STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

In The Matter Of:

CIT TECHNOLOGY FINANCING SERVICES INC.
and CIT GROUP/EQUIPMENT FINANCING, INC.
Respondent.

File No. 05-32-CZ

Hon. James R. Giddings

AG File No. 200506601

ASSURANCE OF DISCONTINUANCE

MICHAEL A. COX
ATTORNEY GENERAL

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Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-335-0855

Dated Filed: May 26, 2005

IN THE MATTER OF)
)
CIT TECHNOLOGY FINANCING SERVICES, INC.)
AND CIT GROUP/EQUIPMENT FINANCING, INC.)

ASSURANCE OF VOLUNTARY COMPLIANCE

1. This Assurance of Voluntary Compliance[1] ("Assurance") is entered into by the Attorneys General[2] (collectively, "Attorneys General") of the States of Connecticut, District of Columbia, Delaware, Georgia, Illinois, Maryland, Massachusetts, Michigan, Pennsylvania, and Rhode Island (collectively, "Participating States"), and CIT Technology Financing Services, Inc. and the CIT Group/Equipment Financing, Inc.

2. CIT Technology Financing Services, Inc. is a corporation organized and existing under the laws of the State of Massachusetts.

3. CIT Group/Equipment Financing, Inc. is a corporation organized and existing under the laws of the State of Delaware.

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[1] This Assurance of Voluntary Compliance shall, for all necessary purposes, also be considered an Assurance of Discontinuance.

[2] Of the states listed, Connecticut is represented by the Commissioner of the Connecticut Department of Consumer Protection, who enters into this Assurance pursuant to the Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. Sec. 42-110j, acting by and through his counsel, Richard Blumenthal, Attorney General for the State of Connecticut. Georgia is represented by the Administrator of the Fair Business Practices Act, who is statutorily authorized to undertake consumer protection functions for the State of Georgia, including acceptance of Assurances of Voluntary Compliance. For simplicity purposes, the entire group will be referred to as the "Attorneys General," and such designation, as it includes Connecticut, refers to the Commissioner of the Connecticut Department of Consumer Protection, and as it includes Georgia, refers to the Administrator of the Fair Business Practices Act.

4. Both CIT Technology Financing Services, Inc. and CIT Group/Equipment Financing, Inc. (collectively referred to as "CIT") have a place of business at 1 CIT Drive, Livingston, New Jersey 07039.

5. CIT is one of the leasing companies that entered into and holds Equipment Rental Agreements with NorVergence, Inc. ("NorVergence") customers in the Participating States and elsewhere.

BACKGROUND

6. This Assurance follows an inquiry by the Attorneys General into CIT's business dealings with NorVergence. This inquiry was part of a larger inquiry regarding whether the practices of NorVergence and those of CIT and other financing companies in connection with NorVergence Equipment Rental Agreements ("Rental Agreements") violate any of the consumer protection statutes listed herein at footnote 3.[3]

NorVergence's Allegedly Fraudulent Business Scheme

7. The Attorneys General of Illinois, North Carolina, Massachusetts, Pennsylvania, and Texas and the Federal Trade Commission have sued NorVergence, alleging that NorVergence's business practices violate their respective consumer protection statutes.

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[3] Connecticut Unfair Trade Practices Act, C.G.C. 42-110b(a); District of Columbia Consumer Protection Procedures Act, D.C. Code §28-3901, *et seq.*; Delaware Consumer Fraud Act 6 Del. C.S. 3511, *et seq.*; Georgia Fair Business Practices Act of 1975, O.C.G.A. 10-1-390, *et seq.*; Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.*; Massachusetts M.G.L. c. 93A; Md. Code Ann., Com. Law §2-302; Michigan Consumer Protection Statute, MCL 445.901, *et seq.*; Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. §§ 201-1 *et seq.*; Rhode Island Deceptive Trade Act, R.I. Gen. Laws § 6-13.1-1, *et seq.*

