

UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: <u>On-Site Sourcing, Inc.</u>		Case Number: <u>09-10816-RGM</u>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <u>Philip Shellhaas</u>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: <u>Phil Shellhaas 39 Graves Road Acworth, GA 30101</u>		Court Claim Number: _____ (If known)
Telephone number: <u>404 384-6455</u>		Filed on: _____
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Telephone number:		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: <u>\$ 121,338.00</u>		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		
2. Basis for Claim: <u>Services performed</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
3. Last four digits of any number by which creditor identifies debtor: <u>4620</u>		<input checked="" type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).
3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		<input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: <u>\$ 10,950.00</u>
Date: <u>6/27/09</u> Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <u>Phil Shellhaas</u> Phil Shellhaas		FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

FILED

JUN 29 2009

BMC GROUP

On-Site Sourcing, Inc.



00224

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

INFORMATION

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10)

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

*Managing Partner Bonus for Phil Shellhaas
Quarter 1-3 2008*

GA 1st Qtr

	Jan	Feb	Mar	Total	
Revenue	\$631,865	\$877,389	\$507,799	\$2,017,053	
OI	171,351	459,248	156,258	786,857	
Above 10% Threshold	27%	52%	31%	39.00%	
Coding Rev Sold	\$22,496	\$71,123	\$19,238	\$112,857	
Coding OI	22.80%	29.80%	-46.30%	13.90%	
Additional to total OI	\$5,129	\$21,195	(\$8,907)	\$15,687	
Eview Revenue Sold					
Eview OI					
Additional to total OI	\$-	\$-			
Eelabs Revenue Sold					
Eelabs OI					
Additional to total OI	\$-	\$-			
Total OI	\$5,129	\$21,195	(\$8,907)	\$15,687	
Produced	\$171,351	\$459,248	\$156,258	\$786,857	
Coding Sold	\$5,129	\$21,195	(\$8,907)	\$15,687	
Total OI	\$176,480	\$480,443	\$147,351	\$802,544	
OI @ 10%	10%	\$63,187	\$87,739	\$50,780	\$201,705
Excess OI	\$113,294	\$392,704	\$96,571	\$600,839	
Bonus Accr	\$10,299	\$35,700	8,779	\$54,622	
Excess after bonus accr	\$102,995	\$357,004	\$87,792	\$546,217	
Quarterly Bonus	\$10,299	\$35,700	\$8,779	\$54,622	
	\$3,433	11,900.13	\$2,926		

Q1-3-2008 total

\$121,338

Money owed to me

For Billing Questions or Concerns, please contact your local Onsite3 facility as listed below:

Corporate Headquarters
2011 Crystal Drive, Suite 200
Arlington, VA 22202
(703) 276-1123
(703) 683-0240(fax)

550 South Hope Street, Suite 800
Los Angeles, CA 90071
(213) 239-8166
(213) 689-0417(fax)

200 Permalume Place
Atlanta, GA 30318
(404) 351-2679
(494) 351-7823(fax)

300 West Adams Street-Suite 605
Chicago, IL 60606
(312) 704-1050
(312) 704-1090(fax)

443 Park Avenue South
New York, NY 10016
(212) 252-9700
(212) 252-1717(fax)

1101 Slater Road, Suite 110
Research Triangle Park
Durham, NC 27703
(919) 941-2857
(919) 941-2834(fax)

SERVICES PROVIDED BY ON SITE E-DISCOVERY

IMAGING-SCANNING—converting hard copy documents into single or multi-page TIFF (image) files.

BLOWBACKS—printing hard copies of scanned documents or electronic files from a CD or other electronic media.

BRANDING—endorsing or placing identity information on images which can include a page number/bates number confidentiality agreement, or other customized text in any location on the page.

IMAGING-IT—saving TIFF or other image format documents, such as PDFs or JPGs, to a compact disk(s) or other electronic media.

OCR—subjecting the original files to Optical Character Recognition(OCR) in order to create a database of searchable text.

CODING—indexing specific data within a document and then organizing that data by field names to help the researcher quickly identify information pertaining to a case or subject.

