



EXHIBIT 9

Part 1

1 IN THE COURT OF CHANCERY
2 OF THE STATE OF DELAWARE
3 IN AND FOR NEW CASTLE COUNTY

4 - - - - -

5 John A. Gentile, :
Victoria S. Cashman,

6 Bradley R. Martin, :
John Knight and

7 Dyad Partners, LLC, :
8 Plaintiffs, :

9 vs. : C.A. No. 20213

10 Pasquale David :
Rossette, Douglas W.

11 Bachelor, and LeaseNet:
Group, Inc., an Ohio

12 Corporation, as :
successor by merger

13 to LeaseNet Group, :
Inc., a Delaware

14 Corporation, :
15 Defendants. :

COPY

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17 Deposition of PASQUALE DAVID

18 ROSSETTE, a Defendant, herein, called by
19 the Plaintiffs for cross-examination under
20 the statute, taken before me, Jennifer L.
21 Looney, a Court Reporter and Notary Public
22 in and for the State of Ohio, pursuant to
23 notice and stipulations of counsel, at the
24 offices of Bricker and Eckler, 100 South

1 Third Street, Columbus, Ohio, on Thursday,
2 November 20, 2003, at 10:40 o'clock a.m.

3 - - - - -

4

5

6 APPEARANCES:

7 Smith Katzenstein Furlow
800 Delaware Avenue
8 Wilmington, Delaware 19899
By David A. Jenkins, Esq.,

9

and

10

Law Offices of Duane Morris
1100 North Market Street
Suite 1200
12 Wilmington, Delaware 19801
By John L. Reed, Esq.,

11

12

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On behalf of the Plaintiffs.

14

Bricker & Eckler
100 South Third Street
Columbus, Ohio 43215
By James J. Hughes, III, Esq.,
On behalf of the Defendants.

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1 Thursday Morning Session
2 November 20, 2003
3 10:40 o'clock a.m.

4 - - - - -

5 It is stipulated by and between
6 counsel for the respective parties that
7 the deposition of PASQUALE DAVID ROSSETTE,
8 a Defendant herein, called by the
9 Plaintiffs for cross-examination under the
10 statute, may be taken at this time by the
11 Notary, pursuant to notice and
12 stipulations of counsel; that said
13 deposition may be reduced to writing in
14 stenotypy by the Notary, whose notes may
15 thereafter be transcribed out of the
16 presence of the witness; that proof of the
17 official character and qualification of
18 the Notary is waived.

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1 PASQUALE DAVID ROSSETTE
2 by me first duly sworn, as hereinafter
3 certified, deposes and says as follows:

