


UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: <u>We The People USA Inc</u> <u>We The People LLC</u>	Case Number: <u>10-10503</u> <u>10-10504</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):	<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>JEFFREY C. ADAMS</u> <u>P.O. Box 6705</u> <u>ALBANY, CA 94706-0705</u> <u>(510) 665-4792</u>	Court Claim Number: _____ (If known)  Filed on: _____	
Telephone number: _____	<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.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Name and address where payment should be sent (if different from above): <div style="text-align: center; padding: 10px;"> <b>RECEIVED</b>   <b>JUN 01 2010</b>   <b>BMC GROUP</b> </div>	<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
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>545,350</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"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input 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).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507(a)(5)  <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).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507(a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507(a)(____).	
2. Basis for Claim: <u>BREACH OF CONTRACT UNJUST ENRICHMENT, and FINANCIAL ABUSE.</u> (See instruction #2 on reverse side.)	Amount entitled to priority:  \$ _____	
3. Last four digits of any number by which creditor identifies debtor: <u>0630</u>  3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)	*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
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: \$ _____	DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain:	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.	FOR COURT USE ONLY  We the People  00101	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or 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.)	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.	

May 13. 2010

Jeffrey C. Adams

PO Box 6705

Albany, CA 94706-0705

Home Office: (510) 665-4792

E-mail: jcadams@LMi.net

CellPhone: (510) 847-3014

FAX: (510) 550-2654

Re: Bankruptcy Claimant # 24337431050630

We The People USA, Inc./Case # 10-10503/EID# 37-1504790

We The People LLC/Case # 10-10504/EID# 20-8493801

ITEMIZED RECAP OF CLAIM

1. LOSS OF INVESTMENT IN ALBANY/BERKELEY STORE	\$152,850
2. LOSS OF INVESTMENT IN WE THE PEOPLE OF COSTA MESA, INC. - I OWNED 25% OF SHARES OF CORP. THAT OWNED 3 STORES IN ORANGE COUNTY, CA	\$ 67,500
3. LOSS OF ACCELERATED RETIREMENT INCOME 5 YEARS X \$65,000 PER YEAR	\$325,000
TOTAL	\$545,350

May 13. 2010

MARK S. KENNEY, TRIAL ATTORNEY  
OFFICE OF THE UNITED STATES TRUSTEE  
844 KING STREET, ROOM 2207  
WILMINGTON, DE 19889-0035  
Phone: 302-573-6491  
Fax: 302-573-6497

Dear Mr. Kenney,

Re: Bankruptcy Claimant # 24337431050630

Attached is my completed Proof of Claim on Form 10 (12/08) with attachments on the following two bankruptcy petitions:

- We The People USA, Inc. Case # 10-10503 EID# 37-1504790
- We The People LLC Case # 10-10504 EID# 20-8493801

Also you should note that I have filed a complaint against these parties in Alameda County and indicated Financial Elder Abuse which entails punitive damages.

Please contact me if you have questions on the attached or need more documentation that what has been provided. Thank you.

Sincerely,

  
Jeffrey C. Adams

JCA:ds  
Attachments

Jeffrey C. Adams  
PO Box 6705  
Albany, CA 94706-0705  
Home Office: (510) 665-4792  
E-mail: jcadams@LMi.net  
CellPhone: (510) 847-3014  
FAX: (510) 550-2654

**FILE COPY**

Sent Via Federal Express

FDEx # 7986 6323 7193

[Español](#) | [Customer Support](#) | [FedEx Locations](#) | [Package/Envelope](#)[Freight](#)[Expedited](#)[Office/Print Services](#) ★[Ship](#) ▶[Track](#) ▶[Manage](#) ▶[Business Solutions](#) ▶[My FedEx Home](#) | [Preferences](#) | [My Profile](#) | [Log Out](#)Welcome Jeffrey  
May 13, 2010 20:27:44

## Detailed Results

[Printer-Friendly](#)[Get Link](#)[Help](#)

Detailed Results

Notifications

Tracking no.: 798663237193

Select time format: [12H](#) | [24H](#)[E-mail  
notifications](#)

## On Schedule ⓘ

Departed FedEx location  
OAKLAND, CA

## Shipment Dates

Ship date ⓘ May 13, 2010

Estimated delivery ⓘ May 14, 2010 by 10:30 AM

## Destination

WILMINGTON, DE

## Shipment Facts

[Help](#)

Service type

Priority Envelope

Weight

1.0 lbs/.5 kg

## Shipment Travel History

[Help](#)Select time zone: 

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
May 13, 2010 7:24 PM	Departed FedEx location	OAKLAND, CA	
May 13, 2010 5:58 PM	Left FedEx origin facility	EMERYVILLE, CA	
May 13, 2010 4:52 PM	Picked up	EMERYVILLE, CA	
May 13, 2010 6:17 PM	Shipment information sent to FedEx		

[Español](#) | [Customer Support](#) | [FedEx Locations](#) [Package/Envelope](#)[Freight](#)[Expedited](#)[Office/Print Services](#) [Ship](#) ▶[Track](#) ▶[Manage](#) ▶[Business Solutions](#) ▶

## Detailed Results

[Printer-Friendly](#)[Get Link](#)[Help](#)[Detailed Results](#)[Notifications](#)

Tracking no.: 798663237193

Select time format: [12H](#) | [24H](#)[E-mail notifications](#)

## Delivered



**Delivered**  
Signed for by: L.ONEAL

## Shipment Dates

Ship date ⓘ May 13, 2010

Delivery date ⓘ May 14, 2010 9:40 AM

## Destination

WILMINGTON, DE

[Signature Proof of Delivery](#) ⓘ

## Shipment Facts

[Help](#)

Service type

Priority Envelope

Delivered to

Receptionist/Front Desk

Weight

1.0 lbs/.5 kg

## Shipment Travel History

[Help](#)Select time zone: 

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
May 14, 2010 9:40 AM	Delivered	WILMINGTON, DE	
May 14, 2010 8:50 AM	On FedEx vehicle for delivery	NEW CASTLE, DE	
May 14, 2010 7:47 AM	At local FedEx facility	NEW CASTLE, DE	
May 14, 2010 5:59 AM	At dest sort facility	PHILADELPHIA, PA	
May 14, 2010 3:07 AM	Departed FedEx location	MEMPHIS, TN	
May 14, 2010 12:59 AM	Arrived at FedEx location	MEMPHIS, TN	
May 13, 2010 7:24 PM	Departed FedEx location	OAKLAND, CA	
May 13, 2010 5:58 PM	Left FedEx origin facility	EMERYVILLE, CA	
May 13, 2010 4:52 PM	Picked up	EMERYVILLE, CA	
May 13, 2010 6:17 PM	Shipment information sent to FedEx		

From: Origin ID: JEMA (510) 559-3456  
Jeffrey Adams

918 San Pablo Ave.

Albany, CA 94706



Ship Date: 13MAY10  
ActWgt: 1.0 LB  
CAD: 8495700/NET3010

Delivery Address Bar Code



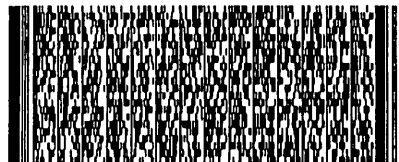
Ref #  
Invoice #  
PO #  
Dept #

SHIP TO: (302) 573-8491

BILL SENDER

Mark S. Kenney  
Office of the U.S. Trustee  
844 N KING ST RM 2207

WILMINGTON, DE 19801



TRK# 7986 6323 7193  
(0201)

FRI - 14 MAY A1  
PRIORITY OVERNIGHT

19801

DE-US

PHL

XB ZWIA



0000101000000

**After printing this label:**

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

May 29, 2010

BMC Group, Inc.  
Attn: We The People Claims Processing  
P.O. Box 3020  
Chanhassen, MN 55317-3020

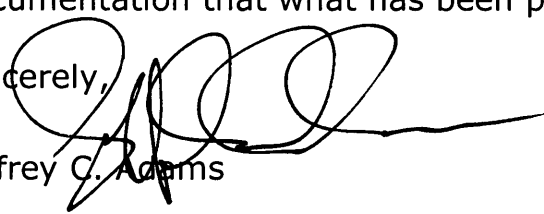
Dear BMC Group, Inc.

Re: We The People USA, Inc. • Case# 10-10503 • EID# 37-1504790  
We The People LLC • Case# 10-10504 • EID# 20-8493801

Attached is a complete copy of the original file that was sent to Mark S. Kenney at the Office of the United States Trustee. That file was delivered by Federal Express on May 14 as noted in the attachment. In speaking with Mr. Kenney last week after receipt of his e-mail to me it was discovered that the originals should have been delivered to you --- but we discussed the fact that the last communication that the BMC Group mailed to me postmarked April 1, 2010 presented quite explicitly only Mr. Kenney's name and address as the apparent addresses for the claim. This attached letter from the BMC Group also included new information in the form of a second We The People entity as a second bankruptcy applicant. It was confusing and maybe even deceptive -- which is why it was logical for me or anyone else to assume that I should properly to send the file only to Mr. Kenney. Thank you for your understanding and acceptance of this claim without any further delay.

Please contact me if you have questions on the attached or need more documentation that what has been provided. Thank you.

Sincerely,



Jeffrey C. Adams

JCA:ds  
Attachments

Jeffrey C. Adams  
PO Box 6705  
Albany, CA 94706-0705  
Home Office: (510) 665-4792  
E-mail: jcadams@LMi.net  
CellPhone: (510) 847-3014  
FAX: (510) 550-2654

Sent Via USPS FIRST CLASS MAIL w/ Signature Confirmation™ #2306-1570-0001-0723-3208

Copy of This Letter for the Following 2 Individuals:

Chambers of the Honorable Kevin J. Carey, Chief Judge  
5th Floor, Courtroom #5 • 824 North Market Street - 5th Floor  
Wilmington, DE 19801 • Phone: (302) 252-2927

MARK S. KENNEY, TRIAL ATTORNEY • OFFICE OF THE UNITED STATES TRUSTEE  
844 KING STREET, ROOM 2207 • LOCKBOX NO. 35  
WILMINGTON, DE 19889-0035

Delivered-To: jcadams@lmi.net  
From: "Kenney, Mark (USTP)" <Mark.Kenney@usdoj.gov>  
To: "jcadams@lmi.net" <jcadams@lmi.net>  
Date: Tue, 18 May 2010 17:01:23 -0400  
Subject: We the People  
Thread-Topic: We the People  
Thread-Index: Acr2zUWiewBKhkikTQCAMt9Gs74hIQ==  
Accept-Language: en-US  
acceptlanguage: en-US  
X-Proofpoint-Virus-Version: vendor=fsecure engine=1.12.8161:2.4.5,1.2.40,4.0.166  
definitions=2010-05-18\_04:2010-02-06,2010-05-18,2010-05-18 signatures=0  
X-Proofpoint-Virus-Version: vendor=fsecure engine=1.12.8161:2.4.5,1.2.40,4.0.166  
definitions=2010-05-18\_04:2010-02-06,2010-05-18,2010-05-18 signatures=0  
X-AV-Checked: ClamAV on nail.lmi.net, Tue May 18 14:01:11 2010 -0700 (PDT), using ClamSMTP

Mr. Adams,

I received a package of proof of claim documents that you sent to me via Federal Express. Please note that the Office of the United States Trustee is **not** the correct location for filing proofs of claim. The instructions from the Court, in the notice of claims bar date, were explicit that claims must be sent to BMC Group.

