

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re:

CD Liquidation Co., LLC, f/k/a
Cynergy Data, LLC, et al,

Debtors.
-----X

Chapter 11
Case No.: 09-13038(KG)

(Jointly Administered)

**RESPONSE TO DEBTORS OBJECTION TO CLAIMS PURSUANT TO 11 U.S.C. §502(B),
FED.R.BANKR.P3003 AND 3007 AND LOCAL RULE 3007-1**

The debtor's notion that my wage claim of \$ 2,518.27, referenced in the Exhibit A of Debtor's Objection dated October 8, 2010, under Claim No. 240 is for vacation earned in 2008 is **incorrect**. The company policy (copy enclosed) reads as follows:

1st Year (First 12 months) No vacation

Years 2 – 5 10 days

Year 5+ 15 days

“Once an employee has completed twelve (12) months of employment, he/she is eligible for vacation time on a **pro-rated basis to the end of the calendar year**.

EXAMPLE: An employee completes twelve (12) months of employment during September, 2008. He/she is eligible for 2.5 vacation days for the remainder of 2008 (10 vacation days divided by 12 months times 3 months). He/she is eligible for ten (10) vacation days in calendar year 2009”.

The debtor's claim that my vacation earned is for 2008 not only contradicts the company policy, but it also implies that I did not earn any vacation days in 2009, which is **inaccurate**. I earned ten (10) vacation days for 2009 and my claim was adjusted to include only unpaid/unused days earned between March 1, 2009 and August 31, 2009.

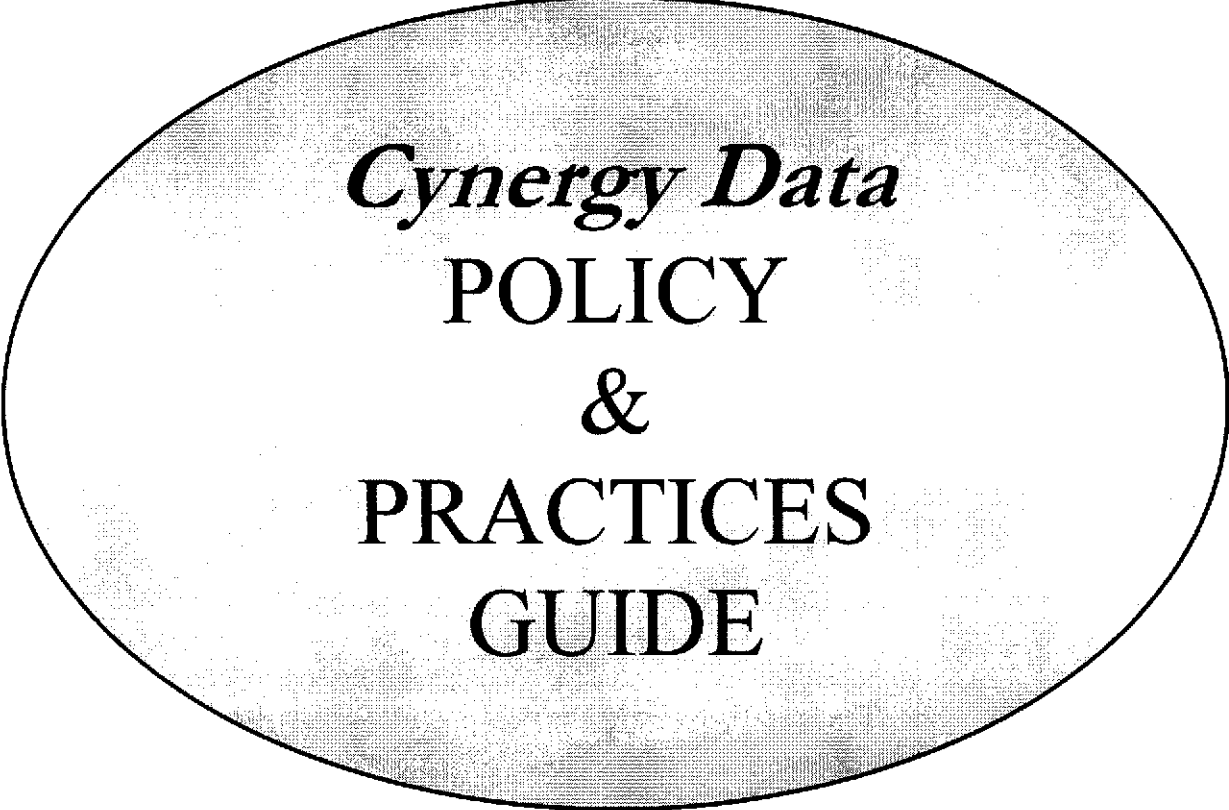
Therefore, in accordance with U.S.C section 507 (a) (4) which included vacation earned as priority payments, my claim should **be considered a Priority**.