8. Among other things, these complaints filed against NorVergence include the following allegations:

a. That NorVergence's sales presentations contained a number of misrepresentations about the nature of NorVergence's offer, including, but not limited to, that:

i. NorVergence was offering to lower a potential customer's monthly expenses for telephone service, high speed Internet service, and wireless telephone service, which discounts could be achieved by installing a Matrix box;

ii. NorVergence could eliminate all per-minute charges for telephone service, high-speed Internet service, and wireless telephone service using special "voice as data" technology contained in the Matrix box;

iii. NorVergence arrived at the price for a 60 month contract for the provision of discounted telecommunications services by taking a percentage discount from a customer's monthly telecommunications expenses, usually 30%, and multiplying the remaining percentage, usually 70%, by 60; and

iv. In the event NorVergence went out of business, customers' telecommunications service would not be interrupted.

b. In fact:

i. The Matrix box takes one of two formats: it is either a T1 box, which has nothing to do with cellular service, or a firewall/router, which has nothing to do with landline telephone service or cellular service;

ii. The Matrix box has an estimated retail value of $400 to $1,500;

iii. NorVergence crafted the transactions in such a way that the majority of the 60 month contract monthly payment was contained in an "Equipment Rental Agreement", purportedly for the cost of the Matrix box;

iv. NorVergence immediately assigned its Rental Agreements to various finance companies or caused its customers to execute Rental Agreements directly with finance companies;

v. If NorVergence went out of business, it had no arrangements to provide telecommunications services to its customers; and

vi. Shortly after NorVergence's creditors forced the company into bankruptcy on June 30, 2004, NorVergence ceased providing telecommunications services to all of its customers.

c. The complaints also allege that NorVergence included unfair terms in its Rental Agreements, such as the purported waiver of defenses clause and the floating venue clause, and failed to disclose clearly and conspicuously the material terms and conditions of those Rental Agreements.

CIT's Activities in Connection with the NorVergence Equipment Rental Agreements

9. In many cases, shortly after the Rental Agreements were executed between NorVergence and their customers, these agreements were assigned to finance companies. In a limited number of cases, customers entered into Rental Agreements directly with CIT. In some cases, NorVergence only assigned a portion of the payment stream under a Rental

Agreement to a finance company, typically a number of monthly payments at the beginning of a Rental Agreement's term.

10. CIT sent monthly invoices to its customers in connection with all the NorVergence Rental Agreements in its portfolio and accepted payment from customers on those invoices.

11. In some circumstances when customers did not directly obtain property damage insurance, CIT's monthly invoices included amounts for monthly insurance premiums and administrative fees, hereinafter referred to as insurance-related charges, in connection with insurance obtained by CIT to protect its interest in the equipment which was the subject of the Rental Agreements.

THE ATTORNEYS GENERAL'S POSITION

12. The Attorneys General allege that their consumers were fraudulently induced to sign the NorVergence agreements, and that such agreements are void *ab initio*.

13. The Attorneys General allege that CIT knew or should have known of the alleged fraud perpetrated by NorVergence and is not entitled to collect from its customers in the Participating States.

14. The Attorneys General also allege that, under the circumstances, the Rental Agreements are unconscionable in that they contain terms that are unreasonable, unfairly harsh, and one-sided in favor of NorVergence and the leasing companies, all in violation of the statutes set forth in footnote 3 to this Assurance and in violation of Section 2-302 of the Uniform Commercial Code.

CIT's Position

15. CIT denies that it knew or should have known of any alleged fraud perpetrated by NorVergence. CIT asserts that it is not legally responsible for any such alleged fraud perpetrated by NorVergence, and contends that, in accordance with the law of each Participating State, the Rental Agreements with NorVergence customers remain fully enforceable according to their terms notwithstanding any improper conduct by NorVergence.

16. CIT expressly denies that it engaged in any unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the rental of NorVergence telecommunications equipment.

17. At the same time, in light of the allegations directed at NorVergence, the impact of the NorVergence conduct on CIT's customers, and the concerns expressed by the Participating States, CIT is willing to afford its NorVergence customers an opportunity to be released from their obligations under the Rental Agreements pursuant to the conditions described herein.

