EXHIBIT I

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

BLUE FORCE TECHNOLOGIES, INC., Plaintiff, v. RAYMOND C. JONES, JAMES V. PUNELLI, MIDTOWN RESOURCES MCA LLC, AZADIAN GROUP, LLC, AND CHANGE CAPITAL PARTNERS FUND 1, LLC, Defendants.	)	1:18CV1028

COMPLAINT

Plaintiff Blue Force Technologies, Inc. sues Raymond C. Jones, James V. Punelli, Midtown Resources MCA LLC, Azadian Group, LLC, and Change Capital Partners Fund 1, LLC, and states:

JURISDICTION, VENUE, AND THE PARTIES

1. This is an action for damages in excess of $75,000 by Blue Force Technologies, Inc., for fraud, breach of fiduciary duty, injunctive relief, and declaratory action.

2. This Court has jurisdiction pursuant to 28 U.S.C. § 1332.

3. Venue is proper in this District because the acts complained of occurred in substantial part in this District and because Plaintiff maintains its principal place of business in this District.

4. Plaintiff Blue Force Technologies, Inc. is a Delaware corporation located in Morrisville, North Carolina that designs and manufactures composite structures for the commercial and defense aerospace markets.

5. Defendant Raymond C. Jones is a citizen of the United States and a resident of Leesburg, Virginia.

6. Defendant James V. Punelli is a citizen of the United States and a resident of Reston, Virginia.

7. Defendant Midtown Resources MCA, LLC is a Pennsylvania limited liability company located in Philadelphia, Pennsylvania. Midtown operates a merchant cash advance company for small-businesses in need of liquidity.

8. Defendant Azadian Group, LLC is a Delaware limited liability company located in New York, New York. Azadian operates a merchant cash advance company for small-businesses in need of liquidity.

9. Change Capital Partners Fund 1, LLC is a Delaware limited liability company located in New York, New York. Change Capital operates a merchant cash advance company for small-businesses in need of liquidity.

10. All conditions precedent to the filing of this action have occurred, have been fulfilled, waived, excused, or otherwise satisfied.

11. The Plaintiff has engaged the undersigned counsel to represent it in the prosecution of this lawsuit.

GENERAL ALLEGATIONS

12. On January 19, 2011, Scott Bledsoe incorporated Blue Force Technologies, Inc.

13. Raymond C. Jones was one of the original investors in Blue Force.

14. Since founding Blue Force, Bledsoe has served as President, with Jones as a silent partner.

15. In early January 2012, after winning contracts that required significant capital infusion into Blue Force, Jones introduced another investor, James V. Punelli, to Blue Force.

16. Between Jones' original investment, and Punelli's new investment, Jones and Punelli each owned a 30% equity stake in Blue Force. The remaining 40% equity stayed with Bledsoe.

17. Jones and Punelli additionally provided Blue Force with a stockholder loan.

18. Bledsoe remained as President of Blue Force.

TenX Group, LLC is Formed

19. A short time after acquiring their respective interests in Blue Force, Punelli and Jones became partners in a new independent business venture known as TenX Group, LLC.

20. TenX served as a holding company for several defense-related entities.

21. The first of these entities was Panthera Training Center, LLC ("PTC"), which, in or around 2013, took over ownership and operations of a 750-acre military and law enforcement training facility located in Moorefield, West Virginia.

22. This acquisition required significant debt financing on behalf of TenX because of the size of the facility and its associated real estate.

23. Within a year of launching PTC, TenX formed other entities with the goal of expanding its presence within the defense industry. These entities included Night Eagle Aviation, LLC (subsequently renamed Panthera Mission Systems, LLC), and Panthera Worldwide, LLC (subsequently renamed Panthera Solutions, LLC).

24. Punelli also operated a personal holding company (Pons Milvius, LLC), as did Jones (Global Matrix Corporation).

25. For the purposes of this document, the aforementioned companies, except Blue Force, are hereinafter referred to as TenX.

The First Incident Involving Punelli

26. Between November 2015 and January 2016, two incidents raised Bledsoe's concern with respect to Punelli.

27. First, in response to winning a multi-million dollar contract with an aircraft engine manufacturer, Bledsoe asked Punelli for help arranging bank financing for necessary equipment.

28. On or about December 4, 2015, Bledsoe received a call from the finance manager at an equipment vendor, who informed Bledsoe that Blue Force's credit application was rejected by a major commercial bank because of the use of an incorrect social security number by Punelli. The social security number was for one of Punelli's sons, who had the same name. Bledsoe requested that he be allowed to correct the mistake but was told that the bank would not reconsider the application because it suspected fraud.

29. Bledsoe removed Punelli from any tasks related to obtaining financing for this project and ultimately obtained financing using Blue Force's credit with Bledsoe as the sole personal guarantor on the loan.

30. This loan was properly approved and documented by a full meeting of the Blue Force Board of Directors on January 14, 2016. Bledsoe signed the required Blue Force corporate resolution as President, Punelli signed as Secretary/Treasurer, and Jones signed as a director. Punelli certified the resolution as authentic.

The Second Incident Involving Punelli

31. The second incident in the December 2015 to January 2016 time period involved a series of cash transfers from Blue Force's checking account into accounts held by TenX.

32. Without prior authorization from Bledsoe, Punelli transferred $50,000 from Blue Force's account on December 17, 2015, leaving Blue Force without sufficient funds to make payroll and pay key vendors, both of which were required to keep critical production programs operating. This was in addition to $41,000 that had been borrowed from Blue Force with Bledsoe's prior consent earlier in December 2015.

33. Despite continual protests by Bledsoe, the funds required for payroll were not paid back in time to meet payroll, thereby triggering a liquidity crisis for Blue Force.

34. In response to frequent calls from Bledsoe to return the funds, Jones deflected the issues and stated repeatedly that money was "on the way."

35. On January 4, 2016, Punelli transferred another $20,000 from Blue Force to TenX, bringing the total net outflow to $111,000.

36. On January 7, 2016, an unexpected inbound wire transfer to Blue Force was received in the amount of $104,309.50. That same day, Punelli transferred $74,309.50 to TenX, leaving Blue Force with a net outflow during this series of transfers (December to January) of $81,000.

37. Following the unexpected wire, Bledsoe noticed daily withdrawals of approximately $600 by an organization with the name Quarterspot. Bledsoe determined that Blue Force had received an unauthorized loan obtained by Punelli and Jones, and the majority of the loan proceeds had been taken to satisfy TenX's cash needs. Blue Force was required to pay the Quarterspot loan, which had a high rate of interest and caused significant negative cash flow issues impacting Blue Force's growth.

38. As a result of the aforementioned conduct, on January 6, 2016, Bledsoe called for a Special Meeting of the Blue Force Board. In a letter to the Board, Bledsoe summarized the

problems caused by the transfers, and informed Punelli and Jones that "[t]he Directors and Officers of [Blue Force] need to take action to protect shareholders from further harm."

39. At the Special Meeting held on January 29, 2016, the Board approved a variety of measures relating to corporate governance and fiduciary duty. Specifically, the Board, including Bledsoe as President, Punelli as Secretary/Treasurer, and Jones as a director:

a) acknowledged that Blue Force was a separate legal entity from TenX, with only two of four stockholders in common between the two companies;

b) directed Bledsoe to review and establish separate services for accounting, tax preparation, business development consultants, information technology, marketing, human resources, and legal services;

c) approved a detailed operating budget, including a target cash reserve and repayment schedule for stockholder loans;

d) established a regular schedule for Board of Directors meetings;

e) directed that the shared use of business development personnel to attend conferences and customer meetings would be undertaken on a case-by-case basis with mutual consent of the two companies; and

f) reiterated that Board members could not act unilaterally when making any financial decisions on behalf of Blue Force without approval of the Board.

Share Pledges and Secret Transactions in 2016

40. In early 2016, Blue Force began repaying stockholder loans to Punelli and Jones.

41. After only two payments, in June 2016 Punelli and Jones approached Bledsoe with a proposal to each pledge 2.5% of their ownership stake in Blue Force in order to guarantee a loan by a third party, SMI, LLC, to TenX.