Dated: Queens, New York
October 28, 2010



Name: Michael D'Alauro
Address: 86 Bailey Avenue
Address: Patchogue, NY 11772
Telephone No.: (631) 289-2673

These Debtors are the following entities (with the last four digits of their federal tax identification numbers in parentheses): CD Liquidation Co., LLC f/k/a Cynergy Data, LLC (8677); Cynergy Data Holdings Inc. (8208); CD Liquidation Co. Plus, LLC f/k/a Cynergy Prosperity Plus, LLC (4265)



Cynergy Data
POLICY
&
PRACTICES
GUIDE

February, 2005

Cynergy Data ~ 109-15 14th Avenue, Ste. 200 ~ College Point, NY 11356
Tel: 718.463.6200 ~ Fax: 718.746.6285

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Dear Employee:

Welcome to Cynergy Data

At Cynergy Data, Inc. we have always emphasized that outstanding people are the key to our success.

Through the efforts of our employees, Cynergy Data has become a leader in the credit card processing business. To ensure our continued success, we feel it is important that our employees are familiar with our benefits and understand our policies and procedures. This Policies and Practices Guide will familiarize you with various aspects of working at Cynergy Data. It will also be a useful reference document. If you have any questions, please feel free to ask us.

Once again, welcome to our family and thank you for taking this first step in knowing your Company.

Marcelo F. Paladini
CEO

Important Notice/Disclaimer

Regardless of what is contained in this or any policy and procedure or in any other written or oral statement of any kind, all employment with Cynergy Data is At-will. This means that each At-will employee has the right to resign and Cynergy Data has the right to terminate any At-will employee for any reason or no reason, with or without prior notice. This policy and procedure is a directive to supervisors. It is not a promise or contract of any type and no employee may rely upon it or use it against Cynergy Data for any purpose. Cynergy Data has the right to change or discontinue any policy or procedure at any time and to take any action it deems appropriate even if different from or not contained in a policy or procedure. No one has any authority or right to make any promises, oral or in writing, different from or inconsistent with this Important Notice/Disclaimer.

INTRODUCTION

Our policies, practices and benefits are continuously reviewed for updating and we expect to change them from time to time. Therefore, if a question should arise, you should always check with your Supervisor. NEITHER THE POLICIES OR PRACTICES CONTAINED IN THIS GUIDE, NOR ANY OTHER WRITTEN OR VERBAL COMMUNICATION BY A MANAGER OR SUPERVISOR ARE INTENDED TO CREATE A CONTRACT OF EMPLOYMENT OR A WARRANTY OF BENEFITS. Your terms and conditions of employment are also subject to Federal and State laws and by formal plan documents, if any. In case of confusion or conflict the applicable law or plan documents govern, not the informal wording of this guide.

INTRODUCTORY PERIOD ~ NEW EMPLOYEES

As a new employee, you will participate in a monitored three month evaluation and introductory period. During that time, we will verify your skills, capabilities, and suitability for your position. Likewise, this period will give you the opportunity to evaluate Cynergy Data as a place to work.

ETHICAL STANDARDS & CONFLICT OF INTEREST

Cynergy Data has an excellent reputation for conducting its business activities with integrity, fairness and in accordance with the highest standards. As an employee, you enjoy the benefits of that reputation and are obligated to uphold it in every business activity. If you are ever in doubt whether an activity meets our ethical standards or compromises the Company's reputation, please discuss it with your Supervisor.

OPEN DOOR POLICY

Employees are encouraged to share their concerns, seek information, provide input and resolve problems and issues through their Supervisor and/or Senior Management if appropriate. Supervisors and or Senior Management are expected to listen to employee concerns to encourage their input and to seek resolutions to their problems and or issues.

SUGGESTIONS

If you should have suggestions or ideas that you feel would benefit Cynergy Data, we encourage you to tell us about them. We are always looking for suggestions that improve methods, procedures and working conditions, reduce costs or errors and benefit the Company and its employees)

EQUAL EMPLOYMENT OPPORTUNITY

Cynergy Data maintains a strong policy of equal employment opportunity. We take affirmative action to ensure equal employment. We hire, train, promote and compensate employees on the basis of individual competence and potential for advancement without regard for race, color, religion, sex, sexual orientation, national origin, age, marital status, veteran status or physical or mental impairments.

AMERICANS WITH DISABILITIES ACT

The Company is committed to providing equal employment opportunities to otherwise qualified individuals with disabilities, which includes providing reasonable accommodations whenever necessary. In general, it is your responsibility to notify your Supervisor of the need for an accommodation. Upon doing so, your Supervisor may ask you for your input or the type of accommodation you believe may be necessary, or the functional limitations caused by your disability.

