

O'BRIEN & O'BRIEN, LLP
BY: JOHN J. O'BRIEN, III, ESQUIRE
IDENTIFICATION NO. 26110
SUITE 201
257 E. LANCASTER AVENUE
WYNNEWOOD, PA 19096
(610) 896-6360

ATTORNEY FOR THE DEFENDANTS

SUSQUEHANA PATRIOT COMMERCIAL LEASING COMPANY, INC. : COURT OF COMMON PLEAS
: MONTGOMERY COUNTY

vs.

THE CLUB HOUSE RESTAURANT, INC. : NO. 04-32924
and GLEN A. LEIZEAR :

MEMORANDUM OF LAW

1. During 2004 Royal Links prepared several contracts with different leasing companies to sell beverage carts to golf courses.
2. One of the striking points of the leases was that the lessee waived the right to a jury trial and agreed to the jurisdiction of the home state of the leasing company:
 1. Patriot Leasing-Pennsylvania
 2. Preferred Capital-Ohio
 3. Landmarks Financial-Colorado
 4. IFC Credit-Illinois
 5. Frontier Leasing-Iowa
 6. Dollar Leasing-Ohio
 7. CFC Investment-Ohio
 8. C and J Leasing-Iowa
 9. Pawnee Leasing-Colorado (Exhibit "E")
3. This jurisdiction clause would later be used to force a settlement.
4. Next, Royal Links would approached small golf courses which did not have the resources to fight a lawsuit. (Exhibit "F")
5. The Royal Links salesman offered the golf course the "Net Zero" program.
(Exhibit "G")

6. The victims were told that they would receive payments for placing ads on the beverage carts. The payments would then be used to pay the leasing company for the cart: the "Net Zero" program.

7. Another interesting fact is that the Royal Links salesman would sell to golf courses outside of the home state of the leasing company. There clearly was a plan to make it difficult for the victims to defend a lawsuit.

8. After the contracts were signed Royal Links stopped the payments on October 4, 2004. The attached letter went to all the golf courses. (Exhibit "H")

9. Once the payments stopped the victims did not pay on the leases because Royal Links breached the "Net Zero" agreement.

10. Lawyers for the leasing companies would then send letters with threats of lawsuits which is a violation of the Fair Debt Collection Practice Act, 15 U.S.C. Section 1692-1692o.

11. The contract contained an acceleration clause and suddenly the victims were faced with a large payment and in some causes a default Judgment plus attorney's fees and costs.

12. It is clear that the interest was not to sell a product but to create a windfall through a lawsuit.

13. A Judge in Nebraska recognized the fraudulent plan:

It appears from the facts that Landmark Financial let Royal Links USA do all the negotiations with the plaintiff and now is attempting to declare ignorance of any wrongdoing. Their brief, at page 9 states, 'Landmark Financial made no false representations or fraudulently concealed material facts that it had a duty to disclose.' That's probably true, however,

Landmark cannot simply wash its hands of representations and claims which may have been made by Royal Links USA, Inc. which representations and claims would benefit Landmark Financial who was an intimate participant in this transaction clearly, plaintiff was led to believe that he was to receive the beverage cart free, that his only recourse to accomplish that was to enter into a lease agreement, which he did. Barely two months after the paperwork was completed, he finds the defendant, Royal Links USA defaulting on tenuous allegations, being faced with an immediate lawsuit by the defendant, Landmark Financial Corporation filed two weeks before Landmark claimed he could buy out the lease and then default judgment entered against plaintiff in Colorado in December. In addition, Royal Links USA, Inc., programming agreement contains language indicating that any dispute between it and the plaintiff would be litigated in Ohio. We therefore have a situation in which the plaintiff is promised a free beverage cart through the collusion of these two defendants, with one defendant placing venue for disputes involving its agreement in Colorado and the other defendant placing venue for disputes involving its agreement in Ohio. Finally, the two agreements with two different venue states were presented to the plaintiff for signature at two different times without explanation or drawing plaintiff's attention to these provisions. This court concludes that the consent to these venues by the plaintiff was obtained by misrepresentations, duress, abuse of economic power and was generally unconscionable. (Exhibit "I") (Sukup vs. Landmark Financial)

14. Royal Links and Patriot Leasing a/k/a Susquehanna Patriot sold to victims outside of Pennsylvania (one exception in Johnstown, PA) so that they would have great leverage to force a settlement.