TERMS OF ASSURANCE

18. This Assurance shall be binding upon and extend to CIT, its officers, directors, agents (including, but not limited to third party collection agents), employees, successors and assigns, and any entity or device through which it may now or hereafter act, as well as any persons who have authority to control or who, in fact, control and direct its business.

19. By entering into this Assurance, the Parties agree that there are no admissions of wrongdoing or findings of liability or wrongdoing on the part of CIT, that there has been

no concession or agreement by CIT as to the validity and/or merits of any investigation, that there has been no approval, sanction, or authorization by any of the Participating States of any act or practice of CIT and that this Assurance does not indicate or constitute the existence or non-existence of any fact or circumstance that may have been alleged in connection herewith by any Participating State or by CIT. This Assurance is entered into solely for the purpose of settlement of disputed claims, and to avoid the expense, uncertainty, delay, and inconvenience that would be associated with continued investigation and potential litigation of the issues. Neither the existence of, negotiation of, nor the terms of this Assurance, nor of any offer made to or agreed upon with any State Customer pursuant hereto shall, in any future proceeding other than for enforcement, default, or breach of this Assurance, be referred to or offered in evidence of wrongdoing, for any purpose, by any person. A State Customer is any CIT customer in any Participating State that has a NorVergence Rental Agreement. The Participating States acknowledge that CIT has cooperated fully with the investigation in an effort to satisfy the interests of the Participating States and the State Customers. Some of the Attorneys General have obtained default judgments against NorVergence, a company now in bankruptcy. NorVergence did not appear in or defend the cases brought by the suing Attorneys General. CIT was not named as a party in those cases. Accordingly, the applicability of such default judgments, if any, or the enforceability of the Rental Agreements assigned to, or otherwise held by CIT would have to be determined by an appropriate court. The same would be true, with respect to CIT for any additional default

judgments that may be sought and obtained by any of the Attorneys General against NorVergence.

Customer Settlement Program

20. In order to participate in the settlement terms described herein, each State Customer must pay all amounts due on its Rental Agreement through July 15, 2004, including 100% of any and all monthly payments and charges for late fees and taxes and 33% of all insurance-related charges ("Cure Amount"). Each State Customer who elects to participate in, and fully perform under, the settlement terms in the manner described herein will be referred to as a "Participating Customer". Each State Customer who settled its claims with CIT after July 15, 2004 also is eligible to be a Participating Customer on the terms and conditions described in paragraphs 21 through 24 of this Assurance. Each State Customer whose Rental Agreement was only partially assigned to CIT is also eligible to be a Participating Customer on the terms and conditions described below, but such terms and conditions shall apply only with respect to the portion of the Rental Agreement assigned to CIT.

21. CIT will offer the following settlement terms to any Participating Customer and any personal guarantor it may have:

    a. CIT will forgive eighty-five percent (85%) of the remaining contract balance due on each such Participating Customer's obligations to CIT under the Rental Agreement after July 15, 2004, but not including any applicable taxes due thereon or in connection therewith;

b. CIT shall forgive any late fees or penalties assessed on the Participating Customer's account on or after July 15, 2004 and CIT shall forgive or refund 67% of any insurance-related charges on the Participating Customer's account that were paid prior to July 15, 2004; and

c. Within thirty (30) days of the delivery of documents by which any State Customer elects to become a Participating Customer, CIT shall withdraw or cause to be corrected any and all adverse credit information filed by it, if any, as to the Participating Customer as a result of not receiving payment from that Customer on its Rental Agreement after July 15, 2004, by providing written notification to each credit bureau to whom CIT furnished information, if any.

22. CIT shall fully credit each Participating Customer for any payments it has made pursuant to the Rental Agreement after July 15, 2004, including, but not limited to, monthly payments and charges for insurance-related charges, late fees, and taxes. CIT shall issue refunds to those Participating Customers whose post-July 15, 2004 payments exceed the Participating Customer's remaining obligations under the Rental Agreement as provided by paragraph 21 of this Assurance.