NON-HARASSMENT

It is Company policy to prohibit harassment of one employee by another employee, a supervisor or a manager on any basis including, but not limited to, veteran status, race, color, religion, marital status, national origin, physical or mental disability and/or age.

While it is not easy to define precisely what harassment is, it certainly includes slurs, epithets, threats, derogatory comments, unwelcome jokes and teasing.

Any employee who believes that (s)he is a victim of such harassment should immediately report the matter to his/her Supervisor. If your supervisor is part of the problem, you may go directly to the company President. The Company will investigate all such reports as confidentially as possible. Adverse action will not be taken against an employee who reports or participates in the investigation of a violation of this policy. Violations of this policy will not be permitted and may result in disciplinary action, up to and including discharge.

SEXUAL HARASSMENT

Cynergy Data prohibits any form of unlawful employee harassment based on race, color, religion, sex, national origin, age, union status, pregnancy, disability or status as a Vietnam-era or special disabled veteran, or status in any group protected by state or local law. Improper interference with the ability of any employee to perform his/her expected job duties will not be tolerated.

Any person making unwelcome sexual advances, requests for sexual favors or other such verbal or physical conduct creating an intimidating, hostile or offensive work environment may be terminated immediately. Sexual harassment is defined as:

1. Unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature, especially where:
 - * Submission to such conduct is made either explicitly or implicitly a term or condition of employment, job status or performance/compensation review;
 - * Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment, job status or performance/compensation review; or
 - * Such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment.
2. Offensive comments, jokes, innuendoes and other sexually oriented statements.

It is the responsibility of each member of management to create an atmosphere free from discrimination and harassment, sexual or otherwise. All employees are responsible for respecting the rights of their coworkers.

If an employee feels he/she has been discriminated against based on his/her sex, race, national origin, disability, or any other factor, or believes that he/she has been treated in an unlawful, discriminatory manner, the incident should be promptly reported to the principals.

Upon receipt of a complaint, an investigation will be conducted by the principals. The complaint will be kept confidential to the maximum extent possible.

If, after the investigation, it has been determined that an employee is guilty of harassing another employee, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment.

Cynergy Data prohibits any form of retaliation against an employee who files a bona fide complaint or for his/her assistance in a complaint investigation.

If after investigating any complaint of harassment or unlawful discrimination, Cynergy Data determines that the complaint is not bona fide or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave the false information.

CONSENSUAL RELATIONSHIPS

Cynergy Data strongly discourages romantic or sexual relationships between a management/supervisory employee and his/her staff (an employee who reports directly or indirectly to that person), because such relationships tend to create compromising conflicts of interest or the appearance of such conflicts. In addition, such a relationship may give rise to the perception by others that there is favoritism or bias in employment decisions affecting the staff employee. The atmosphere created by such appearances of bias, favoritism, intimidation or coercion or exploitation undermines the spirit of trust and mutual respect, which is essential to a healthy work environment. If there is such a relationship, the parties need to be aware that one or both may be moved to a different department or other actions may be taken. This also holds true for employees at all levels within Cynergy Data.

If any Cynergy Data employee enters into a consensual relationship, which is romantic or sexual in nature with another employee, the parties must notify their supervisors. Although the parties may feel that what they do during non-working hours is their business and not the business of the company, but because potential issues regarding "quid pro quo" (meaning a manager requesting favors from a staff member where the request becomes a condition of employment) harassment may arise, the company has made this a mandatory requirement.

Cynergy Data management expects these relationships will be kept out of the work environment and that all parties will maintain a high level of professionalism in the office. If it is determined that a personal relationship creates difficulties in the workplace, management will inform the employees and will participate in developing a plan that will eliminate the difficulties.

COMPENSATION POLICIES

PAY PERIOD:

The usual pay period is bi-weekly. Payday is every other Friday. When payday falls on a holiday, paychecks will be distributed on the last working day prior to the holiday.

WORK SCHEDULE:

The workweek for all employees commences on Monday morning and ends the following Friday evening. Standard working hours are 9:00a.m. to 6:00p.m with one hour for lunch and breaks. The lunch period for all employees should be taken between the hours of 12:00p.m. and 3:00p.m.

PAYROLL DEDUCTIONS:

Your earnings and payroll deductions are shown on a voucher with your check. Deductions include but are not limited to:

- Federal Income Tax
- State, City & Local Tax
- Social Security Tax
- State Disability Tax
- Garnishments/Wage Attachments
- Medicare
- Medical Insurance

From time to time, other deductions may be made to comply with payroll and management policies. If you believe that a deduction was mistakenly made, contact the Chief Financial Officer in writing. Provide a copy of your paystub indicating the deduction error and a statement as to why you believe the deduction is incorrect. If a mistake was made, it will be rectified in the next pay period.