42. In repayment of this loan, Jones and Punelli requested that their stockholder loan payments from Blue Force of $12,500 per month be used to pay the loan.

43. During this process, Bledsoe stated that while stockholders can pledge shares with Board approval, they cannot create an implied or expressed guarantee by Blue Force of a loan.

44. To emphasize his point, Bledsoe edited the pledge letter to make it clear that stockholder loan payments were goals, net of other loan payments, that would only be paid if such payments did not threaten Blue Force's cash reserves as mandated by its Board.

45. In signing off on the pledge letter, Punelli and Jones acknowledged that, "if loans cannot be paid by [Blue Force shareholder loan payments to Jones and Punelli,] [SMI] will be paid by Raymond Jones and James Punelli."

Punelli is Asked to Resign

46. Throughout 2016, TenX made numerous short term loan requests to Blue Force.

47. Many of these requests were rejected because Blue Force needed cash to operate. When loans were made by Blue Force to TenX, they were either repaid late, or not at all.

48. The experiences of 2016 demonstrated to Bledsoe that Punelli and Jones were teetering on insolvency and would breach their fiduciary duty to Blue Force in order to keep TenX alive.

49. At Bledsoe's request, Punelli resigned from Blue Force as a director and as an officer on December 28, 2016. His resignation was formally acknowledged at a Board meeting and memorialized in Board meeting minutes.

50. On March 21, 2017, Punelli sold his Blue Force shares back to Blue Force. His remaining stockholder loan balance was paid to him in full on May 4, 2017.

Azadian Group, LLC Threatens Blue Force with Legal Action

51. On or about April 17, 2018, Blue Force received a demand letter from Azadian Group, LLC. Prior to this, Blue Force had never heard of Azadian Group, LLC.

52. The letter notified Blue Force of Azadian's demand for $304,754.57 as a result of TenX having defaulted on three separate Merchant Receivables Purchase and Security Agreements dated August 18, 2017 for $417,937.52, October 24, 2017 for $198,050, and December 4, 2017 for $57,200, respectively.

53. Upon investigation by Blue Force, it was determined that Punelli had, without the knowledge of and authority from Blue Force, committed Blue Force as a guarantor to each of these three agreements.

54. These loan agreements were between Azadian and TenX, named Punelli and Jones as personal guarantors, and were for the benefit of TenX.

55. Punelli, without Blue Force's knowledge or authority, committed Blue Force as a corporate guarantor to these loan agreements by signing on behalf of Blue Force under the title of "Corporate Officer."

56. At the time that Punelli conducted these transactions, Jones continued to serve as a director of Blue Force and knew that Punelli's representations were false.

57. After receipt of the Azadian demand letter, Blue Force immediately contacted Punelli.

58. On April 19, 2018, Punelli provided a sworn Affidavit stating that he had no authority to enter into any agreement on behalf of Blue Force, and that the Merchant Receivables Purchase and Security Agreements were executed without Blue Force's knowledge and authority, which is attached as Exhibit "A."

59. Punelli also swore in this Affidavit that Blue Force did not receive any use or benefit from these three Merchant Receivables Purchase and Security Agreements. *See* Exhibit A.

60. On April 24, 2018, Blue Force sent Punelli a letter reminding him of his resignation from Blue Force and his complete lack of authority to bind Blue Force in any matter whatsoever. In this letter, Punelli was asked if he had committed Blue Force to any other loans, obligations, or any other matter(s).

61. In his response dated May 2, 2018, Punelli informed Blue Force that he had not committed Blue Force as a guarantor to any other loans or financial instruments.

62. Based on the emergent three year pattern of potential fraud and fiduciary breaches by Punelli and Jones, Blue Force immediately began an internal investigation.

Jones is Asked to Resign From Blue Force

63. On May 2, 2018, Jones executed an Affidavit whereby he acknowledged the Azadian loan, stating that Punelli had supervised and directed the execution of the loan documents. In this affidavit, Jones stated he was unaware of any purported guarantee on behalf of Blue Force and that he was aware he would need a Board resolution from Blue Force for any such guarantee. *See* Raymond C. Jones Affidavit dated May 2, 2018, attached as Exhibit "B."

64. Concerned by the fraudulent Azadian loans and Jones' lack of plausible explanation for not stopping the guarantees by Blue Force, on May 15, 2018, Blue Force requested and received Jones' resignation from the Board and as an officer. The resignation was accepted in writing by Blue Force's Board on May 17, 2018.

65. During due diligence associated with the redemption of Jones' stock in Blue Force (June 12-18, 2018), Bledsoe was provided loan documents for purportedly all TenX transactions

and discovered that Blue Force was, in multiple instances, unknowingly included as a guarantor of unauthorized loans and other guarantees signed by Punelli and Jones under various titles.

Unauthorized Loan Guarantees By Punelli and Jones

66. Between June 2015 and March 2018, Punelli and Jones had entered into at least sixteen separate loans, receivables purchase agreements, guarantees, and other financial agreements committing Blue Force as a corporate guarantor without the knowledge or authorization of Blue Force.

67. These financial arrangements were never brought to the attention of the Blue Force Board, were not considered by the Board, were not authorized or ratified by the Board, and provided no financial benefit to Blue Force.

68. The fraudulent financial instruments that have been discovered thus far include:

		Lender / Counterparty				Fraudulent Blue Force Endorsement	
Ref	Date	Name	Domicile	Document	Value	Name	Title
1	23-Sep-15	SMI, LLC	Virginia	Loan	$ 100,000.00	Punelli & Jones	Pres. & CEO, respectively
2	23-Sep-15	SMI, LLC	Virginia	Security Agreement	N/A	Punelli & Jones	Pres. & CEO, respectively
3	16-Jun-16	SMI, LLC	Virginia	Loan with $200,000 origination fee	$ 400,000.00	Punelli & Jones	Pres. & CEO, respectively
4	16-Jun-16	Proposed Shareholder	Virginia	Stock Purchase & Loan Agreement	N/A	Jones	Secretary / Treasurer
5	13-Dec-16	Change Capital Partners Fund I	Delaware	Loan	$ 399,000.36	Punelli	Corporate Secretary
6	27-Feb-17	Change Capital Partners Fund I	Delaware	Loan	$ 26,599.80	Punelli	Corporate Officer
7	18-May-17	Change Capital Partners Fund I	Delaware	Loan	$ 330,000.00	Punelli	Corporate Officer
8	16-Jun-17	Midtown Resources MCA	Pennsylvania	Loan	$ 199,499.52	Punelli	Corporate Officer
9	18-Aug-17	Azadian Group	Delaware	Loan	$ 417,937.52	Punelli	Corporate Officer
10	5-Sep-17	SMI, LLC	Virginia	Loan	$ 75,000.00	Jones	CEO
11	24-Oct-17	Azadian Group	Delaware	Loan	$ 198,050.00	Punelli	Corporate Officer
12	4-Dec-17	Azadian Group	Delaware	Loan	$ 57,200.00	Punelli	Corporate Officer
13	6-Dec-17	On behalf of SMI, LLC	Virginia	Power of Attorney	N/A	Punelli & Jones	Pres. & CEO, respectively
14	13-Dec-17	Midtown Resources MCA	Pennsylvania	Loan	$ 204,800.00	Punelli	Corporate Officer
15	15-Jan-18	Midtown Resources MCA	Pennsylvania	Loan	$ 102,400.50	Punelli	Corporate Officer
16	26-Feb-18	Midtown Resources MCA	Pennsylvania	Loan	$ 96,000.00	Punelli	Corporate Officer
				Combined value of transactions:	$2,606,487.70		

Midtown Resources MCA LLC

69. Four Merchant Receivables Purchases and Security Agreements between Midtown and TenX were entered into on June 16, 2017 for $199,499.52, December 13, 2017 for $204,800, January 15, 2018 for $102,400.50, and February 26, 2018 for $96,000. In each of these transactions, Punelli and Jones appear as personal guarantors.