Am I to assume that what you sent me is a duplicate of what you filed with BMC Group?

**Mark S. Kenney**  
Trial Attorney  
U.S. Department of Justice  
Office of the United States Trustee  
Wilmington, DE  
Tel: (302) 573-6491  
Fax: (302) 573-6497  
E-mail: [Mark.Kenney@usdoj.gov](mailto:Mark.Kenney@usdoj.gov)



postmarked 4/01/2010  
p 1 of 2

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

WE THE PEOPLE USA, INC., *et al.*,  
  
Debtors.

Chapter 11

Case Nos. 10-10503 (KJC), *et seq.*  
(jointly administered)

**NOTICE OF COMMENCEMENT OF CHAPTER 11  
BANKRUPTCY CASES, MEETING OF CREDITORS AND FIXING OF CERTAIN DATES**

On **February 19, 2010**, the above-captioned debtors and debtors-in-possession in the above-captioned case (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 through 1330 (the "Bankruptcy Code"). The Debtors, and their respective addresses, case numbers and federal tax identification numbers, are as follows:

<b><u>DEBTOR</u></b> (Other names, if any, used by the Debtor in the last 6 years appear in brackets)	<b><u>ADDRESS</u></b>	<b><u>CASE NO.</u></b>	<b><u>EID #</u></b>
We The People USA, Inc.	1436 Lancaster Ave. Berwyn, PA 19312	10-10503	37-1504790
We The People LLC	1436 Lancaster Ave. Berwyn, PA 19312	10-10504	20-8493801

**DATE, TIME AND LOCATION OF MEETING OF CREDITORS.** Friday, April 26, 2010 at 2:00 p.m.,  
J. Caleb Boggs Federal Building, 2<sup>nd</sup> Floor, 844 King Street, Room 2112, Wilmington, DE 19801.

**DEADLINE TO FILE A PROOF OF CLAIM.**

May 14, 2010 (General Bar Date)

August 18, 2010 (U.S. Government Claims Bar Date)

**NAME, ADDRESS AND TELEPHONE NUMBER OF TRUSTEE.**

Mark S. Kenney, Trial Attorney  
Office of the United States Trustee  
844 King Street, Room 2207  
Lockbox No. 35  
Wilmington, DE 19899-0035

**COUNSEL FOR THE DEBTOR(S).**

Adam Hiller, Esquire  
Pinckney, Harris & Weidinger, LLC  
1220 North Market Street, Suite 950  
Wilmington, DE 19801

**COMMENCEMENT OF CASES.** Petition for reorganization under chapter 11 of the Bankruptcy Code has been filed in this Court by the Debtor listed above, and orders for relief have been entered. You will not receive notice of all documents filed in this case. All documents filed with the Court, including lists of the Debtor's property and debts, are available for inspection at the Office of the Clerk of the Bankruptcy Court. In addition, such documents may be available at [www.deb.uscourts.gov](http://www.deb.uscourts.gov).

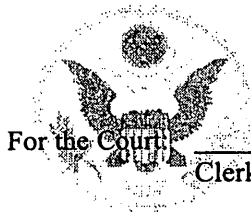
**PURPOSE OF CHAPTER 11 FILING.** Chapter 11 of the U.S. Bankruptcy Code enables a debtor to reorganize pursuant to a plan. A plan is not effective unless approved by the court at a confirmation hearing. Creditors will be given notice concerning any plan, or in the event the case is dismissed or converted to another chapter of the Bankruptcy Code. The Debtors will remain in possession of their property and will continue to operate any business unless a trustee is appointed.

**CREDITORS MAY NOT TAKE CERTAIN ACTIONS.** A creditor is anyone to whom a debtor owes money or property. Under the Bankruptcy Code, a debtor is granted certain protection against creditors. Common examples of prohibited actions by creditors are contacting a debtor to demand repayment, taking action against a debtor to collect money owed to creditors or to take property of a debtor, and starting or continuing foreclosure actions or repossessions. If unauthorized actions are taken by a creditor against a debtor, the Court may penalize that creditor. A creditor who is considering taking action against a debtor or the property of a debtor should review § 362 of the Bankruptcy Code and may wish to seek legal advice. The staff of the Clerk of the Bankruptcy Court are not permitted to give legal advice.

**MEETING OF CREDITORS.** The Debtor's representative, as specified in Rule 9001(5) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), is required to appear at the meeting of creditors on the date and at the place set forth above for the purpose of being examined under oath. Attendance by creditors at the meeting is welcomed, but not required. At the meeting, the creditors may examine the Debtor and transact such other business as may properly come before the meeting. The meeting may be continued or adjourned from time to time by notice at the meeting, without further written notice to the creditors.

**CLAIMS.** Schedules of creditors will be filed pursuant to Bankruptcy Rule 1007. Any creditor holding a scheduled claim which is not listed as disputed, contingent, or unliquidated as to amount may, but is not required to, file a proof of claim in these cases. Creditors whose claims are not scheduled or whose claims are listed as disputed, contingent, or unliquidated as to amount and who desire to participate in the cases or share in any distribution must file their proofs of claim. A creditor who desires to rely on the schedule of creditors has the responsibility for determining that the claim is listed accurately. Proof of claim forms, as well as other information regarding the place, deadlines, and forms for filing claims against the Debtors are available from the claims agent's website at <http://www.bmcgroup.com/WeThePeople>.

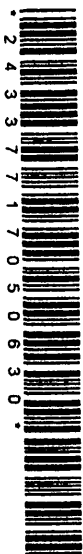
**DISCHARGE OF DEBTS.** Confirmation of chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See Bankruptcy Code § 1141(d). A discharge means that you may never try to collect the debt from the debtor, except as provided in the plan.



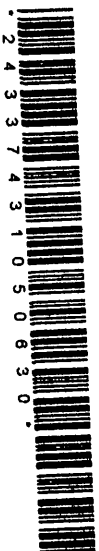
For the Court: /s/ David D. Bird  
Clerk of the U.S. Bankruptcy Court

Dated: March 31, 2010

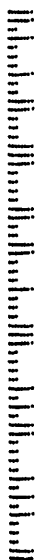
WE THE PEOPLE USA, INC.  
c/o BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020



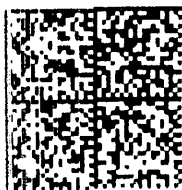
WE THE PEOPLE USA, INC.  
c/o BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020



9470630705 B007

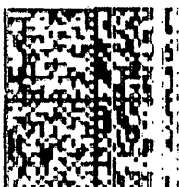


JEFFREY C ADAM  
PO BOX 6705  
ALBANY, CA 94706-4792



049J82034980  
\$00.440  
04/01/2010  
Mailed From 90009  
US POSTAGE

*due May 14, 2010*



049J82034980  
\$00.440  
03/22/2010  
Mailed From 90009  
US POSTAGE

JEFFREY C ADAM  
PO BOX 6705  
ALBANY, CA 94706-4792

*due May 14, 2010*

The following is the EXACT address where my claim form is to be sent.

MARK S. KENNEY, TRIAL ATTORNEY  
OFFICE OF THE UNITED STATES TRUSTEE  
844 KING STREET, ROOM 2207  
LOCKBOX NO. 35  
WILMINGTON, DE 19889-0035

PER A GOOGLE SEARCH

U.S. Trustee  
United States Trustee  
844 King Street, Room 2207  
Lockbox #35  
Wilmington, DE 19899-0035  
302-573-6491

U.S. Trustee  
Mark S. Kenney  
Office of the U.S. Trustee  
844 King Street  
Suite 2207, Lockbox 35  
Wilmington, DE 19801  
302-573-6491

<http://www.justice.gov/ust/r03/de.htm>

Office of the U.S. Trustee  
844 KING STREET  
SUITE 2207  
Lockbox 35  
WILMINGTON, DE 19801  
Phone: 302-573-6491  
Fax: 302-573-6497

postmarked 3/22/2010  
p 1 of 5

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

WE THE PEOPLE USA, INC., *et al.*,

Debtors.

Chapter 11

Case Nos. 10-10503 (KJC), *et seq.*  
(jointly administered)

**NOTICE OF DEADLINES AND  
PROCEDURES FOR FILING PROOFS OF CLAIM**

TO: ALL CREDITORS AND OTHER PERSONS OR ENTITIES WHO MIGHT WISH TO  
ASSERT CLAIMS IN THESE BANKRUPTCY CASES

**IF YOU BELIEVE YOU HAVE A  
CLAIM OR RIGHT TO PAYMENT AGAINST THE DEBTORS,  
YOU MUST FILE YOUR OWN PROOF OF CLAIM, EVEN IF YOU  
ARE ALREADY ARE PARTY TO ANY LITIGATION AGAINST  
THE DEBTORS AND EVEN IF YOU ARE A MEMBER OF A CLASS  
CERTIFIED, OR SOUGHT TO BE CERTIFIED, IN SUCH LITIGATION.**

PLEASE TAKE NOTICE that on March 16, 2010, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an Order Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof (the "Claims Procedures Order") establishing May 14, 2010 (the "General Bar Date") as the deadline for filing of proofs of claim against We The People USA, Inc. and We The People LLC (collectively and severally, the "Debtors") in the above-referenced cases and establishing the correct procedures for filing proofs of claim.

