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WEBCAT CORPORATION, HORIZON
CORPORATION, and WORLD COMMERCE
HOLDINGS, INC.

FILED

LOS ANGELES SUPERIOR COURT

AUG 9 8 2003

JOHN A. CLARKE, CLERK

BY S. L. SOLEMAN, DEPUTY

Case assigned to
Judge

Ronald Schigian

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

WEBCAT CORPORATION, a Japanese
Corporation, HORIZON CORPORATION,
a Japanese Corporation, and WORLD
COMMERCE HOLDINGS, INC., a
Hawaii corporation,

Plaintiffs,

vs.

OKAIKEI, INC., a California corporation,
I-KESSAI, INC., a California corporation,
KOTARO SHIMOGORI, an individual,
CHARLES LEE, an individual,
CHRISTOPHER RUSCH, an individual,
and DOES 1-100, inclusive,

Defendants.

Case No. BC300534

COMPLAINT FOR:

- (1) BREACH OF WRITTEN CONTRACT
(SEVEN COUNTS);
- (2) FRAUD AND
MISREPRESENTATION;
- (3) CONVERSION;
- (4) BUSINESS & PROFESSIONS CODE §
17200

Plaintiffs, WebCAT Corporation ("WebCAT"), Horizon Corporation ("Horizon"), and
World Commerce Holdings, Inc. ("WCH") (collectively, "Plaintiffs"), for their complaint
Defendants Okaikei, Inc. ("Okaikei"), I-Kessai, Inc. ("Kessai"), Kotaro Shimogori
("Shimogori"), Charles Lee ("Lee"), Christopher Rusch ("Rusch"), and Does 1 through 100
(collectively, "Defendants"), allege as follows:

LosAngeles/119600.5

ORIGINAL

COMPLAINT

I.

JURISDICTION AND VENUE

1. The Court has jurisdiction over Defendants Okaikei and I-Kessai because they are California corporations with their principal places of business in this judicial district.

2. Plaintiffs are informed and believe that Defendant Shimogori is a resident of this judicial district.

II.

THE PARTIES

3. Plaintiff WebCAT is, and at all relevant times was, a corporation organized and existing under the laws of Japan, having its main office located at Ebisu Garden Place Tower, 18F 4-20-3 Ebisu, Shibuya-ku, Tokyo, Japan. WebCAT was previously known as HIT, Ltd. which changed its name to WebCAT on or about August 26, 2002.

4. Plaintiff Horizon is, and at all relevant times was, a corporation organized and existing under the laws of Japan, having its main office located at 1-8-2, Shintomi, Chuo-ku, Tokyo 140-0041, Japan. Horizon merged its operations with WebCAT on or about August 26, 2002. Unless otherwise stated, WebCAT and Horizon shall be collectively referred to as "WebCAT."

5. Plaintiff WCH is, and at all relevant times was, a corporation organized and existing under the laws of the State of Hawaii, having its main office located at 1777 Ala Moana Blvd., Ste. 220, Honolulu, Hawaii 96815.

6. Plaintiffs are informed and believe that Defendant Okaikei is, and at all relevant times was, a corporation organized and existing under the laws of the State of California, having its main office located at 15303 Ventura Boulevard, Suite 1290, Sherman Oaks, California 91403.

7. Plaintiffs are informed and believe that Defendant I-Kessai is, and at all relevant times was, a corporation organized and existing under the laws of the State of California, having its main office located at 16841 Bollinger Drive, Pacific Palisades, California 90272.

8. Plaintiffs are informed and believe that Defendant Shimogori is an individual who resides, and at all relevant times was residing, at 16841 Bollinger Drive, Pacific Palisades, CA 90272, and who serves, and at all relevant times was serving, as the CEO of Okaikei.

9. Plaintiffs are informed and believe that Defendant Lee is an individual who resides, and at all relevant times was residing, at 41 Vernon, Newport Coast, CA 92657, and who serves, and at all relevant times was serving, as the President of Okaikei.

10. Plaintiffs are informed and believe that Defendant Rusch is an individual who resides, and at all relevant times was residing, at 31 MacArthur Crescent, Apt. E519, Santa Ana, CA 92707, and who serves, and at all times relevant herein was serving, as the Vice President and General Counsel of Okaikei.

11. Plaintiffs do not know the true names and capacities, whether individual, corporate, associate, or otherwise, of the Defendants identified in the Complaint as DOES 1 through 100, inclusive, and, therefore, sues said Defendants by such fictitious names. Plaintiffs will amend this Complaint to allege their true names and capacities when ascertained. Plaintiffs are informed and believe that each of such fictitiously named Defendant is responsible in some manner for the occurrences alleged in this Complaint and that Plaintiffs' damages were proximately caused by the Defendants' conduct.

III.

BACKGROUND FACTS

12. This Complaint seeks damages for Defendants' breaches of various contracts and tortious conduct related to Plaintiffs' efforts to obtain cross-border credit card processing services in the United States for merchant credit card transactions generated in Japan. Plaintiffs' claims involve two separate services offered by Okaikei serving different market segments: the Okanjo Service for regular merchants and the I-Kessai Service for high risk merchants.

13. In Japan, a significant number of businesses including but not limited to smaller hotels, restaurants, bars, and “mom and pop” businesses, and certain high risk businesses, are unable or find it difficult to obtain credit card accounts. In addition, the typical processing time

1 for credit card transactions can be 60 to 90 days, and the fee payable to the processing bank is
2 typically greater than in the United States. In contrast, in the United States, most businesses are
3 able to obtain a credit card account, the processing time is a much shorter 10 to 15 days, and the
4 fee payable to the processing bank is much lower than in Japan. In an effort to offer the more
5 favorable credit card processing terms to Japanese merchants, Plaintiffs entered into various
6 agreements with Okaikei and I-Kessai who stated that they could provide cross-border credit card
7 processing services between Japan and the United States. However, as described below, the
8 Defendants breached those agreements and, through their fraud and misrepresentations, caused
9 more than ¥ 300,000,000 [\$2.5 million¹] in out-of-pocket damages to Plaintiffs.

10 **The Okanjo Service**

11 14. On January 10, 2002, Horizon and Okaikei entered into the Okanjo Service
12 Distribution Agreement (the "Okanjo Agreement"), pursuant to which Okaikei agreed, among
13 other things, to provide "an internet payment gateway through [Okaikei's] proprietary internet
14 transaction service" (the "Okanjo Service") to merchants who subscribed the Okanjo Service
15 through Horizon. A true and correct copy of the Okanjo Agreement is attached as Exhibit 1.

16 15. Pursuant to the terms of the Okanjo Agreement, Okaikei granted Horizon the non-
17 exclusive, non-transferable right to sell subscriptions to use the Okanjo Service to merchants in
18 return for the payment of a set-up fee of ¥3,150,000 per 1,000 merchant-subscribers, a monthly
19 fee for each subscribing merchant and a per transaction fee. (Okanjo Agreement ¶ 1.) In return,
20 Okaikei was to provide its Okanjo Service to process the subscribing merchants VISA,
21 MasterCard, American Express, Diners, and JCB credit sales. (Okanjo Agreement ¶ 2.)

22 16. On January 21, 2002, Horizon paid to Okaikei the set-up fee of ¥3,150,000
23 [\$26,700] pursuant to the terms of the Okanjo Agreement. Horizon also paid a software
24 development fee of ¥3,750,000 [\$31,800] so that the Okanjo Service would work with Horizon's
25 proprietary wireless card reader that Horizon had developed at considerable expense.

26 17. After concluding the Okanjo Agreement, Horizon engaged in a substantial sales

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28 ¹ The transactions described in this Complaint are in yen. As a convenience to understand the magnitude of the
matter, yen values are converted to approximate dollar values.

1 and marketing effort to sign up merchants for the Okanjo credit card processing service and
2 successfully obtained a significant number of merchant-subscribers due to the attractive terms of
3 the Okanjo Service provided as compared to its competitors, as well as the attractive features of
4 WebCAT's proprietary wireless credit card reader.

5 18. However, although Horizon was enjoying success in obtaining merchant accounts
6 for the Okanjo Service, its sales efforts were frustrated by delays in the commencement of the
7 Okanjo Service by Okaikei. Okaikei twice announced that its Okanjo Service would be delayed,
8 first from March until April, and then in May, on the basis that there were development problems
9 with the services that needed to be fixed.

10 19. In addition to the delay in the commencement of the Okanjo Service, Horizon was
11 also frustrated by Okaikei's failure to obtain VISA's approval in writing of the Okanjo Service.
12 Horizon repeatedly asked Okaikei for assurance that VISA had approved the Okanjo Service and
13 was repeatedly informed that Okaikei's discussions with VISA were going smoothly and that
14 approval would be obtained. Okaikei also told Horizon that the use of other credit cards,
15 MasterCard, American Express, Diners, and Japan Credit Card Bureau, would not be a problem.
16 Upon information and belief, at the time that Okaikei made these representations to Horizon,
17 Okaikei concealed from Horizon the fact that it had not even commenced discussions with VISA
18 or any of the other credit card companies.

19 20. Okaikei also represented to Horizon that the time period for Horizon to receive
20 payments for authorized transactions could be shortened to five (5) to ten (10) days if Horizon
21 made a cash deposit that would be used to cover any losses for transactions that were not
22 ultimately authorized, that is, charge backs. Because a short processing cycle is attractive to
23 Horizon and its merchant subscribers, on April 2, 2002, Horizon and Okaikei entered into a
24 Deposit Agreement (the "Deposit Agreement"), pursuant to which Horizon deposited the sum of
25 ¥30,000,000 [\$255,000] with Okaikei. A true and correct copy of the Deposit Agreement is
26 attached as Exhibit 2. Pursuant to the terms of the Deposit Agreement, Okaikei was to hold the
27 deposit in an account with City National Bank. Okaikei agreed to return the principal amount of
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1 the deposit six (6) months after the last merchant transaction. However, on information and
2 belief, Okaikei did not hold the deposit in an account at City National Bank and, as will be
3 described below in more detail, did not return the remaining principal balance within six months
4 of the last merchant transaction.

5 21. After a delay of three months, Okaikei announced that its Okanjo Service would
6 commence operations on June 1, 2002. During the period from June 1, 2002 until the beginning
7 of August 2002, Okaikei led Horizon to understand that the Okanjo Service was operating
8 successfully. Only later did Horizon learn that the Okanjo Service had never operated and that
9 Okaikei had concealed that fact from Horizon and the merchant subscribers to the Okanjo
10 Service. Okaikei concealed the fact that its Okanjo Service was not operating by responding to
11 merchant's transaction approval request with an affirmative response – even though the
12 transaction had not been properly authorized. It then used funds at its disposal, including, on
13 information and belief, the Okanjo set-up fee, the software development fee, and the deposit paid
14 by Horizon, to pay the merchants for the transaction. Thus, Horizon was deceived into believing
15 that the Okanjo Service was operating when, in fact, it was not.

16 22. Okaikei also concealed the fact that the Okanjo Service was not operating by
17 claiming in early August 2002 that its gateway processing service, Vital, had suspended
18 transaction processing because HIT Corporation, a Horizon related company, had brought
19 unwelcome public attention to the Okanjo Service by publishing an advertisement for the service.
20 Upon information and belief, Okaikei's statement that its credit card processing gateway had
21 suspended processing was false and known to be false because the credit card processing gateway
22 had never processed any transactions for the Okanjo Service.

23 23. At the same time, Mr. Shimogori, CEO of Okaikei, told Horizon that Okaikei had
24 used its own funds to pay Horizon's credit card merchants during the suspension but that it could
25 no longer afford to do so. Asserting that the Vital transaction processing suspension would be
26 resolved by the end of August and the suspended transactions processed, he requested that
27 Horizon advance the funds to pay the Okanjo Service merchant-subscribers until the end of
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1 August and promised that the funds would be returned to Horizon by September 2, 2002. Upon
2 information and belief, Mr. Shimogori knew that processing had not been suspended, that Vital
3 was not processing any transactions, and that, therefore, processing could not be suspended, and
4 that Okaikei had not used its own funds but had used funds paid by Horizon to pay merchants so
5 that Horizon would be deceived into believing that the Okanjo Service was operating. Upon
6 information and belief, Mr. Shimogori made these misrepresentations to induce Horizon to
7 advance funds to pay merchants knowing that there would be no resolution of the "suspended"
8 transactions because none of the transactions had been processed by Vital or any other credit card
9 transaction processor.

10 24. In reliance upon the false statements by Mr. Shimogori, CEO of Okaikei, on
11 August 6, 2002, Horizon and Okaikei entered into an agreement by which Horizon and/or HIT
12 agreed to loan Okaikei funds to cover credit card transaction payments to the merchants and
13 Okaikei agreed to repay the loans on or before September 2, 2002. A true and correct copy of
14 August 6th Agreement is attached as Exhibit 3. Pursuant to the August 6th Agreement, Horizon
15 made the following loans to Okaikei:

<u>Date</u>	<u>Yen</u>	<u>Dollars</u>
August 10, 2002	¥13,478,791	[\$114,000]
August 15, 2002	35,930,108	[304,000]
August 20, 2002	17,455,912	[148,000]
August 26, 2002	19,982,538	[169,000]
September 2, 2002	40,955,047	[347,000]
September 5, 2002	51,984,665	[441,000]
Total	¥ <u>179,787,016</u>	[\$1,500,000]

25 25. On August 12, 2002, Mr. Naoki Otomo, President of Horizon, met with Messrs.
26 Lee and Shimogori, President and CEO, respectively, of Okaikei. At that meeting, Horizon asked
27 permission to use the ¥30,000,000 paid to Okaikei under the Deposit Agreement for the purpose
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1 of paying the merchants for their credit card transactions; Okaikei refused the request. He was
2 also told by Okaikei that, in the event Horizon was forced to withdraw from the business due to
3 the lack of an operating Okanjo Service, Okaikei would promptly return the ¥30,000,000
4 [\$255,000] deposit, the Okanjo Agreement ¥3,150,000 [\$26,700] license fee, and the ¥3,750,000
5 [\$31,800] software development fee Horizon had paid so that the Okanjo Service would work
6 with Horizon's proprietary card reader. Mr. Shimogori, CEO of Okaikei, executed a formal
7 acknowledgment (the "August 12th Acknowledgement"), in which he acknowledged on
8 Okaikei's behalf that: (i) the ¥30,000,000 [\$255,000] which Okaikei received under the Deposit
9 Agreement was on deposit with City National Bank in Los Angeles; (ii) the likelihood is ninety-
10 nine percent (99%) of Vital processing the suspended transactions and remitting funds sufficient
11 to repay Horizon by the end of August 2002, and one-hundred percent (100%) by the end of
12 September 2002; (iii) Okaikei would allow assignment of all of Horizon's rights under the
13 various agreements to WebCAT. A true and correct copy of the "August 12th
14 Acknowledgement" is attached as Exhibit 4. In reliance on the statements made by Okaikei,
15 including but not limited to those made in the August 12th Acknowledgment, Horizon and/or
16 WebCAT continued to make loans to Okaikei for the purpose of financing payments to merchants
17 pending resolution of the suspension of processing by Vital. Horizon remained unaware that the
18 Vital processing suspension was a fictitious creation by Okaikei to conceal the fact that its Okanjo
19 Service was not operating and to mislead Horizon and WebCAT and cause them to advance
20 substantial amounts to cover merchant payments in the short term with the expectation that the
21 funds would be quickly recovered.

22 26. On August 31, 2002, Mr. Otomo, President, and Noboru Okuda, Vice President,
23 respectively, of WebCAT met with Messrs. Lee and Shimogori of Okaikei. At that meeting,
24 Okaikei told WebCAT that it could not repay the loans made pursuant to the August 6th
25 Agreement and admitted, in writing, that it had "fraudulently" told Horizon on August 6th that the
26 short-term payments from Vital had been suspended. However, Okaikei continued the fiction of
27 a processing agreement with Vital by falsely stating that the transactions had been authorized but
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1 not settled. Upon information and belief, a further effort to placate WebCAT, Mr. Lee told them
2 that settlement agreements had been concluded with two banks and a third bank was scheduled to
3 execute an agreement on September 3, 2002. Mr. Lee then promised to settle the transactions
4 through the newly established settlement banks.

5 27. Following the August 31st meeting, Okaikei acknowledged in writing the receipt of
6 various funds from Horizon (the "August 31st Acknowledgement"). A true and correct copy of
7 the "August 31st Acknowledgement" is attached as Exhibit 5.