70. Despite the fact that Blue Force had already severed all ties with Punelli at the time of these transactions, he nevertheless purported to commit Blue Force as a corporate guarantor by falsely signing as a corporate officer.

71. At the time that Punelli conducted these transactions, Jones continued to serve as a director of Blue Force and knew that Punelli's representations were false.

Change Capital Partners Fund I

72. TenX entered into three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000. In each of these transactions, Punelli and Jones appear as personal guarantors.

73. Punelli purported to commit Blue Force as a corporate guarantor by signing the first loan in his alleged capacity as "Corporate Secretary" and the last two as "Corporate Officer." None of the loan agreements was presented to or authorized or ratified by Blue Force, and the last two loan documents were executed by Punelli with the full knowledge that he had resigned from Blue Force.

74. At the time that Punelli conducted these transactions, Jones continued to serve as a director of Blue Force and knew that Punelli's representations were false.

SMI, LLC

75. Blue Force discovered multiple unauthorized and undisclosed Promissory Notes, Security Agreements, Power of Attorney assignments, and related documents between SMI and TenX.

76. On September 23, 2015, Punelli and Jones entered into a Promissory Note and Security Agreement with SMI on behalf of TenX and its related companies for $100,000. Punelli

and Jones fraudulently purported to commit Blue Force as a guarantor to the loan and falsely signed as Blue Force's President and CEO, respectively. This loan was never disclosed to or approved by the Board of Blue Force.

77. On June 16, 2016, Punelli and Jones entered into a loan with SMI on behalf of TenX and its related companies for $400,000. Yet again, Punelli and Jones fraudulently purported to commit Blue Force as a guarantor to the loan and falsely signed as Blue Force's President and CEO, respectively. This loan was never disclosed to or approved or ratified by the Board of Blue Force.

78. As part of this transaction, Punelli and Jones shared with Blue Force a "Stock Grant Letter" and a "Shareholder Loan Payment Letter" they wanted endorsed by Bledsoe in his capacity as President of Blue Force, while simultaneously hiding a "Promissory Note" for $400,000 and a "3% Option Agreement," which were fraudulently guaranteed by Punelli and Jones, purportedly on behalf of Blue Force.

79. These four contemporaneous documents (all dated June 16, 2016) show Punelli and Jones signing with various titles depending upon whether the agreement was disclosed or secret. At no point were the two secret agreements introduced for Board consideration by either Punelli or Jones.

Disclosed to Bledsoe	Signatory 1	Signatory 2	Signatory 3
Stock Grant Letter	Punelli, Secretary & Shareholder	Jones, Director & Shareholder	Bledsoe, President & Shareholder
Shareholder Loan Repayment Letter	Punelli, Secretary & Shareholder	Jones, Director & Shareholder	Bledsoe, President & Shareholder

Undisclosed Secret Agreements	Signatory 1	Signatory 2	Signatory 3
Promissory Note ($400,000)	Punelli, President	Jones, CEO	None
3% Option Agreement	Punelli (as individual)	Jones (as individual)	Jones, Secretary & Treasurer

80. Only five months prior to the June 16, 2016 stock pledges and loans, Jones had brought forward a request for an accounts receivable line of credit purportedly benefitting both TenX and Blue Force. After a long discussion, Bledsoe relented and agreed to the request, adding

that he would never again consent to a joint loan package that included Blue Force as a guarantor for Punelli and Jones' other businesses. The decision was brought forward and documented as a Board resolution, signed January 20, 2016. The parties signed with their Board-approved titles: Bledsoe (President), Punelli (Secretary/Treasurer), and Jones (Director). Obtaining this resolution demonstrated that Punelli and Jones understood the correct process for the Blue Force Board to approve financial transactions, and that both Punelli and Jones were aware that future transactions not exclusively in the interest of Blue Force would not be approved by Bledsoe. Ultimately, this loan never made it to closure with the lender.

81. On September 5, 2017, Punelli and Jones amended the June 16, 2016 Promissory Note (adding $75,000 to the loan amount) in yet another undisclosed transaction with SMI. Jones fraudulently signed the amended instrument as Blue Force's CEO. In this one instance, Punelli did not sign for Blue Force, and the party that prepared the documents did not include a signature blank for him as was done on all other SMI documents.

Unauthorized Access to Blue Force Accounting System

82. During the course of the internal investigation, Blue Force also found that Punelli and the former Chief Financial Officer of TenX (Ray Barbic) had, without authorization, accessed Blue Force's accounting system between April 2017 and March 2018.

83. TenX and Blue Force use the same accounting system vendor but have separate cloud-based accounts. The system administrator at Blue Force inadvertently left Punelli and Barbic's accounts enabled after Punelli's resignation in 2016.

84. Punelli and Barbic had no reason or authority to access the Blue Force system as they had no role or responsibilities with Blue Force after Punelli's resignation at the end of 2016.

Logging onto the Blue Force system requires a user to enter the company's name in addition to the user name and password.

85. These access events are contemporaneous with each of the 10 loans obtained with a fraudulent guarantee naming Blue Force as a guarantor from Azadian, Midtown, and Change Capital.

Audit ID	User Name	Login Date and Time	IP Address	Contemporaneous Loans
28346	ray.barbic	3/27/18 6:18PM	96.241.108.50	
28289	jpunelli	3/9/18 17:28	108.44.250.65	
28164	jpunelli	2/9/18 8:19	108.44.250.65	Midtown Resources MCA
28114	jpunelli	1/27/18 12:03	108.44.250.65	Midtown Resources MCA
28113	jpunelli	1/26/18 13:20	73.251.219.164	
28096	jpunelli	1/20/18 8:00	108.44.250.65	
28036	ray.barbic	1/8/18 13:56	96.241.108.50	Midtown Resources MCA
27746	brian.riso	10/18/17 15:30	107.12.196.189	Azadian Group
27727	jpunelli	10/15/17 16:31	108.44.250.65	Azadian Group
27697	brian.riso	10/5/17 14:46	107.12.196.189	Azadian Group
27692	jpunelli	10/5/17 7:04	108.44.250.65	Azadian Group
27659	jpunelli	9/27/17 7:58	108.44.250.65	
27576	jpunelli	8/30/17 10:24	108.44.250.65	
27461	ray.barbic	8/7/17 18:50	96.241.108.50	Azadian Group
27460	jpunelli	8/7/17 11:01	108.44.250.65	Azadian Group
27453	ray.barbic	8/4/17 17:24	96.241.108.50	Azadian Group
27452	ray.barbic	8/4/17 17:06	96.241.108.50	Azadian Group
27443	jpunelli	8/2/17 7:22	108.44.250.65	Azadian Group
27423	jpunelli	7/26/17 17:07	70.109.50.84	
27420	jpunelli	7/25/17 18:16	108.44.250.65	
27292	jpunelli	6/27/17 12:58	166.164.37.209	Midtown Resources MCA
27262	jpunelli	6/20/17 9:10	142.234.115.146	Midtown Resources MCA
27070	jpunelli	4/28/17 7:00	185.25.95.132	Change Capital Partners Fund I
27006	jpunelli	4/10/17 12:49	68.235.53.156	Change Capital Partners Fund I
26997	jpunelli	4/6/17 20:26	108.44.250.65	Change Capital Partners Fund I
26988	jpunelli	4/4/17 21:26	68.235.53.156	Change Capital Partners Fund I

COUNT I – BREACH OF FIDUCIARY DUTY
(By Defendant Raymond C. Jones)

86. Blue Force re-alleges the allegations contained in paragraphs 1 through 85 of this Complaint.

87. Directors and corporate officers have a fiduciary duty to a corporation and must strive to advance its best interests.

88. A director and corporate officer must always discharge the responsibilities of the office with undivided loyalty to the corporation by discharging his or her responsibilities openly, honestly, conscientiously, and with the utmost devotion to the corporation.