**THIS NOTICE CONTAINS VERY IMPORTANT INFORMATION ABOUT WHETHER YOU NEED TO FILE PAPERS TO PROTECT YOUR INTERESTS IN THIS CASE AND, IF SO, HOW TO FILE THOSE PAPERS CORRECTLY. THE FORM OF THIS NOTICE WAS ALSO APPROVED BY THE COURT. IF YOU DO NOT COMPLY WITH THE DEADLINES AND PROCEDURES IN THIS NOTICE, YOUR CLAIMS MAY BE DISALLOWED BY THE COURT. YOU SHOULD READ THIS NOTICE VERY CAREFULLY AND FOLLOW ALL PROCEDURES BEFORE THE DEADLINES LISTED BELOW. IF YOU DO NOT UNDERSTAND THIS NOTICE, YOU SHOULD CONSULT A LAWYER.**

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS BELIEVE THAT YOU HAVE A CLAIM. YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST THE DEBTOR OR IF THE CLAIM YOU HELD AS OF FEBRUARY 19, 2010 HAS BEEN PAID. **PLEASE NOTE: IF YOU FILE A FALSE CLAIM, YOU MAY BE COMMITTING A**

P. 2/5  
3/22/10

**CRIMINAL VIOLATION UNDER FEDERAL LAW, INCLUDING BUT NOT LIMITED TO 18 U.S.C. § 152(1), AND YOU MAY BE SUBJECT TO A FINE OR IMPRISONMENT OF UP TO 5 YEARS, OR BOTH. TO DETERMINE WHETHER YOUR CLAIM IS FALSE, YOU SHOULD CONSULT A LAWYER.**

**WHO MUST FILE A PROOF OF CLAIM**

According to the Claims Procedures Order, except as provided below, any person, entity, or governmental unit (each a "person," and collectively, "persons") holding a prepetition claim against the Debtors must file a proof of claim. Except as provided below, the General Bar Date will apply to all persons holding claims against the Debtors (whether secured, priority or unsecured) that arose prior to the February 19, 2010 (the "Petition Date"). Any person whose claim is not listed in the Debtors' Schedules of Assets and Liabilities and/or Statements of Financial Affairs (collectively, the "Schedules") or is listed in the Schedules as "disputed," "contingent" or "unliquidated" and that desires to participate in this case, and any person whose claim is improperly classified in the Schedules or is listed in the Schedules as an incorrect amount and that desires to have its claim allowed in a classification or amount other than that set forth in the Schedules, must file a proof of claim on or before the General Bar Date.

The Claims Procedures Order further provides that the following Entities need not file a proof of claim by the General Bar Date: (i) a claim for which a proof of claim has already been properly filed with the Claims Agent; (ii) a claim entitled to administrative expense priority pursuant to 11 U.S.C. § 503; (iii) a claim not listed as "disputed," "contingent," and/or "unliquidated" in the Debtors' bankruptcy schedules (the "Schedules"), but only to the extent that the holder of such claim agrees with the nature, classification, and amount of such claims as set forth in the Schedules; (iv) a claim asserted by the United States or any of its agencies, so long as a proof of claim on account of such claim is duly filed on or before the 180th day after the Petition Date (the "U.S. Government Claims Bar Date"); (v) a claim asserted by one of the Debtors against the other; and (vi) a claim previously been allowed by, and/or paid pursuant to, an order of the Court.

The Claims Procedures Order also provides that any person holding an interest in the Debtors (each an "Interest Holder"), which interest is based exclusively upon the ownership of stock in the Debtor, or upon warrants or rights to purchase, sell, or subscribe to a security or interest in the Debtors (any such interest being referred to as an "Interest"), need not file a proof of interest on or before the General Bar Date; provided, however, that Interest Holders who assert a claim against the Debtors that arises out of or relates to the ownership or purchase of an Interest, including claims arising out of or relating to the sale, issuance, or distribution of the Interest, must file a proof of claim on or before the General Bar Date unless another exception set forth herein applies.

For any claim relating to the Debtors' rejection of an executory contract or unexpired lease (a "Rejection Damage Claim") that is approved by an order of the Court entered after entry of the Claims Procedures Order but before confirmation of a plan or conversion of the case to a case under another chapter of the Bankruptcy Code, the deadline to file a proof of claim relating to such claim shall be the later of: (a) the General Bar Date, and (b) 4:00 p.m. EST on the 30th day after the entry of the order pursuant to § 365 of the Bankruptcy Code authorizing such rejection (the "Rejection Bar Date").

If the Debtors amend the Schedules to delete or reduce the liquidated, undisputed, non-contingent amount of a scheduled claim, then the deadline by which the affected claimant must file a

P. 3/5  
3/22/10

proof of claim or to amend any previously filed proof of claim with respect to such amended scheduled claim shall be the later of: (a) the General Bar Date, and (b) 4:00 p.m. EST on the 30th day after the mailing of notice of such amendment to such claimant (the "Schedule Amendment Claim Bar Date").

#### TIME AND PLACE FOR FILING PROOFS OF CLAIM

The Court has approved the use a proof of claim form (the "Proof of Claim Form") substantially in the form of Official Form No. 10, to evidence the existence, amount, validity, security, and priority of claims in this case along with instructions on completing the Proof of Claim Form substantially in the form accompanying Official Form No. 10. For your convenience, enclosed with this notice is a Proof Of Claim Form and official instructions for completing it.

For any proof of claim to be validly and properly filed, a signed original of the completed Proof of Claim Form, together with all accompanying documentation, must be filed with the Court not later than the applicable Bar Date. In order to file a proof of claim with the Court, it must be delivered so that it is actually received by the Claims Agent on or before 4:00 p.m. Eastern Time on the date that it is intended to be filed. The address of the Claims Agent is:

If by mail:

BMC Group, Inc.  
Attn: We The People Claims Processing  
P.O. Box 3020  
Chanhassen, MN 55317-3020

If by messenger or overnight delivery:

BMC Group, Inc.  
Attn: We The People Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

Creditors shall be permitted to file proofs of claim only by mail (postage prepaid), by courier, or by overnight delivery (such as by FedEx, UPS, DHL, or Express Mail). Filing shall be deemed complete upon the Claims Agent's actual receipt of the original of the completed, executed Proof of Claim Form. Any claimant wishing to receive acknowledgment of the Claims Agent's receipt of its proof of claim must submit an additional copy of the proof of claim (stamped "COPY") and a self-addressed stamped envelope with sufficient return postage.

#### PLEASE NOTE THESE IMPORTANT RESTRICTIONS:

- Attempting to deliver a proof of claim by electronic mail, by facsimile, or by any means not described above will not constitute the filing of a proof of claim unless a signed original of the completed Proof of Claim Form is also timely received by the Claims Agent in an approved manner described above on or before the applicable Bar Date.
- Service by any means upon the Debtors, the Debtors' attorneys, or the United States Trustee will not be accepted unless the signed original of the completed Proof of Claim Form is also timely received by the Claims Agent in an approved manner described above.

p. 4/5  
3/22/10

- Please be sure to address your Proof of Claim Form carefully and pay the correct postage. Neither the Claims Agent nor the Debtors can be responsible if your Proof of Claim Form is not received or is received late because of an improper or incomplete address, or because insufficient postage was included. The Claims Agent will not accept C.O.D. or postage-due deliveries.
- Please note that, according to the Claims Procedures Order, the Bar Dates are the dates that your Proof of Claim Form must be actually received by the Claims Agent. If you mail your Proof of Claim Form on the applicable Bar Date, your claim may be deemed late by the Court and disallowed. If you choose to file your Proof of Claim Form by U.S. mail, please allow enough time to ensure that it will be received by the Claims Agent by or before the applicable Bar Date. If you rely upon any vendor, including but not limited to the United States Postal Service, an overnight delivery service, or a courier, to deliver your Proof of Claim Form to the Court, you should allow enough time to confirm the Court's timely receipt of it. You should follow up with the Claims Agent to ensure that it was timely received and filed with the Claims Agent. The Claims Agent and the Debtor cannot be responsible for any delays in delivery.
- Please be sure to include copies of any applicable documents to your Proof of Claim Form, including but not limited to contracts, agreements, invoices, work orders, loan documents, dated-stamped security interest filings, dated-stamped mortgages, and other evidence of your claim. Do not send originals of these backup documents. If you do not attach copies of the applicable backup documents, the Court may not allow your claim.

#### CONSEQUENCES OF FAILURE TO FILE PROOF OF CLAIM

Except any person (i) whose claim is not listed in the Schedules, or is listed in the Schedules as disputed, contingent, and/or unliquidated, or that believes its claim is improperly classified in the Schedules and/or is listed in an incorrect amount, and that desires to participate in these Chapter 11 cases, to share in any distribution in these Chapter 11 cases, and/or to retain any rights in property of the Debtors, or (ii) that desires to have its claim preserved and allowed in a classification or amount other than as set forth in the Schedules, must file a proof of claim on or before the applicable Bar Date. Except as provided above, any person that is required to file a proof of claim in these Chapter 11 cases (pursuant to the Bankruptcy Code, the Bankruptcy Rules, or any order of the Court) with respect to a particular claim but fails to do so in a timely manner shall be forever barred, estopped, and enjoined from: (i) asserting any claim against the Debtors, their successors and assigns in these Chapter 11 Bankruptcy Cases, that (a) is in an amount that exceeds the amount, if any, that is set forth in the Schedules as undisputed, noncontingent, and liquidated, or (b) is of a different nature, is of a different priority, is of a different classification of secured status, or is in a different classification than the amount, if any, that is set forth in the Schedules as undisputed, noncontingent, and liquidated (any such claim being referred to as an "Unscheduled Claim"); and (ii) voting upon, or receiving distributions under, any plan in these Chapter 11 cases with respect to such Unscheduled Claim. **Any person that relies solely on the Schedules shall bear the exclusive responsibility for determining that its claim is accurately scheduled therein.** If it is unclear from the Schedules or this notice whether your claim is disputed, contingent or unliquidated as to the amount, or is otherwise properly scheduled and classified, you should ask your lawyer whether to file a proof of claim by the applicable Bar Date to protect your interests.



p. 5/15  
3/22/10

### RESERVATION OF RIGHTS

Under the Claims Procedures Order, the Debtors retain the right to dispute or assert offsets or defenses against any claim as to nature, amount, liability, classification or otherwise, and/or subsequently to amend its Schedules to designate any claim as disputed, contingent, or unliquidated. Nothing in the Claims Procedures Order precludes or limits the Debtor or any other party in interest from objecting to any claim, whether scheduled or filed, on any grounds.