4 - - - - -

5 CROSS-EXAMINATION

6 BY MR. JENKINS:

7 Q. Good morning, Mr. Rossette. My
8 name is David Jenkins and I represent the
9 plaintiff.

10 Before we start on my
11 substantive questions, let me get a little
12 bit of background on you.

13 What is your education since
14 high school?

15 A. Graduate Ohio State University.

16 Q. When did you graduate?

17 A. 1984.

18 Q. What sort of degree?

19 A. Accounting.

20 Q. Do you have any education since
21 you graduated -- excuse me.

22 Did you go to any other schools
23 after you graduated from Ohio State in
24 1984?

1 A. No.

2 Q. Could you briefly describe your
3 employment history since 1984 please.

4 A. I was employed in the accounting
5 industry originally, computer services
6 after that.

7 Q. What job or jobs did you have in
8 the accounting industry?

9 A. I worked for Arthur Anderson and
10 Company.

11 Q. For how many years
12 approximately?

13 A. It was an internship. About a
14 year, a little less than a year.

15 Q. Any other jobs in the accounting
16 industry?

17 A. No.

18 Q. Where did you work in the
19 computer services industry?

20 A. I worked for Shared Medical
21 Systems.

22 Q. Shared --

23 A. SMS is now their legal name out
24 of Malburn, Pennsylvania.

1 Q. When did you start working for
2 them?

3 A. Upon graduation from college.

4 Q. How long did you work there?

5 A. Through 1985, I believe, 1986.
6 I don't remember the exact dates.

7 Q. What was your job title there?

8 A. I was director of
9 installations.

10 Q. Where did you go from Shared
11 Medical Systems?

12 A. To Continental Health Care
13 Systems.

14 Q. How long were you there?

15 A. I believe I was there three
16 years.

17 Q. Through about 1989 then?

18 A. Yes.

19 Q. What did you do there?

20 A. I was director of sales for
21 clinical pharmaceutical systems in
22 hospitals.

23 Q. Where did you go after
24 Continental Health Care Systems?

1 A. I went to Excel Data Comp.

2 Q. How long were you there?

3 A. I was there approximately four
4 years, I believe.

5 Q. Until about 1993?

6 A. Right, '93, '94 time frame.

7 Q. What did you do there?

8 A. I sold and financed computer
9 systems.

10 Q. Where did you go after Excel
11 Data Comp?

12 A. I founded LeaseNet,
13 Incorporated.

14 Q. And how long were you with
15 LeaseNet?

16 A. Until it was sold to Huntington
17 Bank.

18 Q. And this would have been?

19 A. October of last year.

20 Q. Last year is 2002.

21 When was LeaseNet founded; if
22 you recall?

23 A. It was founded in the '92, '93
24 time frame.

1 Q. So it was founded, I take it,
2 while you were still working for Excel
3 Data Corp (sic)?

4 A. Yes. It was founded originally
5 as a consulting company, not actually
6 conducting in finance, but consulting on
7 third party transactions.

8 Q. After leaving Excel Data Corp
9 (sic) and excluding LeaseNet did you work
10 anywhere else?

11 A. After leaving Excel Data Comp
12 and including LeaseNet did I work anywhere
13 else?

14 Q. Yes.

15 A. Yes. I worked for SinglePoint
16 Financial.

17 Q. And as you can imagine we'll get
18 to that in some detail.

19 Anywhere else?

20 A. I was not employed anywhere else
21 that I can recall.

22 Q. Are you employed today?

23 A. Yes.

24 Q. Where?

1 A. LeaseNet Incorporated.

2 Q. You have continued to work for
3 LeaseNet after the sale to Huntington?

4 A. Yes.

5 Q. What is your position today?

6 A. Senior vice president.

7 Q. Are you also a director of
8 LeaseNet today?

9 A. No.

10 Q. Were you ever a director of
11 LeaseNet?

12 A. Yes.

13 Q. From the beginning until it was
14 sold to Huntington Bank Shares?

15 A. Yes.

16 Q. During the approximate 1992,
17 1993 time frame when it was founded until
18 LeaseNet was sold to Huntington Bank
19 Shares were there any other directors of
20 LeaseNet other than yourself?

21 A. Yes.

22 Q. Who were they?

23 A. David Kunchal and Keith Fabiano.

24 Q. Keith Fabiano?

1 A. Yes.

2 Q. In addition to being a director
3 did you have any officer or employee
4 position with LeaseNet?

5 A. Yes.

6 Q. What was that?

7 A. General management
8 responsibilities.

9 Q. Were you, for example, the chief
10 executive officer or the president?

11 A. No. I was not the president. I
12 don't know what my exact title was. I
13 believe it was vice president of sales.
14 It was a very small organization. We
15 weren't very formal.

16 Q. While you worked for LeaseNet
17 approximately how many employees did it
18 have?

19 A. A dozen.

20 Q. Between 1992, 1993 time frame
21 when LeaseNet was first founded and 2002
22 when it was sold to Huntington Bank
23 Shares, who was the chief executive
24 officer, if any?

1 A. He didn't have a chief executive
2 officer.

3 Q. Did you have a president?

4 A. Yes.

5 Q. Who was that?

6 A. David Kunchal.

7 Q. You said you that you were the
8 founder of LeaseNet. Were there any other
9 founders of LeaseNet?

10 A. Kunchal and Fabiano.

11 Q. So it was the three of you that
12 founded LeaseNet?

13 A. Yes.

14 Q. Was LeaseNet a company as
15 opposed to an LLC?

16 A. Yes. We were a Sub S, I
17 believe.

18 Q. Did you own any of the stock in
19 LeaseNet at any time?

20 A. Yes.

21 Q. Can you tell me approximately
22 how much?

23 A. Approximately 44 percent.

24 Q. And I assume Kunchal and Fabiano

1 were the other stockholders?

2 A. Yes.

3 Q. Let me just ask a couple of
4 questions about LeaseNet and then we can
5 move to SinglePoint.

6 Did a gentleman named David
7 Bachelor ever work for LeaseNet?

8 A. No.

9 Q. What about a gentleman named
10 James Radebaugh?

11 A. No.

12 Q. Did John Gentile ever work for
13 LeaseNet?

14 A. No.

15 Q. During the time prior to
16 LeaseNet's sale to Huntington Bank Shares,
17 what did LeaseNet do?

18 A. We originated capital leases on
19 high technology equipment.

20 Q. What do you mean by originated
21 high tech leases?

22 A. We would go to the market place
23 and engage the lessee to finance their
24 computer assets. We made the sale.

1 MR. JENKINS: I'm sorry. That
2 last answer was too quick for me to write
3 down. If you could read it back, I'd
4 appreciate it.