8 28. On or about September 7, 2002, Okaikei, WebCAT, and Horizon executed a Loan
9 Agreement ("the Loan Agreement"), which was personally guaranteed by Mr. Shimogori.
10 Pursuant to the Loan Agreement, Okaikei agreed to pay to WebCAT and/or Horizon by
11 September 30, 2002 ¥183,382,036 [\$1.5 million], which were monies paid by Horizon and/or
12 WebCAT in connection with the Okanjo Agreement and Okanjo Service. A true and correct
13 copy of the "Loan Agreement" is attached as Exhibit 6.

14 29. On or about September 9, 2002, Okaikei executed a statement, under oath (the
15 "Written Oath"), in which it acknowledged that it had breached the Okanjo Agreement and that
16 its breach damaged Horizon. In it, Okaikei also agreed to establish new connections for payment
17 processing by September 18, 2002, to immediately return the ¥30,000,000 deposited under the
18 Deposit Agreement, and to immediately return the ¥3,150,000 Okanjo Agreement set-up fee. A
19 true and correct copy of the September 9th Written Oath is attached as Exhibit 7.

20 30. None of the monies paid by Horizon were ever repaid by Okaikei or Mr.
21 Shimogori including:

- 22 a. The ¥3,150,000 [\$26,700] Okanjo Agreement set-up fee;
- 23 b. The ¥30,000,000 [\$255,000] Okanjo Agreement license fee;
- 24 c. The ¥3,750,000 [\$31,800] software development fee; and
- 25 d. The ¥179,787,016 [\$1.5 million] in loans to cover merchant payments.

26 **The I-Kessai Service**

27 31. In addition to the Okanjo Service, Okaikei also promoted the business of a related
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1 company, I-Kessai, a company incorporated for the sole purpose of providing credit card
2 transaction services for high risk credit card transactions originating in Japan (the "I-Kessai
3 Service"). Following Okaikei's instructions, Horizon formed a separate company, World
4 Commerce Holdings, Inc. ("WCH") to market this service. In reliance upon Mr. Shimogori's
5 representation that the I-Kessai Service could immediately start its operations, WCH entered into
6 an agreement with Okaikei and I-Kessai by which WCH obtained the exclusive right to the
7 market the I-Kessai Service in Japan and paid Okaikei and I-Kessai a fee of ¥150,000,000 in
8 several installments. Mr. Shimogori, CEO of Okaikei, and I-Kessai represented to WCH that the
9 I-Kessai Service would go into operation as soon as the full amount of the fee was paid. A true
10 and correct copy of the I-Kessai Agreement is attached as Exhibit 8. Because the I-Kessai
11 Agreement did not detail all of the operational and financial obligations of the parties, the parties
12 expected that they would negotiate a detailed agreement including the commencement date for
13 the I-Kessai Service and the financial terms for the operation of the I-Kessai Service.

14 32. Near the end of July, the parties to the I-Kessai Agreement renegotiated the
15 amount of the fee and it was reduced from ¥150,000,000 to ¥130,000,000. Their agreement is
16 reflected in a receipt dated July 29, 2002, in which Okaikei and I-Kessai acknowledged receipt of
17 ¥130,000,000 pursuant to the I-Kessai Agreement and promised to return that amount by the end
18 of September 30, 2002 if no detailed agreement regarding the I-Kessai Service, including the
19 commencement date of the I-Kessai Service, was reached by August 31, 2002. A true and correct
20 copy of the Receipt is attached as Exhibit 9.

21 33. Okaikei and I-Kessai did not enter into a detailed agreement by August 31, 2002.
22 Contrary to the terms of the I-Kessai Agreement and the Receipt, neither I-Kessai nor Okaikei
23 returned WCH's fee of ¥130,000,000 by September 30, 2002, nor have they since returned it.

FIRST CAUSE OF ACTION

(By Horizon Against Okaikei for Breach of the Okanjo Agreement)

24 34. Plaintiffs reallege and incorporate by reference, as though set forth in full, each
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1 and every allegation contained in Paragraphs 1 through 33 of this Complaint.

2 35. On or about January 10, 2002, Horizon and Okaikai entered into the Okanjo
3 Agreement, which required Okaikai to provide "an internet payment gateway through [Okaikai's]
4 proprietary internet transaction service."

5 36. Horizon has performed all conditions, covenants, and promises required on its part
6 to be performed in accordance with the terms and conditions of the contract.

7 37. Okaikai has breached the Okanjo Agreement by, *inter alia*, failing to provide the
8 Okanjo Services to Horizon and the merchant-subscribers Horizon obtained for the service.

9 38. As a direct and proximate result of Okaikai's breach of the Okanjo Agreement,
10 Horizon has suffered, and will continue to suffer, damages in an amount to be proved at trial.
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12 SECOND CAUSE OF ACTION

13 **(By Horizon Against Okaikai for Breach of the Deposit Agreement)**

14 39. Plaintiffs reallege and incorporate by reference, as though set forth in full, each
15 and every allegation contained in Paragraphs 1 through 33 of this Complaint.

16 40. On or about April 2, 2002, Horizon and Okaikai entered into the Deposit
17 Agreement pursuant to which Horizon deposited the sum of ¥30,000,000 (the "Deposited
18 Amount") with Okaikai as required under the Okanjo Agreement.

19 41. Pursuant to the Deposit Agreement, Okaikai was obligated to repay the Deposited
20 Amount to Horizon.

21 42. Horizon has performed all conditions, covenants, and promises required on its part
22 to be performed in accordance with the terms and conditions of the contract.

23 43. Okaikai has breached the Okanjo Agreement by failing to repay the Deposited
24 Amount as required by the terms of the Deposit Agreement.

25 44. As a direct and proximate result of Okaikai's breach of the Deposit Agreement,
26 Horizon has suffered, and will continue to suffer, damages in an amount of ¥30,000,000.
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THIRD CAUSE OF ACTION

(By Horizon Against Okaikei for Breach of the August 6th Agreement)

45. Plaintiffs reallege and incorporate by reference, as though set forth in full, each and every allegation contained in Paragraphs 1 through 33 of this Complaint.

46. On or about August 6, 2002, Horizon and Okaikei entered into the August 6th Agreement, in which Okaikei agreed to pay ¥179,787,016 to Horizon by September 30, 2002.

47. Horizon has performed all conditions, covenants, and promises required on its part to be performed in accordance with the terms and conditions of the contract.

48. Okaikei has breached the August 6th Agreement by failing to repay the amount by September 30, 2002.

49. As a direct and proximate result of Okaikei's breach of the August 6th Agreement, Horizon has suffered, and will continue to suffer, damages in an amount of ¥179,787,016.

FOURTH CAUSE OF ACTION

(By Horizon Against Okaikei for Breach of the August 12th Agreement)

50. Plaintiffs reallege and incorporate by reference, as though set forth in full, each and every allegation contained in Paragraphs 1 through 33 of this Complaint.

51. On or about August 12, 2002, Horizon and Okaikei entered into the August 12th Agreement, in which Okaikei agreed to pay ¥36,900,000 to Horizon if Horizon withdrew from the business due to lack of the Okanjo Service.

52. Horizon has performed all conditions, covenants, and promises required on its part to be performed in accordance with the terms and conditions of the contract, and has withdrawn from the business due to the lack of the Okanjo Service.

53. Okaikei has breached the August 12th Agreement by failing to pay Horizon the amount of ¥36,900,000 following Horizon's withdrawal from the business.

54. As a direct and proximate result of Okaikei's breach of the August 12th Agreement, Horizon has suffered, and will continue to suffer, damages in an amount of

1 ¥36,900,000.

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3 **FIFTH CAUSE OF ACTION**

4 **(By Horizon Against Okaikei for Breach of the Loan Agreement)**

5 55. Plaintiffs reallege and incorporate by reference, as though set forth in full, each
6 and every allegation contained in Paragraphs 1 through 33 of this Complaint.

7 56. On or about September 7, 2002, Horizon and Okaikei entered into the Loan
8 Agreement, in which Okaikei agreed to pay ¥183,382,036 to Horizon by September 30, 2002.

9 57. Horizon has performed all conditions, covenants, and promises required on its part
10 to be performed in accordance with the terms and conditions of the contract.

11 58. Okaikei has breached the Loan Agreement by failing to repay the amount by
12 September 30, 2002.

13 59. As a direct and proximate result of Okaikei's breach of the Loan Agreement,
14 Horizon has suffered, and will continue to suffer, damages in an amount of ¥183,382,036.

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16 **SIXTH CAUSE OF ACTION**

17 **(By Horizon Against Shimogori for Breach of Guarantee)**

18 60. Plaintiffs reallege and incorporate by reference, as though set forth in full, each
19 and every allegation contained in Paragraphs 1 through 33 of this Complaint.

20 61. On or about September 7, 2002, Horizon and Okaikei entered into the Loan
21 Agreement, in which Okaikei agreed to pay ¥183,382,036 to Horizon by September 30, 2002, and
22 which Mr. Shimogori personally guaranteed.

23 62. Horizon has performed all conditions, covenants, and promises required on its part
24 to be performed in accordance with the terms and conditions of the contract.

25 63. Mr. Shimogori has breached the Loan Agreement by failing to pay the amount of
26 ¥183,382,036 to Horizon after Okaikei had defaulted on the Loan Agreement and failed to pay
27 Horizon on or before September 30, 2002.

1 64. As a direct and proximate result of Mr. Shimogori's breach of his guarantee of the
2 Loan Agreement, Horizon has suffered, and will continue to suffer, damages in an amount of
3 ¥183,382,036.

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5 **SEVENTH CAUSE OF ACTION**

6 **(By WCH Against Okaikei and I-Kessai for Breach of the I-Kessai Agreement)**

7 65. Plaintiffs reallege and incorporate by reference, as though set forth in full, each
8 and every allegation contained in Paragraphs 1 through 33 of this Complaint.

9 66. On or about June 13, 2002, WCH and Okaikei, I-Kessai, and WeBeDev entered
10 into the I-Kessai Agreement in which for a fee of ¥150,000,000 Okaikei and I-Kessai granted to
11 WCH the exclusive right to market the I-Kessai Service in Japan to be provided by Okaikei and I-
12 Kessai. On or about July 29, 2002, the parties renegotiated the fee and reduced it to
13 ¥130,000,000, and entered into the July 29th Receipt agreement that if the detailed agreement that
14 set forth their operational and financial obligations regarding the I-Kessai Service was not
15 concluded by August 31, 2002, Okaikei and I-Kessai would return the fee of ¥130,000,000 on or
16 before September 30, 2002.

17 67. WCH has performed all conditions, covenants, and promises required on its part to
18 be performed in accordance with the terms and conditions of the contract.

19 68. Okaikei and I-Kessai have breached the I-Kessai Agreement and the July 29th
20 Receipt by, *inter alia*, failing to provide the I-Kessai Service required by the I-Kessai Agreement
21 and by failing to return the fee of ¥130,000,000 after the parties had not entered into a detailed
22 agreement on or before August 31, 2002.

23 69. As a direct and proximate result of the breach of I-Kessai Agreement, WCH has
24 suffered, and will continue to suffer, damages in the amount of ¥130,000,000.
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1 **EIGHTH CAUSE OF ACTION**

2 **(By Horizon and WebCAT Against Okaikei, Shimogori, Lee and Rusch**
3 **for Fraud and Misrepresentation)**

4 70. Plaintiffs reallege and incorporate by reference each and every allegation, as
5 though set forth in full, contained in Paragraphs 1 through 33 of this Complaint.

6 71. On various occasions, Okaikei and Shimogori, Lee and Rusch, falsely represented
7 to Horizon, WebCAT, or their agents, among other things, that

- 8 (1) the Okanjo Service was ready for implementation and use on June 1, 2002;
9 (2) that Vital, a credit card transaction processor, was processing the
10 transactions submitted by the merchant-subscribers enrolled by Horizon
11 and WebCAT in the Okanjo Service;
12 (3) that Vital had suspended credit card transaction processing because HIT (a
13 related company to Horizon and WebCAT) had published an advertisement
14 on the Okanjo service;
15 (4) upon information and belief, that Okaikei was suing its own funds to pay
16 the merchants for their credit transactions;
17 (5) that the merchant's transactions were being processed by the act of
18 Okaikei's use of funds to pay merchant-subscribers for their submitted
19 transactions;
20 (6) that Okaikei would repay loans by Horizon and WebCAT used to pay
21 merchant transactions by September 2, 2002;
22 (7) that the ¥30,000,000 paid to Okaikei under the Deposit Agreement was
23 deposited in City National Bank;
24 (8) that the merchant transactions submitted to Vital had been authorized but
25 not settled; and
26 (9) that settlement agreements with two banks had been concluded.

27 72. The representations made by Okaikei, Shimogori, Lee and Rusch to Horizon
28

1 and/or WebCAT were all false.

2 73. When Okaikei, Shimogori, Lee and Rusch made the representations, they knew
3 they were false.

4 74. Okaikei, Shimogori, Lee and Rusch made the representations with the intent to
5 cause Plaintiffs to transfer substantial amounts of money to Okaikei and I-Kessai for their benefit
6 and unjust enrichment.

7 75. At the time Plaintiffs acted, they did not know that the representations were false
8 and justifiably relied upon those representations.

9 76. As a direct and proximate cause of the false representations, Plaintiffs have
10 suffered, and will continue to suffer, damages in an amount to be proven at trial.

11 77. Okaikei, Shimogori, Lee and Rusch's representations, acts and omissions were
12 made and committed with malice and oppression such that the imposition of exemplary or
13 punitive damages, in an amount to be proven at trial, is warranted against Okaikei, Shimogori,
14 Lee and Rusch .

15 16 **NINTH CAUSE OF ACTION**

17 **(By Plaintiffs Against Okaikei and I-Kessai for Conversion)**

18 78. Plaintiffs reallege and incorporate by reference each and every allegation, as
19 though set forth in full, contained in Paragraphs 1 through 33 of this Complaint.

20 79. As a result of the Okanjo Agreement, the Deposit Agreement, the August 6th
21 Agreement, the August 12th Agreement, the Loan Agreement, the I-Kessai Agreement, and the
22 July 29th Receipt Agreement, Plaintiffs paid Okaikei and I-Kessai approximately ¥313,537,016
23 [\$2.7 million].

24 80. Plaintiffs would not have given Okaikei and/or I-Kessai possession of these funds
25 had Plaintiffs known the true facts, namely that neither the Okaikei Service nor the I-Kessai
26 Service never worked, as well as the falsity of many other statements made by them.

27 81. As of the filing of this Complaint, Okaikei and I-Kessai have failed to return the
28 funds to Horizon, despite Horizon's due demand for the funds.

1 82. As a direct and proximate cause of the conversion, Plaintiffs have suffered, and
2 will continue to suffer, damages in an amount of ¥313,537,016.

3 83. Pursuant to California Civil Code § 3336, Horizon is entitled to recover interest on
4 the converted funds and be reimbursed for the time and expense that has been and will be
5 expended by Horizon to recover the converted funds.

6 84. The actions of Okaikei and/or I-Kessai were willful, malicious and oppressive,
7 were undertaken with the intent to defraud and with reckless and wanton disregard of Plaintiffs'
8 rights so as to justify the imposition of an award of punitive and exemplary damages in an amount
9 to be proven at trial.

10 **TENTH CAUSE OF ACTION**

11 **(By Horizon, WebCAT and WCH Against Defendants for Violation of Business &
12 Professions Code § 17200)**

13 85. Plaintiffs reallege and incorporate by reference each and every allegation, as
14 though set forth in full, contained in Paragraphs 1 through 84 of this Complaint.

15 86. By committing the alleged acts, Defendants have engaged in unfair competition
16 including unlawful, unfair, and/or fraudulent business practices in the conduct of their business.

17 87. Plaintiffs are entitled to recover from Defendants the gains, profits, and advantages
18 they have obtained as a result of their unfair competition that they estimate to be at least ¥
19 300,000,000.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiffs pray for the following relief:

22 A. On their First Cause of Action for breach of the Okanjo Agreement, awarding
23 Horizon damages in an amount to be proved at trial.

24 B. On their Second Cause of Action for breach of the Deposit Agreement, awarding
25 Horizon damages in the amount of ¥30,000,000 yen.