ELECTRONIC EVIDENCE LABS (EELabs)—the restoration of back-up data from DLT/LTO tape drives or other archives; examination of stored data for the recovery of deleted files, targeted data, or duplicate entries; and password encryption on laptops or hard drives.

ELECTRONIC DATA DISCOVERY (EDD)—converting and extracting the full-text and meta-data from electronic files, email and attachments into a database for searching.

VIEW (iCONNECT)—indexing, organizing, and storing data in a searchable database formatted for iConnectxt™ litigation support software. This process allows data to be reviewed in our online repository via the Internet.

REPROGRAPHICS—producing a photocopy or reproduction of paper documents.

DIGITAL PRINTING—scanning documents to print a large quantity of copies

FACILITIES MANAGEMENT—On Site E-Discovery enters into a fixed length contract with another firm/company and agrees to operate and maintain the contracting firm's litigation support needs, providing our own employees and management, operating on-site.

RUN RATES

A (straight run) — Auto-feed work. Run time: @3000 per hour.

B (light litigation) — Can be auto-fed, however, prep-work is required for up to 40% of the docs due to pre-assembled sections. Run time: @1200 per hour.

C (med. litigation) — Can be auto-fed, however, prep-work is required for 41-59% of the docs due to unconventional paper sizes or pre-assembled sections. Run time: @1000 per hour.

D (med/heavy litigation) — Over 60% of the docs require prep-work and minimal glass work due to unconventional paper sizes, poor quality originals, or pre-assembled sections. Run time: @500 per hour.

E (heavy litigation) — Up to 40% of the docs require glass work and prep-work due to unconventional paper sizes or pre-assembled sections. Run time: @300 per hour.

EE (glass work) — Must be manually processed because over 40% of the docs require glass work due to poor quality originals. Run time: @200 per hour.

Forms of Acceptable Payment

Cash, Check, Money Order, Wire Transfer, Credit Card(MasterCard, Visa, and American Express)

FOR CREDIT CARD PAYMENTS, PLEASE DETACH THIS SHEET AND RETURN TO: Onsite3, Attn: Accounts Receivable Dept., 2011 Crystal Drive, Suite 200, Arlington, VA 22202 or fax to (703) 683-0240 or call 703-276-1123

Credit Card Remittance Form Type of card: MasterCard Visa American Express

Company Name: _____

Credit Card Number: _____ Expiration Date: _____ / _____

Cardholder Name: _____ (month)/(year)

Invoice Number(s): _____ Security Code: _____

Amount Authorized To Charge: _____ (AMEX- 4 digits, VISAMC- 3 digits)

Cardholder Signature of Authorization: _____

Fax Number where credit card confirmation can be sent: _____

E-mail Address: _____

By providing my e-mail address, you are consenting to the receipt of e-mail communications regarding your account.

GA 2ND Qtr

	APR	May	June	Total
Revenue	\$759,825	\$581,605	\$480,752	\$1,822,182
OI	337,334	246,395	147,650	731,379
Above 10% Threshold	44%	42%	31%	40.10%
Coding Rev Sold		\$6,244	\$49,755	\$55,998
Coding OI		8.20%	11.30%	
Additional to total OI	\$-	\$512	\$5,622	\$-
Eview Revenue Sold				
Eview OI				
Additional to total OI	\$-	\$-		
Eelabs Revenue Sold				
Eelabs OI				
Additional to total OI	\$-	\$-		
Total OI	\$-	\$512	\$5,622	\$-
Produced	\$337,334	\$246,395	\$147,650	\$731,379
Coding Sold	\$-	\$512	\$5,622	\$-
Total OI	\$337,334	\$246,907	\$153,272	\$731,379
OI @ 10%	10% \$75,983	\$58,161	\$48,075	\$182,218
Excess OI	\$261,352	\$188,746	\$105,197	\$549,161
Bonus Accr	\$23,759	\$17,159	9,563	\$50,481
Excess after bonus ac	\$237,593	\$171,587	\$95,634	\$498,680
Quartly Bonus	\$23,759	\$17,159	\$9,563	\$50,481
	\$7,920	5,719.58	\$3,188	

