FILED
CHERYLE J. CASTLE
CIRCUIT COURT CLERK

IN THE CIRCUIT COURT OF THE STATE OF TENNESSEE
FOR THE NINETEENTH JUDICIAL DISTRICT AT MONTGOMERY COUNTY

STATE OF TENNESSEE, *ex rel.* ROBERT E. COOPER, JR., Attorney General,	)	
Plaintiff,	)	
v.	)	Case No. 50500795
BRITLEE, INC., d/b/a The MILITARY ZONE a/k/a MILITARYZONE.COM and LAPTOYZ COMPUTERS AND ELECTRONICS, STUART L. JORDAN, individually and d/b/a BRITLEE, INC. and MILLENIUM FINANCE, INC., MILLENIUM and ROME FINANCE COMPANY, INC.,	)	Judge Ross Hicks
Defendants.	)	

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CHERYLE J. CASTLE
CIRCUIT COURT CLERK

ORDER ESTABLISHING RESTITUTION ESCROW FUND AND ADDITIONAL RULINGS FROM THE SEPTEMBER 29, 2008 MONETARY REMEDIES HEARING

The parties were before this Court on September 29, 2008 for a hearing regarding the monetary portion of the default judgment entered against defendant Rome Finance Company, Inc. ("Rome"), including restitution, statutory civil penalties, attorneys' fees and costs, disgorgement of ill-gotten gains and other matters. The Court also considered Rome's Motion to Set Aside Defaults.

The Court has reviewed all pleadings and submissions of record, arguments of counsel, proposed findings of fact and conclusions of law, testimony, exhibits and other evidence presented in connection with the September 29, 2008 hearing. The Court has also considered and reviewed Rome's Motion to Set Aside Defaults and exhibits in support thereof and the State of Tennessee's ("State") Response and Opposition thereto.

IT IS HEREBY ORDERED AND DECREED as follows:

I. PARTIAL PRELIMINARY FINDINGS OF FACT

This Court finds that during the course of these proceedings, defendant Rome and Rome's counsel have repeatedly assured this Court that Rome was in compliance with this Court's September 23, 2005 Temporary Restraining Order and later orders ("TRO").

On the occasions when it was brought to the Court's attention that Rome was not, in fact, in compliance with the TRO, on each such occasion, Rome assured the Court that its noncompliance was a mere inadvertence, caused by a few things slipping through the cracks. Rome further assured the Court on each such occasion that the problems with its compliance had been resolved. However, more "slippage through the cracks" occurred in connection with Rome's noncompliance with the TRO and such instances were again brought to the Court's attention by the State. Again, Rome assured the Court that action had been taken to correct these problems.

It was only after the second or third time these issues were brought to the attention of the Court that Rome for the first time indicated that it was incapable of identifying, in its mountain of data, Tennessee contracts or Tennessee consumers.

Rome's president and CEO Ronald M. Wilson presented testimony at the September 29, 2008 hearing - testimony that he had ample opportunity to present on at least three prior occasions during the pendency of these proceedings. It has only been in the last two or three months that Mr. Wilson even acknowledged the nature of his company's business.

In Mr. Wilson's testimony during the September 29, 2008 hearing, he described the

difficulties Rome has had in managing its data. However, Rome did not hesitate to provide this mountain of data to the State, at a point very late in these proceedings after having ample time to produce it previously and after having ample time to make these explanations. Rome had given the State the task of looking for the proverbial needle in the haystack of these documents, and the State has done so.

During a previous hearing, perhaps in September 2007, this Court suggested to the State that the State apparently was not going to get from Rome the kind of information that the State was entitled to get and that if Rome persisted in that course of conduct, the State was going to be entitled to extrapolate from the data conclusions with regard to the number of Tennessee contracts and the number of times the Tennessee contracts had been violated.

This is exactly what the State has done through the testimony and exhibits of Robert Moore, Jr. of Receivership Management, Inc. ("RMI"), and this Court is going to allow such an approach, because the State has had no other option but to do it that way because of the obstinance and egregious conduct of Rome throughout these proceedings.

The State has done this, perhaps not as completely as Rome would have liked, but satisfactorily to this Court, and the State has done this at a cost of only Thirteen Thousand Dollars ($13,000). Rome's president and CEO Mr. Wilson should have spent that $13,000, or $26,000 or whatever it would have been, long ago, rather then spend the Five Hundred Thousand ($500,000) he testified about today that Rome spent to produce a mountain of documents and expect the State to have done the work that Rome should have done and was under multiple orders of this Court to do.

Through the testimony of Mr. Wilson at the September 29, 2008 hearing, Rome agreed and admitted that the summary and computations conducted by Mr. Robert Moore, Jr. and his company RMI accurately reflected that Rome collected $1.2 million to date from at least the Britlee transactions in Governor's Square Mall, most of which was collected after the September 23, 2005 TRO was issued.

II. INITIAL ORDERS AND RULINGS

IT IS THEREFORE FURTHER ORDERED that immediately upon the adjournment of the September 29, 2008 proceedings, Rome is to deposit the sum of One Million Two Hundred Thousand Dollars ($1,200,000.00) into a third-party, interest bearing escrow account. Rome shall not create, control or otherwise have any access to this escrow account. The Court finds that the $1.2 million is the amount that Rome collected from Tennessee consumers or Tennessee contracts after the imposition of the TRO based on the evidence presented by the State and admitted by Mr. Wilson.

IT IS FURTHER ORDERED that Rome shall have ten (10) days from September 29, 2008 to file amended Proposed Findings of Fact and Conclusions of Law. The State will then have ten (10) days following that to reply with any additional responses it wishes to make with regard to Proposed Findings of Fact and Conclusions of Law.

IT IS FURTHER ORDERED that Rome's Motion to Set Aside Defaults is hereby DENIED. The Court is more convinced now than it was earlier in this proceeding that Rome's Motion to Set Aside Defaults is not well taken and is totally without merit. This goes to the ultimate findings that the Court must make in this case as well, and there will be

findings of contempt, a finding against Rome on the merits of this case and a substantial judgment rendered in favor of the State on both of those issues. This Court is struggling through those exact amounts and will continue to review all the exhibits that were introduced into evidence today, and will consider the parties' supplemental Proposed Findings of Fact and Conclusions of Law.

IT IS SO ORDERED AND DECREED.

10/21/08

JUDGE ROSS H. HICKS

SUBMITTED FOR APPROVAL:

OFFICE OF THE ATTORNEY GENERAL

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CERTIFICATE OF SERVICE

I, OLHA N.M. RYBAKOFF, Assistant Attorney General, hereby certify that a true and correct copy of the foregoing ORDER ESTABLISHING RESTITUTION ESCROW FUND AND ADDITIONAL RULINGS FROM THE SEPTEMBER 29, 2008 MONETARY REMEDIES HEARING was served upon the below counsel on October 6, 2008, by United States First Class Mail, postage prepaid and by electronic mail, addressed as follows:

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