26 C. On their Third Cause of Action for breach of the August 6th Agreement, awarding
27 Horizon damages in the amount of ¥179,787,016.
28

1 D. On their Fourth Cause of Action for breach of the August 12th Agreement,
2 awarding Horizon damages in the amount of ¥36,900,000.

3 E. On their Fifth Cause of Action for breach of the Loan Agreement, awarding
4 Horizon damages in the amount of ¥183,382,036.

5 F. On their Sixth Cause of Action for breach of the guarantee, awarding Horizon
6 damages in the amount of ¥183,382,036.

7 G. On their Seventh Cause of Action for breach of the I-Kessai Agreement and July
8 29th Receipt Agreement, awarding WCH damages in the amount of ¥130,000,000.

9 H. On their Eighth Cause of Action for Fraud and Misrepresentation, awarding
10 Plaintiffs' their actual, compensatory, and punitive damages proven at trial.

11 I. On their Ninth Cause of Action for Conversion, awarding Plaintiffs their actual
12 damages in the amount of ¥313,537,016, interest and costs under Civil Code § 3336, and
13 punitive damages.

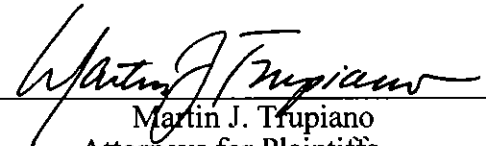
14 J. On their Tenth Cause of Action for Unfair Competition, awarding Plaintiffs
15 restitution of the funds unlawfully obtained by Defendants.

16 K. On all Causes of Action, awarding Plaintiffs interest, costs and expenses,
17 reasonable attorneys' fees, and such other and further relief as the Court may deem just and
18 proper.

19 Dated: August 8, 2003

SQUIRE, SANDERS & DEMPSEY L.L.P.

20
21 By:



Martin J. Trupiano
Attorneys for Plaintiffs

22 WEBCAT CORPORATION, HORIZON
23 CORPORATION, AND WORLD
24 COMMERCE HOLDINGS, INC.
25
26
27
28

OKANJO SERVICE

DISTRIBUTION AGREEMENT

This DISTRIBUTION AGREEMENT is entered into as of the 10th day of January, 2002, by and between Okaikai, Inc., a California corporation ("Okaikai"), and HORIZON Corporation., a Japan corporation ("Distributor").

Recital

Okaikai is a subscription-based Transaction Service Provider ("TSP"), providing an internet payment gateway for eMerchants through its proprietary internet transaction service and its established relationship with Diversified Acquiring Solutions ("DAS"). The internet transaction service is offered in two levels: Okaikai and Okanjo. The Okaikai internet transaction service is an e-commerce service in which a fully integrated on-line store development tools are available. The Okanjo internet transaction service is an e-commerce service in which only basic on-line store tools are available. Distributor has an established distribution network and desires to act as a subscription account distributor for the Okanjo internet transaction service, on the terms set forth in this Agreement.

Accordingly, the parties hereby agree as follows:

Agreement

1. Grant of Rights Okaikai hereby grants Distributor the non-exclusive, non-transferable right, during the Term (as defined in Section 8 below), to offer and sell to Merchants ("eMerchants") subscriptions to use the Okanjo internet transaction service (the "Transaction Service") on the terms set forth in this Agreement. This Agreement does not cover, and Distributor has no rights under this Agreement to offer and sell, the Okaikai internet transaction service. Distributor shall ensure that all eMerchants complete an eMerchant Application in the form of Annex A to this Agreement. Sales of subscriptions to eMerchants shall not be effective unless and until a completed eMerchant Application is delivered to Okaikai and accepted by Okaikai in writing. The Transaction Service may not be used by eMerchants in connection with (i) the offer or sale of pornography or other adult-oriented products, content or materials; (ii) gambling activities; (iii) the offer or sale of securities; or (iv) illegal activities (collectively, "Prohibited Activities"). Sales of subscriptions may not be made by Distributor to any eMerchant which intends to use the Transaction Service in connection with any Prohibited Activities. Distributor understands and acknowledges that Okaikai may offer third parties the right to offer and sell to eMerchants subscriptions to use the Transaction Service, and may itself offer and sell to eMerchants subscriptions to use the Transaction Service, on such terms and conditions as Okaikai may in its sole discretion determine.

2. DAS Relationship eMerchants who subscribe to the Transaction Service through Distributor ("Distributor eMerchants") will have their MasterCard, Visa, American Express, Diners and JCB credit sales processed in Japanese Yen by DAS pursuant to the terms of the DAS Merchant Agreement between Okaikai and DAS dated October 10, 2001 (the "Merchant Agreement"), a copy of which is attached hereto as Annex B. Distributor agrees to comply with the terms of the Merchant Agreement applicable to Okaikai, and agrees that all Distributor eMerchants will agree in writing to be bound by the terms of the Merchant Agreement applicable to eMerchants. If DAS becomes unable to perform under the Merchant Agreement, Okaikai will in good faith attempt to secure a replacement.

3. Fees Subject to Section 4 and to the penultimate sentence of this Section 3, Distributor agrees to pay Okaikai the following fees: (i) a fee of ¥2,100 per month for each Distributor eMerchant having rights to use the Transaction Service during that month, and (ii) a fee of ¥16 per transaction processed through the Transaction Service for Distributor eMerchants. The foregoing fees shall be automatically debited from each Distributor eMerchant's account. In addition, subject to Section 4 and to the penultimate sentence of this Section 3, Distributor shall pay to Okaikai fees for set-up ("Set-Up Fees") in an amount equal to ¥3,150,000 for every 1,000 Distributor eMerchant subscriptions sold by Distributor up to a maximum of ¥63,000,000; provided, however, that additional Set-Up Fees will be payable in an amount to be determined by Okaikai in the event that more than 100,000 Distributor eMerchant subscriptions are sold by Distributor. The Set-Up Fees are nonrefundable and shall be paid to Okaikai in advance as follows: (a) on execution of this Agreement, Distributor shall pay to Okaikai ¥3,150,000 which shall cover the first 1,000 subscriptions; and (b) additional ¥3,150,000 payments shall be made by Distributor to Okaikai on the date that 1,000 subscriptions have been sold, on the date that 2,000 subscriptions have been sold, and on the date that each additional 1,000 subscriptions have been sold until such time as Distributor has paid Okaikai Set-Up Fees in an amount equal to ¥63,000,000, at which time no further Set-Up Fees shall be payable until Distributor sells more than 100,000 subscriptions (at which time Okaikai will determine the amount of additional Set-Up Fees to be paid). (For example, after the initial ¥3,150,000 payment is made, Distributor shall not be obligated to make any further payment of Set-Up Fees until Distributor has sold 1,000 subscriptions. Upon selling the 1,000th subscription, Distributor shall be obligated to make a ¥3,150,000 payment to Okaikai, at which time Distributor shall not be obligated to make any further payment of Set-Up Fees for subscriptions until the 2,000th subscription is sold, at which time Distributor shall be obligated to make another ¥3,150,000 payment to Okaikai, and so on.) Set-Up Fees do not, however, cover the costs of any customization of the Transaction Service that Distributor may request. Any such customization shall be the subject of a separate written agreement with such terms and conditions, including costs, as the parties may mutually agree. Except as provided in Sections 4 and 5, the fees payable by Distributor to Okaikai under this Agreement shall remain in effect for a period of 12 months from the date first set forth above, after which the fees may be adjusted by Okaikai from time to time in its sole discretion. The foregoing fees include 5 percent sales tax.

LEX-1

4. Revocation of Distributor eMerchant Rights; Fee Adjustments. Okaikai reserves the right, in its sole discretion, to revoke the right of any Distributor eMerchant to use the Transaction Service, or to increase the fees payable by Distributor to Okaikai with respect to any Distributor eMerchant, in the event such Distributor eMerchant uses the Transaction Service in connection with any Prohibited Activities, violates any law or regulation, fails to comply with any rule, requirement, or policy of Okaikai, fails to comply with the Merchant Agreement, suffers an unacceptably high chargeback rate, is guilty of fraud or negligence, or fails to prevent fraud or negligence by its customers.

5. Responsibilities under Merchant Agreement. Distributor will be responsible for, and hereby agrees to indemnify Okaikai against, all costs, fees, expenses and liabilities under the Merchant Agreement related to Distributor eMerchants, including without limitation those related to transactions processed by DAS for Distributor eMerchants. Without limiting the generality of the foregoing, Distributor will be responsible for paying DAS the discount rate under the Merchant Agreement on transactions processed by DAS for Distributor eMerchants, which is currently equal to 2.75% of the transaction amount but may be increased at any time in the event of Visa or Mastercard interchange increases, or at any time or from time to time after 12 months from the date first set forth above in Okaikai's sole discretion.

6. Card Readers. Okaikai may, but is not required to, make card readers available for purchase by Transaction Service users, at prices to be determined. Distributor understands and acknowledges that the purchase of card readers will be the responsibility of Distributor and Distributor eMerchants, and that this includes responsibility for payment of the purchase price which, particularly for large orders, may require the payment of a substantial deposit to, or a letter of credit in favor of, the manufacturer of the card readers.

7. Maintenance of eMerchant Accounts. Distributor will have primary responsibility for servicing and maintaining Distributor eMerchant accounts, and shall use its best efforts to (a) respond to requests made by Distributor eMerchants for help with the Transaction Service and (b) to correct any difficulties Distributor eMerchants may have with the Transaction Service. Distributor agrees to take appropriate steps to correct problem Distributor eMerchant accounts, and to terminate such accounts if necessary.

8. Term. The term of this Agreement (the "Term") shall commence on the date first set forth above and shall continue for a period of three years, unless extended for an additional three-year period at Distributor's option after the expiration of the initial three years, subject in all cases to earlier termination by the mutual agreement of the parties or as provided in Section 9 below.

9. Termination. The Term and the rights granted to Distributor under this Agreement shall terminate immediately on notice from Okaikai to Distributor in the event of any of the following: (a) the violation by Distributor, or any employee or agent of Distributor, of any law or regulation; (b) the breach by Distributor of any provision of this Agreement, including Distributor's failure to pay or cause to be paid any fee as and when due; (c) the breach by Distributor of any provision of the Merchant Agreement; or (d) Distributor's failure to comply with any rule, requirement, or policy of Okaikai. Problems with individual Distributor eMerchants are addressed on a case-by-case basis under Section 4 above, and are not grounds for termination of the Term and the rights granted to Distributor under this Agreement unless such problems also meet the requirements of clause (a), (b), (c) or (d) of this Section 9.

10. Effect of Termination. Upon termination of the Term and the rights granted to Distributor under this Agreement (regardless of whether such termination occurs pursuant to Section 8 or Section 9), Distributor shall immediately cease offering and selling to eMerchants subscriptions to use the Transaction Service, shall immediately cease collecting fees from Distributor eMerchants based on use of the Transaction Service, and shall have no further rights under this Agreement. Within 15 days of the date of termination, Distributor shall pay Okaikai or cause Okaikai to be paid all amounts owing under this Agreement, with monthly fees prorated through and including the date of termination. Notwithstanding the termination of the Term and the rights granted to Distributor under this Agreement, Distributor shall remain bound by Sections 5, 10 and 13 through 28, inclusive, of this Agreement, which Sections shall survive any termination of this Agreement. Following termination of the Term and the rights granted to Distributor under this Agreement, Okaikai, in its discretion, may allow Distributor eMerchants to continue using the Transaction Service. If the Term and the rights granted to Distributor under this Agreement are terminated pursuant to Section 9, then any fees payable by such Distributor eMerchants shall be retained by Okaikai, and Distributor shall have no rights thereto or interest therein. If, however, the Term and the rights granted to Distributor under this Agreement terminate under Section 8 because the Term has expired, then Distributor shall remain entitled to receive fees under Section 3 with respect to Distributor eMerchants that Okaikai allows to continue using the Transaction Service after termination, provided, however, that Okaikai may deduct from the fees otherwise payable to Distributor the costs and expenses that Okaikai incurs in connection with servicing and maintaining Distributor eMerchant accounts (which, under Section 7, would be Distributor's obligation but for termination).

11. Modifications to the Transaction Service. Okaikai reserves the right to make improvements or modifications to the Transaction Service in its discretion from time to time during the Term on not less than 30 days advance notice to Distributor, provided, however, that Okaikai may immediately make improvements or modifications which Okaikai determines are urgent without advance notice to Distributor.

12. Compliance with Law and Okaikai Policies. Distributor agrees to comply with all applicable laws and regulations, and with all rules, requirements, and policies that Okaikai may implement from time to time concerning the Transaction Service and its use.

13. Indemnification. Distributor hereby agrees to indemnify and defend Okaikai, its officers, directors, shareholders, employees, agents and affiliated companies, and hold them harmless from and against any and all

claims, actions, liabilities, damages, fines, judgments, costs and expenses (including actual attorneys' fees), that arise from or in connection with, or are related to, (a) Distributor's business, actions or omissions, or its use of the Transaction Service, or (b) the business, actions or omissions of, or the use of the Transaction Service by, Distributor or Merchants, or (c) a breach by Distributor of any provision of this Agreement or the Merchant Agreement. Notwithstanding the foregoing, if Distributor's liability under this Section 13 arises from proven criminal use of a credit card, then Distributor shall only be responsible to Okaikai to pay Okaikai 50 percent of any damages, fines, judgments, costs and expenses that Okaikai incurs as a result of such proven criminal use of a credit card.

14. No Representations Except as expressly set forth in this Section 14, Okaikai makes no representations concerning the operation, performance, or availability of the Transaction Service. Okaikai hereby represents to Distributor that Okaikai will not be grossly negligent in the performance of its obligations under this Agreement.

15. No Obligation to Promote Okaikai is under no obligation to promote, advertise or otherwise market the Transaction Service in Japan or elsewhere. Any promotional or marketing materials prepared by Distributor are and shall remain the property of Distributor; provided, however, that upon termination of the Term, Distributor shall not use any of such materials that contain any trademark or trade name of Okaikai or that refer to any of Okaikai's intellectual property.

16. Confidentiality

(a) As used in this Section 16, the term "Confidential Information" means any and all trade secrets or other confidential or proprietary information or other information of any kind, nature or description concerning any matters affecting or relating to Okaikai which derives economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use. Confidential Information includes any such information relating to the financial condition, results of operations, business, properties, assets, liabilities or future prospects of Okaikai or any of its affiliates or licensees. Confidential Information also includes any such information relating to the customers (including the identity of customers), licensees (including the identity of licensees), products, research and development activities, marketing activities and plans, manufacturing activities and techniques and business or strategic plans of Okaikai or any of its affiliates or licensees. Confidential Information includes any such information in the form of data, know-how, formulae, processes, designs, inventions and ideas, whether or not patentable, copyrightable or subject to protection as a trademark or trade name. Confidential Information includes any such information whether disclosed in documentary, oral, visual or tangible form.

(b) Distributor will keep confidential and will not directly or indirectly divulge to anyone or use or otherwise appropriate for its own benefit, or for any purpose other than the performance of this Agreement, any Confidential Information. With respect to all Confidential Information, Distributor will (i) hold in confidence all such Confidential Information, (ii) take all reasonable precautions to prevent the disclosure of such Confidential Information to any third party without the prior written consent of Okaikai; and (iii) not use such Confidential Information, directly or indirectly, for any purposes other than those specifically set forth in this Agreement. Upon termination of the Term and the rights granted to Distributor under this Agreement, Distributor shall immediately cease use of any and all Confidential Information.

(c) The restrictions contained in this Section 16 shall not apply to (i) information which Distributor can show by suitable written documentation was already in its possession prior to receipt of such information from Okaikai; (ii) information which is now or shall become public information or otherwise generally available to the public through no fault of Distributor; (iii) information which Distributor can show was received by it without restriction from a third party which is lawfully in possession of such information and is not in breach of any agreement or any confidential relationship with Okaikai; or (iv) information which is independently developed by Distributor.

(d) Distributor shall, upon Okaikai's request, immediately return to Okaikai all Confidential Information disclosed by Okaikai in documentary or other tangible form, including all photocopies or other reproductions.

17. Injunctive Relief The parties acknowledge that if a party should default in any of its obligations under this Agreement, it would be impracticable to measure the resulting damages to the aggrieved party and it may not be possible to adequately compensate the aggrieved party for the resulting injury by means of monetary damages. Accordingly, without prejudice to the right to seek and recover monetary damages, the aggrieved party shall be entitled to seek and obtain specific performance of this Agreement or other injunctive relief, and the parties each waive any defense that a remedy in damages would be adequate and any requirement for the aggrieved party to post any bond or other security in order to obtain such relief.