GA 1st Qtr

	July	Aug	Sept	Total
Revenue	\$ 485,524	\$ 393,148	\$ 483,567	\$ 1,362,239
OI Above 10% Threshold	132,323 27%	72,852 19%	105,245 22%	310,420 22.8%
Coding Rev Sold Coding OI	\$ 44,745 9.8%			\$ 44,745 13.9%
Additional to total OI	\$ 4,385	\$ -	\$ -	\$ 6,220
Eview Revenue Sold Eview OI				
Additional to total OI	\$ -	\$ -		
Eelabs Revenue Sold Eelabs OI				
Additional to total OI	\$ -	\$ -		
Total OI	\$ 4,385	\$ -	\$ -	\$ 6,220
Produced Coding Sold	\$ 132,323 \$ 4,385	\$ 72,852 \$ -	\$ 105,245 \$ -	\$ 310,420 \$ 6,220
Total OI	\$ 136,708	\$ 72,852	\$ 105,245	\$ 316,640
OI @ 10%	10% \$ 48,552	\$ 39,315	\$ 48,357	\$ 136,224
Excess OI	\$ 88,156	\$ 33,537	\$ 56,888	\$ 180,416
Bonus Accr	\$ 8,014	\$ 3,049	\$ 5,172	\$ 16,235
Excess after bonus accr	\$ 80,142	\$ 30,488	\$ 51,716	\$ 162,346
Quartly Bonus	\$ 8,014	\$ 3,049	\$ 5,172	\$ 16,235
	\$ 2,671	1,016.27	\$ 1,724	

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(213) 689-0417(fax)

200 Permalume Place
Atlanta, GA 30318
(404) 351-2679
(494) 351-7823(fax)

300 West Adams Street-Suite 605
Chicago, IL 60606
(312) 704-1050
(312) 704-1090(fax)

443 Park Avenue South
New York, NY 10016
(212) 252-9700
(212) 252-1717(fax)

1101 Slater Road, Suite 110
Research Triangle Park
Durham, NC 27703
(919) 941-2857
(919) 941-2834(fax)

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Credit Card Remittance Form Type of card: MasterCard Visa American Express

Company Name: _____

Credit Card Number: _____ Expiration Date: _____ / _____

Cardholder Name: _____ (month)/(year)

Invoice Number(s): _____ Security Code: _____

Amount Authorized To Charge: _____ (AMEX- 4 digits, VISA/MC- 3 digits)

Cardholder Signature of Authorization: _____

Fax Number where credit card confirmation can be sent: _____

E-mail Address: _____

By providing my e-mail address, you are consenting to the receipt of e-mail communications regarding your account.

Shellhaas, Phil

From: Truchan, Bill
Sent: Thursday, September 07, 2006 11:27 AM
To: Shellhaas, Phil
Subject: MP Bonus Plan for 2nd Half
Attachments: Mgr Bonus Plan.pdf

My attempt to get you the benefit of the coding, iConect and Labs work sold in GA by your guys – take a read and let me know your thoughts – I also attached a new revenue growth target number for you for the back half of the year from Hal and Medling – not sure where the calc comes from but take a look. That is a change as it relates to a fixed bonus on sales growth – I will have Julio look if we owe you anything for the first half assuming we would honor the spirit of the agreement from 2005.

Give me a call this afternoon to discuss

Bill Truchan
CFO
On Site E-Discovery
832 N Henry
Alexandria, VA 22314

703-276-1123
703-683-0240 Fax
571-723-7708 Cell

From: Vasquez, Julio
Sent: Thursday, September 07, 2006 11:21 AM
To: Truchan, Bill
Subject:

Julio Vasquez
Financial Analyst
On Site E-Discovery
832 N Henry
Alexandria, VA 22314

703-276-1123
703-683-0240 Fax
571-723-9278 Cell

MANAGING PARTNER'S BONUS PLAN

This Managing Partner's Bonus Agreement (the "Plan") is made this ___ day of _____ 2006, by and between On Site E-Discovery, Inc. ("Company") and _____, Managing Partner of _____ Division.