### DEFINITION OF CLAIM

For purposes of this notice, the word "claim" means: (i) any right to payment, whether or not such right is reduced to judgment, liquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

### ADDITIONAL INFORMATION

If you require additional information regarding the procedures for filing a Proof of Claim or additional copies of documents, the Claims Agent has furnished a call center at (888) 909-0100, or you can visit the Claims Agent's website at <http://www.bmcgroup.com/WeThePeople>. If you require additional information on whether you should file a Proof of Claim and/or and how to prepare one, you should contact an attorney. **The Claims Agent is unable to give you legal advice.**

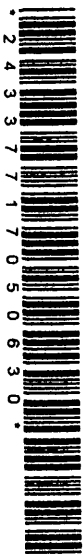
Dated: March, 16 2010  
Wilmington, Delaware

BY ORDER OF THE COURT

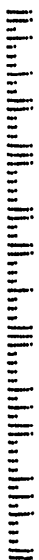
Adam Hiller, Esquire  
Pinckney, Harris & Weidinger, LLC  
1220 North Market Street, Suite 950  
Wilmington, DE 19801

*Attorneys for the Debtors*

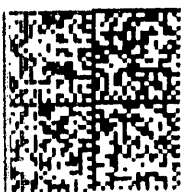
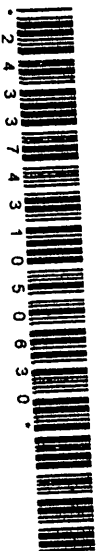
WE THE PEOPLE USA, INC.  
c/o BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020



9470630705 B007



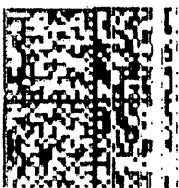
WE THE PEOPLE USA, INC.  
c/o BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020



049J82034980  
**\$00.44**  
04/01/2010  
Mailed From 90009  
US POSTAGE

JEFFREY C ADAM  
PO BOX 6705  
ALBANY, CA 94706-4792

*due May 14, 2010*



049J82034980  
**\$00.44**  
03/22/2010  
Mailed From 90009  
US POSTAGE

JEFFREY C ADAM  
PO BOX 6705  
ALBANY, CA 94706-4792

*due May 14, 2010*

## **ADDENDUM TO FRANCHISE AGREEMENT WITH NEW MILLENNIUM CORP.**

New Millennium Corp., a Nevada corporation ("Franchisee"), 907 Sir Francis Blvd., Kentfield, CA 94904 and We The People Forms and Service Centers USA, Inc. ("Company"), 1501 State Street, Santa Barbara, California 93101, a California corporation hereby agree to the following Addendum to the Franchise Agreement dated April 5, 2004. This Addendum supersedes the Franchise Agreement for and concerning all matters set forth herein. If the Franchise Agreement and the Addendum conflict in any way, this Addendum shall control. The defined terms of the Franchise Agreement have the same meaning herein.

1. Company has granted Franchisee the right to exclusive protected territories known as the Emeryville/Berkeley/Albany, CA territory and the Richmond/El Cerrito/San Pablo, CA territory to open an unlimited number of We The People independent paralegal document preparation centers (See Exhibit "A" attached). Franchisee will have the opportunity to sell off portions of the territory referenced above providing the prospective franchisee is approved by the Company and the individual territory initial franchise fee is no less than the prevailing initial franchise fee of the Company.

2. Franchisee shall have the right to assign the Franchise Agreement and Addendum to a corporation or LLC, and successor corporations or LLC, as long as Franchisee owns a majority interest in such corporation or LLC.

3. Paragraph #1 of Article 3.1 is hereby waived.

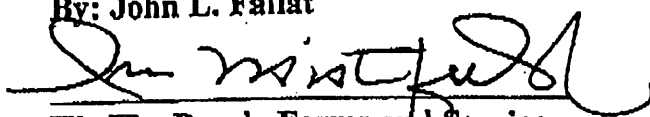
4. The initial franchise fee for the above referenced territories is \$89,500 of which Franchisor acknowledges receipt of \$59,500; with the remaining \$30,000 to be paid on or before August 31, 2004.

5. As long as Franchisee operates their offices within the terms of the Company's franchise agreement, operating manual, and training, the terms of the franchise agreement (including the territories referenced above and the original Marin County territory) will run in perpetuity with all franchise renewal fees waived.

6. If any conflict exists between the Franchise Agreement and this agreement, the language of this agreement shall prevail.


  
New Millennium Corp. ("Franchisee")

By: John L. Fallat

  
We The People Forms and Service

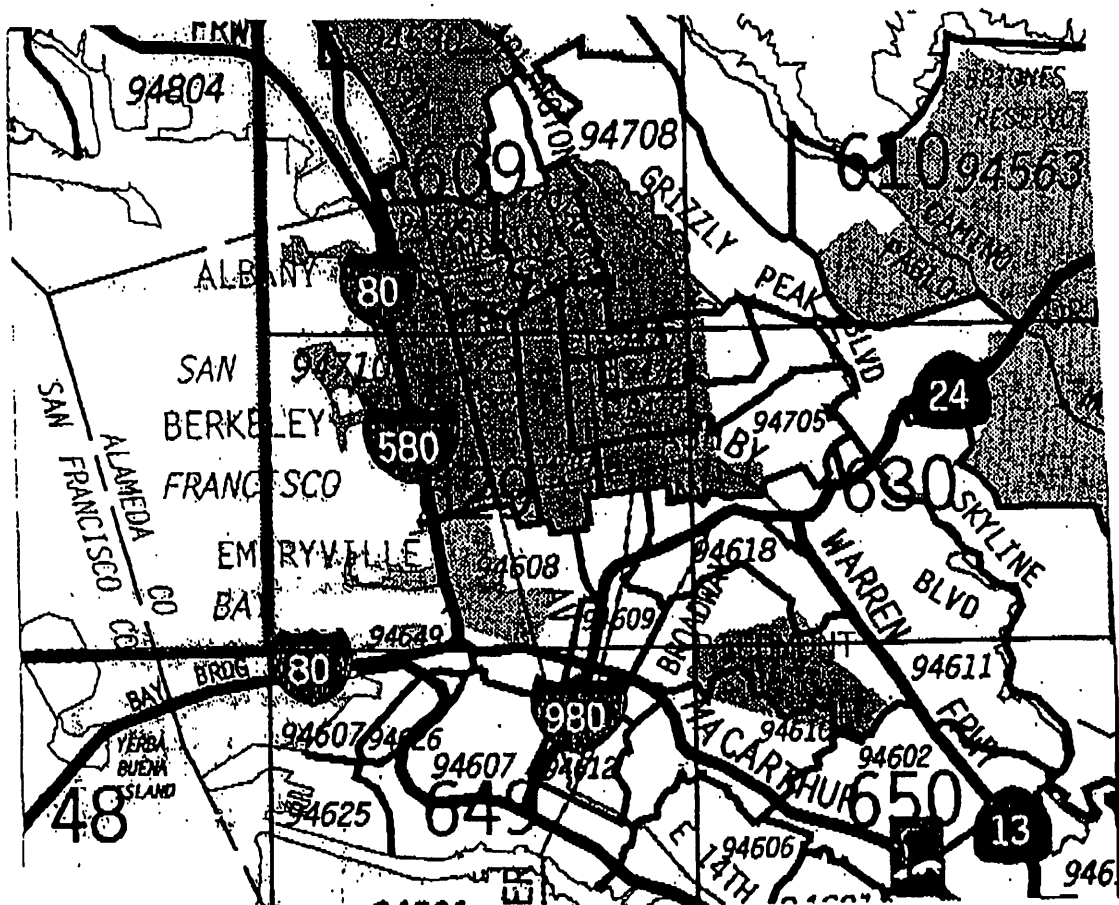
Centers USA, Inc., by Ira T.

Distenfield, Chairman

 8/4/04

8/4/04  
Date

8/4/04  
Date



## *Emeryville / Berkeley / Albany*

### ZIP CODE POSTAL ZONES

Emeryville	94608	Berkeley	94705
Park		Albany	94706
(Berkeley)	94702	Berkeley	94708
So. Berkeley	94703	No. Berkeley	94709
Sather Gate		Berkeley	94710
(Berkeley)	94704	UC Berkeley	94720
Berkeley			

[Yahoo!](#) [My Yahoo!](#) [Mail](#)Search  
the web**YAHOO!** GetLocal  
Maps[Sign In](#)  
New User? [Sign Up](#)