18. Cumulative Remedies The rights and remedies of the parties as provided in this Agreement shall be cumulative and not alternative and are in addition to any other rights or remedies available under applicable law or otherwise.

19. Notices All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) when delivered by hand (with written confirmation of receipt), or (b) on the delivery date promised by the courier service, if sent by Federal Express, DHL, or another

internationally recognized courier service (prepaid and receipt requested), in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other parties).

If to Okaiker

Okaiker, Inc.
41 Vernon
Newport Coast, California 92657 U.S.A
Attention: Charles K. Lee, President

If to Distributor

HORIZON Corporation.
1-8-2
Shintomi, Chuo-ku, Tokyo, Japan
Attention: Hideyuki Takeuchi, President & C.E.O

20. Entire Agreement, Amendments, Etc. This Agreement and the Merchant Agreement contain the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof and thereof. This Agreement may be amended only by a writing signed by both Distributor and Okaiker. The rights granted to Distributor under this Agreement are personal to Distributor and may not be transferred or assigned to any other person or entity without Okaiker's prior written consent, which Okaiker may grant or withhold in its discretion. In considering a request for transfer or assignment, Okaiker will consider, among other things, the financial condition, the future prospects, the reputation, the management and the strategic fit of the proposed transferee or assignee. Okaiker may assign its rights and obligations under this Agreement to any person or entity without the approval of Distributor. The waiver by any party of a breach or default of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or default, whether or not similar. A party's failure either to insist upon any other party's strict performance of any provision of this Agreement or to exercise any of the party's other rights or remedies under this Agreement shall not constitute a waiver of any default by the other party or of any right or remedy of the nondefaulting party.

21. Section Headings, Construction The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement unless otherwise specified. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Forms of the word "including" mean "including without limitation." "Or" is inclusive and includes "and." Any reference to "days" means calendar days and not business days unless expressly stated otherwise.

22. Severability If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

23. Counterparts This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

24. Offset Okaiker may offset against any payments otherwise due to Distributor under this Agreement any amounts owed to Okaiker by Distributor under this Agreement, including amounts owed under Sections 5 and 12 of this Agreement.

25. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to provisions of choice or conflicts of law.

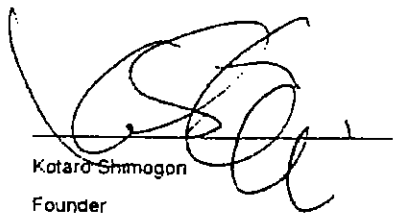
26. Attorneys' Fees The prevailing party in any suit, arbitration or other proceeding brought to resolve any dispute concerning this Agreement or to enforce any provision of this Agreement shall be entitled to recover all costs and expenses of the proceeding and investigation (not limited to court costs), including attorneys' fees at the hourly rates usually charged by that party's attorneys.

27. Jurisdiction and Service of Process Any suit, action or proceeding to resolve any dispute concerning this Agreement or to enforce any provision of this Agreement shall be litigated only in the United States District Court for the Central District of California or any court of the State of California located in Los Angeles County. In any such suit or action or proceeding, each party irrevocably submits to the jurisdiction of those courts and waives any and all objections that such party may have (under the laws of the State of California or otherwise) to jurisdiction or venue in those courts. In any arbitration, action, suit or proceeding covered by this Section 27, each party hereby waives personal service of all process on the condition that all such process is delivered in the manner provided for notices under this Agreement.

28. Force Majeure Either party's failure to perform its obligations under this Agreement shall be excused to the extent and for the period of time such nonperformance is caused by an event of *force majeure*, including war, fire, explosion, flood, riot, strikes, or acts of God.

IN WITNESS WHEREOF, the parties hereto have signed this Distribution Agreement as of the date first written above.

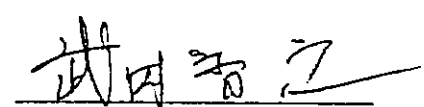
OKAIKEI, INC.

By 

Name: Kotaro Shimogori

Title: Founder

HORIZON Corporation.

By 

Name: Hideyuki Takeuchi

Title: President & C.E.O.

Annex A

Form of eMerchant Application

Annex B

Merchant Agreement

version 112501-1 LA

DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT is entered into as of the 2nd day of April, 2002, between Okaikai, Inc., a California corporation ("Okaikai"), and Horizon Corporation, a corporation organized under the laws of Japan ("Horizon").

RECITALS

A. Okaikai and Horizon are parties to an Okanjo Service Distribution Agreement dated as of January 10, 2002 (the "Distribution Agreement"), pursuant to which Okaikai granted certain rights to Horizon to offer and sell to merchants ("eMerchants") subscriptions to use Okaikai's Okanjo Internet transaction service on the terms set forth in the Distribution Agreement.

B. Horizon has requested that Okaikai accelerate the current payment cycle for Horizon's eMerchant customers, and Okaikai is willing to do so upon receipt of a security deposit from Horizon and upon the other terms and conditions of this Agreement.

ACCORDINGLY, the parties hereby agree as follows:

AGREEMENT

1. Security Deposit. Horizon shall place the sum of ¥30,000,000 (the "Principal Amount") in a Yen account to be opened in Okaikai's name with City National Bank. Okaikai alone shall have the right to withdraw funds from the account. All account charges will be borne by Okaikai, and any interest earned on sums on deposit in the account from time to time shall belong exclusively to Okaikai. The Principal Amount shall remain the property of Horizon, subject to the right of Okaikai to withdraw all or any portion of the Principal Amount from the account from time to time in order to satisfy any loss, liability, cost or expense incurred by Okaikai as a result of or in connection with (a) any transactions conducted by or on behalf of eMerchant customers of Horizon, including any chargebacks, or (b) Horizon's failure to satisfy any of its obligations to Okaikai under the Distribution Agreement. Upon Okaikai's withdrawal of all or any portion of the Principal Amount from the account as permitted in this Section 1, the amount so withdrawn shall become the property of Okaikai.

2. Acceleration of Payment Cycle. Transactions processed for eMerchant customers of Horizon will be closed and paid as follows:

<u>Date Transaction Occurs</u>	<u>Date Transaction Will Be Closed</u>	<u>Date Payment Will Be Made</u>
1 st - 5 th	5 th	10 th
6 th - 10 th	10 th	15 th
11 th - 15 th	15 th	20 th
16 th - 20 th	20 th	25 th
21 st - 25 th	25 th	end of month
25 th - end of month	end of month	5 th

3. Term of Agreement and Return of Deposit. The term of this Agreement shall commence on the date first set forth above and shall extend for a period of 90 days; provided that the term shall automatically be renewed for additional 90-day periods unless either party provides written notice to the other of its intent to terminate this Agreement at least 30 days before the expiration of the initial term or any renewal term. Notwithstanding the foregoing, either party may immediately terminate this Agreement prior to the end of its term in the event of the termination of the Distribution Agreement, by giving written notice to the other party. In the event this Agreement is terminated or expires, for any reason, the Principal Amount shall remain on deposit in the account, and shall remain subject to the provisions of Section 1 of this Agreement, until the expiration of six months after the date of payment to the eMerchant of the last transaction that was subject to the accelerated payment cycle described in Section 2 of this Agreement. After the expiration of the six-month period referred to in the preceding sentence, Okaikei shall return to Horizon the remaining Principal Amount.

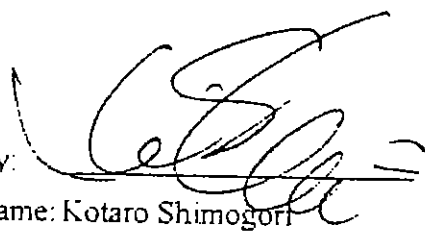
4. Creditors' Rights. So long as the Principal Amount is held in the account, no creditors of either Horizon or Okaikei shall have any rights thereto, nor shall they be entitled to any interest therein.

5. Entire Agreement. This Agreement and the Distribution Agreement (and the agreements referenced therein) contain the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof and thereof.

6. Incorporation of Certain Provisions of Distribution Agreement. The provisions of Sections 17, 18, 19, 20 (except the first sentence), 21, 22, 23, 25, 26, 27 and 28 of the Distribution Agreement are hereby incorporated into this Agreement by this reference as if fully set forth herein, with the term "Distributor" as used in those sections meaning Horizon, and the term "Agreement" as used in those sections meaning this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement
as of the date first above written.

OKAIKEI, INC.

By: 

Name: Kotaro Shimogori

Title: Founder

HORIZON Corporation.

By: 

Name: Hideyuki Takeuchi

Title: President & C.E.O.

OKAIKEI 040202

		高(円)	
14--3-29		繰越残高	*14,953,350*
14--4-5	現金	*1,000,000 (216)カト ^{10496m}	*13,953,350*
14--4-5	現金	*50,000 (216)カト ^{7047 + 123}	*13,903,350*
14--4-8	振替	*170,000 (270)アリス ^{10496m}	*13,733,350*
14--4-8	振替	*420 テスウリヨウ	*13,732,930*
14--4-16	振替	*294,000 振込 AMPM0606	*13,438,930*
14--4-16	振替	*420 テスウリヨウ ^{10496m}	*13,438,510*
14--4-18	振込	カトミーエンタープライズ *10,000,000	*23,438,510*
14--4-18	振込	カトミーエンタープライズ *10,000,000	*33,438,510*
14--4-19	振替	*20,000,840 トークス	*13,437,670*
14--4-22	振替	*1,050 パソコンバンクナビ	*13,436,620*
14--4-22	振替	*7,035 DKF. グアキン	*13,429,585*
14--4-22	振替	*3,570 DKF. ターガンOCS	*13,426,015*
14--4-22	振替	*10,000 DKF. ミライセイゲイ	*13,416,015*
14--4-22	振替	1471,450 DFL. キンキオオサカリー	*12,944,565*
14--4-24	振替	*207,140 振込 光田裕子	*12,737,425*
14--4-24	振替	*209,130 振込 山口裕子	*12,528,295*
14--4-24	振替	*99,485 振込 10496m	*12,428,810*
14--4-24	振替	*420 テスウリヨウ	*12,428,390*
14--4-25	振替	*10,011,500 カトミエカワビ ^{10496m}	*2,416,890*
14--4-26	現金	*100,000 AMPM0606	*2,316,890*
14--4-26	現金	*35,000 AMPM0606	*2,281,890*
14--4-30	振替	*73,950 メイジ セイメイ	*2,207,940*
14--4-30	振替	*3,528 (625)振込 アリネフ	*2,204,412*

行数	日付	お払戻金額	お預り金額	摘要	差引残高	備考
1	14. 4. 26	おはじめ	10,000	A	*10,000	176M
2	14. 5. 31	カトミ-インタープ	25,000,000	振込	F	*25,010,000 328T
3	14. 5. 31	19,886,000	* 54-7677963	外為	F	*5,124,000 328T
4	14. 5. 31	2,000,000	ニオウ ハルマサ	カート#	F	*3,124,000 328F
5	14. 5. 31	525	振込手数料	カート#	F	*3,123,475 328F
6	14. 5. 31	200,000	ウイズ ホウリツシ ムシ	カート#	F	*2,923,475 328F
7	14. 5. 31	525	振込手数料	カート#	F	*2,922,950 328F
8	14. 6. 6	170,000	小入金 170,000	カート	A	*2,752,950 749J
9	14. 6. 10	176,000	カ)ホライズン	カート	F	*2,576,950 328E
10	14. 6. 10	525	振込手数料	カート	F	*2,576,425 328E
11	14. 6. 10	824,000	式入金	カート	A	*1,752,425 328E
12	14. 6. 14	330,000	小入金 330,000	カート	A	*1,422,425 749J
13	14. 6. 14	140,000	小入金 140,000	カート	A	*1,562,425 749J
14	14. 6. 20	300,000	マツタ ヒロ	カート	F	*1,262,425 749J
15	14. 6. 20	525	振込手数料	カート	F	*1,261,900 749J
16	14. 6. 21	151,540	シヤハ-ンインタープ	カート	F	*1,110,360 749J
17	14. 6. 21	525	振込手数料	カート	F	*1,109,835 749J
18	14. 6. 21	217,080	ナカモリ シンイチ	カート	F	*892,755 749J
19	14. 6. 21	525	振込手数料	カート	F	*892,230 749J
20	14. 6. 21	2,360	シヤハ-ンインタープ	カート	F	*889,870 749J
21	14. 6. 21	315	振込手数料	カート	F	*889,555 749J
22	14. 6. 24	100,000	SMBc 京橋へ移す	カート	A	*789,555 324J
23	14. 6. 24	480,000	SMBc 京橋へ移す	カート	A	*309,555 749J

ご説明 1. 摘要欄記号 A…現金入金 F…振込入金 (当店小切手の入金を含むことがあります。)

B, C, D, E…小切手・手形等の入金

2. 小切手・手形等の証券類によるご入金の場合、お払戻しができる予定の日時を「お払戻金額」欄に記入いたします。お払戻可能時刻は、証券類の種類により異なります。詳細については、窓口にお問い合わせください。

Agreement

August 6, 2002

This agreement is to confirm that Hideyuki Takeuchi, CEO of Horizon Corporation (hereinafter referred to as Party "A") and Kotaro Shimogori, CEO and President of Okaikai, Inc. (U.S. Corporation) (hereinafter referred to as Party "B") has conferred and agreed at a meeting held on between August 4 and 6, 2003, as following:

1. Party A and Party B should enhance mutual cooperate and make effort to promote the spread of "Okaikai system" provided by Party B.
2. Party A shall agree to advance following payments on behalf of Party B, and Party B shall receive such advance payments from Party A under the loan agreement executed.

(1) Advance Period

- ① Payment of 8/10, transactions occurred between 8/1/02 and 8/5/02
- ② Payment of 8/15/02, transactions occurred between 8/6/02 and 8/10/02
- ③ Payment of 8/20/02, transactions occurred between 8/11/02 and 8/15/02
- ④ Payment of 8/25/02, transactions occurred between 8/16/02 and 8/20/02

TOTAL: 4 times.

(2) Payment Procedure

Depending on the payment amount of each period at determined "Okanjo System" MA Site, Party A shall remit such amount directly to eMarchants under the name of "Okaikai/WebCAT", and such amount should consider as loan to Party B.

(3) Loan Agreement

Lender: Hedeyuki Takeuchi, CEO of Horizon
Borrower: Kotaro Shimogori, CEO and President of Okaikai, Inc.
Loan Guarantor: Kotaro Shimogori

(4) Problems of VITAL

In regard Payment deferral from VITAL as notified to Party A by Party B, Party B should try its best to negotiate and settle by August 31, 2002. Furthermore, Party B's counsel, Christopher Rush, should confirm such payments and provide condition report.

(5) Maturity Date

The maturity date should be September 2, 2002. If Party B did not receive such payment from VITAL, both parties should discuss matter further.

3. Another Agreed Matter

- (1) Party B should agree to disclose necessary information for "Okaikai System" requested by Party A promptly. Provided that such information

which is possibly infringed on confidentiality should be disclosed under the name of their attorneys.

(2) In regards to Full-License and IKESSAI, both parties should separately discuss including the matter of negotiation amount.

(3) When Party B establishes CCB Bank, Party B should do its best in order for Party A to be assigned, exchanged or authorized to obtain the shares.