5 (Record read back.)

6 BY MR. JENKINS:

7 Q. Would you purchase this high
8 tech equipment and then lease it to the
9 lessee?

10 A. Yes.

11 Q. Let's turn to SinglePoint which
12 was also known as OpTeamaSoft and perhaps
13 other names. I'm just going to use
14 SinglePoint if that's all right.

15 A. That's fine.

16 Q. When did you first get involved
17 with SinglePoint?

18 A. 1996.

19 Q. How did you get involved with
20 SinglePoint at that time?

21 A. I was approached to do an
22 investment.

23 Q. Who approached you?

24 A. John Gentile.

1 Q. Did you know Mr. Gentile prior
2 to him approaching you?

3 A. Yes.

4 Q. How did you know him?

5 A. Childhood friends.

6 Q. Just a matter of curiosity is
7 Mr. Gentile substantially older than you?

8 A. I'm not sure what his age -- not
9 substantially. I think it is nine months
10 or something.

11 Q. Really. Okay.

12 What did Mr. Gentile ask you to
13 do with respect to a prospective
14 investment in LeaseNet -- excuse me, in
15 SinglePoint?

16 A. He asked me to contribute
17 capital funds to the company.

18 Q. Did he tell you why?

19 A. He didn't -- well, in general it
20 was based on need.

21 Q. Did you agree to do so?

22 A. No.

23 Q. All right. Did you ever agree
24 to do so?

1 A. Only in the form of debt
2 conversion.

3 Q. And what do you mean by debt
4 conversion?

5 A. Well, I only agreed to loan the
6 company money originally, and from time to
7 time those loans were converted into
8 equity.

9 Q. Into common stock?

10 A. Capital stock as you termed it.

11 Q. At the time, which was 1996,
12 when Mr. Gentile approached you, where was
13 SinglePoint's chief place of business; if
14 you know?

15 A. When he approached me in 1996,
16 it had not been established as an entity.

17 Q. I see. What did SinglePoint do
18 at the time, if anything?

19 A. When he approached me, it had
20 not yet been founded. It was a concept
21 that John was trying to sell.

22 Q. What was the concept that he was
23 trying to sell?

24 A. Develop a technology, computer

1 services firm.

2 Q. What sort of computer services
3 at the time; if you recall?

4 A. It was generally the work flow
5 space, but they had not yet developed or
6 had a product plan. It was pure concept.

7 Q. Using 1996 when he first
8 approached you as a starting point, when
9 did you first loan money to the company;
10 if you recall?

11 A. Approximately mid 1996.

12 Q. When Mr. Gentile approached you
13 did the company have any other employees,
14 officers, directors, other than him?

15 A. When he approached me there was
16 no company.

17 Q. Do you recall when the company
18 was founded?

19 A. Mid 1996.

20 Q. After the company was founded
21 were you an initial director of the
22 company?

23 A. Yes, I was.

24 Q. Who were the other directors; if

1 you recall?

2 A. I recall Gentile and Bachelor
3 being directors.

4 Q. Prior to meeting Mr. Bachelor in
5 connection with SinglePoint, did you know
6 him at all?

7 A. No.

8 Q. After the company was founded in
9 mid 1996 where was its principal place of
10 business; do you recall?

11 A. I recall it being on the east
12 coast in the Boston area initially.

13 Q. Did the principal place of
14 business of SinglePoint ever change?

15 A. Yes.

16 Q. When did it change; if you
17 recall?

18 A. I don't recall when it changed,
19 but it eventually it moved out to Rhode
20 Island.

21 Q. Did it move anywhere else after
22 Rhode Island?

23 A. Yes. It moved to Cambridge and
24 New Jersey eventually.

1 Q. Cambridge, Massachusetts?

2 A. Uh-huh.

3 Q. When did it move to Cambridge;
4 if you recall?

5 A. I don't recall.

6 Q. Where in New Jersey?

7 A. Parsippany.

8 Q. When did it start operations in
9 Parsippany; if you recall?

10 A. I don't recall specifically. I
11 believe it was in 1999 time frame.

12 Q. Other than the Boston area;
13 Rhode Island; Cambridge, Massachusetts;
14 and Parsippany, New Jersey, did
15 SinglePoint have operations anywhere else
16 at any time while you were involved with
17 the company?

18 A. Not that I recall.

19 Q. When SinglePoint was first
20 founded, I've asked you and you've
21 identified the directors, did it have any
22 officers or employees at that time?