1. Introduction and Objectives

Company recognizes the importance of encouraging superior performance. The Company also anticipates Fiscal Year 2006 to be a stellar year. To help encourage Managing Partner performance, Company has developed a Bonus Plan for the Managing Partner's of On Site. This incentive plan has been adopted to motivate superior performance, encourage efficiency, productivity and remain competitive. The program links Managing Partner's compensation to their marketplace performance, specifically, Operating Income and Revenue growth.

Bonuses earned as a result of Operating Income achievement will be calculated on a quarterly basis and paid with the 2nd payroll of the month following the quarter end. Bonuses paid for Revenue growth will be paid according to the specific Revenue Goal that has been delivered to the Managing Partner by the VP of Sales of OnSite (or by his designee). The plan for Operating Income will be predicated on the marketplace hitting a minimum threshold of Operating Income for work produced in the marketplace; if that threshold is met, the Managing Partner will then get the benefit of including Operating Income allocated from specific work performed outside his/her Marketplace but sold by a Marketplace sales representative – specifically work for EELabs, Eview OnLine, and Coding. In the 4th quarter of 2006, there will also be a Marketplace DSO component that will need to be met in order to receive the 4th quarter Operating Income bonus.

2. Term of Agreement

The Plan is effective July 1, 2006 or upon the completion of Managing Partner's first full quarter of employment and terminates upon completion of the 4th Quarter of calendar year 2006 unless extended in writing by the CFO.

3. Definitions

- a. **Revenue** is defined as revenue sold by sales representatives in their respective marketplaces (regardless of the location of where the work is produced) that go toward the revenue growth targets for the bonus opportunity.
- b. **Revenue Goal** is defined as the revenue target provided to the Managing Partner by the VP of Sales of OnSite for specifically identified time periods for which a specifically identified bonus will be paid to the Managing Partner if the target is met.

- c. **Operating Income** is broken into two components for bonus calculation purposes. **Produced OI** is defined as the OI derived from revenue produced in the local marketplace, accounted for in a manner consistent with Generally Accepted Accounting Principles. **Total OI** is defined as Produced OI plus the impact of the allocation of operating income from functional operations sold but not produced in the marketplace – EELabs, Eview and Coding related work. The operating income allocated for this work will be at the quarterly OI% for the consolidated functional segment for OnSite. The allocation may be an addition to or a reduction of the marketplace Produced OI depending on the net activity of allocated work for the marketplace for the particular quarter.
- d. **Operating Income Bonus Opportunity** is defined as the bonus opportunity earned based on attainment of a Produced OI Bonus Threshold; if the Managing Partner achieves the Produced OI Bonus Threshold for the quarter he is then eligible for a bonus that will be calculated as a percentage of the Excess OI for the marketplace.
- e. **Produced OI Bonus Threshold** is defined as the minimum threshold that the marketplace Produced OI must meet before the Managing Partner can participate in the Operating Income Bonus Opportunity.
- f. **Excess OI** is defined as Total OI for the marketplace less the Produced OI.

4. Bonus Opportunity Calculations

a. Marketplace Produced OI Threshold:

Q3 2006	10%
Q4 2006	10%

b. Operating Income Bonus Opportunity:

Quarterly Produced OI +/- Allocated OI = Total OI
 Total OI – (Produced OI Threshold X Revenue) = Excess OI
 Excess OI X 10% = Operating Income Bonus

c. Accrual of Bonus Expense

Any Operating Income Bonus Opportunity measurement assumes that all marketplace bonuses have been accrued in the Operating Income results prior to any calculations for payment of any quarterly or annual bonuses. This applies to all marketplace bonuses, not just those identified in this document.

d. Example Calculation

Shellhaas, Phil

From: Beasley, Joi
Sent: Monday, May 02, 2005 3:15 PM
To: Shellhaas, Phil
Cc: Truchan, Bill
Subject: RE: MP Compensation and Bonus plan



Managing Partner
Bonus Plan 20...