4. This agreement is due on September 30, 2002, and to solve all the matters, and it is to be replaced to this contract.

Party A: Signed
Horizon Corporation
Hideyuki Takeuchi, CEO

Party B: Signed
OKAIKEI Inc.
Kotaro Shimogori, CEO & President

Observer: Signed
Information Task Force Co., Ltd.
Hisao Takeuchi

協定書

平成 14 年 8 月 6 日

ホライズン株式会社 代表取締役 武内 秀之（以下「甲」という）と お会計 Inc.（米国法人）CEO & 代表取締役 下郡 孝太郎（以下「乙」という）は平成 14 年 8 月 4 日から 8 月 6 日に行われた会議において協議・合意された事項においてここに確認するものとする。

記

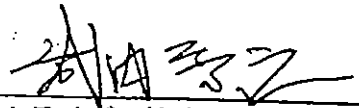
1. 甲と乙は、乙が提供する「okanjo システム」の普及のため相互に協力し努力するものとする。
2. 甲は乙が指定する下記の期間についての決済を乙に変わり行い、乙はこれらの金額を甲より金銭消費貸借契約に基づき借り受けるものとする。
 - (1) 立替期間について
 - ①平成 14 年 8 月 1 日から 8 月 5 日の 8 月 10 日払分
 - ②平成 14 年 8 月 6 日から 8 月 10 日の 8 月 15 日払分
 - ③平成 14 年 8 月 11 日から 8 月 15 日の 8 月 20 日払分
 - ④平成 14 年 8 月 16 日から 8 月 20 日の 8 月 25 日払分合計 4 回分とする。
 - (2) 決済方法について
「okanjo システム」MA サイトにて決定した各期間ごとの決済金額に応じ、甲より直接 e 加盟店に対し、「お会計・WebCAT」名義にて支払うものとしこれを乙に対しての貸付金とする。
 - (3) 金銭消費貸借契約について
貸主：ホライズン株式会社 代表取締役 武内 秀之
借主：お会計 Inc. CEO & 代表取締役 下郡 孝太郎
連帯保証人 下郡 孝太郎
* 決済日ごとに、確定日付とし支払日ごとに交わすものとする。
 - (4) バイタルの問題について
今般、乙より甲へ報告があった、バイタル社からの決済金の支払延期の件については乙が平成 14 年 8 月 31 日までに、バイタルに対し最大限の努力をはかり交渉するものとし解決するものとする。尚、今件については弁護士クリストファーラッシュ名にて状況報告書及び支払確認書を提示する。
 - (5) 返済日について
平成 14 年 9 月 2 日とするが、乙がバイタル社より支払を受けられなかった場合、別途協議するものとする。
3. 別途合意事項
 - (1) 乙は甲が求める「okanjo システム」に必要な情報については速やかに開示するものとする。但し、守秘義務等に抵触する可能性のある情報については、弁護士名義にて開示を行う場合もあるものとする。
 - (2) フルライセンス及び IKESSAI については、交渉金額を含め別途協議するものとする。
 - (3) 乙は CCB バンク設立時に甲に対して株式の交換または譲渡、取得等を認められるよう努力するものとする。

4. 本協定書については、平成14年9月30日を期限としすべての事項において解決をはかり、本契約書に差し替えるものとする。

是

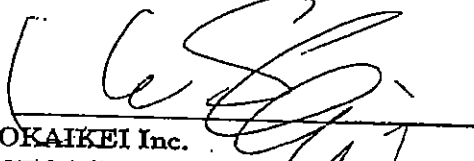
以上

甲

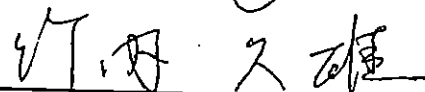


ホライズン株式会社
代表取締役社長 武内 秀之

乙



OKAIKEI Inc.
CEO&代表取締役社長 郡 孝太郎



立会人 インフォメーションタスクフォース株式会社
代表取締役社長 竹内 久雄

Acknowledgement

To: Horizon Co., Ltd.

August 12, 2002

This is to confirm that Horizon has been requested to advance payments of credit card settlement to their e-merchants [on behalf of Okaikei] as a result of VITAL's suspension of such payments to OKAIKEI, provided that [Okaikei] promises each one of the following matters:

1. The sum of 30 million yen, which Horizon paid [to Okaikei] under the Short-Term Settlement Agreement, is the deposit to proceed the short-term settlement and/or in case of charge-back payment, and should be kept in the City National Bank account. Therefore, [Okaikei] should never convert the deposit to pay to their e-merchants
2. There is a 99% probability that the advanced payments made by Horizon Co., Ltd. to their e-merchants shall be paid back in lump sum by VITAL by the end of August. However, there is a 1% risk that this money may not be paid back until the end of September. Funds for settlement shall be processed by VITAL in a normal fashion and such funds shall be paid [to Horizon] by [OKAIKEI] from September.
3. In the event that Horizon cannot make payments to the e-merchants, and there is no choice for Horizon to withdraw from this business, OKAIKEI Inc. shall promptly return the guaranty as mentioned in Paragraph 1 to Horizon Co. Further, the DA funds in the amount of 3 million yen and the software development fee of WebCAT Application shall be returned as well to Horizon upon discussion between the both parties;
4. In the case of the above Paragraph 3, OKAIKEI should agree to make unconditional transfer to Hit Corporation of the rights of the e-merchants acquired by Horizon Co., Ltd.

End.

Date: 8/12/2002

OKAIKEI INC.
CEO Kotaro Shimogouri

Signed

EX-4

2002 年 8 月 12 日

確 認 書

株式会社ホライズン 殿

VITAL 社が、OKAIKEI Inc. に対し e 加盟店のクレジット決済資金の停止した事により株式会社ホライズンが、e 加盟店のクレジット決済資金を立替えるに当り下記各事項を確認するものです。

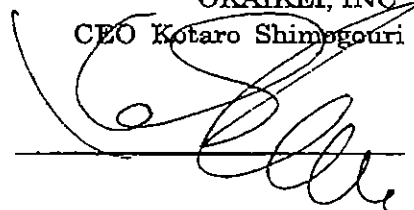
記

1. 株式会社ホライズンが差し入れた 3 千万円の保証金は、City National Bank に預けられていて短期支払い及びチャージバック等に対する保証金である為、本件立替えには転用できない。
2. 本件で立替えた e 加盟店への決済資金は、8 月末日に VITAL 社から 99% の確率で、一括返済される。しかし、残る 1% の確率で、返金が 9 月末までかかる事も考えられる。しかし、9 月からは VITAL 社に正常に決済され決済資金が支払われるものとする。
3. 本件立替行為を株式会社ホライズンで行えない場合が生じた場合、株式会社ホライズンが、本件事業の撤退せざるを得ない場合には、お会計社は第 1 項の保証金を速やかに返金するものとする。また、DA 契約金 3 百万円及び WebCAT 用アプリケーション開発費等に関しても協議の上返還するものとする。
4. 第 3 項に掛かる事態が発生した場合には、株式会社ホライズンの獲得した e 加盟店の権利を無条件で、ヒットコーポレーションに譲渡する事をお会計社は承認するものとする。

以上

Date 8-12-02

OKAIKEI, INC.
CEO Kotaro Shimogouri



August 31, 2002

Acknowledgement

1. End of November, 2001

For preparation of the Distribution Agreement, Horizon ordered 1000 Fujitsu Electronic Terminals.

2. January 10, 2002

Horizon held a meeting with Mr. Shimogori at the iforce office (in Tokyo), and Mr. Shimogori explained to Horizon that Short-Term Settlement Service was available.

3. January 21, 2002

Horizon remitted 3,150,000 yen – fee under the DA Agreement

4. March, 2002

Horizon Remitted 3,750,000 yen – the development fee for Mr. PAY Software

5. April 25, 2002

Horizon Remit 10 million yen as the part of security deposit of the Short-Term Settlement.

6. May 13, 2002

iforce advanced 10 million yen as the retainer for WCH

May 14, 2002: A Meeting held at the Hilton Hotel in Hawaii concerning WCH's ikessai Exclusive Agreement. (Attendees: Mr. Shimogori, Charles K. Lee, Otomo, Takeuchi, Tokuyama and Takeuchi(iforce).)

7. May 31, 2002

Horizon Remitted 20 million yet as the rest of security deposit of the Short-Term Settlement.

8. June 13, 2002

Horizon visited the LA OKAIKEI office.

Horizon and Okaikei held discussion concerning Payment Site. Horizon re-confirmed with Okaikei that 5-10 days settlement was available.

9. June 25, 2002

Horizon advances 20 million yen as earnest money deposit for ikessai exclusive license fee.

10. June 28, 2002

In Taiwan: Meeting was held at 19:30, and the attendees were Mr. Shimogori, Charles K. Lee, Chris Maichael, Azuhata, Otomo, Takeuchi and Takeuchi(iforce). Horizon/WebCAT expressed to Okaikei that it was difficult to pay 30 million as the earnest money of "ikessai" for

this month. However, Mr. Azuhata agreed to advance the negotiation money. They confirmed that "ikessai" would be operatable immediately.

11. July 8, 2002

Mr. Azuhata remit 30 million as earnest money deposit for ikessai

12. July 9, 2002

Okaikei informed Horizon through iforce that Okaikei received termination request from JCB. In addition, Okaikei explained that it would not be a big problem because Okaikei would soon receive a certificate of authorization of the close border acquiring from VISA around 8/20 ~9/10, and they could restart their operation in September.

13. End of July, 2002

Remitted 70 million as earnest deposit for "ikessai", and was told to start "ikessai" operation.

14. August 4 ~6, 2002

Mr. Shimogori visited Japan.

On 8/6/02, Mr. Shimogori asked to advance transaction settlement payment to eMerchants upto the end of August. Mr. Shimogori explained that VITAL would be available by end of August.

Horizon and Okaikei made loan agreement for the above-mentioned matter

15. August 6, 2002

Horizon requested to disclose a agreement between Vital and Okaikei, however, no response was received from Okaikei.

16. August 10, 2002

Horizon remitted 13,478,791 yen as an advance settlement payment to eMarchants on behalf of Okaikei. (exclude bank service fees)

17. August 15, 2002

Horizon Remitted 18,467,578 yen as advance settlement payment to eMarchants on behalf of Okaikei. (exclude bank service fees)

18. August 20, 2002

Horizon remitted 7,350,930 yen as advance settlement payment to eMarchants on behalf of Okaikei. (exclude bank service fees)

19. August 26, 2002

Horizon remitted 19,982,538 yen as advance settlement payment to eMarchants on behalf of Okaikei. (exclude bank service fees)

20. August 31, 2002

Horizon remitted 13,478,791 yen as advance settlement payment for eMarchants on behalf of Okaikei. (exclude bank service fees)

21. August 28, 2002

Mr. Takeuchi visited LA

Mr. Takeuchi inquired whether the loan amount would be repaid on the due date, 9/2/02, however, Okaikei answered that they were not sure at this moment.

Mr. Takeuchi asked whether they could process their operation through new route (processor). In response to the Mr. Takeuchi's questions, Okaike advised him that it had not confirmed yet but it should be no problem.

Okaikei advised Mr. Takeuchi that Short-Term Settlement would be available at the new established route if (Horizon) agreed to put 10% deposit, and the payment cycle would be to be closed on Friday and paid on following Friday.

Certificate of Authorization from Visa had not been received at this moment.

Mr. Takeuchi asked Okaikei to hold meeting at 15:30 ~ 18:30 on 8/29/02 to discuss the above concerning matters and to draft documents which could be used if any legal action was taken, and to clarify the matters.

22. August 30, 2002

Mr. Azuhata, Mr. Okuda and Mr. Otomo visited LA

Okaikei advised them that two established route were already contracted, and another bank would sign their contract on next Tuesday.

They were advised that: Vital had proceeded Authorization process, however, never proceeded Settlement. Vital would be pay the settlement for sure (100%) by the end of September.

23. August 31, 2002

Meeting was held by all officers of OKAIKEI, Takeuchi(Horizon), Azuhata(WebCAT), Okuda and Takeuchi(iforce).

They confirmed that the loan amount would not be returned by the due date, 9/2/02, however Okaikei would be able to repay by the end of September if

The loan amount were not able returned by the end of September, however, it was depend on how soon they could start operation with the new established route.

Okaikei explained that; after Vital suspended their process, VITAL still continued issuing authorizations but did not process settlement. Therefore, those pre-authorized transactions by VITAL would be able to transfer to the new established routes and correct payment from them.

Okaikei advised that Short-Term Settlement would be available if (Horizon) put 10% security deposit, and the payment cycle would be closed on Fridays and paid on the following Fridays.

Okaikei provide us following written promises 1) to terminate Deposit Agreement which was the option of DA Agreement, made and entered on January 10, 2002, and 2) to hold meeting on 9/5/02 ~ 9/10/02 in order to negotiate the payment cycle to define 7-days.

Okaikei explained that they could start their operation on 9/20/02 with the new established route, if Horizon put 10% security deposit for the process.

All above-mentioned matter was confirmed.

August 31, 2002

Okaikei, Inc.

CEO

Kotaro Shimogori

(Signed)

Horizon Corporation

CEO

Hideyuki Takeuchi

(Signed)

Information Task Force, Inc.

CEO

Hisao Takeuchi

(Signed)

2002 年 8 月 31 日

確認書

1. 2001 年 11 月末頃
(ア) 本契約に際し、富士通機電製品販売を 1000 台発注。
2. 2002 年 1 月 10 日
(ア) iforce 社内において下郡氏との面会を行い、短期決済は可能であるとの説明を受けた。
3. 2002 年 1 月 21 日
(ア) DA 契約金として 315 万円を振り込み。
4. 2002 年 3 月頃
(ア) 富士通機電製品販売向けソフトウェア開発を依頼するために 375 万円を送金。
5. 2002 年 4 月 25 日
(ア) 短期決済保証金の一部として 1000 万円を振り込み。
6. 2002 年 5 月 13 日頃
(ア) WCH の ikessai 独占営業権手付金として 1000 万円を iforce が立替送金。
(イ) 5 月 14 日 ハワイ HILTON ホテルにて WCH の ikessai 独占契約について打合せ。
出席者：下郡氏、Charles K. Lee、大伴、武内、徳山、竹内
ikessai はすぐにでも開始できると下郡氏より説明を聞いた。
7. 2002 年 5 月 31 日
(ア) 短期決済保証金の残金として 2000 万円を送金。
8. 2002 年 6 月 13 日
(ア) LA OKAIKEI オフィス訪問。
支払いサイトの打合せ。5-10 日決済の内容で可能であることを確認。
9. 2002 年 6 月 25 日
(ア) WCH の ikessai 独占営業権手付金として 2000 万円をホライズンが立替送金。
10. 2002 年 6 月 28 日
(ア) 台湾訪問 19:30 より下郡氏、Charles K. Lee、Chris、Maichael、小豆畑、大伴、武内、竹内
ikessai の今月分支払金、3000 万円を支払いが困難であることを打合せし、小豆畑氏がその残金を
交渉金として支払うことに決まった。ikessai の開始はすぐにできると確認。
11. 2002 年 7 月 8 日
(ア) 小豆畑氏より ikessai 交渉金 3000 万円を振り込み。
12. 2002 年 7 月 9 日
(ア) JCB ブランドの停止依頼が OKAIKEI より iforce 経由にて通知される。さらに 8 月 20 日～9 月 10
日頃に VISA 社よりクロスボーダーアクワイヤリングに関する、承諾書が届くはずなので、9 月か
らは使用再開が可能であるとの説明を受けた。
13. 2002 年 7 月末
(ア) ikessai 交渉金として残金 7000 万円を送金。ikessai はすぐにでもできると確認。

14. 2002 年 8 月 4~6 日
 - (ア) 下郡氏来日。
 - (イ) 6 日に 8 月末まで加盟店への売上金を立て替えて欲しいとの依頼が発生した。
 - (ウ) 但し VITAL は少なくとも 8 月末には OK だからとの説明を受ける。
 - (エ) これらの内容で協定書を作成。
15. 2002 年 8 月 6 日
 - (ア) VITAL との契約書を開示して欲しいと依頼したが無反応。
16. 2002 年 8 月 10 日
 - (ア) 加盟店売上立替金として金銭消費貸借契約 13,478,791 (手数料除く) 円
17. 2002 年 8 月 15 日
 - (ア) 加盟店売上立替金として金銭消費貸借契約 18,467,587 (手数料除く) 円
18. 2002 年 8 月 20 日
 - (ア) 加盟店売上立替金として金銭消費貸借契約 7,350,930 (手数料除く) 円
19. 2002 年 8 月 26 日
 - (ア) 加盟店売上立替金として金銭消費貸借契約 19,982,538 (手数料除く) 円
20. 2002 年 8 月 31 日
 - (ア) 加盟店売上立替金として金銭消費貸借契約 13,478,791 (手数料除く) 円の送付。
21. 2002 年 8 月 28 日 (LA 時間)
 - (ア) LA に武内社長到着。
 - (イ) 立替金の返済日 9 月 2 日の実行予定内容について問合せたが、まだ正確に答えられないとの事。
 - (ウ) ただし VITAL は決済ができていたので返却は必ずできるとの説明があった。
 - (エ) 新規決済ルート開拓状況を聞いたが、まだ決定できていないが必ず大丈夫との話を聞く。
 - (オ) 短期決済が新規ルートで行えるのか確認したが、10%のデポジットを組んで、金曜日入金曜日払いであれば可能であることを確認。
 - (カ) VISA 了承諾の件を問うたがまだ届いていないとの事。
 - (キ) 29 日 15:30~18:30 ミーティングを行い、上記打合せと同様の内容に行い、法的に適用する文書として明確化することを依頼。
22. 2002 年 8 月 30 日
 - (ア) 小豆畑会長、奥田氏、大伴氏が LA に到着。
 - (イ) 新規決済ルートは既に 2 つは契約済み。1 つは来週火曜日に署名の予定。
 - (ウ) VITAL は送金を止めていたのではなく、承認のみ行い、settlement は行っていない為、9 月末までには 100%の送金可能であるといわれた。
23. 2002 年 8 月 31 日
 - (ア) OKAIKEI 役員とホライズン武内氏、WebCAT 小豆畑氏、奥田氏、iforce 竹内で会議。
 - (イ) 立替金は 9 月 2 日にはなにも返せない。
 - (ウ) いつ返せるかは新規ルートの開通次第なのではっきりといえないが 9 月末までには全額返却できるとの説明を受けた。
 - (エ) VITAL が 7 月 20 日に停止したあと、認証は取れているが、決済はしていないので、新規ルートが

- 開通後そのトランザクションを新規ルートに流すことで回収するとの説明を受けた。
- (カ) 短期決済は最低 10% の保証金を積むことで、金曜日 / 翌金曜日支払いの短期を行うことが可能との説明を受けた。
- (キ) あらかじめ 1 月 10 日の DA 契約書のオプションとして契約した短期決済契約書の停止を示す内容、及び 9 月 5 ~ 10 日に打合せを行い 7 日決済に変更する詳細条件を打ち合わせることを書面にて提示された。
- (ク) 短期決済は 9 月 20 日を基準に ± 10 日の範囲内で新規ルート上で実現できる、ただし月額決済金額の 10% を保証金として積み上げが必要との説明を受けた。

石塚 昌樹

上記、確かに確認いたしました。

2002 年 8 月 31 日

OKAIKEI, Inc.