EXEMPT EMPLOYEE PAY DEDUCTIONS:

In accordance with Fair Labor Standards Act regulations, exempt employees who are required to be paid on a salary basis may not have their Pay reduced for variations in the quantity or quality of work performed. Employees who feel their pay has been improperly reduced should report this immediately to the Chief Financial Officer.

Exempt employees normally must receive their full salary for any week in which they perform any work, without regard to the number of days or hours worked. However, exempt employees need not be paid for any workweek in which they perform no work at all for Cynergy Data.

Deductions from pay cannot be made as a result of absences due to the circumstances listed below. Improper pay deductions are specifically prohibited regardless of the circumstances.

Managers/supervisors violating this policy will be subject to investigation of their pay practices and appropriate corrective action in accordance with normal procedures:

- a. jury duty
- b. attendance as a witness
- c. temporary military leave
- d. absences caused by the employer
- e. absences caused by the operating requirements of the business
- f. partial day amounts other than those specifically discussed below

The few exceptions to the requirement to pay on a salary basis are listed below. In these cases deductions may be permissible:

- a. Absences of one or more full days for personal reasons other than sickness or disability (except when personal or vacation days are available)

- b. Absences of one or more full days due to sickness or disability (except when Short Term Disability eligibility has been met)
- c. Fees received for jury, witness or military duty may be applied to offset the pay otherwise due to the employee for the week.
- d. Unpaid disciplinary suspensions of one or more full days in accordance with Cynergy Data's disciplinary policy.
- e. Deductions for the first and last week of employment, when only part of the week is worked by the employee, as long as this practice is consistently applied to all exempt employees in the same circumstances.
- f. Deductions for unpaid leave taken in accordance with a legitimate absence under the Family and Medical Leave Act.

WAGE GARNISHMENTS:

Garnishment of wages results when a court order attaches to you salary. Although the Company does not wish to become involved in an employee's private matters, we are compelled by law to administer the court's order. If we are served with such an order, the Chief Financial Officer will contact you to explain the details of the garnishment and how it affects the wages. It is the responsibility of the employee to have the garnishment lifted by the court.

EMPLOYEE PERFORMANCE REVIEWS:

Employees will be reviewed at the end of the three-month introductory period to determine suitability for continuing employment. Thereafter, all employees will be reviewed every twelve months.

BENEFITS

VACATIONS:

Full time employees working 40 hours per week are eligible for vacation.

Vacation is earned as follows:

1 st Year (First 12 months)	No vacation
Years 2 – 5	10 days
Year 5+	15 days

Once an employee has completed twelve (12) months of employment, he/she is eligible for vacation time on a pro-rated basis to the end of the calendar year. **EXAMPLE:** An employee completes twelve (12) months of employment during September, 2003. He/she is eligible for 2.5 vacation days for the remainder of 2003 (10 vacation days divided by 12 months times 3 months). He/she is eligible for ten (10) vacation days in calendar year 2004.

Requests for vacation must be addressed to your Supervisor, in writing, at least 30 days in advance of your planned absence and will be granted on a case-by-case basis according to the needs of the Company. The principals reserve the right to deny all vacations during peak periods, including November 1 through December 25 of each year.

In the event that a business necessity requires an employee to forego their vacation, Cynergy Data will allow carryover of a maximum of five (5) days, to be taken during the next year but not in conjunction with the vacation time of the next year. If more than five (5) days is available, we will pay out the difference.

HOLIDAYS:

Employees working 40 hours per week are eligible for holiday pay. You will be compensated for time off for the following holidays:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- One Floating Holiday

If a holiday falls on a Saturday, it will be celebrated on Friday. If a holiday falls on a Sunday, it will be celebrated on Monday. Employees who work on holidays will be required to work on the celebration day as well as the actual holiday. Employees will not be paid in lieu of taking time off for a holiday, unless requested by the Company. If a holiday occurs during a week an employee has designated as vacation, that day will not be charged against their vacation. Unless previously approved, employees must attend work the day prior and the day after a holiday to be eligible for holiday pay. The floating holiday is to be used for any other U.S. holiday that is not included in the list above or a religious holiday. Supervisory approval for the floating holiday must be received prior to taking the day off.

As we are a service organization, it may be necessary for all employees to be available to provide holiday coverage. Typically, employees are requested to volunteer to work on holidays. If sufficient coverage is not reached, a rotation schedule will be prepared for each year. In the event you are needed to provide holiday coverage, in addition to receiving holiday pay, you will be paid for the hours you work as well. Any changes to the holiday rotation schedule must have the approval of your supervisor.