Me

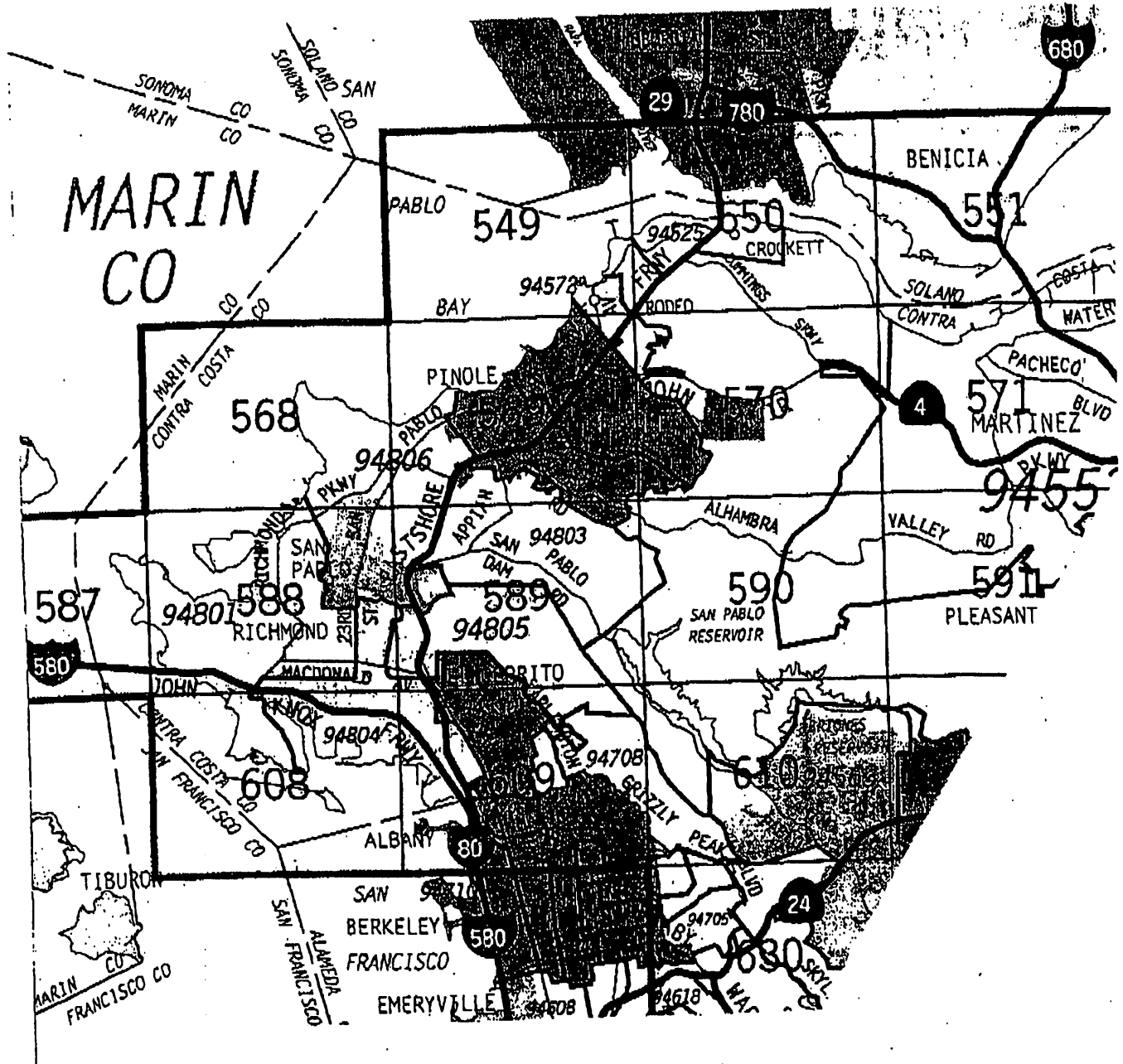
**Yahoo! Maps**[← Back to Map](#)★ **Berkeley, CA**

When using any driving directions or map, it's a good idea to do a reality check and make sure the road still exists, watch out for construction, and follow all traffic safety precautions. This is only to be used as an aid in planning.

Copyright © 2004 Yahoo! Inc. All rights reserved.

[Privacy Policy](#) - [Terms of Service](#) - [Copyright Policy](#) - [Yahoo! Maps Terms of Use](#) - [Help](#) - [Ad Feedback](#)<http://maps.yahoo.com/pmaps?csz=Berkeley%2C+CA&state=CA&uzip=94704&ds=n&na...> 8/2/2004

## Exhibit "A"



## Richmond / El Cerrito / San Pablo

### ZIP CODE POSTAL ZONES

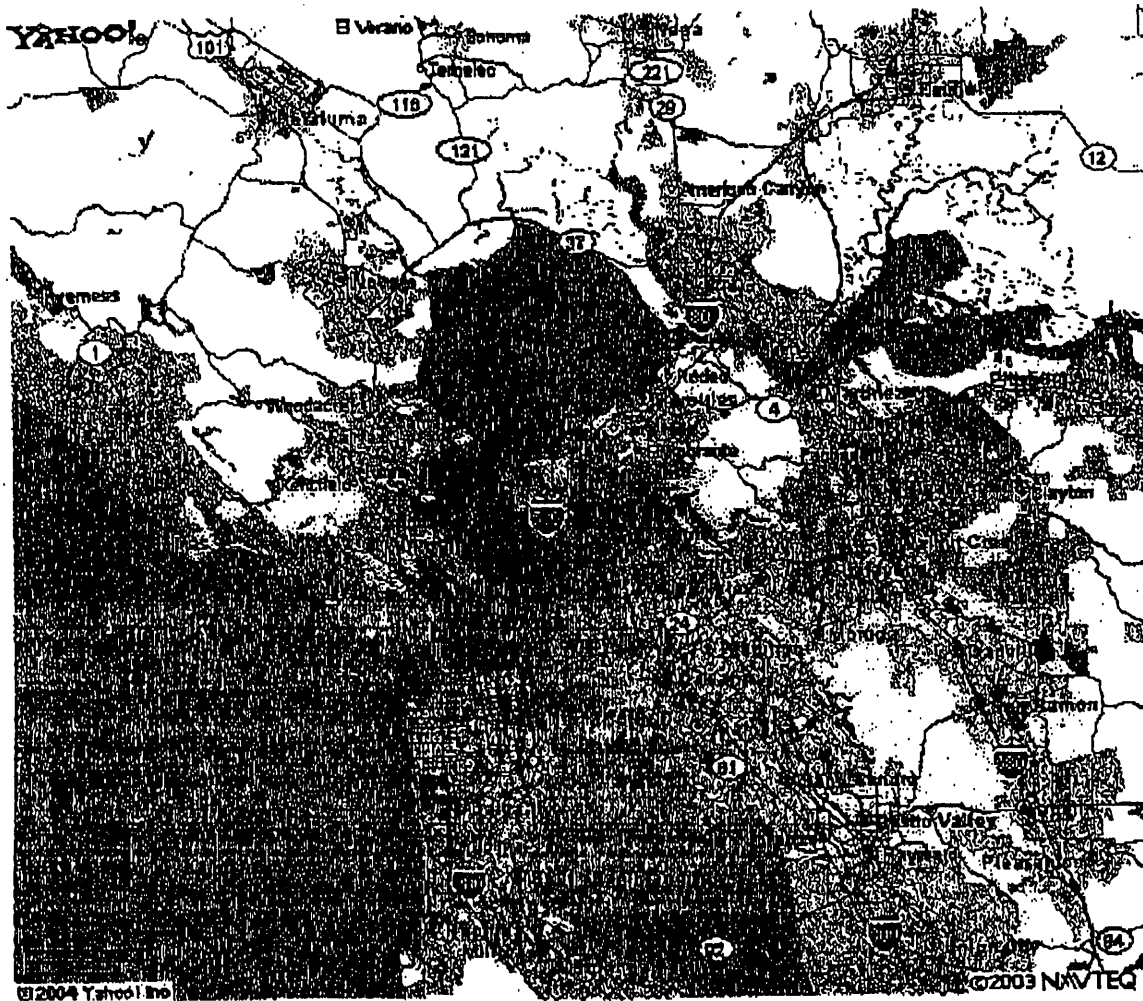
Crockett	94525	No. Richmond	94801
El Cerrito	94530	El Sobrante	94803
Hercules	94547	Richmond	94804
Pinole	94564	Mira Vista	94805
Rodeo	94572	San Pablo	94806

Search  
the web

**Sign In**  
New User? Sign Up

M3

★ **Richmond, CA**



When using any driving directions or map, it's a good idea to do a reality check and make sure the road still exists, watch out for construction, and follow all traffic safety precautions. This is only to be used as an aid in planning.

Copyright © 2004 Yahoo! Inc. All rights reserved.  
[Privacy Policy](#) - [Terms of Service](#) - [Copyright Policy](#) - [Yahoo! Maps Terms of Use](#) - [Help](#) - [Ad Feedback](#)

<http://maps.yahoo.com/pmaps?csz=Richmond%2C+CA&state=CA&uzip=94804&ds=n&na...> 8/2/2004



143

X-Original-To: jcadams@lava.net  
Delivered-To: jcadams@lava.net  
Subject: Progress  
Date: Wed, 7 Apr 2004 11:03:29 -0700  
Thread-Topic: Progress  
thread-index: AcQcyqob5hDwHxMqTJaBuX7Na0MeHg==  
From: "Ira Distenfield" <irad@wethepeopleusa.com>  
To: "Jeffrey C. Adams" <jcadams@lava.net>

Hi Jeff:

I hope things are going well with you.

Any progress on your ability to develop the Richmond, California territory?

Things are moving along well with the Company as well as the legal document preparation industry, in general, and we're excited to have you get started.

As you know, your 18 month option on Marin County did recently expire; after your option expired, we did sell Marin county to an attorney in the Bay Area who plans to open within the next few months. However, you have a lot to develop in your expansive territory.

Please get back at your leisure.

Best regards.

This copy produced from FD memory:  
A photocopy of this copy is available  
on request. Document ID:

## **ADDENDUM #2 TO FRANCHISE AGREEMENT**

**Jeffrey C. Adams, 2829 Manoa Road, Honolulu, HI 96822-1752 ("Adams") and We The People Forms and Service Centers USA, Inc., 1501 State Street, Santa Barbara, CA 93101 ("Company") hereby agree to the following addendum to the Franchise Agreement dated October 11, 2002 with We The People Forms and Service Centers USA, Inc., a California corporation. This Addendum supersedes the Franchise Agreement for and concerning all matters pertaining to the territory within Costa Mesa, CA as set forth herein. If The Franchise Agreement and the Addendum conflict in any way, this Addendum shall control. The defined terms of the Franchise Agreement have the same meaning herein.**

**(1) Adams, in partnership with the Company, will own a 25% interest in We The People of Costa Mesa, CA, Inc., a corporate entity granted an exclusive protected territory, within Costa Mesa, CA to develop a We The People Forms and Service Centers store specializing in independent paralegal document preparation services, and potentially income tax preparation services.**

**(2) Adams will pay to the Company an initial Franchisee Fee of \$25,000, of which the Company acknowledges to have received on November 15, 2004. Any and all additional costs incurred in the creation, growth, and management of the above referenced store will be paid and become the sole financial responsibility of the Company, including but not limited to, the costs of furniture, fixtures, signage, rent, leasehold improvements, telephones, fax machine, business equipment, office supplies, security deposit, personnel costs, legal fees, media, and advertising. In addition to the above, the Company will cover 100% of all advertising cost for Adams' first California location; and if necessary, will lend Adams \$10,000 toward working capital for his first California location (interest free).**

**(3) The office located in the above referenced territory at 1909 Harbor Blvd., Costa Mesa, CA 92627 has been fully furnished and equipped commensurate to the standards of the Company.**

**(4) The Company will be responsible for all staffing, operating and managing of the office.**

**(5) During the life of this Agreement, the Company will furnish Adams with a monthly profit and loss statement, accompanied with a monthly check representing 25% of all net proceeds earned by the store. Adams will be responsible for no losses.**

**(6) The Company has formed a California corporation titled We The People of Costa Mesa, CA, Inc.; that entity being the holder of the Franchise rights with the Company. Adams has the right to sell, transfer, or assign a portion of those interests in this corporation to a person(s) or entity, provided Adams remains the individual representing those interests to the Company.**

**(7) Adams can join the Company in a preview trip of his Costa Mesa, CA office with all travel, lodging, and entertainment costs paid by the Company.**

**IN WITNESS WHEREOF the parties have executed and delivered this Addendum to the Franchise Agreement on the 12h day of November, 2004.**

**“COMPANY”:**

**We The People Forms and Service Centers USA, Inc.**

**By: \_\_\_\_\_  
Ira T. Distenfield, Chairman**

**“ADAMS”:**

**By: \_\_\_\_\_  
Jeffrey C. Adams**

William S. O'Hare (#082562)  
SNELL & WILMER L.L.P.  
600 Anton Boulevard, Suite 1400  
Costa Mesa, CA 92626-7689  
Telephone: (714) 427-7000  
Facsimile: (714) 427-7799

Attorneys for Plaintiff  
GLEN TIORAM MOORS, INC.