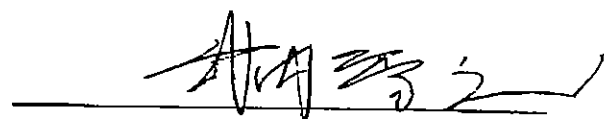
CEO

Kotaro Shimogori



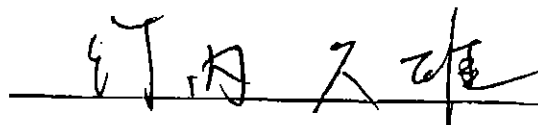
株式会社ホライズン

代表取締役 武内 秀之



インフォメーションタスクフォース株式会社

代表取締役 竹内 久雄



Loan Agreement

September 7, 2002

This Agreement is made between WebCAT Corporation, CEO, Naoki Otomo, and Horizon Corporation, CEO, Hideyuki Takeuchi (hereinafter both parties referred as to "Party A") and Okaikei, Inc.(the U.S. Corporation), CEO & President, Kotaro Shimogori (hereinafter referred as to "Party B") to aggregate the loan consumptions between both parties under the agreement made as of August 6, 2002, and is to enter into as follows.

Loan: JPY183,382,036

Under the agreement of "Okanjo Service" and "Distribution Agreement", which made and entered with DA (Hideyuki Takeuchi, CEO of Horizon) as of January 10, 2002, the loan amount owed by the Party B are the total of followings:

- 1) JPY179,787,061 which were paid to eMerchant during August 10, 2002, to September 5, 2002,
- 2) JPY3,401,660 of DA's service charge (exclude the service charge on August 10, 2002)
- 3) JPY193,315 as bank service fee incurred when Horizon remitted payment to eMarchants.

1. This debit and credit was incurred because VAITAL suspended and fell to pay to Party B.
2. Part A considers Party B's condition and decides to advance the settlement on behalf of Party B even though it is the duty of Party B under the agreements.
3. The above-mentioned total loan amount should be paid back on September 30, 2002.
4. The interest of the above-mentioned total loan amount should be 6% a year.
5. The details of loans receivable for payment eMerchants, shown by the due date, should be attached with this agreement.

The First Party 1-8-2 Shintomi, Hacchobori Kitajima Bldg. 5F, Chuo-ku, Tokyo
Horizon Corporation, CEO, Hideyuki Takeuchi

Ebisu Garden Place 18F, Ebisu, Shibuya-ku, Tokyo
WebCAT Corporation, CEO, Naoki Otomo

The Second Party 15303 Ventura Boulevard, Suite 1290, Sherman Oaks, California, 91403
OKAIKEI, INC., CEO, Kotaro Shimogori

OKAIKEI, INC., Executive Vice President, Chris Rusch

Personal guarantee
Kotaro Shimogori

EX 6

金銭消費貸借契約書

平成 14 年 9 月 7 日

ウェブキャット株式会社 代表取締役 大伴 直喜及び株式会社ホライズン 代表取締役 武内 秀之
(以下両社を「甲」という)とお会計 Inc. (米国法人) CEO&代表取締役 下郡 孝太郎 (以下
「乙」という)は平成14年8月6日付けにて締結された協定書に基づき両社の金銭消費貸借を統合し
下記内容にて金銭消費貸借契約を締結するものとする。

貸借金銭 壹億八千参百参拾八萬貳千参拾六円也

(¥183,382,036)

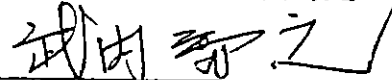
記

乙は、2002年1月10日「okanjo service」「DISTRIBUTION AGREEMENT」により締結された、
DA (株式会社ホライズン 代表取締役 武内 秀之)との契約において、乙が決済しなければならない
平成14年8月10日から9月5日 e-加盟店支払い分合計金額 179,787,061 円、甲に対する DA 手数料
3,401,660 円 (8月10日支払分手数料を除く) 及び加盟店振込手数料 193,315 円の合計金額とする。

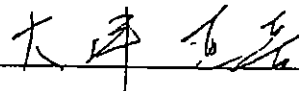
1. この貸借はVAITAL社 (バイタル) が乙に対し、規定の決済行為を起さなかった為に発生した事由である。
2. 本来、乙の責任において行うべき事由であるが、乙の事情を考慮し本契約における甲の貸付により決済をする。
3. 上記金額の返済については、平成14年9月30日に返済するものとする。
4. 上記貸借金銭額に対する利息は、年6%とする。
5. 貸付金の e-加盟店への支払期日毎の明細は、別紙添付するものとする。

以上

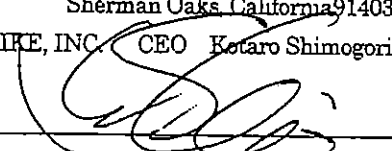
甲 東京都中央区新富1-8-2八丁堀北島ビル6
株式会社 ホライズン 代表取締役 武内 秀之



東京都渋谷区恵比寿恵比寿ガーデンプレイス 18 階
ウェブキャット株式会社 代表取締役 大伴 直喜



乙 15303 Ventura Boulevard, Suite 1290
Sherman Oaks, California 91403
OKAIKE, INC. CEO Kotaro Shimogori



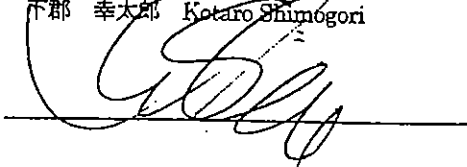
OKAIKEI, INC. Executive Vice President

Chris Rusch



個人保証 Personal guarantee

下郡 幸太郎 Kotaro Shimogori



Written Oath

Okaikei (Party "A") has failed to perform its obligations since August 6, 2002 under the "Okanjo Service" and the "Deposit Agreement" entered into by and between Party A and Horizon(Party "B") as of January 10, 2002, and as results thereof, Party A caused significant damages to Party B. Party B is faced with critical conditions that may force it to go bankrupt, not being able to conduct ordinary business due to Party A's non-performance of its obligations.

As of today, Party B requests Party A to promise to take the following actions with its good faith:

- (1) New connections for payment processing should be established during September 13 and September 18, 2003;
- (2) First remittance to be made in connection with the above should be sent on September 27, 2002;
- (3) Concerning the guaranty in the amount of 30 million yen (retained by DAS and VITAL), this guaranty should be returned immediately since it is clear that this is not an actual guaranty;
- (4) Party A also defaulted on the DA right of 3.15 million yen, and this amount should therefore be returned immediately as well.

In the event that Party A should fail to take the above actions, Party A shall agree to Party B's bringing a lawsuit against Party A.

September 9, 2002

1-8-2 Shintomi, Chuo-ku, Tokyo
Horizons Co., Ltd.
Hideyuki Takeuchi, Representative Director

Signed _____

15303 Ventura Boulevard, Suite 1290
Sherman Oaks, California 91403
OKAIKEI INC., CEO Kotaro Shimogori

Signed _____

OKAIKEI, INC. Executive Vice President
Chris Rusch

Signed _____

誓 約 書

2002年1月10日に OKAIKEI 社（甲）と株式会社ホライズンとの間に行われた、「OKANJO SERVICE」及び「DEPOSIT AGREEMENT」において。甲はその責任を2002年8月6日より履行することが出来ず、乙に対し多大なる被害を及ぼしました。この事により、乙は倒産的危機となり、通常業務を行えない事態に立っております。

本日、以下の件の実行を誓約することで、誠意ある対応を望みます。

- (1) 新規接続先の2002年9月13日～9月18日の間の開通
- (2) 上記に伴う第一回目の入金が2002年9月27日に行われること。
- (3) 保証金である3000万円（DAS及びVITALに留保）の返却に付、事実上保証金ではないことが明らかであり、即時の返却を求める。
- (4) DA件315万円の対しても契約不履行であり、同様に即時の返却を求める。

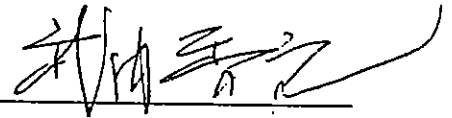
以上、怠った場合、甲は同日に訴訟に踏み切る旨、乙は了承する事。

2002年9月9日

東京都中央区新富1-8-2

株式会社ホライズン

代表取締役 武内 秀之



15303 Ventura Boulevard, Suite 1290

Sherman Oaks, California 91403

OKAIKEI, INC. CEO Kotaro Shimogori



OKAIKEI, INC Executive Vice President

Chris Rusch



I-Kessai Agreement
(To Transfer Exclusive Right of I-Kessai Electronic Settlement Service in Japan)

Party A: I-Kessai, Inc.
Party B: World Commerce Holdings, Inc.
Party C: Okaikei, Inc.

Section 1 (Definition of Terms)

1. Each of the terms used in this Agreement shall have the following meanings:
 - (a) Okaikei, Incorporated ("Okaikei") is a corporation exists in the State of California, the United States of America, and is the master license holder of the Service and the System to be defined in Paragraphs (d) and (e) of this Section;
 - (b) WeBeDeV, Incorporated ("Webedev") is a corporation exists in the State of California, the United States of America, and is the holder of techniques and technologies of the Service and the System to be defined in Paragraphs (d) and (e) of this Section;
 - (c) I-Kessai, Incorporated ("I-Kessai") is a corporation exists in the State of California, the United States of America, that grants a right to use license under the Service to companies listed in Paragraph (g) below, by using the Service and the System provided by Okaikei as mentioned in the above Paragraph (a);
 - (d) "Service" shall mean the system under which an account is issued on-line to merchants ("iMerchant Account") and make on-line credit card payments for various services;
 - (e) "System" shall mean the computer system programs of the Service;
 - (f) "License Agreement" shall mean an agreement for the sale of the Service between third parties and Party B;
 - (g) "Company" shall mean any third party executed a license agreement mentioned in the above Paragraph (f);
 - (h) "iMerchant" shall mean a merchant that participates in the credit card on-line payment business of Party B or third parties using the Service (the "Business"). An iMerchant may obtain an iMerchant Account from Party B or any Company;
 - (i) "Consumer" shall mean any third party that utilizes services provided by iMerchants using the Service;

EX-8

- (j) "SWIPE Terminal" shall mean a terminal used for credit card payments provided to an iMerchant by a Company that it obtained from Party B in the business utilizing the Service.

Section 2 (Purpose of the Agreement)

1. The purpose of this Agreement is to transfer only in the Japanese market the exclusive right to conduct on-line settlement business for adults of such business conducted by I-Kessai.

Section 3 (Party B's Business)

1. Party B shall provide the following services to Japanese and foreign companies doing business in the Japanese market:
 - (a) Sale of the Service and related systems;
 - (b) Operation and management of the Service and related systems;
 - (c) Inspection and approval of iMerchants recommended by Companies;
 - (d) Issuance of iMerchant Accounts to approved iMerchants according to the above Paragraph (c);
 - (e) Accept requests made by Companies to customize the Service and provide services therefore;
 - (f) Systemize the structure of distributors and brokers of the Service;
 - (g) Remittance of sales proceeds to Companies and iMerchants;
 - (h) Issuance of statements to Companies and iMerchants;
 - (i) Sale of products related to a SWIPE Terminal and the Service;
 - (j) Planning and business development of new services utilizing the Service.

Section 4 (Settlement Currency)

1. Only the Japanese yen shall be used as the currency for settlements under the Service. No limitation is set for amount to be settled.
2. In case the use of currencies other than the Japanese yen becomes necessary, Party A and Party B shall decide upon separate discussion, as occasion demands.

Section 5 (On-line Settlement Commission)

1. On-line Settlement Commission shall mean commissions to be paid upon the processing of the following services by Companies and iMerchants utilizing the Service:
 - (a) Credit card on-line settlement;
 - (b) Payment processing of credit card on-line settlement mentioned in the above Paragraph (a).
2. In principle, On-line Settlement Commissions shall be paid by iMerchants, and fees stated in Paragraph 3 below shall be paid to Party B.
3. On-line Settlement Commissions shall be equally 5% of transaction amount per processing. However, upon discussion with Party B, Party A and Party C shall reduce this On-line Settlement Commissions based upon the evaluation of On-line Settlement default rates occurred every six (6) months.
4. The reduction of the On-line Settlement Commissions shall be within 0.5% per year.

Section 6 (Confirmation Fee)

1. Confirmation Fee shall mean a fee incurred upon the processing of the following items utilizing the Service by Companies and iMerchants:
 - (a) Confirmation of maximum credit amount;
 - (b) Credit card on-line settlement;
 - (c) Payment processing of credit card on-line settlement mentioned in the above Paragraph (b).
2. In principle, iMerchants shall pay for Confirmation Fees, and fees stated in Paragraph 3 below shall be paid to Party B.
3. Confirmation Fee shall be equally 35 yen per processing, and includes an amount equal to a consumption tax prescribed under the Japanese law. However, upon discussion with Party B, Party A and Party C shall reduce this Confirmation Fees based upon the evaluation of On-line Settlement default rates occurred every six (6) months.

The reduction of Confirmation Fees shall be within 5 yen per six (6) months.

Section 7 (System Usage Fee)

[Translation]

1. System Usage Fee shall be incurred upon iMerchants' registration to the Service through Companies, and it is a fixed fee to be incurred each month as long as iMerchants register to use the Service whether the Service is utilized or not.
2. In principle, iMerchants shall pay for System Usage Fee, and a fee stated in Paragraph 3 below shall be paid to Party B.
3. System Usage Fee shall be incurred each month from the month iMerchants register to use the Service until the month the Service is cancelled.
4. System Usage Fee shall be equally a fixed 2,625 yen, and includes an amount equal to a consumption tax prescribed under the Japanese law.

Section 8 (Change of the System)

1. Fees necessary for changes to be made on any administration system, Internet Website designs, URL and computer systems necessary for the transfer of a business license, and expenses required for new development shall be included in the contract deposit.

Section 9 (Term of the Agreement)

1. The term of the Agreement shall be one (1) year from the date of the execution of the Agreement.
2. The Agreement shall be automatically renewed every year perpetually unless otherwise Party A, Party B and Party C request for and discuss the termination of the Agreement in writing one month prior to the expiration of the Agreement.

