

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
AMERICAN HOME ASSURANCE COMPANY

Plaintiff

-against-

Index No.:112117/08

ANSWER

VULCAN ADVANCED MOBILE POWER SYSTEMS, LLC
and VULCAN CAPITAL MANAGEMENT, INC.

Defendants.

-----X

1. Paragraph 1: Plaintiff has insufficient knowledge on which to form a belief and leaves the plaintiff to its proof.
2. Paragraph 2: Admit.
3. Paragraph 3: Admit
4. Paragraph 4: Deny
5. Paragraph 5: Admit
6. Paragraph 6: Plaintiff has insufficient knowledge on which to form a belief and leave the plaintiff to its proof.
7. Paragraph 7: Plaintiff has insufficient knowledge on which to form a belief and leave the plaintiff to its proof.
8. Paragraph 8: Plaintiff has insufficient knowledge on which to form a belief and leave the plaintiff to its proof.
9. Paragraph 9: Plaintiff has insufficient knowledge on which to form a belief and leave the plaintiff to its proof.
10. Paragraph 10: Admit

FILED
 JAN 21 2009
 NEW YORK
 COUNTY CLERK'S OFFICE

11. Paragraph 11: Deny

12. Paragraph 12: Deny

13. Paragraph 13: Deny

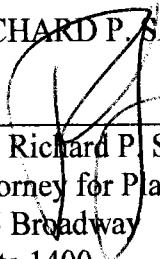
AFFIRMATIVE DEFENSES

1. The defendants move that the matter be dismissed wholly for plaintiff's failure to state a cause of action against both defendants.
2. The court has not jurisdiction over either of the defendants pursuant to the promissory note dated August 30, 2006, mentioned in plaintiff's paragraph 6, but never attached to the complaint. The defendants attach the promissory note hereto as Ex. A.
3. The court has not jurisdiction over the subject matter in the complaint. See Ex. A.
4. The parties agreed that any action arising from the promissory note would be heard under the laws and in the State of North Carolina. See Ex. A.
5. Res Judicata: A suit was already filed in the matter of American Home Assurance Company v. Texas MPower Systems, LLC, Vulcan Advanced Mobile Power Systems LLC et. al., State of North Carolina in the General Court of Justices Superior Court Division File No: 05-cvs 0428 by Attorney Attorney Jim Wade Goodman, Attorney for the Plaintiff.
6. Attached to the complaint in Ex. B is the bill for services rendered made out to Texas MPower Systems, LLC, not either of the defendants in this matter, thus indicating they were not a party to the underlying action.

7. Pursuant to N.C.R.Civ.P 41, Jim Wade Goodman, Attorney for Plaintiff, voluntarily dismissed the North Carolina complaint (Ex. B) against Vulcan Advanced Mobile Power Systems, LLC without Prejudice. See Ex. C.
8. There was no consideration provided to Vulcan Advanced Mobile Power Systems, LLC when signing the Promissory Note, thus making same null and void.
9. There is no privity of contract between the plaintiff and the defendant, Vulcan Capital Management, Inc.
10. The plaintiff has filed suit in New York State to harass and annoy the defendants and force them incur attorney fees, costs and expenses, even though they already agreed pursuant to the Promissory Note that the proper jurisdiction for this matter is North Carolina.

Dated: New York, New York
January 19, 2008

RICHARD P. SAVITT, ESQ.


By: Richard P. Savitt
Attorney for Plaintiff
305 Broadway
Suite 1400
New York, New York 10007
917-414-2523

TO:

Cohen and Krassner
450 Seventh Ave.
Suite 1608
New York, NY 10123

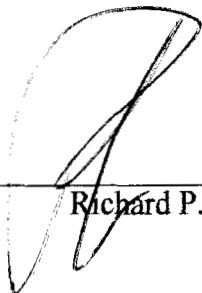
AFFIDAVIT OF SERVICE VIA REGULAR MAIL

STATE OF NEW YORK)
 ss:
 COUNTY OF NEW YORK)

Richard P. Savitt, being duly sworn deposes and says:

I am not a party to the action. I am over 18 yrs of age. I reside in New York, New York. On January 20, 2009, I served Plaintiff's counsel with Defendant's Answer and exhibits attached thereto in a post-paid wrapper by mail in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State addressed to each of the following persons at the last known address set forth after each name:

Cohen and Krassner
 450 Seventh Ave.
 Suite 1608
 New York, NY 10123



Richard P. Savitt

Sworn to before me this
 21st day of January 2009



NOTARY PUBLIC

RICHARD B. MINOR
 Notary Public, State of New York
 Reg. No. 04M16147382
 Qualified in New York County
 Commission Expires June 15, 2010

EX. A

PROMISSORY NOTE

Principal Amount \$1,218,769.00
August 30, 2006

FOR VALUE RECEIVED, the undersigned, Vulcan Advanced Mobile Power Systems, LLC, (the "Maker"), hereby promises to pay to the order of American Home Assurance Company, a qualified New York corporation (the "Payee") the principal sum of \$1,218,769.00 (One Million Two Hundred Eighteen Thousand Seven Hundred Sixty Nine Dollars) plus interest at a rate of 5% per annum in the amount of (assuming no prepayment by Maker) \$228,212.48 (Two Hundred Twenty Eight Thousand Dollars and Forty Eight Cents), for a total sum of \$1,446,981.48 (One Million Four Hundred Forty Six Thousand Nine Hundred Eighty One Dollars and Forty Eight Cents). This sum shall be paid as follows:

In equal monthly installments of Seventeen Thousand Two Hundred Twenty Five Dollars and Ninety Seven Cents (\$17,225.97), beginning January 1, 2007 and continuing on the 1st of each and every month thereafter until all principal and accrued interest is paid in full.

All payments due under this Note shall be forwarded to:

LERNER & WEISS, APC
16000 Ventura Blvd., Ste. 1111
Encino, CA 91436

In the event of a default (a) in any payment of all or any part of the indebtedness evidenced by this Note, (b) upon the filing of a petition under any provision of applicable bankruptcy or similar law, or appointment of a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of the Maker; (c) upon the insolvency of the Maker or upon an admission in writing by the Maker of its inability to pay its debts as such debts become due, (d) upon the making of any assignment for the benefit of creditors by the Maker, (e) upon the issuance of an attachment against the property of the Maker or (f) upon the entry of a judgment against the Maker, the Payee may, at its option, declare the unpaid balance hereof to be immediately due and payable.

The Maker and each surety, endorser and guarantor waive all demands for payments, presentations for payment, notices of intention to accelerate maturity, notices of acceleration of maturity, protests and notices of protest and any other formality with respect to this Note.

Each payment hereunder shall be applied first to payment of accrued interest, with the remainder applied to the unpaid principal balance.

This Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied in reverse order of their maturity.

The Maker agrees to reimburse the Payee on demand for all costs, expenses, and charges, including, without limitation, attorneys' fees, costs and expenses in connection with the interpretation, performance or enforcement of this Note.

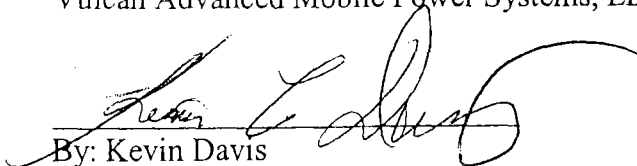
When the context requires, singular nouns and pronouns shall include the plural.

Each Maker is responsible for all obligations under this Note.

The Maker consents to the nonexclusive jurisdiction and venue of the state or federal courts located in North Carolina.

This Note shall be governed by, and interpreted and construed in accordance with, the law of the State of North Carolina, without regard to conflicts of law principles.

Vulcan Advanced Mobile Power Systems, LLC

A handwritten signature in black ink, appearing to read "Kevin Davis", is written over a horizontal line.

By: Kevin Davis
Chairman, Board of Managers

EX. B

NORTH CAROLINA
BLADEN COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO.: 05 CVS 0428

AMERICAN HOME ASSURANCE COMPANY,
Plaintiff

v.