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

JUN 09 2006

ALAN SLATER, Clerk of the Court

BY: M. SAMELA, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE

GLEN TIORAM MOORS, INC., a  
California corporation,

Plaintiff,

vs.

IDLD, INC., a California corporation  
formerly known as WE THE  
PEOPLE FORMS AND SERVICE  
CENTERS USA, INC.;  
IRA DISTENFIELD;  
LINDA DISTENFIELD;  
WE THE PEOPLE USA, INC., a  
Delaware corporation; and  
DOES 1-50, inclusive,

Defendants.

CASE NO.

06CC06972  
COMPLAINT FOR BREACH OF  
CONTRACT, INTERFERENCE  
WITH CONTRACT, BREACH OF  
FIDUCIARY DUTY, VIOLATION OF  
FRANCHISE INVESTMENT LAW,  
FRAUD, VIOLATION OF  
CORPORATE SECURITIES LAW,  
AND DECLARATORY RELIEF

JUDGE MARY FINGAL ERICKSON  
DEPT. W11

Plaintiff Glen Tioram Moors, Inc. ("Plaintiff") alleges as follows:

**THE PARTIES**

1. Plaintiff Glen Tioram Moors, Inc. is a California corporation.
2. Defendant IDLD, Inc. ("IDLD") is a California corporation. IDLD was formerly known as We The People Forms and Service Centers USA, Inc.
3. Defendant Ira Distenfield is an individual residing in Santa Barbara, California. Plaintiff is informed and believes that Ira Distenfield is and was an officer,

1 director, and controlling shareholder of IDLD at all times relevant to the matters alleged  
2 in this Complaint.

3 4. Defendant Linda Distenfield is an individual residing in Santa Barbara,  
4 California. Plaintiff is informed and believes that Linda Distenfield is and was an officer,  
5 director, and controlling shareholder of IDLD at all times relevant to the matters alleged  
6 herein.

7 5. Defendant IDLD is the alter ego of defendants Ira Distenfield and Linda  
8 Distenfield, who have utilized the corporation as an instrumentality to commit the  
9 wrongful acts alleged herein, and as an undercapitalized conduit through which they  
10 transfer assets for their personal benefit, without adequate consideration.

11 6. Until approximately March 7, 2005, IDLD operated a nationwide system of  
12 retail stores known as "We The People" that provided document preparation and  
13 paralegal-type services to customers who wish to conduct transactions without engaging a  
14 lawyer. IDLD acted both as a franchisor of We The People stores and operated locations  
15 that IDLD owed and directly controlled in whole or in part.

16 7. Defendant We The People USA, Inc. ("WTP") is a Delaware corporation  
17 with its principal place of business in Pennsylvania. On or about March 7, 2005, WTP  
18 acquired substantially all of the assets of IDLD's We The People system, including but  
19 not limited to, franchise agreements to which IDLD was a party. From approximately  
20 March 7, 2005 until October 2005, Ira Distenfield and Linda Distenfield were authorized  
21 officers and agents of WTP and in performing the acts alleged herein acted within the  
22 course and scope of their employment and agency with WTP.

23 8. This action arises out of a contract that was entered into, performed and  
24 breached in Orange County, California.

25 9. The true names and capacities of the defendants named herein as Does 1-50  
26 are unknown to Plaintiff who therefore sue such defendants by fictitious names. Plaintiff  
27 will amend this Complaint to allege the true names and capacities of the defendants  
28 named herein as Does when the same have been ascertained. Plaintiff is informed and

1 believes that each of the defendants named herein as Doe is responsible in some manner  
2 for the acts, errors, omissions, and occurrences alleged herein, and is liable to Plaintiff for  
3 the damages and other relief sought by this Complaint.

4 10. Plaintiff is informed and believes that as applicable to the matters alleged in  
5 this Complaint each of the defendants was the agent, employee, co-venturer or co-  
6 conspirator of the remaining defendants, and in doing the things alleged herein was acting  
7 within the scope of such relationship. Plaintiff is informed and believes that the wrongful  
8 conduct of each defendant alleged herein was known to and ratified by the remaining  
9 defendants, and that the benefits of such wrongful conduct were accepted by each of the  
10 defendants.

### 11 FACTUAL BACKGROUND TO ALL CAUSES OF ACTION

12 11. Plaintiff is informed and believes that beginning sometime in 2004,  
13 defendants IDLD and Ira and Linda Distenfield conceived of and executed a plan to  
14 defraud Plaintiff and others by selling franchises and securities relating to franchised  
15 locations and territories of the We The People system. Among other things, such  
16 defendants made and executed a plan to obtain money from Plaintiff and others through  
17 the sale of exclusive territories and the granting of franchise rights in anticipation of a sale  
18 of the assets of IDLD in which such defendants intended to purport to transfer the same  
19 territories and franchise benefits. Such defendants carried out their fraudulent scheme by  
20 making false and misleading statements to Plaintiff and others, inducing Plaintiff to pay  
21 money to such defendants based upon assurances that the interests of Plaintiff would be  
22 protected in connection with any such sale.

23 12. On or about June 10, 2004, Plaintiff and IDLD entered into a written  
24 contract entitled "Addendum to Franchise Agreement" (the "Addendum"). A copy of the  
25 Addendum is attached to this Complaint as Exhibit "A."

26 13. The Addendum was amended in accordance with the terms of the  
27 amendment attached to this Complaint as Exhibit "B." The Addendum as amended is  
28 referred to in this Complaint as the "Agreement."

1           14. The Agreement provides, among other things:

2           (a) That Plaintiff, in partnership with IDLD, would own a 50% interest  
3 in a corporate entity created by IDLD known as We The People of Costa Mesa, CA Inc.  
4 and would be granted an exclusive protected territory in the cities of Newport Beach,  
5 Irvine, and Costa Mesa, California, to develop We The People locations;

6           (b) The Plaintiff would pay to IDLD an initial franchise fee of \$89,500;

7           (c) That IDLD, the franchisor, would pay all additional costs incurred in  
8 connection with the store location within the exclusive territory and be solely responsible  
9 for all staffing, operating and managing of the location; and

10          (d) That Plaintiff could reject any sale of the exclusive territory to others  
11 that yields a price of less than \$189,500 and that Plaintiff would receive the first \$89,500  
12 in proceeds from the sale of the territory, and that the remaining proceeds would be  
13 divided equally between Plaintiff and IDLD.

14          15. At the time Plaintiff signed the Agreement, they were told by Ira Distenfield  
15 that a sale of the business of IDLD was in the works, that any buyer would be fully  
16 informed by IDLD concerning the terms agreed to in connection with the Agreement and  
17 that Plaintiff's interests would be protected in connection with any such sale. Plaintiff is  
18 informed and believes and thereon alleges that the buyer of the business of IDLD, WTP,  
19 claims that it was not informed concerning the Agreement and that IDLD, and Ira and  
20 Linda Distenfield actively concealed material facts concerning the Agreement from WTP.

21          16. Defendants IDLD and Ira and Linda Distenfield fraudulently concealed  
22 from Plaintiff material facts concerning the promises and transactions contemplated by the  
23 Agreement including:

24          (a) Such defendants' plan to sell franchises and territories to Plaintiff and  
25 others in anticipation of a sale of the business of IDLD in which the same franchise and  
26 territorial rights would purportedly be transferred to a prospective buyer;

27       ///

28

1 (b) That such defendants did not intend to retain their interest in the  
2 franchised business and territory described in the Agreement and instead planned to  
3 transfer that interest and other rights to the territory and franchise to strangers without  
4 Plaintiff's knowledge or consent, under terms that conflicted with Plaintiff's rights under  
5 the Agreement;

6 (c) That such defendants did not intend to represent or protect Plaintiff's  
7 interests in connection with the contemplated sale of the business and assets of IDLD; and

8 (d) Upon information and belief, that other material facts concerning the  
9 Agreement and the past and contemplated future operations of IDLD's franchised and  
10 company-owned operations were misrepresented, withheld and never disclosed to  
11 Plaintiff.

12 17. In 2004, following the execution of the Agreement, Plaintiff is informed and  
13 believes that IDLD entered into separate contracts with Shirley Lee and Jeffrey Adams, by  
14 virtue of which IDLD purported to transfer its entire 50% interest in the territory and  
15 franchise described in the Agreement, and purported to sell for a second time, a portion of  
16 the profits that had already been promised to Plaintiff under the Agreement.

17 18. Plaintiff is informed and believes that on or about August 6, 2004, IDLD  
18 entered into a franchise agreement with Ira Distenfield under which Mr. Distenfield was  
19 granted the same territorial and franchise rights that were previously promised to Plaintiff.

20 19. Following the closing of the sale of the business and assets of IDLD to  
21 WTP, Plaintiff was informed by Ira Distenfield that the Distenfields would continue to  
22 manage and run the We The People franchise system with Ira Distenfield and Linda  
23 Distenfield acting as officers of WTP.

24 20. Plaintiff is informed and believes that the rights and duties arising out of the  
25 Agreement and one or more other franchise agreements for the same territory were  
26 assigned to and assumed by WTP. Plaintiff was assured by Ira Distenfield that IDLD's  
27 obligations to Plaintiff under the Agreement had been assumed and would continue to be  
28 performed by WTP.