PERSONAL DAYS:

From time to time, employees may require time off to handle personal business. This may include parent/teacher conferences, doctor appointments, family emergencies, etc. Employees who have completed six (6) months of employment will receive one (1) personal day for each six (6) month period for a total of two (2) personal days in a twelve (12) month period. Personal days may not be carried forward from one (1) period to the following period and employees will not be compensated for unused personal days. Supervisory approval for personal days must be received prior to taking the day off.

SICK LEAVE:

Compensation for sick leave begins after an employee has been with the Company for six months. Thereafter, the employee will be compensated for two (2) sick days for each six (6) month period for a total of four (4) days in a twelve (12) month period. Sick days may not be carried forward from one period to the following period. The Company does not compensate employees for unused sick days. Sick days will be paid only if the employee adheres to the call-in requirement on the morning of the absence. If an employee takes a third sick day in the same six (6) month period, he/she will not be paid for the day. If a fourth sick day is taken in the same six (6) month period, he/she will not be paid, a doctor's note will be required and a verbal warning will be issued. The disciplinary process will continue if additional days are taken.

REHIRE OF FORMER EMPLOYEES:

From time to time, former employees may wish to return to Cynergy Data. Each request will be reviewed on a case-by-case basis and will include factors such as is a position available, prior experience, prior performance, etc. Approval must come from the department manager, the Chief Executive Officer and Human Resources. If the former employee returns within six (6) months of their separation date, they will receive credit for their prior service for benefit purposes (Insurance coverage, vacation, personal and sick time, 401(k)). They will however, be subject to a three (3) month Introductory Period.

FAMILY MEDICAL LEAVE ACT:

Cynergy Data provides medical leaves of absence without pay to all employees who have completed 1,250 hours of work in the past twelve (12) months for the following reasons:

1. If the employee is temporarily unable to work due to a serious health condition or disability.
2. If the employee needs to take time off from work duties to fulfill family obligations related directly to childbirth, adoption or placement of a foster child, or to care for a child, spouse or parent with a serious medical condition. For purposes of this practice, serious health conditions or disabilities include, but are not limited to temporary disabilities associated with pregnancy, childbirth and related medical conditions, illness, injury, impairment or physical or mental condition that involved inpatient care in a hospital, hospice or residential medical care facility or continuing treatment by a health care provider.

Eligible employees should make requests for medical leave to their department manager at least thirty (30) days in advance of foreseeable events and as soon as possible for unforeseeable events. They should then see Human Resources to complete the necessary forms.

Employees requesting family or medical leave related to their own serious health condition or that of a child, spouse or parent, must submit a health care provider's statement verifying the need for medical or family leave to provide care, its beginning and expected ending dates and the estimated time required. Any changes in this information should be promptly reported to Cynergy Data. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of twelve (12) weeks within any twelve (12) month period. Any combination of medical leave and family leave may not exceed this maximum limit.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions and limitations of the applicable plans, Cynergy Data will continue to provide its portion of health insurance benefits for the full period of the approved medical leave. The employee is responsible for providing his/her regular payroll contribution during the leave period. Arrangements for handling the regular payroll contribution are made with Human Resources when leave requirements are discussed and leave forms are completed.

Benefit accruals such as vacation, sick time or holiday benefits will be suspended during the leave and will resume when the employee returns to active employment.

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide Cynergy Data with at least two (2) weeks advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position if it is available or to an equivalent position for which the employee is qualified.

If an employee fails to return to work on the agreed upon return date, Cynergy Data will assume that the employee has resigned.

JURY DUTY:

Cynergy Data will allow time off to serve on jury duty. The Company will pay employees the difference between their regular pay and the Jury Duty stipend for up to one (1) week. Employees are required to notify their supervisor as soon as they receive a Jury Duty notice and must also provide copies of the stipend payments as well as the notice ending Jury Duty.

BEREAVEMENT LEAVE OF ABSENCE:

In the event of a death in your immediate family, you may have up to three (3) working days, with pay, to handle family affairs. Immediate family is defined as father, mother, sister, brother, spouse, child, grandparents, in-laws and domestic partners. For other family members, the Company will provide one (1) day off with full pay.

MEDICAL INSURANCE:

All full-time employees are eligible for medical insurance. You may choose between two (2) in-network/out-of-network plans for you and your family. Benefits begin on the first day of the next month following a three (3) month waiting period. You will receive under separate cover a description of our health plan.

DENTAL INSURANCE:

All full-time employees are eligible for dental insurance. You may choose between a PPO and DMO plan for you and your family. Benefits begin on the first day of the next month following a three (3) month waiting period. You will receive under separate cover a description of our health plan.

PRESCRIPTION DRUG INSURANCE:

All full-time employees are eligible for prescription drug insurance. A reimbursement plan is available to offset the cost of prescription drugs. There are three (3) levels of reimbursement depending on the drug. Benefits begin on the first day of the next month following a three (3) month waiting period. You will receive under separate cover a description of our health plan.