TEXAS MPOWER SYSTEMS, L.L.C.,
VULCAN ADVANCED MOBILE POWER
SYSTEMS, L.L.C. and VULCAN POWER
SERVICES, L.L.C.,
Defendants

AMENDED COMPLAINT

FILED
05 JUN 22 AM 10:27
BLADEN COUNTY, C.S.C.

Plaintiff, complaining of the Defendants, says as follows:

1. Plaintiff American Home Assurance Company ("American Home") is a corporation with its principal place of business in the State of New York. American Home is duly licensed in the State of North Carolina to write policies of the type to which this action pertains.
2. Defendant Texas MPower Systems, L.L.C. ("Texas MPower") is, upon information and belief, a Texas limited liability company with its principal place of business in Elizabethtown, Bladen County, North Carolina.
3. Defendant Vulcan Advanced Mobile Power Systems, L.L.C. ("Vulcan AMPS") is a North Carolina limited liability company with its principal place of business in Elizabethtown, Bladen County, North Carolina.
4. Defendant Vulcan Power Services, L.L.C. ("Vulcan Power") is a North Carolina limited liability company with its principal place of business in Elizabethtown, Bladen County, North Carolina. Upon information and belief, Vulcan Power is a wholly owned subsidiary of Vulcan AMP.
5. Sometime prior to December 5, 2003, American Home issued policy number GTP 009104122 to Texas MPower for group travel insurance covering injuries

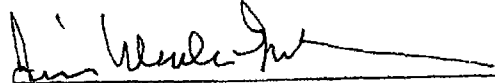
- sustained by employees of the insured while traveling abroad (the "Policy"). The effective dates of the policy were December 5, 2003 through December 5, 2004.
6. By policy amendment riders effective December 5, 2002, the Policy also covered war risks.
 7. By policy amendment rider effective December 5, 2003, Vulcan AMPS became a policyholder.
 8. By policy rider effective February 3, 2004, Vulcan Power became a policyholder.
 9. After the initial issuance of the Policy, policy amendment riders were issued at the request of the Defendants to cover additional employees not covered under the original Policy. Each such rider provided for the payment of additional premiums to cover the additional risks being undertaken.
 10. Prior to November 9, 2004, an invoice was sent to Defendants for the total unpaid premiums due under the Policy and the amendment riders thereto in the amount of \$1,218,769.00. A copy of this invoice is attached hereto as Exhibit A.
 11. By letters dated November 18, 2004, February 10, 2005 and March 4, 2005, Defendants promised payment of the outstanding invoice. These letters are attached hereto as Exhibit B, C and D, respectively.
 12. Unfortunately, by April 11, 2005, Defendants had still failed to remit payment. Accordingly, by letter of that date, counsel for American Home wrote to Defendants demanding payment of the outstanding principal sum due under the Policy amendment riders. A copy of this letter is attached hereto as Exhibit E. However, despite such demand, Defendants have failed and refused to tender the payment, and there is still due and owing the principal sum of \$1,218,769.00.

WHEREFORE, American Home respectfully prays this Court as follows:

1. That it have and recover the principal sum of \$1,218,769.00 from the Defendants jointly and severally;
2. That it have and recover interest at the legal rate from November 9, 2004, the due date of the premium;
3. That the costs of this action be taxed against the Defendants; and

4. For such other and further relief as this Court may deem just and proper.

This the ^{20th} day of June, 2006.



Jim Wade Goodman
Attorney for Plaintiff
202 Fairway Drive (28305)
Post Office Box 87009
Fayetteville, NC 28304-7009
(910) 483-8104

Of Counsel:
McCoy Weaver Wiggins
Cleveland Rose Ray P.L.L.C.

CERTIFICATE OF SERVICE

This is to certify that the undersigned has this date served the foregoing AMENDED COMPLAINT on the Defendants TEXAS MPOWER SYSTEMS, LLC and VULCAN POWER SERVICES, LLC by depositing a copy thereof in a prepaid envelope in a post office or official depository under the exclusive care and custody of the United States Post Office properly addressed as follows:

Keith Burns, Esq.
Morris, Manning & Martin, LLP
Post Office Box 12768
Research Triangle Park, NC 27709

This the 20th day of June, 2006.