23 A. At the time it was founded only
24 Gentile was an employee.

1 Q. Did it later add additional
2 employees?

3 A. Yes.

4 Q. At its largest how many
5 employees did it have; if you recall?

6 A. I don't recall specifically.

7 Q. Can you give me an
8 approximation?

9 A. I would approximate at its peak
10 20.

11 Q. When was that peak; if you
12 recall?

13 A. '98 time frame, 1998 time frame.

14 Q. In addition to being a director
15 were you ever an officer of SinglePoint to
16 your knowledge?

17 A. No. To my knowledge I don't
18 recall ever being an officer.

19 Q. Were you ever an employee of
20 SinglePoint?

21 A. Yes.

22 Q. When did that first occur?

23 A. April of 1999.

24 Q. What was your title if you had

1 one?

2 A. I had the title of CEO to the
3 best of my recollection.

4 Q. As you may recall, I'll just use
5 it as an end point, SinglePoint merged
6 with a sub of Cofiniti in October of 2000.

7 A. Right.

8 Q. Were you the CEO of SinglePoint
9 between April of 1999 and the merger with
10 the sub of Cofiniti?

11 A. Yes.

12 Q. In addition to being CEO did you
13 have any other position or title with
14 SinglePoint during that period?

15 A. I was board member.

16 Q. Other than being director and
17 CEO, did you have any other position with
18 SinglePoint at any time?

19 A. Not that I recall.

20 Q. Were you a director of
21 SinglePoint from the beginning until the
22 merger with the sub of Cofiniti?

23 A. Yes.

24 Q. Was Mr. Bachelor a director from

1 the beginning of SinglePoint to the merger
2 with Cofiniti?

3 A. I don't recall.

4 Q. With respect to Mr. Bachelor I
5 understand that he was director. Did he
6 have any other title with the company at
7 any other time?

8 A. Yes.

9 Q. And what was that; if you
10 recall?

11 A. He, at one point, had the title
12 of president and for a time he also had
13 the title of chief technology officer.

14 Q. Do you know when he became
15 president?

16 A. Not specifically. I can't
17 recall the dates.

18 Q. Do you know when he became chief
19 technology officer?

20 A. 1998 time frame, '97.

21 Q. As of the merger in October of
22 2000 was Mr. Bachelor president of the
23 company then?

24 A. At the merger date?

1 Q. Yes.

2 A. No.

3 Q. Was he chief technology officer
4 then?

5 A. Yes.

6 Q. When you became CEO did Mr.
7 Bachelor cease being president?

8 A. Yes.

9 Q. Was Mr. Bachelor employed by
10 SinglePoint following the merger with the
11 sub of Cofiniti?

12 A. I don't recall.

13 Q. Did you have any role with
14 SinglePoint following the merger with the
15 sub of Cofiniti?

16 A. No.

17 Q. Just so we're on the same
18 wavelength. The SinglePoint I referred
19 to there was SinglePoint Financial, Inc.,
20 as opposed to SinglePoint Acquisition
21 Company, which is a separate company?

22 A. (Nods head up and down.)

23 Q. Does -- withdrawn.

24 Since the merger of SinglePoint

1 Financial with the sub of Cofiniti has Mr.
2 Bachelor had any business relationship
3 with you at all?

4 A. Define business relationship for
5 me.

6 Q. Has he been employed by any
7 company in which you are a stockholder,
8 director, officer or employee?

9 A. Has he been an employee of a
10 company?

11 Q. Yes, sir.

12 A. No.

13 Q. Has he been an officer, director
14 or stockholder of any company of which you
15 are an officer, director or stockholder?

16 A. No.

17 Q. Has any entity with which Mr.
18 Bachelor is associated done business with
19 any entity which you are associated, to
20 your knowledge?

21 A. Not that I can recall, no.

22 Q. When was the last time you spoke
23 with Mr. Bachelor; if you recall?

24 A. I don't recall specifically.

1 Q. Last week, last month, a year,
2 two years?

3 A. Within the last month.

4 Q. Let's turn to a gentleman named
5 James Radebaugh.

6 Was he ever an officer, director
7 or employee of SinglePoint Financial?

8 A. He was a corporate secretary.

9 Q. When did he become corporate
10 secretary; if you recall?

11 A. I don't recall specifically, but
12 approximately mid 1999.

13 Q. How did he become corporate
14 secretary?

15 A. I engaged him to take the
16 position.

17 Q. Did you know him prior to mid
18 1999?

19 A. Yes.

20 Q. How did you know him?

21 A. He's a local member of the
22 community.

23 Q. By the community you mean
24 Columbus?

1 A. The business community here in
2 town.

3 Q. You knew him as a fellow
4 businessman here in Columbus?

5 A. Yes.

6 Q. In addition to being corporate
7 secretary did he have any other role at
8 SinglePoint at any other time?

9 A. I don't recall specifically, but
10 he would lend his assistance with HR,
11 human resources, when we had a need.

12 Q. While he was corporate secretary
13 and perhaps doing some things with HR, did
14 Mr. Radebaugh have a job anywhere else?