401(k) PLAN:

All full-time employees are eligible to participate in the company's 401(k) plan. After one (1) year of service, employees may contribute up to 15% of their annual salary on a pre-tax basis. Cynergy Data will match 50% of the contribution to a maximum of 6%. You will receive under separate cover a description of our 401(k) plan.

LIFE INSURANCE:

All full-time employees are eligible for life insurance. You will receive a life insurance policy worth \$25,000. Benefits begin on the first day of the next month following a three (3) month waiting period. You will receive under separate cover a description of our health plan.

WORKER'S COMPENSATION:

All injuries incurred on the job must be reported to your supervisor IMMEDIATELY. An employee injured on the job will be paid through the end of the workday in which the injury took place. An injured employee who is hospitalized on the day of the injury receives no further wages subject to vacation and sick leave accruals. Worker's Compensation laws govern on the job injuries.

SHORT TERM DISABILITY:

Short Term Disability is a state-mandated benefit that provides you with a weekly payment when you are unable to work due to a non-work related covered medical condition. STD starts as of your employment date.

COBRA:

In accordance with Federal law, employers sponsoring group medical plans are required to offer employees and their families the opportunity for temporary extension of medical coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

As an employee of this Company you have the right to choose this continuation coverage if you lose your group medical coverage because of a reduction in your hours of employment, the termination of your employment or if coverage is no longer provided by the company (for any reason other than gross misconduct on your part).

The spouse or dependent child of an employee also has the right to choose continuation coverage under the Company's group medical insurance plan.

Under the law, the employee or family members (to include divorced spouse or dependent child), has the responsibility to inform the Company's plan administrator of a divorce, legal separation or a child losing dependent status under the Company's group medical insurance plan.

The Company has the responsibility to notify the plan administrator of the employee's death, termination of employment or reduction in hours or Medicare entitlement.

When the plan administrator is notified that one of these events has happened, the plan administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have sixty (60) days from the date you would lose coverage because of the events described above to inform the plan administrator that you want continuation coverage.

If you do not choose continuation coverage, your group medical insurance coverage will end.

If you choose continuation coverage, the Company is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for up to 36 months unless you lost group medical coverage because of termination of employment or reduction in hours. In that case, the required continuation coverage period is up to 18 months. However, the law also provides that your continuation coverage may be cut short for other reasons (See the Accounting Manager for details).

Under the law, you will be required to pay all of the premium for your continuation coverage. The law also says that, at the end of the 18 month or 36 month continuation coverage period, you must be

allowed to enroll in an individual conversion medical plan provided under the Company medical insurance plan.

Additional information regarding coverage and cost as well as a complete copy of the COBRA law may be obtained from the Accounting Manager.

TRANSIT CHECKS:

Commuter transit checks allow you to purchase New York City subway and bus cards as well as partial railroad commuter tickets with pre-tax dollars. They are available to you as of your date of employment.

MILITARY LEAVE:

Leaves of absence without pay for U.S. military or reserve duty are granted as needed. If you are called to active military duty or reserve of national guard training, or if you volunteer for military service, you are required to submit copies of your military orders to your supervisor as soon as practical. Leave will be granted in accordance with applicable federal and state laws. If you are a reservist or National Guard members, you will be granted two (2) weeks off without pay for required training. You may use vacation time if you would like to be paid for this training. After completing active duty, your eligibility for reinstatement is determined in accordance with applicable federal and state laws.

GENERAL INFORMATION

OUTSIDE EMPLOYMENT:

An employee may hold a job with another organization as long as he/she satisfactorily performs the job duties with Cynergy Data. All employees will be judged by the same performance standards and will be subject to Cynergy Data's scheduling demands, regardless of any outside work requirement. If the company determines that an employee's outside work interferes with their ability to meet the requirements of Cynergy Data, the employee may be asked to terminate the outside employment if he/she wishes to remain with Cynergy Data.

SEPARATIONS:

It is our policy to make reasonable effort to retain good employees. However, employment at Cynergy Data is for no specified time, regardless of length of service. Just as you are free to leave for any reason, we reserve the right to end the relationship with any employee at any time with or without notice and for any reason not prohibited by law. The employee is expected to give at least two (2) weeks notice before terminating employment.

PROPRIETARY INFORMATION CONFIDENTIALITY:

Keeping company information, pricing structures and other financial data as well as any other proprietary information confidential is important. Employees may be asked to sign a proprietary information agreement and whether you sign it or not, the information must be kept confidential.