15. This may appear to be an unfortunate business plan that was innocently used however this has occurred before with Patriot as well as:

1. IFC Credit
2. Preferred Leasing

16. During 2004 a company called Norvergence leased "phone boxes" to ten thousand (10,000) victims; then assigned the leases to several leasing companies including:

1. Patriot
2. IFC Credit
3. Preferred Leasing

17. Norvergence then breached its agreement and the victims stopped paying the lease. Then the leasing companies sued the victims. This, of course, is a replay of the Royal Links scam with a different product.

18. The PA AG's Complaint (Re Norvergence) paragraph forty-two (42) states:

42. The Commonwealth is informed, believes and therefore avers, that in deciding to do business with NorVergence, based upon information provided by or available from NorVergence, the finance companies knew or should have known that NorVergence was selling a discounted telecommunication service package and that the MATRIX devices were merely an incidental part of the telecommunication service package. Additionally, in reviewing rental agreements which NorVergence offered for assignment, the finance companies knew that the total price might vary from \$24,000 to as much as \$240,000 for the exact same devices. As a result, those finance companies knew or should have known that the rental agreements might have been part of a scheme to defraud consumers. (Exhibit "A")

19. Paragraph forty-four (44) of the PA AG's Complaint states:

44. The Commonwealth is informed, believes and therefore avers, that many finance companies have threatened or are threatening collection actions, and have filed or are preparing to file collection litigation in forums distant from the consumer.

20. In the FTC Complaint (Re Norvergence) paragraph twenty-two (22) states:

22. NorVergence's customers are no longer receiving any services from NorVergence. Many of the finance company assignees are insisting on full payment under the rental agreements despite the fact that they know or should know that the black boxes are essentially worthless without the promised services, and that customers are receiving no services. Some of the finance companies are filing collection suits in forums distant from the customer. (Exhibit "B")

21. This is not a simple business plan gone wrong but another careful plan to defraud consumers.

22. However, it does not end with beverage carts and phone boxes. In 2003, the Vermont Attorney General issued a press release which sets forth a plan regarding "ATM" Machines. The salesman's company made promises which were breached and the leasing companies sued the unhappy consumers who had stopped payments. (Exhibit "J")

23. The Leasing Companies in the ATM scam are:

1. Advanta Leasing-Utah
2. Carlton Financial-Minnesota
3. Cit Financial-New Jersey
4. Information Leasing-Ohio
5. Liberty Leasing-Iowa
6. Marcap-California
7. Patriot Leasing-Pennsylvania
8. Preferred Capital-Ohio
9. Frontier Leasing-Iowa

24. What is most remarkable is when one compares the Norvergence list of leasing Companies with the "ATM" list there are companies involved in all three (3) schemes and some are in at least two (2) scams:

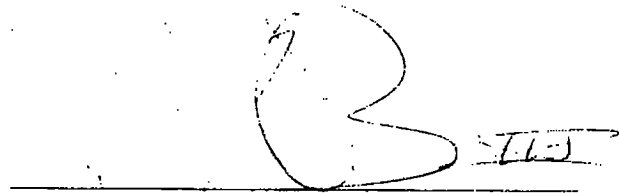
1. Cit Financial
2. Northland Capital
3. BB & T Leasing
4. Wells Fargo
5. Commerce Commercial
6. Court Square Leasing
7. Dolphin Capital
8. IFC Credit
9. National City f/k/a Information Leasing
10. Irwin Business
11. Liberty Bank
12. Patriot Leasing
13. Popular Leasing
14. Preferred Leasing
15. Sterling National (Exhibit "K")



Further investigation may show that some of these leasing companies use different names.

25 It is very clear that Patriot leasing a/k/a Susquehanna Patriot uses the court system to steal from consumers. What is most surprising is that no one at Patriot thought that this conduct was wrong.

26 Finally, there are currently investigations underway to determine if Patriot used other product lines to defraud the public and misused the Court system to steal.

A handwritten signature in black ink, appearing to read "JOHN J. O'BRIEN, III", is written over a horizontal line. The signature is stylized and somewhat cursive.

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LIST OF EXHIBITS

Exhibit "A" PA Attorney General's Norvergence Complaint.
Exhibit "B" FTC Norvergence Complaint.
Exhibit "C" Article on Royal Links.
Exhibit "D" List of Cases.
Exhibit "E" Royal Links' Contracts.
Exhibit "F" List of Golf Courses which purchased the plan.
Exhibit "G" Net Zero Program.
Exhibit "H" Royal Links letter of October 4, 2004.
Exhibit "I" Nebraska Opinion.
Exhibit "J" Press release from Vermont Attorney General on "ATM" scam.
Exhibit "K" Article on Norvergence.