89. On January 29, 2016, at a Blue Force Board meeting, Jones was named as a director of Blue Force. At this Board meeting, Jones was reminded that he could not make any financial decisions on behalf of Blue Force without full approval of its Board.

90. As a director of Blue Force, Jones failed to advance the best interests of Blue Force when he participated in transactions that benefited himself instead of Blue Force, which was owed a fiduciary duty.

91. Between 2015 and 2017, Jones, along with Defendant Punelli, entered into loan agreements with Azadian, Midtown, Change Capital, and SMI, using Blue Force as an unknowing and unauthorized guarantor of loans in excess of $2,606,000.

92. In his time as a director, Jones signed four loan agreements with SMI on behalf of TenX, with Jones fraudulently signing as Blue Force's CEO.

93. In conjunction with the June 16, 2016 agreement with SMI, Jones also executed an undisclosed Stock Purchase and Loan Agreement which inappropriately involved Blue Force as a party to stock transfers. This Agreement was fraudulently endorsed by Jones (alone) as "Secretary/Treasurer" and was never disclosed to Blue Force.

94. Then on December 6, 2017, a Power of Attorney granted SMI unilateral power to execute on any and all documents required to retitle Blue Force assets serving as collateral under the various SMI Notes and Security Agreement. This Power of Attorney was fraudulently signed on behalf of Blue Force by Punelli signing as President and Jones signing as CEO. This Power of Attorney was never disclosed to the Board of Blue Force.

95. Additionally, Punelli and Jones purported to commit Blue Force as a corporate guarantor when TenX entered into three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000, with Punelli and Jones serving as personal guarantors and Punelli purporting to commit Blue Force as a corporate guarantor to these loan agreements by signing on behalf of Blue Force first as "Corporate Secretary" and then as "Corporate Officer."

96. Furthermore, Punelli and Jones entered into four Merchant Receivables Purchases and Security Agreements between Midtown and TenX on June 16, 2017 for $199,499.52, December 13, 2017 for $204,800, January 15, 2018 for $102,400.50, and February 26, 2018 for $96,000, wherein Punelli purported to commit Blue Force as a corporate guarantor to these loan agreements by signing on behalf of Blue Force as a corporate officer.

97. Lastly, Punelli and Jones entered into three Merchant Receivables Purchase and Security Agreements between Azadian and TenX on August 18, 2017 for $417,937.52, October 24, 2017 for $198,050, and December 4, 2017 for $57,200, respectively. Punelli had, without the knowledge of and authority from Blue Force, purported to commit Blue Force as a guarantor to each of these three agreements. Punelli, without Blue Force's knowledge or authority, purported to commit Blue Force as corporate guarantor to these loan agreements by signing on behalf of Blue Force under the non-descript title of "Corporate Officer."

98. These loan agreements were solely for the benefit of TenX and its subsidiaries. Equally disturbing, Jones was still a director of Blue Force when Punelli resigned from Blue Force and knew Punelli's status as a corporate officer. Lastly, Jones was aware, as he stated in his Affidavit, that he would need a Board resolution from Blue Force for committing Blue Force as a guarantor to any loans.

99. As yet another example of Jones' breach of fiduciary duty, Blue Force in 2012 had agreed to guarantee a loan for the benefit of TenX and Blue Force with EagleBank. With only one day verbal warning from Jones, and no other prior knowledge of any default for this loan, which Blue Force believed was paid off, Blue Force learned of a judgment against it, in favor of EagleBank, in the amount of $209,157.02. Blue Force had no choice but to pay this judgment because it included a legitimate guarantee by Blue Force.

100. By reason of the foregoing, Jones has breached his fiduciary duties as a director of Blue Force, and the above-referenced breaches were not discovered and could not reasonably have been discovered by Blue Force but for Jones providing all the TenX transactions documentation wherein Blue Force was falsely included as a guarantor during the due diligence associated with the redemption of Jones' stock in Blue Force.

WHEREFORE, Plaintiff, Blue Force Technologies, Inc., demands judgment on this Count in its favor and against Defendant Raymond C. Jones for compensatory damages together with pre-judgment interest and post-judgment interest, punitive damages pursuant to North Carolina Statutes § 1D - 15, costs including an award of attorneys' fees, and such other relief deemed just and proper.

COUNT II – BREACH OF FIDUCIARY DUTY
(By Defendant James V. Punelli)

101. Blue Force re-alleges the allegations contained in paragraphs 1 through 85 of this Complaint.

102. Directors and corporate officers have a fiduciary duty to a corporation and must strive to advance the best interests of the corporation.

103. A director and corporate officer must always discharge the responsibilities of the office with undivided loyalty to the corporation by discharging his or her responsibilities openly, honestly, conscientiously, and with the utmost devotion to the corporation.

104. On January 29, 2016, at a Blue Force Board meeting, Punelli was named as a director and Secretary/Treasurer of Blue Force. At this Board meeting, Punelli was reminded that he could not make any financial decisions on behalf of Blue Force without full approval of the Blue Force Board. Punelli resigned from Blue Force on December 28, 2016 and redeemed his stock in a sale to Blue Force on March 21, 2017.

105. As a corporate officer and director of Blue Force, Punelli failed to advance the best interest of Blue Force when he participated in transactions that benefited himself instead of Blue Force, which was owed a fiduciary duty.

106. Between 2015 and 2017, Jones and Punelli entered into loan agreements with Azadian, Midtown, Change Capital Loans, and SMI, using Blue Force as an unknowing and unauthorized guarantor of loans in excess of $2,606,000.

107. In his time as a corporate officer and director, Punelli executed three loan agreements with SMI on behalf of TenX, with Punelli purporting to commit Blue Force as a guarantor by improperly signing on behalf of Blue Force as President.

108. Additionally, Punelli and Jones committed Blue Force as a corporate guarantor when TenX entered into three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000, with Punelli purporting to commit Blue Force as a corporate guarantor to these loan agreements by improperly signing on behalf of Blue Force first as "Corporate Secretary" and then as "Corporate Officer."

109. By reason of the foregoing, Punelli has breached his fiduciary duties as a corporate officer and director of Blue Force, and the above-referenced breaches were not discovered and could not reasonably have been discovered by Blue Force but for Jones providing all the TenX transactions documentation wherein Blue Force was falsely included as a guarantor during the due diligence associated with the redemption of Jones' stock in Blue Force.

WHEREFORE, Plaintiff, Blue Force Technologies, Inc., demands judgment on this Count in its favor and against Defendant, James V. Punelli, for compensatory damages together with pre-judgment interest and post-judgment interest, punitive damages pursuant to North Carolina Statutes § 1D - 15, costs including an award of attorneys' fees, and such other relief deemed just and proper.

COUNT III – FRAUD
(By Defendant Raymond C. Jones)

110. Blue Force re-alleges the allegations contained in paragraphs 1 through 85 of this Complaint.

111. On January 29, 2016, at a Blue Force Board meeting, Jones was named as a director of Blue Force. At this meeting, Jones was also reminded that he could not make any financial decisions on behalf of Blue Force without the approval of the Blue Force Board.

112. As a director of Blue Force, Jones failed to advance the best interest of Blue Force when he participated in transactions that benefited himself instead of Blue Force, which was owed a fiduciary duty.

113. Between 2015 and 2017, Jones and Punelli entered into loan agreements with Azadian, Midtown, Change Capital Loans, and SMI LLC, using Blue Force as an unknowing and unauthorized guarantor of loans in excess of $2,606,000.