15 A. I don't know.

16 Q. What was Mr. Radebaugh doing
17 prior to becoming corporate secretary; do
18 you know?

19 A. Not specifically, no.

20 Q. Did he continue as corporate
21 secretary until the merger with the sub of
22 Cofiniti in October of 2000?

23 A. Yes.

24 Q. Did he continue his employment

1 with SinglePoint after October of 2000?

2 A. No.

3 Q. Do you know what he has done
4 since October of 2000?

5 A. No.

6 Q. Have you been in contact with
7 him at all since October of 2000?

8 A. Yes.

9 Q. When was the last time?

10 A. Within the last month.

11 Q. Since -- just to round this out
12 since October of 2000 has Mr. Radebaugh
13 been a stockholder, director, officer or
14 employee of any company or entity of which
15 you are a stockholder, director, officer
16 or employee?

17 A. No.

18 Q. Has any entity with which Mr.
19 Radebaugh has been associated done
20 business with any entity with which you
21 are associated since October of 2000?

22 A. Yes.

23 Q. Could you describe that please?

24 A. Consulting basis.

1 Q. Mr. Radebaugh has consulted for
2 a company for which you are associated?

3 A. Yes.

4 Q. Which company is that?

5 A. SinglePoint Acquisition Corp.

6 Q. When did Mr. Radebaugh first
7 become a consultant to SinglePoint
8 Acquisition Corp; if you recall?

9 A. In the year 2003.

10 Q. During 2003. Is he still a
11 consultant?

12 A. No.

13 Q. On what subject matter did he
14 consult with SinglePoint Acquisition Corp?

15 A. Human resources.

16 Q. Do you know what Mr. Radebaugh's
17 educational or employment background was
18 prior to mid 1999?

19 A. I had some knowledge of his
20 employment background.

21 Q. What knowledge did you have at
22 that time?

23 A. He held a senior position of
24 human resource management for a local

1 corporation.

2 Q. Let me turn to your conversation
3 with Mr. Radebaugh last month. Did it in
4 any way concern either this litigation or
5 SinglePoint Financial, LeaseNet or
6 SinglePoint Acquisition?

7 A. I don't recall.

8 Q. Since October of 2000 at any
9 time have you spoken to Mr. Radebaugh
10 about either this litigation, the
11 appraisal action in the Delaware Court of
12 Chancery or LeaseNet?

13 A. I believe I have.

14 Q. On how many occasions; if you
15 can recall?

16 A. I don't recall.

17 Q. Can you give me an
18 approximation?

19 A. An approximation would be less
20 than a dozen.

21 Q. What did you speak with him
22 about concerning this litigation?

23 MR. HUGHES: Objection to the
24 extent that it involves work product, but

1 you can answer if you recall.

2 A. He would receive notices
3 regarding litigation. We would discuss
4 what the purpose was and his involvement.

5 Q. Do you recall what notices he
6 received?

7 A. Notices of deposition.

8 Q. I see.

9 Can you recall what you
10 discussed with him with respect to the
11 notices of deposition?

12 A. We would discuss the reason for
13 the deposition.

14 Q. In addition to talking with Mr.
15 Radebaugh about the notices of deposition
16 have you spoken -- since October of 2000
17 have you spoken with him at any other time
18 with respect to this lawsuit?

19 A. I don't recall.

20 Q. Did you speak with Mr. Radebaugh
21 at any time about the appraisal action
22 brought by my clients in the Court of
23 Chancery in the state of Delaware?

24 A. I don't recall.

1 Q. At any time have you spoken to
2 Mr. Radebaugh since -- withdrawn.

3 At any time since October of
4 2000 have you spoken with Mr. Radebaugh
5 with respect to any of the operations of
6 LeaseNet?

7 A. No.

8 Q. Let me turn back to the subject
9 of your investment -- excuse me, your
10 loans to SinglePoint that were to be
11 converted into common stock and start
12 showing you some documents.

13 I would like to have this
14 marked as the first exhibit. It is a
15 stock purchase agreement dated June 7,
16 1997.

17 - - - - -
18 Thereupon, Rossette Exhibit
19 No. 1 was marked for
20 purposes of identification.