1           21. In September 2005, defendants, without Plaintiff's knowledge or consent,  
2 entered into contracts between IDLD, WTP, and a new franchisee, Sung Lee, to assign a  
3 portion of Plaintiff's exclusive territory to Mr. Lee and to grant him a franchise in Irvine.  
4 Plaintiff is informed and believes that WTP received a franchise fee from Mr. Lee of  
5 \$89,500. Instead of paying the proceeds to Plaintiff in accordance with the terms of the  
6 Agreement, WTP paid the franchise fee to IDLD who retained this sum for itself and for  
7 the benefit of Ira and Linda Distenfield.

8           22. When Plaintiff was informed that a portion of the territory and franchise  
9 rights granted to it had been sold to Mr. Lee, Ira Distenfield assured Plaintiff that the  
10 proceeds from this transaction would be paid to Plaintiff. Plaintiff has thus far received  
11 no portion of the franchise fee paid by Mr. Lee.

12           23. In October 2005, Plaintiff was contacted by Roy Hibbard, an officer and  
13 representative of WTP and its parent company, Dollar Financial Group, and told that Ira  
14 and Linda Distenfield had been terminated by WTP and that future performance under the  
15 Agreement was the responsibility of IDLD and the Distenfields, and not WTP or Dollar  
16 Financial Group.

17           24. On or about January 23, 2006, WTP, purporting to exercise its rights as  
18 franchisor, notified Plaintiff of the termination of the franchise for the location that had  
19 been opened by IDLD for Plaintiff's benefit in Costa Mesa, claiming that the franchisee  
20 had defaulted in its obligations to operate the Costa Mesa location, and otherwise  
21 purported to terminate Plaintiff's rights relating to the franchise and exclusive territories  
22 granted to Plaintiff in connection with the Agreement.

23           25. Thereafter, WTP implemented its notice of termination and took control of  
24 the Costa Mesa location.

25           26. WTP's purported termination of the franchise and exclusive territory rights  
26 granted to Plaintiff in connection with the Agreement was wrongful and a breach of  
27 Plaintiff's contractual rights because, among other things, neither Plaintiff nor any other  
28 party claiming rights as a franchisee committed any breach of their contractual

1 obligations. Instead, it was the franchisor who breached its contractual obligation to pay  
2 all the costs incurred in connection with the Costa Mesa location and to take responsibility  
3 for all staffing, operating and managing of the office.

4 27. Plaintiff is informed and believes that WTP has wrongfully asserted rights  
5 over the exclusive territory previously granted to Plaintiff and has and continues to market  
6 and sell franchises within that territory and to collect franchise fees and other revenue that  
7 properly belongs to Plaintiff.

8 28. By virtue of defendant's wrongful acts as alleged in this Complaint, Plaintiff  
9 has been damaged by the loss of its franchise fee, sums collected by defendants from the  
10 sale of franchises within the exclusive territory, loss of franchise fees and other revenue  
11 collected by defendants from the operation of franchise locations within Plaintiff's  
12 exclusive territory, and loss of the value and opportunity of the franchise and exclusive  
13 territory granted to Plaintiff in connection with the Agreement, all of which exceeds the  
14 sum of \$250,000, or such other sum as according to proof.

### 15 FIRST CAUSE OF ACTION

#### 16 (Breach of Contract Against All Defendants)

17 29. Plaintiff incorporates by reference the allegations set forth in paragraphs 1  
18 through 28 above.

19 30. The Agreement constitutes a valid and existing contract between Plaintiff  
20 and IDLD, and is binding on Ira Distenfield and Linda Distenfield as the alter ego of  
21 IDLD. By virtue of an assignment to WTP and its acceptance and assumption of rights  
22 and obligations in connection with the Agreement and the franchise and exclusive  
23 territory rights granted to Plaintiff, WTP is bound by the obligations of the Agreement.

24 31. Defendants have breached the contractual obligations to Plaintiff by, among  
25 other things, failing to pay all costs and taking responsibility for all staffing, operating and  
26 managing of the Costa Mesa office, by marketing and selling franchises within Plaintiff's  
27 exclusive territory and failing to pay to Plaintiff the proceeds and other revenue obtained  
28 in connection with such transactions, by repudiating and violating Plaintiff's exclusive

1 territory rights, and by wrongfully terminating Plaintiff's franchise and exclusive territory  
2 rights.

3 32. Plaintiff has performed all the promises and conditions required of it, or has  
4 otherwise been excused from such performance.

5 33. As a result of defendants' breach of contract, Plaintiff has been damaged in  
6 excess of the sum of \$250,000 or such other sum according to proof.

### 7 SECOND CAUSE OF ACTION

8 (Tortious Interference With Contract Against WTP)

9 34. Plaintiff incorporates by reference the allegations set forth in paragraphs 1  
10 through 33 above.

11 35. Plaintiff is informed and believes that WTP contends that it is not a party to  
12 or otherwise bound by the Agreement or any other contract with Plaintiff.

13 36. If and to the extent that WTP is not a party to the Agreement, then the  
14 conduct of WTP as described herein constitutes intentional and tortious interference with  
15 Plaintiff's contractual rights.

16 37. In performing the acts alleged herein, WTP had full knowledge of the  
17 existence and terms of Plaintiff's contractual rights.

18 38. In performing the acts alleged herein, WTP acted without justification and  
19 with the intent to disrupt the performance to which Plaintiff was entitled under its contract  
20 and to appropriate for itself Plaintiff's rights under the Agreement, including Plaintiff's  
21 franchise and exclusive territory rights.

22 39. As a result of WTP's interference with Plaintiff's contractual rights,  
23 Plaintiff has been damaged in excess of the sum of \$250,000 or such other sum according  
24 to proof.

25 40. In performing the acts herein alleged, WTP, through its officers and  
26 managing agents, acted with fraud, oppression, and malice, and with the intent to injure  
27 Plaintiff and to deprive Plaintiff of its rights, thus entitling Plaintiff to punitive and  
28 exemplary damages in a sum according to proof.

### THIRD CAUSE OF ACTION

(Breach of Fiduciary Duty/Constructive Fraud Against All Defendants)

41. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 40 above.

42. By virtue of the Agreement and the duties undertaken by IDLD, IDLD and its principals, Ira and Linda Distenfield, owe a fiduciary duty to Plaintiff. From and after March 7, 2005, WTP undertook the performance of IDLD's fiduciary duties to Plaintiff in connection with the Agreement, including but not limited to the management and operation of the territory and franchise location granted to Plaintiff, and the collection of funds belonging to Plaintiff in connection with the sale of franchises within Plaintiff's territory.

43. By virtue of the actions alleged herein, such defendants breached their fiduciary duty to Plaintiff by, among other things, making false and misleading statements to Plaintiff, failing to fully disclose all material facts pertaining to the transactions described herein, and by orchestrating and entering into transactions for the sale of the business of IDLD and the sale of franchise and exclusive territory rights belonging to Plaintiff to others in a manner that benefited such defendants and worked to the detriment of Plaintiff, and by converting to their own use and benefit money and property belonging to Plaintiff.

44. As a result of such defendants' breach of fiduciary duty, Plaintiff has suffered damages in excess of the sum of \$250,000 or such other sum according to proof.

45. In performing the acts alleged herein, such defendants acted with fraud, oppression, and malice, and with the intent to injure Plaintiff and to deprive Plaintiff of its rights, thus entitling Plaintiff to punitive and exemplary damages.

///

///

///

///

#### FOURTH CAUSE OF ACTION

(Violation of the Franchise Investment Law Against IDLD,  
Ira Distenfield and Linda Distenfield)

46. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 45 above.

47. In connection with the Agreement, Plaintiff was offered and sold a franchise as defined in the California Franchise Investment Law. In offering and selling Plaintiff a franchise interest, IDLD, Ira Distenfield and Linda Distenfield committed numerous violations of the Franchise Investment Law, including, without limitation, selling a franchise that was not registered or exempt from registration, selling a franchise without providing an offering circular or other required disclosures and without allowing appropriate time to consider information required to be disclosed, and by inducing the sale of a franchise through false, incomplete and misleading statements.

48. By virtue of such defendants' wrongful conduct as herein alleged, Plaintiff is entitled to recover all of its investment and other damages in excess of the sum of \$250,000, or such other sum according to proof.

#### FIFTH CAUSE OF ACTION

(Fraud Against IDLD, Ira Distenfield and Linda Distenfield)

49. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 48 above.

50. By virtue of the promises, representations, and concealment alleged herein, defendants IDLD, Ira Distenfield and Linda Distenfield defrauded Plaintiff with the intent to induce Plaintiff to enter into the Agreement, to pay money to defendants, and to refrain from taking action to protect its own interests.

51. Such defendants acted with the intent to induce Plaintiff to take the actions that it did, and Plaintiff justifiably and reasonably relied upon the promises, representations, and with ignorance of the facts concealed by such defendants. Had Plaintiff known the true facts and such defendants' true intent, Plaintiff would never have

1 entered into the Agreement or otherwise acted as it did in connection with the matters  
2 described herein.

3 52. As alleged herein, the promises, representations, and concealment by such  
4 defendants were intentionally false and misleading, and all of such was unknown to  
5 Plaintiff.

6 53. As a result of such defendants' fraud, Plaintiff has been damaged in excess  
7 of the sum of \$250,000 or such other sum according to proof.

8 54. In performing the acts alleged herein, such defendants acted with fraud,  
9 oppression, and malice and with the intent to injure Plaintiff and to deprive it of its rights,  
10 thus entitling Plaintiff to punitive and exemplary damages in a sum according to proof.

11 **SIXTH CAUSE OF ACTION**

12 (Violation of the California Corporate Securities Law Against  
13 IDLD, Ira Distenfield and Linda Distenfield)

14 55. Plaintiff incorporates by reference the allegations set forth in paragraphs 1  
15 through 54 above.

16 56. As described above, defendants IDLD, Ira Distenfield and Linda  
17 Distenfield, directly and indirectly, offered and sold securities to Plaintiff in California by  
18 knowingly and recklessly making untrue statements of material facts and omitting to state  
19 material facts necessary in order to make the statements made, in light of the  
20 circumstances under which they were made, not misleading.

21 57. The facts that were misrepresented and omitted in connection with the sale  
22 of securities to Plaintiff were material to the investment decisions that Plaintiff made in  
23 connection with the Agreement.