114. Jones and Punelli, without the knowledge of and authority from Blue Force, purported to commit Blue Force as a corporate guarantor to three separate Azadian Merchant Receivables Purchase and Security Agreements dated August 18, 2017 for $417,937.52, October 24, 2017 for $198,050, and December 4, 2017 for $57,200, respectively, by improperly signing on behalf of Blue Force under the non-descript title of "Corporate Officer." These three loan agreements were between Azadian and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

115. Additionally, Jones and Punelli purported to commit Blue Force as a corporate guarantor to four Merchant Receivables Purchases and Security Agreements between Midtown and TenX dated June 16, 2017 for $199,499.52, December 13, 2017 for $204,800, January 15, 2018 for $102,400.50, and February 26, 2018 for $96,000, wherein Punelli and Jones served as personal guarantors. These four loan agreements were between Midtown and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

116. Furthermore, Jones and Punelli purported to commit Blue Force as a corporate guarantor to three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000. Punelli purported to commit Blue Force as a corporate guarantor by signing the first loan in his alleged capacity as "Corporate Secretary" and the last two as "Corporate Officer." None of the loan agreements was presented to Blue Force and the last two loan documents were executed by Punelli with the full knowledge that he had resigned from Blue Force. These three loan agreements were between the Change Capital and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

117. Lastly, Jones and Punelli purported to commit Blue Force as a corporate guarantor to three Promissory Note and Security Agreements with SMI. The three are dated September 23, 2015 for $100,000, June 16, 2016 for $400,000, and September 5, 2017 for $75,000.

118. These loan agreements were solely for the benefit of TenX and its subsidiaries. Equally disturbing, Jones was still a director of Blue Force and knew Punelli's status as a corporate officer of any variety was false. Lastly, Jones was aware, as he stated in his Affidavit, that he would need a Board resolution from Blue Force for committing Blue Force as a guarantor to any loans.

119. Then on December 6, 2017, a Power of Attorney granted SMI unilateral power to execute on any and all documents required to retitle Blue Force assets serving as collateral under the various SMI Notes and Security Agreement. This Power of Attorney was fraudulently signed on behalf of Blue Force by Punelli signing as President and Jones signing as CEO. This Power of Attorney was never disclosed to or authorized by the Board of Blue Force.

120. Jones concealed these loans from Blue Force and intentionally deceived Blue Force by not disclosing these loans, resulting in financial losses to Blue Force.

121. As a director of Blue Force, Jones had an affirmative, fiduciary duty to disclose all material facts related to the above loans to Blue Force.

122. Jones not only breached his fiduciary duties through misrepresentations and concealment, he committed fraud because his fiduciary relationship creates a duty to fully disclose these loans, and Jones' concealment of his herein-described actions prevented Blue Force from discovering or having the reasonable ability to discover the loans prior to the internal investigation described herein.

WHEREFORE, Plaintiff, Blue Force Technologies, Inc., demands judgment on this Count in its favor and against Defendant, Raymond C. Jones, for compensatory damages together with pre-judgment interest and post-judgment interest, punitive damages pursuant to North Carolina Statutes § 1D - 15, costs including an award of attorneys' fees, and such other relief deemed just and proper.

COUNT IV – FRAUD
(By Defendant James V. Punelli)

123. Blue Force re-alleges the allegations contained in paragraphs 1 through 85 of this Complaint.

124. On January 29, 2016, at a Blue Force Board meeting, Punelli was named as a director and Secretary/Treasurer of Blue Force. At this Board meeting, Punelli was reminded that he had no authority to make any financial decisions on behalf of Blue Force without full approval of the Blue Force Board. Punelli resigned from Blue Force on December 28, 2016 and redeemed his stock in a sale to Blue Force on March 21, 2017.

125. Between 2015 and 2017, Jones and Punelli entered into loan agreements with Azadian, Midtown, Change Capital Loans, and SMI LLC, using Blue Force as an unknowing and unauthorized guarantor of loans in excess of $2,606,000.

126. Jones and Punelli, without the knowledge of and authority from Blue Force, purported to commit Blue Force as a corporate guarantor to three separate Azadian Merchant Receivables Purchase and Security Agreements dated August 18, 2017 for $417,937.52, October 24, 2017 for $198,050, and December 4, 2017 for $57,200, respectively, by signing on behalf of Blue Force under the non-descript title of "Corporate Officer." These three loan agreements were between Azadian and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

127. Additionally, Jones and Punelli purported to commit Blue Force as a corporate guarantor to four Merchant Receivables Purchases and Security Agreements between Midtown and TenX dated June 16, 2017 for $199,499.52, December 13, 2017 for $204,800, January 15, 2018 for $102,400.50, and February 26, 2018 for $96,000, wherein Punelli and Jones served as personal guarantors. These four loan agreements were between Midtown and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

128. Furthermore, Jones and Punelli purported to commit Blue Force as a corporate guarantor to three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000. Punelli purported to commit Blue Force as a corporate guarantor by improperly signing the first loan in his alleged capacity as "Corporate Secretary" and the last two as "Corporate Officer." None of the loan agreements was presented to Blue Force, and the last two loan documents were executed by Punelli with the full knowledge that he had resigned from Blue Force. These three loan agreements were between Change Capital and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

129. Lastly, Jones and Punelli purported to commit Blue Force as a corporate guarantor to three Promissory Note and Security Agreements with SMI. The three are dated September 23, 2015 for $100,000, June 16, 2016 for $400,000, and September 5, 2017 for $75,000.

130. Then on December 6, 2017, one year after Punelli resigned from Blue Force, a Power of Attorney granted SMI unilateral power to execute on any and all documents required to retitle Blue Force assets serving as collateral under the various SMI Notes and Security Agreement. This Power of Attorney was fraudulently signed on behalf of Blue Force by Punelli signing as

President and Jones signing as CEO. This Power of Attorney was never disclosed to or authorized by the Board of Blue Force.

131. These loan agreements were solely for the benefit of TenX and its subsidiaries. Equally disturbing, Jones was still a director of Blue Force when Punelli resigned from Blue Force and knew Punelli's status as a corporate officer after his departure was false.

132. Punelli concealed these loans from Blue Force, that served the sole benefit of TenX, and intentionally deceived Blue Force by not disclosing these loans, resulting in financial losses to Blue Force.

133. As an corporate officer of Blue Force, Punelli had an affirmative, fiduciary duty to disclose all material facts related to the above loans to Blue Force.

134. Punelli not only breached his fiduciary duties through misrepresentations and concealment, he committed fraud because his fiduciary relationship creates a duty to fully disclose these loans and because he continued to knowingly misrepresent himself as an authorized representative of Blue Force even after departing Blue Force. Punelli's concealment of his herein-described actions prevented Blue Force from discovering or having the reasonable ability to discover the loans prior to Jones providing all the TenX transaction documentation wherein Blue Force was falsely included as a guarantor during the due diligence associated with the redemption of Jones' stock in Blue Force.

135. The fraud was confirmed on April 19, 2018, when in response to a demand letter for collection from Azadian, Punelli provided a sworn Affidavit confirming he had no authority to enter into any agreement on behalf of Blue Force, and that the Merchant Receivables Purchase and Security Agreements were executed without Blue Force's knowledge and authority.

136. In this same Affidavit, Punelli also swore that Blue Force did not receive any use or benefit, including funds of any kind or whatsoever, from these three Merchant Receivables Purchase and Security Agreements.

137. On April 24, 2018, Blue Force sent Punelli a letter reminding him of his resignation from Blue Force and his complete lack of authority to bind Blue Force in any matter whatsoever. In this letter, Punelli was asked if he had committed Blue Force to any other loans, obligations, or any other matter(s). In Punelli's response dated May 2, 2018, Punelli falsely informed Blue Force that he had not committed Blue Force as a guarantor to any other loans or financial instruments.

WHEREFORE, Plaintiff, Blue Force Technologies, Inc., demands judgment on this Count in its favor and against Defendant, James V. Punelli, for compensatory damages together with pre-judgment interest and post-judgment interest, punitive damages pursuant to North Carolina Statutes § 1D - 15, costs including an award of attorneys' fees, and such other relief deemed just and proper.