Phil, attached is the MP Comp plan. Send me the executed doc as soon as you can. Thanks, jb

From: Shellhaas, Phil
Sent: Monday, May 02, 2005 3:01 PM
To: Beasley, Joi
Subject: MP Compensation and Bonus plan

Joi, I know you were out of town last week -- I spoke with Bill and he explained that you had the bonus plan. I have some paperwork to provide you but need the plan before I can do so.

Thanks,

Phil Shellhaas
Managing Partner - Atlanta
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Litigation Support Services
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<< OLE Object: Picture (Metafile) >>

MANAGING PARTNER'S BONUS PLAN

This Managing Partner's Bonus Agreement (the "Plan") is made this ___ day of _____ 2005, by and between On Site E-Discovery, Inc. ("Company") and _____, Managing Partner of _____ Division.

1. Introduction and Objectives

Company recognizes the importance of encouraging superior performance. The Company also anticipates Fiscal Year 2005 to be a stellar year. To help encourage Managing Partner performance, Company has developed a Bonus Plan for the Managing Partner's of On Site. This incentive plan has been adopted to motivate superior performance, encourage efficiency, productivity and remain competitive. The program links Managing Partner's compensation to their marketplace performance, specifically, Operating Income and Revenue Growth.

Bonuses earned as a result of Operating Income achievement will be calculated on a quarterly basis and paid with the 2nd payroll of the month following the quarter end. Bonuses earned for Revenue Growth achievement will be paid annually and will be paid with the 2nd payroll of the month following the year end.

2. Term of Agreement

The Plan is effective January 1, 2005 or upon the completion of Managing Partner's first full quarter of employment.

3. Definitions

- a. **Revenue** is defined as revenue sold by sales representatives in their respective marketplaces (regardless of the location of where the work is produced) that go toward the revenue growth targets for the bonus opportunity.
- b. **Revenue Growth** is defined as Revenue sold in your marketplace in 2005 compared to Revenue sold in the same marketplace for 2004, adjusted for any acquisitions or any events that would make the comparison of these results unrealistic or not appropriate. The Revenue from accounts that a Managing Partner receives direct commission on will be included in the Revenue Growth Bonus calculation but will be excluded from the Revenue Growth bonus payout calculation.
- c. **Revenue Growth Bonus Opportunity** is defined as the bonus opportunity earned based on Revenue Growth for the year for the marketplace, to be paid annually assuming Revenue Growth is achieved and the annual Produced OI Bonus Threshold is met.
- d. **Operating Income** is broken into two components for bonus calculation purposes. **Produced OI** is defined as the OI derived from revenue produced in

the local marketplace, accounted for in a manner consistent with Generally Accepted Accounting Principles. **Total OI** is defined as Produced OI plus the impact of the allocation of operating income as a result of the inflow or outflow of punted work on the marketplace. The operating income allocated for punted work will be at the monthly OI% for the consolidated punted segment (Coding, Imaging or EFP). The allocation may be an addition to or a reduction of the marketplace Produced OI depending on the net activity of punted work for the marketplace for the particular month or quarter.

- e. **Operating Income Bonus Opportunity** is defined as the bonus opportunity earned based on attainment of a Produced OI Bonus Threshold but calculated as a percentage of the Total OI for the marketplace for a calendar quarter above the Produced OI Bonus Threshold.
- f. **Produced OI Bonus Threshold** is defined as the minimum threshold that the marketplace Produced OI must meet before the Managing Partner can participate in the Operating Income Bonus Opportunity or the Revenue Growth Bonus Opportunity.

4. Bonus Opportunity Calculations

a. **Marketplace Produced OI Threshold:**

Q1	10%
Q2	10%
Q3	10%
Q4	10%
Annual	10%

b. **Revenue Growth Bonus Opportunity:**

2005 annual marketplace Revenue – 2004 annual marketplace Revenue = Revenue Growth.