BY:


JIM WADE GOODMAN

FILED
06 JUN 28 AM 10:28
BLADEN COUNTY, C.S.C.
RY



American International Group
 Newport Industrial Park
 405 East Marsh Lane Suite 1
 Newport, DE 19804
 (302) 633-7029
 Fax (302) 633-7041

Legal Audit Delaware
 Harry R. Bryant Jr.
 Managing Director
 Harry.Bryant2@aig.com

06 JUN 28 AM 10:28
 JUN 27 AM 10:55

FILED

Insured: Scott Campbell
 Texas MPower Systems LLC
 2669 S. E. Monroe Street
 Stuart, FL 34997

Producer: MMG Agency, Inc.

BILLING INVOICE

Description	Amount
American Home Assurance Company	
Policy #: GTP 910 4122 Effective: 12/05/2003 - 2004	
Policy Premium	5,040.00
Policy Amendment Riders	1,404,375.00
Less Payments	(190,646.00)
Final Policy Earned Premium As Follows:	1,218,769.00

TOTAL DUE AIG 1,218,769.00

Please remit payment by: 11/09/2004

Mailing Address
 American International Group
 Newport Industrial Park
 Legal Audit Delaware
 405 East Marsh Lane
 Newport, DE 19804
 Attn: Harry R. Bryant Jr.

Wire Instruction
 Chase Manhattan Bank
 4 Chase Metrotech Center
 Brooklyn, NY 11245
 ABA # 021-000-021
 Acct # 323-160-387
 Acct. Name American International Group
 Attn: Harry R. Bryant
 Legal Collection Department



Texas MPower Systems, LLC
664 Ben Greene Industrial Park Drive
Elizabethtown, NC 28337

FILED
05 JUN 22 AM 10:28
BLADEN COUNTY, C.S.C.
NY

November 18, 2004

Mr. Harry R. Bryant, Jr.
American International Group
Legal Audit Delaware
Newport Industrial Park
405 East Marsh Lane
Newport Delaware 19804

FILED
05 JUN 27 AM 10:56
BLADEN COUNTY, C.S.C.
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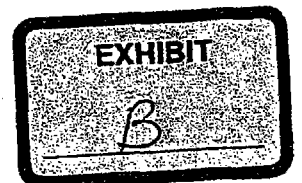
Re: AIG Policy # GTP 910 4122

Dear Mr. Bryant,

My name is Gerald L. Campbell and I am the CEO and principal of Texas MPower Systems, LLC. In following up in your discussions with my colleagues, Scott Campbell and Kevin Davis, I wanted to reassure you that it is our every intention to fully pay AIG for the outstanding balance on this insurance policy. I want to underscore our appreciation of your working with us to resolve this amicably and look forward to continuing a long relationship with AIG.

As you discussed with my associates, this policy cover our workers in Iraq that were providing services to Fluor Daniels, a prime contractor to the Department of Defense, in Iraq. Our business involves providing manpower to help restore electricity at various locations in Iraq and we had a large contract with Fluor. Fluor does not dispute that significant sums are owed to us for insurance and other items that are all property chargeable under the contract with Fluor that they intern pass through to the US Government under their prime contract with the Department of Defense. For manpower, insurance, security and services, Fluor owes us in excess of 2 million dollars on invoices, some of which are in excess of 140 days old.

Fluor tells us that the US Government still owes them a large amount under the prime contract. We have been working with Fluor to resolve this situation so that we can make payment to you for some time. Yesterday, we had a meeting with Fluor executives in South Carolina who told us that although the US Government has not as yet paid them what is outstanding to Fluor, their board has authorize them to pay its subcontractors and that with the exception of approximately \$13,000, we would receive payment from Fluor in December.



If Fluor had not agreed to make good on what it owes, we were preparing to go directly to the US Army, which has a mechanism to pay subcontractors directly when prime contractors do not. This approach was about to be undertaken when Fluor agreed to clear up this account.

We expect that we will be in a position to clear up these outstanding invoices relatively shortly and want to thank you for working with us.

If you have any questions, feel free to call Scott Campbell or myself at (910) 862-4444 or Kevin Davis at (212) 980-9833.

Sincerely,



Gerald L. Campbell