COUNT V – DECLARATORY ACTION ON THE VALIDITY OF THE GUARANTEES FRAUDULENTLY ENTERED INTO BY JAMES V. PUNELLI AND RAYMOND C. JONES (Against Defendants Midtown Resources MCA LLC, Azadian Group, LLC, and Change Capital Partners Fund 1, LLC)

138. Blue Force re-alleges the allegations contained in paragraphs 1 through 85 of this Complaint.

139. Pursuant to 28 U.S.C. § 2201(a), this Court may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.

140. Between 2015 and 2017, Jones and Punelli entered into guarantees for loans with Azadian, Midtown, and Change Capital Loans, and SMI LLC, using Blue Force as an unknowing and unauthorized guarantor of loans in excess of $2,606,000.

141. Jones and Punelli, without the knowledge of and authority from Blue Force, purported to commit Blue Force as a corporate guarantor to three separate Azadian Merchant Receivables Purchase and Security Agreements dated August 18, 2017 for $417,937.52, October 24, 2017 for $198,050, and December 4, 2017 for $57,200, respectively, by improperly signing on behalf of Blue Force under the non-descript title of "Corporate Officer." These three loan agreements were between Azadian and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

142. Additionally, Jones and Punelli purported to commit Blue Force as a corporate guarantor to four Merchant Receivables Purchase and Security Agreements between Midtown and TenX dated June 16, 2017 for $199,499.52, December 13, 2017 for $204,800, January 15, 2018 for $102,400.50, and February 26, 2018 for $96,000, wherein Punelli and Jones served as personal guarantors. These four loan agreements were between Midtown and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

143. Furthermore, Jones and Punelli purported to commit Blue Force as a corporate guarantor to three Merchant Receivables Purchase and Security Agreements with Change Capital on December 13, 2016 for $399,000.36, February 27, 2017 for $26,599.80, and May 18, 2017 for $330,000. Punelli purported to commit Blue Force as a corporate guarantor by improperly signing the first loan in his alleged capacity as "Corporate Secretary" and the last two as "Corporate Officer." None of the loan agreements was presented to or authorized by Blue Force, and the last two loan documents were executed by Punelli with the full knowledge that he had resigned from

Blue Force. These three loan agreements were between Change Capital and TenX, and funding was solely for the benefit of TenX and its subsidiaries.

144. Equally disturbing and concerning with the loans of Azadian, Midtown, and Change Capital is a clause in the loan agreements have that purports to give the bank a judgment against Blue Force without providing Blue Force its due process rights to defend itself. Specifically, the "Confession of Judgment" states:

> UPON THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER, MERCHANT, GUARANTOR(S), AND CORPORATE GUARANTOR(S) HEREBY AUTHORIZE AND EMPOWER COMPANY, THROUGH ITS ATTORNEY OR THROUGH THE PROTHONOTARY OR CLERK OF ANY COURT OF RECORD, TO APPEAR FOR MERCHANT, GUARANTOR(S) AND CORPORATE GUARANTOR(S), WITH OR WITHOUT COMPLAINT FILED, TO CONFESS AND ENTER JUDGMENT, OR A SERIES OF JUDGMENTS, AGAINST MERCHANT, GUARANTOR(S) AND CORPORATE GUARANTOR(S) IN FAVOR OF COMPANY (AND/OR ITS SUCCESSORTS OR ASSIGNS), FOR THE UNPAID BALANCE OF THE SPECIFIED AMOUNT (AS DEFINED IN THIS AGREEMENT) AND ALL OTHER SUMS PAID BY COMPANY TO OR ON BEHALF OF MERCHANT PURSUANT TO THE TERMS OF ANY AND ALL AGREEMENTS BETWEEN COMPANY AND MERCHANT, TOGETHER WITH ALL COSTS OF SUIT AND REASONABLE ATTORNEYS' FEES FOR COLLECTION OF THE INDEBTEDNESS, ON WHICH JUDGMENT OR JUDGMENTS, ONE OR MORE EXECUTIONS MAY ISSUE FORTHWITH. MERCHANT AND GUARANTOR(S) HEREBY FOREVER WAIVE STAY OF EXECUTION, THE RIGHT OF INQUISITION AND EXTENSIONS OF TIME OF PAYMENT, AGREES TO CONDEMNATION OF ANY PROPERTY LEVIED UPON BY VIRTUE OF ANY SUCH EXECUTION, AND WAIVE ALL EXEMPTIONS FROM LEVY AND SALE OF PROPERTY THAT IS NOR OR HEREINAFTER MAY BE EXEMPTED BY LAW. THIS PARAGRAPH SHALL BE DEEMED A SUFFICIENT WARRANT OF ATTORNEY FOR ALL ACTION AUTHORIZED HEREIN.

145. By reason of the foregoing, Blue Force is entitled to a judgment declaring that the guarantees purportedly entered on behalf of Blue Force by Jones and Punelli with Midtown Resources MCA LLC, Azadian Group, LLC, and Change Capital Partners Fund 1, LLC, are not enforceable against Blue Force.

WHEREFORE, Blue Force Technologies, Inc., demands this Court to declare the loan guarantees entered against Blue Force by Raymond C. Jones and James V. Punelli unenforceable against Blue Force; for the entry of a preliminary and permanent injunction against Defendants Midtown Resources MCA LLC, Azadian Group, LLC, and Change Capital Partners Fund 1; and any additional relief that this Court deems is just and proper.

Dated: December 18, 2018

Respectfully submitted,

/s/ K. Alan Parry
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Megan E.A. Bishop, N.C. Bar #53386
(MDNC admission pending)
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-and-

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Exhibit A

COMMONWEALTH OF VIRGINIA
LOUDOUN COUNTY

AFFIDAVIT

NOW COMES the Affiant, JAMES V. PUNELLI, having been duly sworn and states the following:

1. My name is JAMES V. PUNELLI.

2. I am an adult over the age of 18 years, have never been adjudicated incompetent, suffer from no mental or emotional illnesses and make this Affidavit of my own free will, stating facts of which I have personal knowledge.

3. I am a former minority shareholder, member of the Board of Directors and Treasurer of Blue Force Technologies, Inc., a Delaware corporation "Blue Force."

4. On December 28, 2016, I resigned from my position as a member of the Board of Directors and as the Treasurer of Blue Force.

5. On March 21, 2017, I entered into a Stock Purchase Agreement with Blue Force to sell 18.3 shares (representing 18.3% interest in Blue Foce), being my entire ownership interest in Blue Force. The closing on the sale of my stock to Blue Force occurred on March 21, 2017.

6. Since December 28, 2016, I had no authority to contract on behalf of or enter into any agreement on behalf of Blue Force.

7. On August 18, 2017, I executed a Merchant Receivables Purchase and Security Agreement by and between Azadian Group, LLC and Tenx Group, LLC ("Tenx") (the Merchant Receivables Purchase Agreement") on behalf of Blue Force as a Corporate Guarantor.

8. I executed the Merchant Receivables Purchase Agreement purportedly on behalf of Blue Force; however, I did so without the knowledge and authority of Blue Force. I never notified Blue Force of the existence of the Merchant Receivables Purchase Agreement and its obligations as Corporate Guarantor.

9. Blue Force is not an affiliate of Tenx or Panthera Training Center, LLC.

10. Blue Force never derived any financial or other benefit under the Merchant Receivables Purchase Agreement.

11. I was authorized to signed the Merchant Receivables Purchase Agreement on behalf of Raymond C. Jones in every capacity that Raymond C. Jones purportedly executed the Merchant Receivables Purchase Agreement. I never informed Raymond C. Jones that Blue Force was a Corporate Guarantor under the Merchant Receivables Purchase Agreement and to my knowledge, Raymond C. Jones had no knowledge that Blue Force was a Corporate Guarantor.

FURTHER AFFIANT SAYETH NAUGHT.

This the 19th day of April, 2018.

JAMES V. PUNELLI

Sworn to and subscribed before me
This the 19 day of April, 2018.