PERSONNEL FILES:

The Company maintains up-to-date personnel files on all employees. It is important to keep your records timely because this information is used for benefit administration, continued insurance notices

under COBRA, notification in case of emergency, etc. Please contact the Chief Financial Officer if there are any changes in your:

- Home Address
- Marital Status
- Telephone Number
- Number of Dependents
- Emergency Contact
- Military Status

PROTECTION OF COMPANY AND EMPLOYEE PROPERTY:

Respect and protection of the Company property and employee is everyone's concern. If you find any missing or damaged property, please report it to your supervisor immediately. Cynergy Data will not be responsible for replacing stolen or missing personal property.

RELEASE OF INFORMATION:

Except for records and information that we are legally required to provide, information about you generally will not be released unless you are told in advance, or if you request in writing that this information be released.

CORPORATE CREDIT CARDS:

Cynergy Data will provide certain employees with corporate credit cards to charge business related expenditures. These cards will only be provided with the approval of the Chief Executive Officer, President or Chief Financial Officer. Under no circumstances will credit cards be used for personal or non-business expenditures.

All business travel and entertainment related expenditures should be charged to corporate cards.
TRAVEL EXPENDITURES MUST BE PRE-APPROVED.

Receipts will be required for all expenditures.

It is the employee's responsibility to submit properly prepared expense reports within fourteen (14) days of the statement closing date for the timely reimbursement/payment of the corporate credit card.

Lost or stolen corporate cards should be reported to the Chief Financial officer as soon as the employee discovers it is missing.

Cash advances on corporate cards will not be approved under any circumstances.

Memberships in associations or similar groups are not to be charged to corporate cards. They must be submitted as regular expenses.

Upon separation of employment from Cynergy Data, employees must return the corporate card to the Chief Financial officer and reconcile the charges within twenty-four (24) hours of the separation date.

For details regarding approval processes and expense report preparation, contact the Accounting Manager.

ADMINISTRATIVE GUIDELINES

OVERVIEW:

Every organization has certain guidelines, which were developed to reflect good business practices. In establishing any rules, the Company has no intention of restricting the personal rights of any individual. Rather, we wish to define the guidelines that protect the rights of all employees and to ensure maximum understanding and cooperation. Therefore, employees are expected to be:

- On time and alert when scheduled to be at work.
- Careful and conscientious in performance of duties.
- Thoughtful and considerate of other people.
- Courteous and helpful, both when dealing with customers and with other employees.

ABSENTEEISM AND TARDINESS:

The Company expects employees to be at work on time and to work a full day. An employee who will be absent from work for any reason must call his/her Supervisor within 30 minutes of the start time of that day. Repeated absenteeism and/or tardiness will be cause for disciplinary action up to and including termination. Staff members will be docked if they are late for work. A five-minute leeway will be allowed, if not abused (i.e., arrive at 9:06, docked 6 minutes; arrive at 9:21, docked 21 minutes).

STANDARDS OF CONDUCT:

The Company expects its employees to conduct themselves in a proper and safe manner at all times. If an individual's behavior interferes with the orderly and efficient operation of the Company, corrective disciplinary measures will be taken.

Disciplinary action may include a verbal warning, written warning, suspension without pay or discharge. The appropriate disciplinary action imposed will be determined by the Company. The company reserves the right to bypass any/all disciplinary actions at its sole discretion. The following is a representative listing of violations that may result in disciplinary action up to and including discharge. **THIS IS NOT A COMPLETE OR COMPREHENSIVE LIST.** Management reserves the right to terminate the employment relationship at any time and for any reason:

- Violation of the Company's policies or regulations
- Insubordination
- Poor attendance
- Possession or use or sale of alcohol or controlled substance on the work premises
- Possession or use or sale of weapons, firearms, explosives on the work premises
- Poor performance
- Theft or dishonesty
- Physical harassment
- Sexual harassment
- Disrespect toward a fellow employee, Supervisor, Manager or customer.

SUBSTANCE ABUSE:

No employee shall work, report to work or be present on Company premises or engage in Company activities while under the influence of alcohol or controlled substances, which affects job safety or performance.

The unlawful or unauthorized manufacture, distribution, dispensation, possession, sale or use of alcohol or controlled substances on Company premises or while engaged in Company activities is also strictly prohibited. Any violation of this substance abuse policy may result in disciplinary action, up to and including discharge.

The Company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of the employees' personal property in certain circumstances, as well as, desks or other suspected areas of concealment. Full compliance with this substance abuse policy is a condition of employment and continued employment.

Consistent with our fair employment policy, the Company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts or alcoholics, those who are perceived as having a dependency and those having a medical history reflecting treatment for this condition.

DRESS CODE:

What we wear to work is a reflection of the pride we have in the Company. To favorably impress our customers & members of the public, it is important for all employees to present an appropriate appearance in their work environment. However, in case there are some questions, here are some guidelines:

- Clothing should not constitute a safety hazard.
- All employees should practice common sense rules of neatness and good taste.
- Jeans, short pants, tank tops, tee-shirts, jogging suits, sweat shirts, sneakers, thongs and similar apparel are not permitted as a general rule.