21 - - - - -

22 BY MR. JENKINS:

23 Q. If you could look at this
24 document please, Mr. Rossette. I have

1 some questions of you about it.

2 A. (Reviews document.)

3 Q. Do you recall seeing this
4 document before, Mr. Rossette?

5 A. Yes.

6 Q. On the third page is that your
7 signature?

8 A. Yes.

9 Q. What is this document; if you
10 know?

11 A. It is titled stock purchase
12 agreement.

13 Q. What is the document beyond its
14 title; if you know?

15 A. Well, I would refer to the
16 document, but it appears to be an
17 agreement to purchase shares.

18 Q. You are free to -- I'm going to
19 ask you questions about paragraph three.
20 You are free to look at any other
21 paragraph in the document if you need to
22 do so.

23 Go down to paragraph three,
24 which is entitled repayment loan with

1 shares, you will see that the first
2 sentence states, and I quote, "At
3 Rossette's option, he may convert all or
4 any portion of the load he made to the
5 Corporation to common shares of the
6 Corporation at the conversion rate of
7 \$1.00 of debt outstanding (principal and
8 interest) to \$0.75 shares." End quote.

9 How was that conversion rate
10 determined; if you recall?

11 A. I don't recall.

12 Q. Let me probe that a little bit.
13 Was it a proposal by you, a proposal by
14 the company, perhaps some third
15 alternative?

16 A. I don't recall.

17 Q. Was the conversion rate that was
18 chosen in this document intended to
19 reflect the fair market value of the
20 company's stock at that time?

21 A. I don't recall. It doesn't say
22 that, so I don't know.

23 Q. It does not. That's why I was
24 asking.

1 You'll see that the conversion
2 ratio is \$1.00 of debt outstanding to
3 \$0.75 shares. I'll represent to you that
4 mathematically that works out to a
5 conversion ratio of about \$1.33 per share.

6 Is that just a typographical
7 error? Should this have been \$0.75 of
8 debt outstanding for each share?

9 A. I can't speculate. We can only
10 refer to the document.

11 Q. If you don't recall that's fine.

12 A. I do recall. We'd have to read
13 the document and refer to it.

14 Q. Do you recall that there was
15 ever a conversion ratio of your debt that
16 was higher than \$0.75 per share?

17 A. Would you ask the question again?

18 Q. Yes. Do you recall if with
19 respect to the money you loaned to
20 SinglePoint there was a conversion ratio
21 of that debt that was greater than, more
22 than, \$0.75 of debt for each share that
23 you would get?

24 A. Yes. I do recall -- I seem to

1 recall that.

2 Q. Let me go to another document.

3 We'll make it No. 2 a November 1, 1997

4 first amendment to stock purchase

5 agreement.

6 - - - - -

7 Thereupon, Rossette Exhibit

8 No. 2 was marked for

9 purposes of identification.

10 - - - - -

11 BY MR. JENKINS:

12 Q. If you could look at what's

13 been marked as Exhibit No. 2, either the

14 official one or the one you have in front

15 of you, I have some question -- I'll tell

16 you the questions are concerning paragraph

17 two on the second page, but you are free

18 to look at the entire document.

19 A. Okay.

20 Q. Do you recognize this document,

21 Mr. Rossette?

22 A. Yes.

23 Q. Is that your signature on the

24 second page?

1 A. Yes.

2 Q. If you could turn to paragraph
3 two on the second page. It is at the top
4 of the second page.

5 A. Yes.

6 Q. You will see that Section 3,
7 repayment of loan with shares has been
8 modified so that the new conversion rate
9 is, and I'm reading about four or five
10 lines down, "one share of the
11 Corporation's common stock for each \$0.75
12 of outstanding principal and accrued
13 interest."

14 Do you see that, sir?

15 A. Yes.

16 Q. How was that rate determined?

17 A. I don't recall.

18 Q. Do you recall asking for a
19 lowering of the conversion price than what
20 was set forth in the stock agreement which
21 was Exhibit 1?

22 A. I don't recall.

23 Q. Was the conversion ratio set
24 forth in the new paragraph three of the

1 stock purchase agreement supposed to
2 represent the fair market value of the
3 company's common stock at that time?

4 A. I don't recall, and I don't see
5 where it says that, so I can't answer.

6 Q. No. It does not say that. You
7 are right.

8 Do you recall if there were
9 negotiations between you and anybody over
10 determining what the appropriate
11 conversion rate of your debt was?