Notary Public

Shazia Sarwar
Printed name of Notary Public

(OFFICIAL SEAL)

Shazia Sarwar
Commonwealth of Virginia
Notary Public
Commission No. 7053624
My Commission Expires 8/31/2019

My commission expires: 08/31/19

Exhibit B

COMMONWEALTH OF VIRGINIA
LOUDOUN COUNTY

AFFIDAVIT

NOW COMES the Affiant, RAYMOND C. JONES, having been duly sworn and states the following:

1. My name is RAYMOND C. JONES.

2. I am an adult over the age of 18 years, have never been adjudicated incompetent, suffer from no mental or emotional illnesses and make this Affidavit of my own free will, stating facts of which I have personal knowledge.

3. I am a minority shareholder, member of the Board of Directors, Corporate Secretary and Treasurer of Blue Force Technologies, Inc., a Delaware corporation "Blue Force."

4. I am an owner and a Managing Member of TenX Group LLC ("TenX"), a Delaware Limited Liability Company also doing business as "PTC" and "Panthera Worldwide."

9. Blue Force is not an affiliate of Tenx LLC, or PTC, or Panthera Worldwide.

5. On, or about, August 18, 2017, I received an email from DocuSign containing a Merchant Receivables Purchase and Security Agreement by and between Azadian Group, LLC ("Azadian Group") and Tenx Group, LLC ("Tenx") (the Merchant Receivables Purchase Agreement"). Without opening or in any way reviewing the document, I forwarded the email to James V. Punelli and asked for him to execute the document on my behalf for the sake of expediency. Further, I did not review the final copy of the document after signature.

6. I was not involved in the loan application process for the Merchant Receivables Purchase Agreement, and therefore did not have any knowledge of the use of Blue Force as a corporate guarantor in the agreement.

6. On the morning of April 16, 2018, I was notified by Mr. Punelli that Blue Force would be receiving a demand letter from Azadian Group in the next few days. This was a surprise to me, as I had no knowledge that Blue Force was in any manner involved as a party to the Merchant Receivables Purchase Agreement, guarantor or otherwise.

7. I can state unequivocally that prior to April 16, 2018, I was unaware of Blue Force being a purported guarantor under the Merchant Receivables Purchase Agreement. Involving Blue Force would have required me to obtain a Board Resolution from Blue Force approving the loan. As the other two board members at Blue Force have no financial interest in TenX, I believe they would never have approved a loan guarantee.

FURTHER AFFIANT SAYETH NAUGHT.

This the 2d day of May, 2018.

RAYMOND C. JONES

Sworn to and subscribed before me
This the 2nd day of May, 2018.

Notary Public

Jessica Arteaga
Printed name of Notary Public

JESSICA ARTEAGA
NOTARY PUBLIC
REG # 7687864
COMMISSION EXPIRES 1/31/2020
COMMONWEALTH OF VIRGINIA

(OFFICIAL SEAL)

My commission expires: 1/31/2020

18BD,CASSET,CLOSED,MEDIATION

U.S. District Court
North Carolina Middle District (NCMD)
CIVIL DOCKET FOR CASE #: 1:18-cv-01028-CCE-JLW

BLUE FORCE TECHNOLOGIES, INC. V. JONES, ET AL.
Assigned to: JUDGE CATHERINE C. EAGLES
Referred to: MAG/JUDGE JOE L. WEBSTER
Cause: 28:1332 Diversity

Date Filed: 12/18/2018
Date Terminated: 05/01/2019
Jury Demand: Plaintiff
Nature of Suit: 370 Fraud or Truth-In-Lending
Jurisdiction: Diversity

Plaintiff

BLUE FORCE TECHNOLOGIES, INC.

represented by **IGNACIO MIGUEL ALVAREZ**
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V.

Defendant

RAYMOND C. JONES

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ATTORNEY TO BE NOTICED

Defendant

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RESTON, VA 20190

represented by **GEOFFREY M. DURESKA**
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

JASON A. MCGRATH
(See above for address)
ATTORNEY TO BE NOTICED

Defendant

MIDTOWN RESOURCES MCA LLC
TERMINATED: 12/28/2018

Defendant

AZADIAN GROUP, LLC
TERMINATED: 12/28/2018

Defendant

CHANGE CAPTIAL PARTNERS FUND 1, LLC
TERMINATED: 12/28/2018

Date Filed	#	Docket Text
12/18/2018	1	COMPLAINT against All Defendants (Filing fee $ 400 receipt number 0418-2479097.), filed by Blue Force Technologies, Inc.. (Attachments: # 1 Exhibit Exhibit A-Affidavit of James V. Punelli, # 2 Exhibit Exhibit B-Affidavit of Raymond C. Jones)(PARRY, KIRK) (Entered: 12/18/2018)
12/18/2018	2	Corporate Disclosure Statement by Blue Force Technologies, Inc.. (PARRY, KIRK) (Entered: 12/18/2018)
12/18/2018	3	NOTICE of Appearance by attorney KIRK ALAN PARRY, JR on behalf of Plaintiff Blue Force Technologies, Inc. (PARRY, KIRK) (Entered: 12/18/2018)

12/18/2018		CASE REFERRED to Mediation pursuant to Local Rule 83.9b of the Rules of Practice and Procedure of this Court. Please go to our website under Attorney Information for a list of mediators which must be served on all parties. (Coyne, Michelle) (Entered: 12/18/2018)
12/19/2018		Case ASSIGNED to JUDGE CATHERINE C. EAGLES and MAGISTRATE JUDGE JOE L. WEBSTER. (Coyne, Michelle) (Entered: 12/19/2018)
12/20/2018	4	**STANDARD ORDER** for civil cases proceeding before JUDGE CATHERINE C. EAGLES. (Sanders, Marlene) (Entered: 12/20/2018)
12/21/2018	5	Summons Issued as to RAYMOND C. JONES, and JAMES V. PUNELLI. (Attachments: # 1 Jones)(Coyne, Michelle) (Entered: 12/21/2018)
12/21/2018	6	Notice of Right to Consent. Counsel shall serve the attached form on all parties. (Attachments: # 1 Consent Form)(Coyne, Michelle) (Entered: 12/21/2018)
12/27/2018	7	NOTICE by BLUE FORCE TECHNOLOGIES, INC. *of Special Appearance* (ALVAREZ, IGNACIO) (Entered: 12/27/2018)
12/28/2018	8	NOTICE OF VOLUNTARY DISMISSAL WITH PREJUDICE *Midtown Resources MCA LLC, Azadian Group LLC and Change Capital Partners Fund I LLC* by BLUE FORCE TECHNOLOGIES, INC. (PARRY, KIRK) Modified on 12/28/2018 to correct title of document (Taylor, Abby). (Entered: 12/28/2018)
01/14/2019	9	AFFIDAVIT OF SERVICE as to JAMES V. PUNELLI served on 12/26/2018, answer due 1/16/2019. (PARRY, KIRK) (Entered: 01/14/2019)
01/14/2019	10	WAIVER OF SERVICE of SUMMONS by BLUE FORCE TECHNOLOGIES, INC.. RAYMOND C. JONES waiver sent on 1/9/2019, answer due 3/11/2019. (PARRY, KIRK) (Entered: 01/14/2019)
01/17/2019	11	MOTION for Entry of Default by BLUE FORCE TECHNOLOGIES, INC.. (PARRY, KIRK) (Entered: 01/17/2019)
01/22/2019	12	MOTION to Set Aside Entry of Default by JAMES V. PUNELLI. (Attachments: # 1 Envelope)(Taylor, Abby) Modified to correct title of document per Text Order entered on 02/01/2019. (Taylor, Abby). (Entered: 01/22/2019)
01/23/2019		Motions Referred: RE: 12 MOTION for Extension of Time to File Answer re 1 Complain to MAG/JUDGE JOE L. WEBSTER (Sanders, Marlene) (Entered: 01/23/2019)
01/23/2019	13	RESPONSE in Opposition re 12 MOTION for Extension of Time to File Answer re 1 Complaint, filed by JAMES V. PUNELLI filed by BLUE FORCE TECHNOLOGIES, INC.. Replies due by 2/6/2019 (ALVAREZ, IGNACIO) (Entered: 01/23/2019)
01/24/2019		Motions Referred: RE: 11 MOTION for Entry of Default to MAG/JUDGE JOE L. WEBSTER. (Sanders, Marlene) (Entered: 01/24/2019)
02/01/2019		**TEXT ORDER** granting 11 Motion for Entry of Clerk's Default and directing the Clerk to enter a default as to Defendant James V. Punelli, pursuant to Federal Rule of Civil Procedure 55(a), in light of the fact that Defendant Punelli