24 58. By virtue of such defendants' wrongful conduct, Plaintiff is entitled to  
25 recover the consideration paid by it to such defendants together with such other damages  
26 according to proof.

27 ///

28 ///

## SEVENTH CAUSE OF ACTION

### (Conversion Against All Defendants)

59. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 58 above.

60. Pursuant to the Agreement, Plaintiff was and is the owner entitled to possession of the sum of \$89,500 paid by Sung Lee in connection with the transfer of certain franchise and territory rights belonging to Plaintiff.

61. On or about September 2005, defendants, with knowledge of Plaintiff's right to ownership and possession of such sum, converted it to their own use and possession.

62. Plaintiff has previously demanded the return of the sum converted, and defendants have failed and refused and continue to fail and refuse to return such sum to Plaintiff.

63. By virtue of defendants' conversion of such sum Plaintiff has been damaged in a sum according to proof.

64. The defendants' actions in connection with the conversion of such sum were taken with fraud, oppression, and malice, and with the intention of depriving Plaintiff of its rights, thus justifying an award of punitive and exemplary damages in a sum according to proof.

## EIGHTH CAUSE OF ACTION

### (Unjust Enrichment and Accounting Against All Defendants)

65. Plaintiff incorporates by reference the allegations set forth in paragraphs 1 through 64 above.

66. By virtue of their wrongful conduct as alleged in this Complaint, defendants have obtained money and benefits to which they were not entitled, all to the detriment of Plaintiff including, without limitation, all franchise fees and other fees and revenue derived from the franchise and territory rights to which Plaintiff is entitled under the

1 Agreement and any fees, revenue, or sale proceeds received from Sung Lee in connection  
2 with the transfer of any territory, business, or franchise to him.

3 67. In order to prevent defendants' unjust enrichment, Plaintiff is entitled to  
4 restitution and compensation for all losses resulting from defendants' wrongful conduct  
5 and for an accounting of all money and benefits received or obtained by defendants as a  
6 result of their wrongful conduct.

### 7 NINTH CAUSE OF ACTION

8 (Declaratory Relief Against All Defendants)

9 68. Plaintiff incorporates by reference the allegations set forth in paragraphs 1  
10 through 67 above.

11 69. A controversy now exists between Plaintiff and defendants concerning the  
12 rights, duties, and obligations of the parties in connection with the Agreement. Plaintiff  
13 contends that it was granted valid exclusive territory and franchise rights as set forth in the  
14 Agreement. Plaintiff is informed and believes that defendants deny Plaintiff's  
15 contentions, and contend that Plaintiff has no franchise or exclusive territory rights, or that  
16 such rights have been terminated.

17 70. A judicial determination is necessary to resolve the parties' competing  
18 contentions and to determine the parties respective rights and duties arising out of the  
19 Agreement.

20 WHEREFORE, Plaintiff prays for judgment as follows:

### 21 ON THE FIRST CAUSE OF ACTION

22 1. For compensatory damages in the sum of \$250,000, or such other sum  
23 according to proof.

### 24 ON THE SECOND CAUSE OF ACTION

25 1. For compensatory damages in the sum of \$250,000, or such other sum  
26 according to proof; and

27 2. For punitive damages in a sum according to proof.

28 ///



**ON THE THIRD CAUSE OF ACTION**

1. For compensatory damages in the sum of \$250,000, or such other sum according to proof; and
2. For punitive damages in a sum according to proof.

**ON THE FOURTH CAUSE OF ACTION**

1. That Plaintiff's investment be refunded to it; and
2. Such other damages according to proof.

**ON THE FIFTH CAUSE OF ACTION**

1. For compensatory damages in the sum of \$250,000, or such other sum according to proof; and
2. For punitive damages in a sum according to proof.

**ON THE SIXTH CAUSE OF ACTION**

1. That Plaintiff's investment be refunded to it; and
2. Such other damages according to proof.

**ON THE SEVENTH CAUSE OF ACTION**

1. For the value of the property converted and other damages in a sum according to proof; and
2. For punitive and exemplary damages.

**ON THE EIGHTH CAUSE OF ACTION**

1. For damages in a sum according to proof; and
2. For an accounting of all money, property, and other benefits obtained by defendants as a result of their wrongful conduct.

**ON THE NINTH CAUSE OF ACTION**

1. For a declaration of the rights and duties of the parties in connection with the Agreement and, in particular, Plaintiff's exclusive territory rights and entitlement to be paid all franchise fees and other revenue derived from defendants in such territory.

///

///


1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

ON THE EACH AND EVERY CAUSE OF ACTION

1. For prejudgment interest;
2. For costs of suit and attorney fees to the extent recoverable by contract or law; and
3. Such other relief as the court deems proper.

Dated: June 9, 2006

SNELL & WILMER L.L.P.

By:   
William S. O'Hare  
Attorneys for Plaintiff  
Glen Tioram Moors, Inc.

Snell & Wilmer  
LLP  
LAW OFFICES  
600 Anton Boulevard, Suite 1400  
Costa Mesa, California 92626-7689  
(714) 427-7000

**EXHIBIT A**

## ADDENDUM TO FRANCHISE AGREEMENT

Glen Tioram Moors, Inc., a California corporation, 595 The City Drive, #200, Orange, CA 92868 and We The People Forms and Service Centers USA, Inc. ("Company"), 1501 State Street, Santa Barbara, CA 93101 hereby agree to the following addendum to their Franchise Agreement with We The People Forms and Service Centers USA, Inc., a California corporation. This Addendum supersedes the Franchise Agreement for and concerning all matters pertaining to the territory within Newport Beach, Irvine, and Costa Mesa, California as set forth herein. If The Franchise Agreement and the Addendum conflict in any way, this Addendum shall control. The defined terms of the Franchise Agreement have the same meaning herein.

- (1) Glen Tioram Moors, Inc., in partnership with the Company, will own a 50% interest in We The People of Newport Beach, Inc., a corporate entity granted an exclusive protected territory within Newport Beach, Irvine, and Costa Mesa, CA to develop a We The People Forms and Service Centers store specializing in independent paralegal document preparation services, and potentially income tax preparation services. The territory referenced above will encompass the following zip codes: 92603, 92604, 92606, 92612, 92614, 92618 (west of I-5), 92625, 92626, 92627, 92660, 92657, 92661, 92662, and 92663.
- (2) Glen Tioram Moors, Inc. will pay to the Company an initial Franchise Fee of \$89,500.00. Any and all additional costs incurred in the creation, growth, and management of the above referenced store will be paid and become the sole financial responsibility of the Company, including but not limited to, the costs of furniture, fixtures, signage, rent, leasehold improvements, telephones, fax machine, licenses, permits, fees, bonds, fire insurance, business equipment, office supplies, security deposit, personnel costs, legal fees, media, and advertising. These costs are not absorbed or depreciated against the fifty per cent (50%) interests of Glen Tioram Moors, Inc.
- (3) The office located in the above referenced territory will be fully furnished and equipped commensurate to the standards of the Company, and the final location site will be subject to the approval of Glen Tioram Moors, Inc. and the Company. The office will be fully operational by October 1, 2004.
- (4) The Company will be responsible for all staffing, operating and managing of the office.
- (5) During the life of this Agreement, the Company will furnish Glen Tioram Moors, Inc. with a monthly profit and loss statement (to be produced no later than 15 days following the calendar month), accompanied with a monthly check representing 50% of all net proceeds earned by the store. Each month stands on its own; there are no losses carried forward. Glen Tioram Moors, Inc. will be responsible for no losses.
- (6) Glen Tioram Moors, Inc. is the entity sharing the franchise rights with the

Company. Glen Tioram Moors, Inc. has the right to sell, transfer, or assign portions of its interests to a person(s) or entity, provided Glen Tioram Moors, Inc. remains the entity representing those interests to the Company.

(7) Glen Tioram Moors, Inc. can reject any sale of the territory which yields a price less than \$189,500. Glen Tioram Moors, Inc. receives first proceeds from the sale of the territory up to the price of \$89,500 less distributions already received. The remaining proceeds are divided between the parties 50/50.

Any and all disputes will be resolved informally or through binding arbitration under the rules of the State of California.

IN WITNESS WHEREOF the parties have executed and delivered this Addendum to the Franchise Agreement on the 10th day of June, 2004.

"COMPANY":

We The People Forms and Service Centers USA, Inc.

By: 

Ira T. Distenfield, Chairman

"Glen Tioram Moors, Inc.":

By:  6/10/2004.

Graham Lockhart

By:  6/10/2004.

Caralee Lockhart

**EXHIBIT B**

## Amendment to Addendum to Franchise Agreement

The Addendum to the Franchise Agreement between Glen Tioram Moors, Inc. and We The People Forms and Service Centers USA, Inc., (The Company) signed on June 10, 2004 is hereby amended as follows:

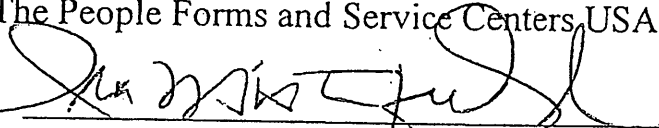
Reference is made to Paragraph One: The paragraph describes the partnership with "The Company" and Glen Tioram Moors, Inc. whereby "The Company" grants Glen Tioram Moors, Inc. a 50% interest in **We The People of Newport Beach, Inc.**, comprising of the exclusive franchise territory encompassing postal zip codes of 92603, 92604, 92606, 92612, 92614, 92618 (West of I-5), 92625, 92626, 92627, 92660, 92657, 92661, 92662, and 92663.

The name of the corporation holding the exclusive franchise territory outlined above is changed from **We The People of Newport Beach, Inc.** to **We the People of Costa Mesa, CA Inc.** Glen Tioram Moors, Inc. is granted a 50 % interest in We The People of Costa Mesa, Inc. Glen Tioram Moors, Inc. has the right to enforce the terms of the Franchise Agreement, the Addendum to the Franchise Agreement, and this Amendment to the Franchise Agreement, as against "The Company" or We The People of Costa Mesa, CA Inc. All other terms and conditions of the Addendum remain in full force and effect.

"COMPANY"

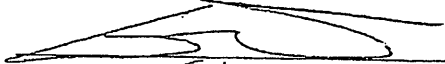
We The People Forms and Service Centers USA, Inc.

BY:

  
Ira T. Distenfield, Chairman

"Glen Tioram Moors, Inc."

BY:

  
Graham Lockhart

BY:

  
Caralee Lockhart