TELEPHONE USE:

Telephones are a vital part of our business since much of our business is handled on the telephone. Personal use of the telephone should be limited to emergencies and unusual circumstances. Personal phone calls should be brief. Personal long distance calls and 900 toll calls are not permitted.

E-MAIL AND COMMUNICATION SYSTEMS USAGE

Computers, computer files, the e-mail system, and software furnished to employees are the property Cynergy Data and intended for business use. Employees may not use or attempt to use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, business/personal computer and e-mail usage may be monitored, reviewed, audited, intercepted, accessed and/or disclosed whether created, stored, sent or received.

Cynergy Data strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Cynergy Data prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, chain letters, or anything that may be construed as harassment or showing disrespect for others. E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

The company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Cynergy Data and its employees do not have the right to reproduce such software for

use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. The company prohibits the illegal duplication or use of unauthorized software and its related documentation.

Employees should notify their supervisor or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

COMPANY SUPPLIES:

Company supplies, equipment and materials are for use by employees for Company business only. Materials and/or equipment on loan to an employee for home use must be returned to the Company in the same condition in which it was loaned to the employee. The postage machine may not be used by unauthorized employees at any time.

SOLICITATION:

In an effort to ensure a productive and harmonious work environment, persons not employed by Cynergy Data may not solicit or distribute literature in the workplace at any time for any purpose. The company recognizes that employees may have interests outside the workplace; however, employees may not solicit or distribute literature concerning these activities during work time. Periodic fund-raising and office pools are not subject to this policy, however, management reserves the right to limit and/or deny these activities if they feel they will interfere with work activity.

VISITORS IN THE WORKPLACE:

To provide a safe and secure facility, only authorized visitors are allowed in the workplace. All visitors must enter the building through the main entrance and gain permission from management to proceed to any other areas in the building. Visitors must always be accompanied by a Cynergy Data employee. In the event that an unauthorized individual is observed on company premises, all employees are responsible for immediately notifying their supervisor.

VIOLENCE IN THE WORKPLACE:

Cynergy Data is committed to prevention of workplace violence and to establish a safe work environment. All employees should refrain from conduct that involves violence, potential violence or may be dangerous to others. All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to a supervisor. This includes threats by employees, suppliers, vendors and the public. The company will promptly investigate all reports of threats or actual violence. Anyone determined to be responsible for threats or actual violence will be subject to prompt disciplinary action, up to and including termination.

SAFETY:

Cynergy Data shall keep all working areas in a safe and sanitary condition. The company makes every effort to comply with relevant federal and state occupational health and safety laws and to develop the best feasible operations, procedures, technologies, and programs conducive to such an environment.

This policy is aimed at minimizing the exposure of our employees, customers, and other visitors to our facilities to health and safety risks. Precautions to secure the health and safety of employees shall be taken at all times

The company shall not require employees to operate or use equipment at a time or manner, which would endanger the health or well being of our employees. In addition all employees are expected to work diligently to maintain safe and healthful working conditions and to adhere to proper operating practices and procedures designed to prevent injury or illness.

ADDENDUM

This Cynergy Data Policies & Practices Guide is intended to give you a general overview of the Company and information regarding policies and benefits. Some policies and benefit programs currently in effect may be revised, suspended or eliminated by Cynergy Data in response to business needs or changing staffing requirements.

EXHIBIT B

CYNERGY DATA

SEPARATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return to the Company any documents, data, customer lists, customer records, sales records or copies of them or other documents or material, equipment or other property belonging to the Company, its successors and assigns.

I further agree that in compliance with the Employee Proprietary Information Agreement, I will preserve as confidential all confidential information, knowledge, data or other information relating to products, customer lists or other subject matter pertaining to any business of the Company or any of its clients, customers, consultants, licensees or affiliates.

Signature

Date

ACKNOWLEDGEMENT

I have received a copy of the Cynergy Data Policies & Practices Guide and acknowledge my obligation to read its contents. I understand and agree that the Guide is intended to provide an overview of the Company's policies. However, it cannot and does not necessarily represent all such policies. The Company may, at any time, add, change or rescind any policy or practice at its sole discretion, without notice.

I further agree that the Company's policies and practices do not create an expressed or implied contract or covenant of any type between the company and me. My employment and the terms and conditions of employment are not fixed and may be terminated or changed by the Company at any time with or without cause. The relationship is employment at will.

I further understand that if I leave the company's employ, I am required to return this Policy and Practices Guide to my supervisor.

Employee Name (please print)

Employee Signature

Date

Supervisor Signature

Date