Section 10 (System Guaranty)

1. Party A, Party B and Party C shall discuss separately how to handle unexpected defects of the System and indemnification thereof.

Section 11 (Business Development)

1. Party A, Party B and Party C shall cooperate each other and to exchange information to proceed with the mutual business for the purpose of developing business under the Agreement with good intentions.

Section 12 (Contract Deposit)

1. 150,000,000 yen
2. The Contract Deposit shall be paid in Japanese yen, and includes an amount equal to a consumption tax prescribed under the Japanese law.

Section 13 (Terms of Payment)

1. The Contract Deposit shall be deposited in Japanese yen in cash to an account of a financial institution specified by Party A by the end of each month, according to a payment schedule stated in Paragraph 2 below.
2. Payment schedule of the Contract Deposit:
 - (a) 4/2002: 10 million yen (paid in full)
 - (b) 6/2002: 50 million yen
 - (c) 9/2002: 30 million yen
 - (d) 11/2002: 20 million yen
 - (e) 12/2002: 20 million yen
3. In consideration of the payments of the Contract Deposit, Party A shall promise to have Party C commence banking business in Japan by September 1, 2002, and to have it provide Party B with financial services necessary under the Agreement, issue credit cards, make settlement, apply for merchants, authorize services and take care all related computer systems. Party C shall agree and promise to do the above in advance.
4. As a way of providing banking business to Party B as mentioned in the above paragraph, Party C may establish a new financial institution to perform obligations under the Agreement on behalf of Party A or Party C. In this case, Party A and Party C shall promise to have such new financial institution perform all obligations under the Agreement without causing any damage to Party B.

Section 14 (Confidentiality)

1. "Confidential Information" under the Agreement shall mean technical, business and other information, whether tangible or intangible, disclosed to the other party by Party A or Party B during the course of business transaction, that satisfy the following (a), (b) and (c):
 - (a) If Confidential Information is disclosed in writing, "Confidential" (including the similar expressions, et sic) should be clearly indicated on such information, and be disclosed to the party who receives such Confidential Information ("Receiving Party").
 - (b) If Confidential Information is verbally disclosed, the disclosing party of such Confidential Information ("Disclosing Party") shall clearly state the nature of confidentiality at the time of disclosure. Upon such disclosure, the Disclosing Party shall promptly deliver to the Receiving Party a document describing in detail the contents of information clearly indicated as "Confidential" and receive

the consent of the Receiving Party in writing as to the contents of the confidential document.

- (c) Confidential Information to be disclosed using a method, such as electronic formats, other than in writing or verbal, shall be disclosed to the Receiving Party clearly indicating the "Confidential" nature of such information in the media containing such information or electronic formats.
2. Notwithstanding of the above paragraphs, information certified to be applied to any one of the following information shall not be treated as confidential information:
- (a) Information already known to public at the time of disclosure by the Disclosing Party;
 - (b) Information became known to public without the Receiving Party's fault after the disclosure by the Disclosing Party;
 - (c) Information certified to be held already by the Receiving Party prior to the disclosure by the Disclosing Party;
 - (d) Information obtained in a lawful manner from a third party who has no confidentiality obligation to the Disclosing Party;
 - (e) Information developed by the Receiving Party without using information disclosed by the Disclosing Party;
 - (f) Information the Disclosing Party agreed to exclude from the confidential information;
 - (g) Party A and Party B shall hold with duty of care as a good faith holder Confidential Information received from the Disclosing Party as confidential during the term of the Agreement, and shall not disclose or divulge to any third party without obtaining prior approval in writing. However, this does not apply to the disclosure required by government and municipal offices or courts in accordance with laws and ordinances.
 - (h) During the term mentioned in the above paragraph, Confidential Information shall not be copied without obtaining approval in writing of the Disclosing Party. In case Confidential Information is reproduced with the consent of the Disclosing Party based on this paragraph, the reproducing party shall state confidential nature to such reproduction.
3. Party A and Party B, as Disclosing Parties, shall not guaranty the accuracy, authenticity, completeness, reliability and effectiveness of the contents of Confidential Information provided to the Receiving Party. Further, Party A and Party B shall be held harmless

[Translation]

from any and all damages caused by any third party to the Receiving Party in its using of such Confidential Information.

4. Party A and Party B agree that the disclosing of Confidential Information by the Disclosing Party shall not be deemed to grant or transfer any and all rights, including copyrights on such information and other intellectual property rights, to the Receiving Party.

Section 15 (Resolution upon Discussion)

1. Any doubt on the interpretation of the Agreement and other matters, or matters not described in this Agreement, shall be resolved upon discussion by both Party A and Party B in good faith.

In Witness Whereof, the parties hereto have prepared this Agreement in sextuplicate, and each party shall retain one copy thereof upon placing its signature.

June 13, 2002

Party A: I-Kessai, Inc
16841 Bollinger
Drive Pacific Palisades, CA 90272 U.S.A.

Signature: Singed
Name: Kotaro Shimogori
Party B: World Commerce Holdings, Inc.
1777 Ala Moana Blvd.
Honolulu, Hawaii 96815 U.S.A.

Signature: Singed
Name: Naoki Ohtomo

Party C: OKAIKEI, INC.
15303 Ventura Blvd., Suite 1290
Sherman Oaks, CA 91403 U.S.A.

Signature: Singed
Name: Kotaro Shimogori

Witness: WeBeDeV, INC.
15303 Ventura Blvd., Suite 1290
Sherman Oaks, CA 91403 U.S.A.

[Translation]

Signature: Singed
Name: Kotaro Shimogori

I-KESSAI電子決済事業の
日本国内における独占営業権譲渡に関する契約書

甲 I-KESSAI, Inc.

乙 World Commerce Holdings, Inc.

丙 OKAIKEI, Inc.

第1条(用語の定義)

1. 本契約書において、次の各号記載の用語は、それぞれ次の意味で使用するものとする。

- (ア) 「OKAIKEI, Incorporated」(以下「OKAIKEI」という。)とは、カリフォルニア州に存在する会社であり、本条(エ)及び(オ)に記載する本サービス及び本システムのマスターライセンス保持者である。
- (イ) 「WeBeDeV, Incorporated」(以下「Webdev」という。)とは、カリフォルニア州に存在する会社であり、本条(エ)及び(オ)に記載する本サービス及び本システムの技術・テクノロジー保持者である。
- (ウ) 「I-KESSAI, Incorporated」(以下「I-KESSAI」という。)とは、米国カリフォルニア州に存在する会社であり、本条(ア)のOKAIKEIが提供する本サービス及び本システムを使用し、本条(キ)の事業主に対して本サービスのライセンス使用権を提供する者をいう。
- (エ) 「本サービス」とは、I-KESSAIが提供する、インターネット上からマーチャントアカウント(以下「iマーチャントアカウント」)を発行し、その他各種サービスを供給するクレジットカード電子決済システムをいう。
- (オ) 「本システム」とは、本サービスのコンピューターシステムのプログラム部分をいう。
- (カ) 「ライセンス契約」とは、第三者と乙との本サービスの販売に関する契約をいう。
- (キ) 「事業主」とは、前項(カ)にてライセンス契約を締結した第三者をいう。
- (ク) 「加盟店」とは、本サービスを用いた乙または第三者のクレジットカード電子決済事業(以下「本事業」という。)に加盟する者をいう。加盟店は乙または事業主からiマーチャントアカウントの提供を受けることができる。
- (ケ) 「消費者」とは、本サービスを用いて加盟店が実施するサービスを利用する第三者をいう。
- (コ) 「SWIPE端末」とは、事業主の本サービスを用いた事業において、事業主が、乙から供給を受けて、加盟店に対して再供給するクレジット決済端末をいう。

第2条(契約の目的)

1. I-KESSAIの行う電子決済業務の内、日本国内市場に限定したアダルト向け電子決済事業の独占的営業権の譲渡を本契約の目的とする。

第3条(乙の業務内容)

1. 日本国内市場を営業対象にする日本企業、外国国籍企業に対して以下の業務を提供する。
 - (ア) 本サービス及び関連システムの販売
 - (イ) 本サービス及び関連システムの運営管理
 - (ウ) 事業主が推奨する加盟店候補の審査および承認
 - (エ) 上項(ウ)にて承認された加盟店へのiマーチャントアカウントの発行
 - (オ) 事業主から要求される本サービスのカスタマイズ依頼の受託と実施
 - (カ) 本サービスの販売代理店および仲介代理店の組織形成
 - (キ) 事業主及び加盟店への売上代金の送金業務
 - (ク) 事業主及び加盟店への明細書発行業務
 - (ケ) SIWPE端末及び本サービスに関連する商品の販売
 - (コ) 本サービスを用いた新規サービスの企画立案及び商用展開

第4条(決済通貨)

1. 本サービスでの決済通貨は日本円のみに限定され、決済金額についての上限設定はない。
2. 日本円以外の通貨の使用については、その必要性があると考えられる場合において随時、甲乙間にて別途協議の上決定する。

第5条(電子決済手数料)

1. 電子決済手数料とは、事業主及び加盟店が本サービスを利用し、以下の処理を行う際に発生する対価を指す。
 - (ア) クレジットカード電子決済
 - (イ) 上項ア)にて行われたクレジットカード電子決済に対しての返金処理
2. 電子決済手数料は基本的に加盟店が負担するものとし、次項3)に定める対価を乙に対し支払うものとする。
3. 電子決済手数料は、一回の処理にて発生する商取引額に対して一律5%とする。ただし甲及び丙が、6ヶ月単位で行う電子決済損害事故発生率評価と乙との協議により電子決済手数料の低減を行う。
4. 電子決済手数料の低減については、1年間で-0.5%の範囲内で検討する。

第6条(認証料)

1. 認証料とは、事業主及び加盟店が本サービスを利用し、以下の処理を行った際に発生する対価を指す。
 - (ア) 与信限度額確認
 - (イ) クレジットカード電子決済
 - (ウ) 上項イ)にて行われたクレジットカード電子決済に対しての返金処理
2. 認証料は基本的に加盟店が負担するものとし、次項3に定める対価を乙に対し支払うものとする。
3. 認証料は、一回の処理に対して一律35円とし、日本国法定消費税相当額を含む金額とする。但し、事業主及び加盟店が、6ヶ月間内に本サービスを用いて行った処理件数、及び、甲及び丙が6ヶ月単位で行う電子決済損害事故発生率評価により、乙との協議により認証料の低減を行う。
4. 認証料の低減については、6ヶ月単位で5円の範囲内で検討する。

第7条(システム利用料)

1. システム使用料とは、加盟店が事業主を通じて本サービスに登録した時点にて発生し、加盟店が本サービス使用の有無に関わらず、本サービスに登録している間は毎月発生する固定金額の対価を指す。
2. システム使用料は基本的に加盟店が負担するものとし、次項4に定める対価を乙に対し支払うものとする。
3. システム使用料は本サービスに加盟店を登録した月から抹消した月まで毎月発生する。
4. システム使用料は一律2,625円の固定料金とし、日本国法定消費税相当額を含む金額とする。

第8条(システムの変更)

1. 本システムにて提供されるすべてのアドミニストレーションシステム、インターネットWebサイトのデザイン変更、URL変更、その他営業権の移行に必要なコンピュータシステムの改造、新規開発に必要な費用はすべて契約金内に含まれるものとする。

第9条(契約期間)

1. 本契約の契約期間は、本契約締結日より起算して1年間とする。
2. 本契約は、契約満了日の1ヶ月前までに、甲、乙、丙からの書面による契約終了の申し出があり、甲、乙、丙の協議による承認がなされない限りは永続的に一年間毎に自動更新される。

第10条(システムの保証)

1. 本システムに不本意な故障が発生した場合の対処および補償については、別途、甲、乙、丙の協議の上決定する。

第11条(事業展開)

1. 甲、乙、丙は、本契約における事業展開の為に、両者好意的に相互の事業促進に向けて協力及び情報交換を行うものとする。

第12条(契約金)

1. 金1億5,000万円
2. 契約金通貨は日本円とし、日本国法定消費税相当額を含む金額とする。

第13条(支払条件)

1. 本契約金は、本条第2項の支払いスケジュールに従い、各月の末日までに甲の指定する金融機関口座に日本円による現金振込みにて支払われる。
2. 本契約金払込スケジュール
 - (ア) 2002年4月 : 金1000万円(払込済み)
 - (イ) 2002年6月 : 金5000万円
 - (ウ) 2002年9月 : 金3000万円
 - (エ) 2002年10月 : 金2000万円
 - (オ) 2002年11月 : 金2000万円
 - (カ) 2002年12月 : 金2000万円
3. 甲は、本契約金の支払を受ける条件として、丙に、2002年9月1日までに銀行業務を日本国内にて開始し、本契約の履行に必要な金融業務、クレジットカード発行、決済、加盟店申請、承認業務、全ての関連するコンピュータシステムを乙に提供をさせることを約束し、丙もこれをあらかじめ了承、約束するものとする。
4. 丙は前項3の銀行業務を乙に提供する手段として、丙が新しく銀行法人を設立し甲または丙に代わって本契約の履行を代行させることができる。その場合、甲および丙は本契約に定められた事項の全てを乙の損害無く代行させることを約束する。

第14条(秘密保持)

1. 本契約において「秘密情報」とは、本件の遂行過程で、甲及び乙が相手方に開示した有形無形の技術上、営業上、その他の情報であって、下記(ア)、(イ)、及び(ウ)に定める条件を満たす情報のみを指すものとする。
 - (ア) 秘密情報が害面により開示される場合は、秘密情報に「秘密」(同様な趣旨の表現を含む。以下同じ。)と明示し、当該秘密情報を受領する者(以下、「受領当事者」という。)に開示されるものとする。

- (イ) 秘密情報が口頭により開示される場合には、当該秘密情報を開示した当事者（以下、「開示当事者」という。）が、開示時点で秘密である旨明確に示し、開示後速やかに開示当事者が「秘密」と明示した文書により内容を詳記して受領当事者に交付し、その秘密の文書の内容・範囲について書面により受領当事者の同意を得る。
 - (ウ) 電子的形式等、書面、口頭以外の方法で開示する秘密情報については、保存された媒体又は電子的形式中に「秘密」である旨を明示した上で受領当事者に開示されるものとする。
2. 前項の規定にかかわらず、次の各号の一に該当することを証明することのできる情報は、秘密情報には含まれないものとする。
- (ア) 開示当事者から開示を受けた時、既に公知の情報
 - (イ) 開示当事者から開示を受けた後、受領当事者の責によらず公知となった情報
 - (ウ) 受領当事者が開示当事者から開示を受ける以前から既に保有していたことが証明できる情報
 - (エ) 開示当事者に対して秘密保持義務を負わない第三者から適法に入手した情報
 - (オ) 受領当事者が、開示当事者から開示された情報を使用することなく、自ら独自に開発した情報
 - (カ) 開示当事者が秘密情報から除外することを文書で同意した情報
 - (キ) 甲及び乙は、善良なる管理者の注意義務をもって、開示当事者から受領した秘密情報を本契約が存続する限り、秘密として保持し、事前の書面による承諾を得ることなく、いかなる第三者に対しても開示又は漏洩してはならない。但し、法令の定めるところにより官公庁又は裁判所から開示を求められた場合はこの限りではない。
 - (ク) 前項に定める期間中、開示当事者の書面による同意を得ることなく、秘密情報を複製してはならない。なお、本項に基づき開示当事者の同意を得て秘密情報を複製した場合、複製をした当事者は、当該複製物に秘密である旨の表示を付さなければならないものとする。
3. 甲及び乙は、開示当事者として、受領当事者に対し提供した秘密情報の内容につき、何ら正確性、真実性、完全性、信頼性及び有効性を保証するものではなく、また当該秘密情報を利用したことにより受領当事者が第三者から損害を受けた場合についても、一切これについて免責されるものとする。
4. 甲及び乙は、開示当事者から秘密情報が開示されたことをもって、当該情報に関する著作権、その他の知的財産権を含むあらゆる権利が、受領当事者に対し許諾若しくは譲渡されたとはみなされないものとする。

第15条(協議解決)

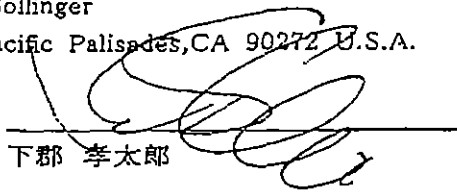
1. 本契約の解釈及びその他の事項につき生じた疑義、又は本契約に規定のない事項については、甲乙双方が誠意をもって協議の上、解決するものとする。

上記契約成立の証として本書6通を作成し、各々署名の上各1通を保有する。

2002年 6月 13日

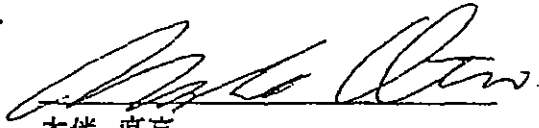
甲

I-KESSAI, INC.
16841 Bollinger
Drive Pacific Palisades, CA 90272 U.S.A.