If Revenue Growth is 10% to 15%, Bonus is 1% X Revenue Growth
 16% to 25%, Bonus is 2% X Revenue Growth
 26% to 35%, Bonus is 3% X Revenue Growth
 Over 35%, Bonus is 3.5% X Revenue Growth

Payment subject to attainment of annual Marketplace Produced OI Threshold above.

GA	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Total
Sales												
Revenue	804,728	1,186,700	533,749	790,866	594,224	530,507	537,306	398,763	486,574	255,434	174,327	6,293,180
Non-Billable I/C Revenue	(172,863)	(309,311)	(25,961)	(31,041)	(12,619)	(49,755)	(51,782)	(5,615)	(3,007)	(9,973)	(611)	(672,529)
Intercompany Revenue												
Net Sales	631,865	877,389	507,799	759,825	581,605	480,752	485,524	393,148	483,567	245,461	173,716	5,620,651
Product Labor												
Wages	74,577	66,732	73,341	72,138	75,028	72,517	73,437	63,900	63,116	61,739	55,383	751,706
Overtime	7,926	8,122	7,639	7,763	7,670	7,080	9,002	9,702	11,698	7,591	9,718	93,911
Salaries	37,813	39,125	36,089	36,000	36,000	36,406	36,271	36,271	36,406	36,406	36,406	402,193
Bonus	8,753	23,460	7,982	17,912	11,489	6,884	6,107	-	4,907	-	-	87,494
Payroll taxes Wages	8,286	7,479	7,695	7,719	6,839	6,267	6,367	5,640	5,659	5,237	4,932	72,139
Payroll taxes Salary	3,746	3,915	4,620	3,102	4,302	3,421	3,072	2,983	2,628	2,421	2,139	36,350
Total Product Labor	140,900	147,832	137,366	144,634	141,327	132,575	134,275	118,497	124,414	113,394	108,578	1,443,793
Other Direct Cost												
Contract Labor	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Paper Cost	13,237	6,206	15,463	6,174	(2,063)	3,308	11,768	7,089	16,899	3,378	5,630	87,089
Boxes	942	1,196	994	1,046	523	150	2,155	555	700	555	-	8,815
Toner, Developer, Ink	1,775	5,108	2,614	2,011	578	701	1,228	1,297	5,868	682	423	22,284
Other supplies expense	15,101	13,338	10,228	11,550	9,092	5,515	21,738	15,686	29,953	(42)	10,044	142,202
Tech Expense	-	-	-	-	-	-	-	-	-	-	-	-
Postage	12,489	21,715	7,070	10,000	6,399	11,000	3,131	3,500	2,500	-	20,724	98,528
Outside Services	3,080	2,455	2,187	5,691	815	1,315	638	3,328	1,001	1,033	471	22,613
Freight & Courier	1,383	3,453	4,078	3,797	1,035	5,180	2,032	4,817	8,089	10,281	(959)	43,187
Depreciation	3,763	4,146	3,698	3,773	3,442	3,335	3,335	3,335	3,335	3,335	3,335	36,832
Leased Equipment	9,298	1,119	6,498	10,198	10,494	10,494	10,494	10,494	10,494	10,494	10,494	108,750
Click charges	4,692	4,110	3,279	4,136	3,233	4,088	4,833	10,629	10,660	2,400	5,287	57,448
Repairs & Maintenance	12,819	12,060	12,411	16,792	4,326	16,332	7,838	15,441	10,820	8,884	5,189	122,912
Parts - Copiers	-	-	-	-	-	(480)	-	-	129	-	-	(351)
Vehicle expenses	1,912	2,746	1,652	2,528	2,139	4,124	2,516	3,594	3,007	4,063	2,128	30,407
Utilities	4,478	4,415	195	8,887	4,382	5,002	5,343	5,056	4,862	5,340	4,145	52,106
Parking	-	-	-	-	-	-	-	-	-	-	-	-
Work in Process Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-	-	-	-	-	-	-	-
Fines & Penalties	-	71	102	72	58	1,245	670	29	616	411	243	3,516
Total Other Direct Cost	84,968	90,316	70,469	86,655	44,452	71,309	77,818	84,850	109,533	50,815	67,153	838,339
TOTAL COGS	225,868	238,148	207,835	231,289	185,779	203,885	212,094	203,346	233,948	164,210	175,730	2,282,132
Selling Expenses												