12 A. I don't recall.

13 Q. I'd like to mark as the next
14 exhibit, I believe it is No. 3, a two page
15 board meeting minutes dated October 23,
16 1999.

17 - - - - -

18 Thereupon, Rossette Exhibit
19 No. 3 was marked for
20 purposes of identification.

21 - - - - -

22 BY MR. JENKINS:

23 Q. If you could take a look at
24 these, Mr. Rossette, and then I'm going to

1 ask you some questions about them.

2 I'll tell you that the paragraph I'm most
3 interested in is paragraph three, but you
4 are free to read the entire document.

5 A. I read paragraph three.

6 Q. Do you recall seeing these board
7 minutes before, sir?

8 A. I don't recall.

9 Q. As of October 23, 1999 who
10 within the company was in charge of
11 preparing the minutes of the board
12 meetings?

13 A. James Radebaugh.

14 Q. Do you know if after he prepared
15 the minutes anyone reviewed them?

16 A. Yes. I can only speculate. The
17 procedure is --

18 Q. Was there a proper procedure --
19 withdrawn.

20 Was there a normal procedure
21 followed at SinglePoint Financial for the
22 review of minutes of board meetings after
23 the minutes had been prepared?

24 A. Yes.

1 Q. What was that procedure?

2 A. The secretary would present the
3 minutes to the board members for their
4 review.

5 Q. Do you recall reviewing these
6 board minutes after they were prepared?

7 A. I don't recall.

8 Q. Do you know as of October 1999
9 whether any attorneys were reviewing the
10 board minutes for SinglePoint Financial?

11 A. I do recall we had attorneys
12 look at the board minutes?

13 Q. Who were those attorneys?

14 A. John Beavers.

15 Q. And Mr. Beavers is from the firm
16 of Bricker & Eckler, right?

17 A. Yes.

18 Q. Let me turn now to paragraph
19 three, which is headed amended loan
20 agreement and debt conversion agreement
21 formalizing David Rossette's lending
22 relationship to the company. If you see
23 that, sir.

24 A. Yes.

1 Q. It says, "David and Doug
2 explained that at the time the informal
3 note was agreed upon there was a pressing
4 need to fund the company.

5 Does the David refer to you?

6 A. Yes.

7 Q. And the Doug, I assume, Mr.
8 Bachelor?

9 A. You can assume.

10 Q. Was there any other Doug in the
11 company at the time?

12 A. Not that I recall.

13 Q. It says at the time the informal
14 note was agreed upon. What time was that;
15 if you recall?

16 A. I don't recall. We'd have to
17 refer to the document.

18 Q. The problem is it says the
19 informal note. Does that mean --
20 withdrawn.

21 Does informal note refer to an
22 actual document or was it merely an
23 agreement?

24 A. I can only speculate that using

1 the word informal would connotate
2 agreement versus document.

3 Q. That's the way I read it as
4 well.

5 There was a pressing need to
6 fund the company. Does that assist you at
7 all in remembering when this informal note
8 was agreed upon?

9 A. We would have to determine which
10 note we are talking about.

11 Q. I have a number of them, but
12 let's see if I can get more bearing on
13 when this might have occurred. The next
14 sentence says, "At the time the company
15 was insolvent and David stepped forward
16 lending the monies necessary to solve the
17 short term problem until a detailed
18 business plan could be formulated."

19 Was a detailed business plan
20 ever formulated for SinglePoint?

21 A. I don't recall specifically.

22 Q. Do you recall at what time
23 SinglePoint Financial was insolvent?

24 A. SinglePoint Financial I recall

1 was insolvent since its inception.

2 Q. Did it ever cease becoming
3 insolvent in your view?

4 A. What's your definition of cease
5 to be insolvent?

6 Q. I don't know. I'm using the
7 word as it was used in this document. How
8 did you -- let's work with your
9 definition. How do you define insolvent?

10 A. I define insolvent as a company
11 not able to meet its financial
12 obligations.

13 Q. At any time was SinglePoint
14 able to meet its financial obligations?

15 A. I don't recall.

16 Q. I'd like to mark as the next
17 exhibit an amended loan agreement dated
18 October 23, 1999.

19 - - - - -

20 Thereupon, Rossette Exhibit
21 No. 4 was marked for
22 purposes of identification.

23 - - - - -

24 BY MR. JENKINS:

1 Q. If you could review Exhibit 4,
2 please, Mr. Rossette. My principal
3 interest is on paragraph one at the bottom
4 of the page.