署名: 
氏名: 下郡 孝太郎

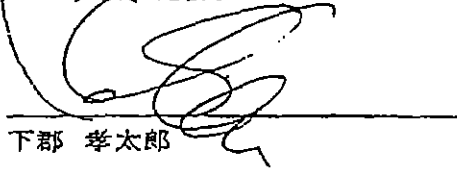
乙

World Commerce Holdings, Inc.
1777 Ala Moana Blvd. 220 Honolulu Hawaii 96815
U.S.A.

署名: 
氏名: 大伴 直喜

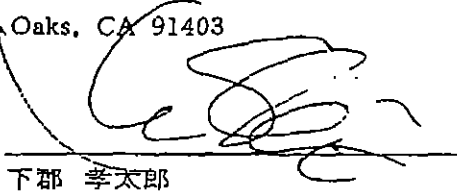
丙

OKAIKEI, INC.
15303 Ventura Blvd.
Suite 1290
Sherman Oaks, CA 91403
U.S.A.

署名: 
氏名: 下郡 孝太郎

仲介及び立会人

WeBeDeV, INC
15303 Ventura Blvd.
Suite 1290
Sherman Oaks, CA 91403
U.S.A.

署名: 
氏名: 下郡 孝太郎

*** RX REPORT ***

RECEPTION OK

TX/RX NO	9990	
CONNECTION TEL		03 5798 8877
SUBADDRESS		
CONNECTION ID		
ST. TIME	07/03 23:34	
USAGE T	02'11	
PGS.	7	
RESULT	OK	

(English Translation of "Juryosho")

To HIT Corporation, Inc.

RECEIPT

Amount Received: JP ¥130,000,000-

Date of Receipt: _____, 2002

Apply to:

Received 1) JPY100,000,000 as earnest money deposit for the agreement to be assigned an exclusive operations right of I-KESSAI Electronic Funds Transfer Service in Japan, and 2) JPY30,000,000 as security deposit of Short-Term payment Procedure. The agreement should be executed by August 31, 2002, otherwise the deposit should be refunded by September 30, 2002.

OKAIKEI, Inc. CEO Kotaro Shimogori
(Executed)

I-KESSAI, Inc. President Christopher Rusch
(Executed)

Mediator: OKAIKEI, Inc. Representative Associate
Information Taskforce, Inc.
President Hisao Takeuchi
(Executed)

ヒットコーポレーション株式会社御中

受領書

受領金額: 金130,000,000円

受領日: 2002年 月 日

適用:

I-KESSAI電子決済事業の日本国内における独占営業権譲渡に関する交渉金100,000,000円 (World Commerce Holdings, Inc. 支払い分含む)、及び短期決済用保証金30,000,000円として。
交渉期限は2002年8月末日とし、交渉不成立の場合は、2002年9月末日までに交渉金の返金を致します。

OKAIKEI, Inc. CEO Kotaro Shimazaki

I-KESSAI, Inc. President Christopher Rusch

仲介者 OKAIKEI, Inc. Representative Associate

インフォメーション・システムズ株式会社
代表取締役 竹内 久雄

受領書 7月30日 1時43分

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):

Squire, Sanders & Dempsey L.L.P.
 Martin J. Trupiano (State Bar No. 69937)
 Ian T. Quach (State Bar No. 223207)
 801 S. Figueroa Street, Suite 1400
 Los Angeles, CA 90017-5554

TELEPHONE NO.: (213) 624-2500 FAX NO.: (213) 623-4581

ATTORNEY FOR (Name): PLAINTIFFS

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

STREET ADDRESS: 111 N. Hill Street

MAILING ADDRESS: 111 N. Hill Street

CITY AND ZIP CODE: Los Angeles, CA 90012

BRANCH NAME: CENTRAL BRANCH

CASE NAME: WEBCAT CORPORATION, et al. v. OKAIKEI, INC.
et al.

FOR COURT USE ONLY

FILED
 LOS ANGELES SUPERIOR COURT

AUG 08 2003

JOHN A. CLARKE, CLERK

BY C. L. Coleman
BY C. L. COLEMAN, DEPUTY

CIVIL CASE COVER SHEET

☒ **Unlimited** ☐ **Limited**
 (Amount (Amount
 demanded demanded is
 exceeds \$25,000) \$25,000 or less)

Complex Case Designation

☐ **Counter** ☐ **Joinder**
 Filed with first appearance by defendant
 (Cal. Rules of Court, rule 1811)

CASE NUMBER: BC300534

JUDGE

DEPT.:

All five (5) items below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort

- ☐ Auto (22)
☐ Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- ☐ Asbestos (04)
☐ Product liability (24)
☐ Medical malpractice (45)
☐ Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

- ☐ Business tort/unfair business practice (07)
☐ Civil rights (08)
☐ Defamation (13)
☒ Fraud (16)
☐ Intellectual property (19)
☐ Professional negligence (25)
☒ Other non-PI/PD/WD tort (35)

Employment

- ☐ Wrongful termination (36)
☐ Other employment (15)

Contract

- ☒ Breach of contract/warranty (06)
☐ Collections (09)
☐ Insurance coverage (18)
☐ Other contract (37)

Real Property

- ☐ Eminent domain/Inverse condemnation (14)
☐ Wrongful eviction (33)
☐ Other real property (26)

Unlawful Detainer

- ☐ Commercial (31)
☐ Residential (32)
☐ Drugs (38)

Judicial Review

- ☐ Asset forfeiture (05)
☐ Petition re: arbitration award (11)
☐ Writ of mandate (02)
☐ Other judicial review (39)

Provisionally Complex Civil Litigation
(Cal. Rules of Court, rules 1800-1812)

- ☐ Antitrust/Trade regulation (03)
☐ Construction defect (10)
☐ Mass tort (40)
☐ Securities litigation (28)
☐ Environmental/Toxic tort (30)
☐ Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment

- ☐ Enforcement of judgment (20)

Miscellaneous Civil Complaint

- ☐ RICO (27)
☐ Other complaint (not specified above) (42)

Miscellaneous Civil Petition

- ☐ Partnership and corporate governance (21)
☐ Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 1800 of the California Rules of Court. If case is complex, mark the factors requiring exceptional judicial management:

- a. ☐ Large number of separately represented parties d. ☐ Large number of witnesses
 b. ☐ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states or countries, or in a federal court
 c. ☐ Substantial amount of documentary evidence f. ☐ Substantial post-judgment judicial supervision

3. Type of remedies sought (check all that apply):

- a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☒ punitive

4. Number of causes of action (specify):

5. This case ☐ is ☒ is not a class action suit.

Date:

Squire, Sanders & Dempsey L.L.P.

(TYPE OR PRINT NAME)

► *Martin J. Trupiano*
 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate, Family, or Welfare and Institutions Code). (Cal. Rules of Court, rule 201.8.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 1800 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a complex case, this cover sheet shall be used for statistical purposes only.

Page 1 of 2

**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required in all new civil case filings in the Los Angeles Superior Court

- I. Check the types of hearing and fill in the estimated length of hearing expected for this case:
JURY TRIAL? ☒ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL ☐ HOURS/ ☒ DAYS.
- II. Select the correct district and courthouse location (4 steps - If you checked "Limited Case", skip to No. III, Pg. 4):
- 1 After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column 1, the Civil Case Cover Sheet case type you selected.
 - 2 Check one Superior Court type of action in Column 2 below which best describes the nature of this case.
 - 3 In Column 3, circle the reason for the court location choice that applies to the type of action you have checked.

Applicable Reasons for Choosing Courthouse Location (See Column 3 below)

1. Class Actions must be filed in the County Courthouse, Central District
2. May be filed in Central (Other county, or no Bodily Inj/Prop.Damage)
3. Location where cause of action arose
4. Location where bodily injury, death or damage occurred.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location wherein defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office.

4 Fill in the information requested on page 4 in item III; complete item IV. Sign the certificate.

	-1- Civil Case Cover Sheet Category No.	-2- Type of Action (Check only one)	-3- Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	☐ A7100 Motor Vehicle - Personal Injury/Property Dam./Wrongful Death Is this an uninsured motorist case? ☐ Yes ☐ No	1., 2., 4.
Other PI/PD/WD Tort	Asbestos (04)	☐ A6070 Asbestos Property Damage ☐ A7221 Asbestosis - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	☐ A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	☐ A7210 Medical Malpractice - Physicians & Surgeons ☐ A7240 Other Professional Health Care Malpractice	1., 2., 4. 1., 2., 4.
	Other PI/PD/WD (23)	☐ A7250 Premises Liability (e.g., slip and fall)	1., 2., 4.
		☐ A7230 Intentional Bodily Injury/PD/WD (e.g., assault, vandalism, etc.)	1., 2., 4.
☐ A7270 Intentional Infliction of Emotional Distress		1., 2., 3.	
☐ A7271 Negligent Infliction of Emotional Distress		1., 2., 3.	
☐ A7220 Other Personal Injury/Property Dam./Wrongful Death		1., 2., 4.	
Non-PI/PD/WD Tort	Business Tort (07)	☒ A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3.
	Civil Rights (08)	☐ A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	☐ A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	☒ A6013 Fraud (no contract)	1, 2, 3.
	Intellectual Property (19)	☐ A6016 Intellectual Property	2., 3.

SHORT TITLE. WEBCAT CORPORATION et al. v. OKAIKEI, INC.
et al.

CASE NUMBER

Non-PI/PD/WD Tort

Employment

Contract

Real Property

Unlawful Detainer

Judicial Review

-1- Civil Case Cover Sheet Category No.	-2- Type of Action (Check only one)	-3- Applicable Reasons - See Step 3 Above
Prof. Negligence (25)	☐ A6017 Legal Malpractice ☐ A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Wrongful Termination (35)	☐ A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	☐ A6024 Other Employment Complaint Case ☐ A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/Warranty (06) (not insurance)	☐ A6004 Breach of Rental/Lease Contract (not UD or wrongful eviction) ☐ A6008 Contract/Warranty Breach-Seller Plaintiff (no fraud/negligence) ☐ A6019 Negligent Breach of Contract/Warranty (no fraud) ☒ A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	☐ A6002 Collections Case-Seller Plaintiff ☐ A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	☐ A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	☐ A6009 Contractual Fraud ☐ A6031 Tortious Interference ☐ A6027 Other Contract Dispute (not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Emnt Dom/Inv. Cond. (14)	☐ A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	☐ A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	☐ A6018 Mortgage Foreclosure ☐ A6032 Quiet Title ☐ A6060 Other Real Property (not em. domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer - Commercial (31)	☐ A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer - Residential (32)	☐ A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer - Drugs (38)	☐ A6022 Unlawful Detainer-Drugs	2., 6.
Asset Forfeiture (05)	☐ A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration Award (11)	☐ A6115 Petition to Compel/Confirm Arbitration	2., 5.

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CASE NUMBER

Judicial Review (continued)

Provisionally Complex Litig.

Enforcement of Judgment

Misc. Civ. Cmpts

Misc. Civil Petitions

-1- Civil Case Cover Sheet Category No.	-2- Type of Action (Check only one)	-3- Applicable Reasons - See Step 3 Above
Writ of Mandate (02)	☐ A6151 Writ - Administrative Mandamus ☐ A6152 Writ - Mandamus on Limited Court Case Matter ☐ A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Oth. Jud. Review (39)	☐ A6150 Other Writ / Judicial Review	2., 8.
Antitrust/Trade Reg. (03)	☐ A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	☐ A6007 Construction defect	1., 2., 3.
Claims Involving Mass Tort (40)	☐ A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litig. (28)	☐ A6035 Securities Litigation Case	1., 2., 8.
Tox. Tort/Environm (30)	☐ A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Ins. Coverage Clms from Complex Case (41)	☐ A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	☐ A6141 Sister State Judgment ☐ A6160 Abstract of Judgment ☐ A6107 Confession of Judgment (non-domestic relations) ☐ A6140 Administrative Agency Award (not unpaid taxes) ☐ A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax ☐ A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	☐ A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	☐ A6030 Declaratory Relief Only ☐ A6040 Injunctive Relief Only (not domestic/harassment) ☐ A6011 Other Commercial Complaint Case (non-tort/non-complex) ☐ A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership/Corp. Governance (21)	☐ A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	☐ A6121 Civil Harassment ☐ A6123 Workplace Harassment ☐ A6124 Elder/Dependent Adult Abuse Case ☐ A6190 Election Contest ☐ A6110 Petition for Change of Name ☐ A6170 Petition for Relief from Late Claim Law ☐ A6100 Other Civil Petition	2., 3., 9. 2., 3., 9 2., 3., 9 2. 2., 7. 2., 3., 4., 8. 2., 9.

CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION

SHORT TITLE: WEBCAT CORPORATION et al. v. OKAIKEI, INC. et al.	CASE NUMBER
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III. Statement of Location: Enter the address of the accident, party residence or place of business, performance, or other circumstance indicated in No. II, item 3 on Page 1 as the proper reason for filing in the court location you selected.

REASON: CHECK THE NUMBER UNDER ITEM -3- WHICH APPLIES IN THIS CASE ☐ 1. ☒ 2. ☐ 3. ☐ 4. ☒ 5. ☐ 6. ☐ 7. ☐ 8. ☐ 9. ☐ 10.			ADDRESS: 15303 Ventura Blvd., Suite 1290
CITY: Sherman Oaks	STATE: CA	ZIP CODE 91403	

IV. Certificate/Declaration of Assignment: The undersigned hereby certifies and declares that the above entitled matter is properly filed for assignment to the Los Angeles courthouse in the Central District of the Los Angeles Superior Court under Section 392 et seq., Code of Civil Procedure and Rule 2(b), (c) and (d) of this court for the reason checked above. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and this declaration was executed on August 8, 2003 at, Los Angeles, California.

(city) (date)


 (SIGNATURE OF ATTORNEY/FILING PARTY)
 Martin J. Trupiano

New Civil Case Filing Instructions

This addendum form is required so that the court can assign your case to the correct courthouse location in the proper district for filing and hearing. It satisfies the requirement for a certificate as to reasons for authorizing filing in the courthouse location, as set forth in Los Angeles Superior Court Local Rule 2.0. It must be completed and submitted to the court along with the Civil Case Cover Sheet and the original Complaint or Petition in **ALL** civil cases filed in any district (including the Central District) of the Los Angeles County Superior Court. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

PLEASE HAVE THE FOLLOWING DOCUMENTS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk (Summons forms available at the Forms Counter).
3. Civil Case Cover Sheet form required by California Rule of Court 982.2(b)(1), completely filled out (Cover Sheet forms available at the Forms Counter).
4. This "Addendum to Civil Case Cover Sheet" form [Superior Court Form Number 982.2(b)(1)A, revised 7/99], completely filled out (Item II. does not apply in limited civil cases) and submitted with the Civil Case Cover Sheet.*
5. Payment in full of the filing fee (unless filing on behalf of state or local government or no fee is due for the type of case being filed) or an Order of the Court waiving payment of filing fees in forma pauperis (fee waiver application forms available at the Filing Window)
6. In case of a plaintiff or petitioner who is a minor under 18 years of age, an Order of the Court appointing an adult as a guardian ad litem to act on behalf of the minor (Guardian ad Litem Application and Order forms available at the Forms Counter).
7. Additional copies of documents presented for endorsement by the Clerk and return to you.

* With the exception of unlimited civil cases concerning property damage, bodily injury or wrongful death occurring in this County, Labor Commissioner Appeals, and those types of actions required to be filed in the Central District by Local Court Rule 2(b), all unlimited jurisdiction civil actions may be optionally filed either in the Central District or in whichever other court location the rule would allow them to be filed. When a party elects to file an unlimited jurisdiction civil action in Central District that would also be eligible for filing in one or more of the other court locations, this form must still be submitted with location and assignment information completed.