Wages	-	-	-	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-	-	-	-
Salaries	5,513	10,417	8,333	8,333	8,333	5,352	4,167	4,167	4,167	4,167	4,167	87,114
Commissions	70,121	112,989	45,358	79,744	49,041	48,491	50,855	35,501	49,242	21,343	18,060	580,745
Inter-Company Commissions	(17,286)	(30,331)	(2,585)	(3,104)	(1,262)	(4,975)	(5,178)	(562)	(301)	(997)	(61)	(67,253)
Bonus	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes Wages	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes Salary	5,513	6,189	3,841	2,392	3,641	1,815	2,216	2,008	1,133	1,661	1,033	31,443
Vehicle expenses	-	-	-	-	-	-	-	-	-	-	-	-
Tech Expense	-	-	-	-	-	-	-	-	-	-	-	-
Marketing, Business M&E, Travel, etc	4,427	5,932	3,980	2,891	7,381	4,683	3,336	3,191	6,654	7,391	4,922	54,790
Total Selling Expenses	68,287	104,596	58,917	90,257	67,134	55,365	55,396	44,306	60,896	33,564	28,121	666,838
General & Administrative Costs												
Wages	1,394	1,807	1,440	1,878	1,588	1,708	2,234	2,154	3,633	4,395	2,166	24,197
Overtime	23	41	-	84	49	69	220	169	262	303	173	1,393
Salaries	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	181,661
Bonus	85,299	35,700	8,778	23,760	17,159	9,582	7,893	3,049	6,172	-	-	196,372
Tech Expense	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes Wages	149	173	151	206	161	143	188	178	325	412	179	2,263
Payroll taxes Salary	7,164	1,254	1,292	1,016	945	560	894	887	822	936	638	16,409
Health Insurance	14,665	8,774	23,536	9,437	12,277	10,609	14,743	12,065	7,948	13,796	8,098	135,946
Postage	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services	726	725	738	750	755	771	640	651	557	674	732	7,719
Freight & Courier	69	132	12	131	534	53	268	725	512	141	77	2,655
Depreciation	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	23,804
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Leased Equipment	6,302	6,302	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,750	4,740	55,270
Repairs & Maintenance	-	-	66	-	-	66	1,081	-	66	-	-	1,279
Miscellaneous delivery exp	-	-	-	-	-	-	-	-	-	-	-	-
Rent	12,139	11,288	11,120	12,013	12,286	12,286	12,286	12,286	14,985	17,081	12,286	140,052
Utilities	370	1,077	-	1,535	954	370	714	1,235	1,030	-	1,263	8,548
Parking	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-
Business M&E, Travel, etc	8,792	1,250	1,713	1,970	1,780	1,291	2,838	1,150	2,089	1,075	1,949	25,897
Telephone	8,056	8,180	6,160	9,662	9,150	8,144	7,871	7,107	8,011	8,041	7,598	87,980
Property & Other Taxes	1,423	600	2,556	2,916	2,055	2,111	3,426	2,585	2,955	2,955	3,512	27,095
Business Insurance	4,629	5,024	5,528	5,532	5,397	5,431	5,691	4,916	6,033	4,556	4,773	56,709
Office expense	1,327	3,549	2,744	10,247	1,423	2,781	4,779	4,605	8,953	4,165	2,591	47,164
Intercompany Expense	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Admin Charge	6,319	8,774	5,078	7,598	5,816	4,808	4,855	3,931	4,836	2,455	1,737	56,207
Gain(loss) on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-	-	-	-	-	-	-	-
Total G & A Costs	176,658	112,364	93,566	111,400	94,981	83,415	93,605	79,747	90,841	89,463	73,025	1,099,066
Net Profit or Loss	161,052	422,281	147,480	326,880	233,712	138,087	124,430	65,748	97,882	(41,776)	(103,160)	1,572,615