5 A. (Reviews document.)

6 Q. Do you recall seeing this
7 amended loan agreement before, Mr.
8 Rossette?

9 A. Yes.

10 Q. Is that your signature under
11 lender on the last page?

12 A. Yes.

13 Q. If you'll also look at Exhibit
14 3, you'll note that Exhibit 3 and Exhibit
15 4 are dated the same day, October 23,
16 1999?

17 A. Okay.

18 Q. In Exhibit 3 in paragraph three
19 the next to last sentence speaks of the
20 debt conversion rate was considered fair
21 by all officers considering the insolvent
22 condition at the time.

23 Is the debt conversion rate
24 being referred to in these board minute

1 meetings the \$0.50 ratio set forth in
2 paragraph one at the bottom of the amended
3 loan agreement? Feel free to look at both
4 documents.

5 A. Are you cross referencing the
6 amended loan agreements to the minutes?

7 Q. Yes, sir. I think I have to.

8 A. Are you pointing out for me in
9 the amended loan agreement where it cross
10 references the minutes?

11 Q. It doesn't reference the
12 minutes, but it does reference a
13 conversion ratio in paragraph one at the
14 bottom. My question is is this the debt
15 conversion ratio being referred to in the
16 minutes?

17 A. I can't say conclusively, but
18 they appear to correspond as you pointed
19 out.

20 Q. Do you recall why the debt
21 conversion ratio of \$0.50 per share was
22 considered fair at the time?

23 A. Are you now referring to the
24 loan agreement or the board minutes?

1 Q. Both of them.

2 A. The board minutes seem to state
3 given the insolvent condition of the
4 business. That is the only reference to
5 value.

6 Q. Can you recall why at the time
7 the \$0.50 per share debt conversion ratio
8 was considered fair?

9 A. I don't recall.

10 Q. Do you recall any discussions on
11 that point at the time?

12 A. I don't recall discussions.

13 Q. Do you recall any negotiations
14 between you on the one hand and any
15 representative of SinglePoint on the
16 other?

17 A. I don't specifically recall.

18 Q. As of October 1999 you were a
19 director and the chief executive officer
20 of SinglePoint, correct?

21 A. Yes.

22 Q. At the board meeting on October
23 23, 1999 when the resolution under
24 paragraph three was approved did you vote

1 on that resolution; do you recall? I'm
2 sorry. I'm pointing to paragraph three on
3 Exhibit 3.

4 A. I'm not looking at a board
5 resolution. I'm looking at minutes.

6 Q. I understand that. Do you
7 recall voting on that board resolution?

8 A. I'd have to refer to the board
9 resolution documents.

10 Q. Do you know if as a matter of
11 course when a director -- withdrawn.

12 Do you recall at any time while
13 you were a director of SinglePoint that
14 you abstained from voting on any
15 particular resolution?

16 A. I don't recall.

17 Q. Do you know if as a matter of
18 policy with respect to the preparation of
19 board minutes when a director abstained
20 from voting on a particular resolution was
21 that abstention noted?

22 A. I don't recall.

23 Q. I'd like to mark as the next
24 exhibit, which is No. 5, a one-page loan

1 agreement dated April 15, 1999.

2 - - - - -

3 Thereupon, Rossette Exhibit
4 No. 5 was marked for
5 purposes of identification.

6 - - - - -

7 BY MR. JENKINS:

8 Q. Mr. Rossette, if you could look
9 at Exhibit No. 5. I have just a couple of
10 questions on that for you.

11 A. Okay.

12 Q. Have you seen this Exhibit 5
13 before, sir?

14 A. Apparently. I signed it.

15 Q. Is that your signature at the
16 bottom of the page?

17 A. Yes.

18 Q. You are going to need Exhibit 4
19 for the next questions. You'll see that
20 Exhibit 5 is dated April 15, 1999 and is
21 entitled loan agreement. If you'll look
22 at Exhibit 4, the amended loan agreement,
23 it talks in paragraph A, the parties
24 hereto have previously entered into that

1 certain loan agreement, dated as of April
2 19, 1999.

3 Do you know if that's merely a
4 typographical error and the reference was
5 intended to be to the April 15th loan
6 agreement? I will represent in the
7 documents produced I found no April 19th
8 loan agreement.

9 A. I cannot confirm your question
10 by looking at these two documents.

11 Q. Do you have any recollection if
12 there was any other loan agreement dated
13 April 19th?

14 A. I don't have any recollection.

15 Q. That's the only question I have
16 on that document.

17 A. Four as well?

18 Q. Yes. Mr. Rossette, let me just
19 jump back to your duties as a director for
20 a minute.

21 At the time you were a director
22 of SinglePoint Financial what did you
23 understand your duties as a director to
24 be?