		was served with the Complaint and Summons on December 26, 2018 (Docket Entry 9), and Defendant did not timely "plead or otherwise defend" the Complaint on or before January 16, 2019. Defendant Punelli's Letter filed with the Court on January 22, 2019 shows that he received the Complaint and Summons by mail. (Docket Entry 12.) Proof of service is further demonstrated by Plaintiff's Affidavit showing Defendant Punelli was served on December 26, 2018. (Docket Entry 9.) Therefore, pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, the Clerk is directed to enter a default as to Defendant James V. Punelli. Furthermore, the Court will construe Defendant Punelli's Letter document (Docket Entry 12) as a Motion to Set Aside Entry of Default. Plaintiff shall have up to and including February 8, 2019 to file any response to Defendant's motion. Thereafter, Defendant Punelli shall file a reply within 5 days of the filing of Plaintiff's response. Should the Court thereafter set aside the entry of default, the undersigned will then determine when an Answer or other responsive pleadings are due. Issued by MAG/JUDGE JOE L. WEBSTER on 2/1/2019.(Lee, Pedra) (Entered: 02/01/2019)
02/01/2019		Set/Response Deadline 02/08/2019. re 12 MOTION to Set Aside Entry of Default. See Text Order entered on 02/01/2019. (Taylor, Abby) (Entered: 02/01/2019)
02/01/2019	14	**SET ASIDE pursuant to order dated 5/1/2019****ENTRY OF DEFAULT** signed by Clerk of Court, JOHN S. BURBAKER on 02/01/2019. In accordance with the Order entered by the Honorable Joe L. Webster on February 1, 2019, default is hereby entered against Defendant JAMES V. PUNELLI. (Taylor, Abby) Modified on 5/1/2019 (Coyne, Michelle). (Entered: 02/01/2019)
02/06/2019	15	RESPONSE in Opposition re 12 MOTION to Set Aside Entry of Default , filed by JAMES V. PUNELLI *PLAINTIFFS RESPONSE IN OPPOSITION TO DEFENDANT PUNELLIS MOTION TO SET ASIDE ENTRY OF CLERK DEFAULT* filed by BLUE FORCE TECHNOLOGIES, INC. Replies due by 2/11/2019 (PARRY, KIRK) (Entered: 02/06/2019)
02/06/2019		Set/Reply Deadline re 12 MOTION to Set Aside Entry of Default : Replies due by 2/11/2019. (Taylor, Abby) (Entered: 02/07/2019)
02/11/2019	16	MOTION to Set Aside Default by JAMES V. PUNELLI. Response to Motion due by 3/7/2019 (MCGRATH, JASON) (Entered: 02/11/2019)
02/11/2019	17	REPLY re 13 Response in Opposition to Motion filed by BLUE FORCE TECHNOLOGIES, INC. *to Motion for Ext. of Time* filed by JAMES V. PUNELLI. (MCGRATH, JASON) Modified on 2/12/2019 to correct title of document (Taylor, Abby). (Entered: 02/11/2019)
02/11/2019	18	BRIEF re 16 MOTION to Set Aside Default . (MCGRATH, JASON) (Entered: 02/11/2019)
02/11/2019	19	MOTION to Dismiss by RAYMOND C. JONES, JAMES V. PUNELLI. Response to Motion due by 3/4/2019 (Attachments: # 1 Exhibit Exhibit A - Termination of Guaranty Agreements)(MCGRATH, JASON) (Entered: 02/11/2019)
02/11/2019	20	

		BRIEF re 19 MOTION to Dismiss . (Attachments: # 1 Exhibit Exhibit A - Termination of Guaranty Agreements)(MCGRATH, JASON) (Entered: 02/11/2019)
03/04/2019	21	RESPONSE in Opposition re 19 MOTION to Dismiss filed by RAYMOND C. JONES, JAMES V. PUNELLI filed by BLUE FORCE TECHNOLOGIES, INC.. Replies due by 3/18/2019 (PARRY, KIRK) (Entered: 03/04/2019)
03/07/2019	22	RESPONSE in Opposition re 16 MOTION to Set Aside Default filed by JAMES V. PUNELLI filed by BLUE FORCE TECHNOLOGIES, INC.. Replies due by 3/21/2019 (ALVAREZ, IGNACIO) (Entered: 03/07/2019)
03/18/2019	23	REPLY re 21 Response in Opposition to Motion *to Dismiss* filed by RAYMOND C. JONES, JAMES V. PUNELLI. (MCGRATH, JASON) Modified on 3/19/2019 to correct title of document (Taylor, Abby). (Entered: 03/18/2019)
03/21/2019	24	REPLY, filed by Defendant JAMES V. PUNELLI, to Response to 12 MOTION for Extension of Time to File Answer re 1 Complaint,, 16 MOTION to Set Aside Default filed by JAMES V. PUNELLI. (DURESKA, GEOFFREY) (Entered: 03/21/2019)
03/22/2019		Motions Submitted: 12 MOTION for Extension of Time to File Answer re 1 Complaint,, 19 MOTION to Dismiss , 16 MOTION to Set Aside Default to JUDGE CATHERINE C. EAGLES. (Sanders, Marlene) (Entered: 03/22/2019)
03/26/2019	25	NOTICE of Hearing: Motion Hearing set for 4/9/19 at 2:00 PM in Greensboro Courtroom #3 before JUDGE CATHERINE C. EAGLES. (Sanders, Marlene) (Entered: 03/26/2019)
04/09/2019		Minute Entry for proceedings held before JUDGE CATHERINE C. EAGLES: Attorneys Ignacio Alvarez and Megan Bishop present as counsel for plaintiff. Attorneys Jason McGrath and Geoggrey Dureska present as counsel for defendants. Motion Hearing held on 4/9/2019 re 12 MOTION for Extension of Time to File Answer re 1 Complaint, filed by JAMES V. PUNELLI, 19 MOTION to Dismiss filed by RAYMOND C. JONES, JAMES V. PUNELLI, 16 MOTION to Set Aside Default filed by JAMES V. PUNELLI. For reasons stated in open court, Court takes matter under advisement. (Court Reporter Jane Calhoun.) (Sanders, Marlene) (Entered: 04/09/2019)
04/12/2019	26	NOTICE of Appearance by attorney GEOFFREY M. DURESKA on behalf of Defendants RAYMOND C. JONES, JAMES V. PUNELLI (DURESKA, GEOFFREY) (Entered: 04/12/2019)
04/12/2019		Case Reported Settled by defense counsel, Geoffrey Dureksa. Stipulation of Dismissal due by 5/13/2019. (Sanders, Marlene) (Entered: 04/15/2019)
05/01/2019	27	JOINT MOTION*To Set Aside Default and Stipulation of Dismissal* by RAYMOND C. JONES, JAMES V. PUNELLI. (Attachments: # 1 Text of Proposed Order)(DURESKA, GEOFFREY) (Entered: 05/01/2019)
05/01/2019		Motions Submitted: 27 JOINT MOTION*To Set Aside Default and Stipulation of Dismissal* to JUDGE CATHERINE C. EAGLES. (Sanders, Marlene) (Entered: 05/01/2019)

05/01/2019	28	**CONSENT ORDER** signed by Judge Catherine C. Eagles on 05/01/2019. The Consent Motion should be GRANTED. Defendant Punelli's Motions to Set Aside Default 12 and 16 are GRANTED. FURTHER that the Clerk's Entry of Default 14 is hereby set aside. This case is DISMISSED WITH PREJUDICE with each party bearing their own costs and attorney's fee incurred in the prosecution of this matter. (Coyne, Michelle) (Entered: 05/01/2019)

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