington  
Title: President

Exhibit H

Schedule A (Partially Redacted)

Citicorp Vendor Finance, Inc. file  
200156106

CIT Technology  
Financing Services, Inc. file  
910-0015817-000

Lessee  
Petrenko Law Firm

CIT 29x30

Cik 9x10

**BILL OF SALE**

For value received, the undersigned hereby transfers, sells, conveys, grants and delivers to TBF Financial, LLC, its successors and assigns ("TBF"), "as-is, where-is" without representation, warranty or recourse, except as provided in that certain Asset Purchase Agreement dated August 14, 2006, between TBF and the undersigned, those leases identified on Exhibit A attached hereto as a part hereof and the equipment subject to, and the documents supporting, said leases.

Dated: March 26, 2010

At Jacksonville, Florida

CIT TECHNOLOGY FINANCING SERVICES, INC.  
CIT TECHNOLOGY FINANCING SERVICES I LLC  
CIT TECHNOLOGY FINANCING SERVICES II LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

  
Jim Marino, Director, Portfolio Services

Exhibit

I

Exhibit A (Partially Redacted)

<u>TBF Financial, LLC file</u>	<u>CIT Technology Financing Services, Inc. File</u>	<u>Lessee</u>
72822	910-0015817-000	Petrenko Law Firm

**Accounting Statement**

TBF File Number	72822
Date	May 1, 2010
Re: TBF Financial, LLC v.	Petrenko Law Firm and Konstantin Bogolyubov

Total Payments Due	60 @ \$205.00	\$12,300.00
Payments Made		(\$8,466.92)
Late Charges		\$ 383.31
Interest		\$ 0.00
Attorney Fees		\$ 0.00
Equipment Residual Value		\$ 984.00
Sales Tax		\$ 0.00
Personal Property Tax		\$ 0.00
Insurance		\$ 0.00
Sales Proceeds		(\$ 0.00)
<b>Balance Due</b>		<b>\$5,200.39</b>

**Plus 13.8% interest from May 12, 2009, the date of default**

Exhibit J