23. As to each Participating Customer, CIT agrees to accept, in full satisfaction of the Customer's obligations to CIT under the Customer's Rental Agreement, payment of the Cure Amount, plus payment of fifteen percent (15%) of the remaining contract balance due to CIT under the Rental Agreement as of July 15, 2004, minus any late fees, penalties or insurance-related charges incurred after July 15, 2004 ("Settlement Balance"), plus any applicable taxes thereon or in connection therewith. For Participating State

Customers, it is agreed that the Rental Agreements are considered terminated as of the date the Participating State Customer signs the Settlement Agreement and Release.

24. CIT agrees that the Settlement Balance shall be paid as follows:

a. The Participating Customer shall either elect to:

i. Make a lump sum payment of the entire Settlement Balance; or

ii. If the Settlement Balance is less than $5,000, pay the Settlement Balance in up to twelve (12) equal monthly installment payments. If the Settlement Balance is $5,000 or higher, pay the Settlement Balance in up to twenty-four (24) equal monthly installment payments.

iii. Nothing in this Assurance shall be construed to preclude CIT in its sole discretion from entering into mutually acceptable alternative payment schedules with any Participating Customer.

b. If the Participating Customer elects to make a lump sum payment, such payment shall be due within thirty (30) days of the mailing of the fully executed Settlement and Mutual Release by the Participating Customer, as described in paragraph 25 of this Assurance;

c. If the Participating Customer elects to make installment payments, the first installment payment is to be due no earlier than the thirtieth (30th) day after CIT's receipt of the fully executed Release. CIT shall provide a bill, on a minimum of fifteen (15) days' notice, to such Participating Customer stating the date the first installment payment is due and its amount.

d. Any Participating Customer that begins paying its Settlement Balance may pre-pay the remaining balance at any time without penalty.

e. In the event no Settlement Balance is due from a Participating Customer and a refund is warranted, CIT shall pay any such refund within thirty (30) days of CIT's receipt of the fully executed Settlement and Mutual Release.

25. Unless prohibited by law, within thirty (30) days of the Effective Date, CIT shall mail a Settlement Letter (in the form annexed hereto as Exhibit A) to each State Customer who entered into a Rental Agreement and any personal guarantor thereof. However, for State Customers whose Rental Agreements were only partially assigned to CIT, CIT shall mail a Settlement Letter in the form annexed hereto as Exhibit A-2 instead of Exhibit A, and for the few State Customers who entered into a Rental Agreement with CIT, CIT shall mail a Settlement Letter in the form annexed hereto as Exhibit A-3. In this mailing, CIT will print on the outside of the envelope the following: "NorVergence-Related Settlement Material Enclosed" in at least 12 point typeface. Each State Customer will have 35 days from the date of the mailing of the Settlement Letter to respond to CIT to indicate whether they will accept the terms of settlement. If any of the State Customer's letters are returned to CIT as undeliverable, CIT must make reasonable commercial efforts to locate that customer. If located, CIT shall inform the State Customer and personal guarantor of the following:

a. The thirty-five (35) day opportunity to elect to participate in the settlement described herein in exchange for a release of all claims against CIT relating to NorVergence;

b. The Settlement Balance due from that State Customer (which shall include any Cure Amount); and

c. The State Customer's options for paying the Settlement Balance if the Customer elects to participate in the settlement.

26. Within thirty (30) days of the Effective Date, CIT shall mail a letter to any State Customer who agreed to and/or executed an independent settlement agreement with CIT after July 15, 2004. Those State Customers will have thirty-five (35) days from the date of mailing of the letter to respond to CIT to indicate whether they will elect to revise their existing settlement. In that letter, CIT shall inform such settled State Customer of the following:

a. The thirty-five (35) day opportunity to elect to revise the State Customer's existing settlement to achieve terms equivalent to the Settlement Program described in this Assurance; and

b. If the State Customer elects to revise their settlement, the Settlement Balance due and the State Customer's options for payment.

27. CIT shall include with the letters referenced in paragraphs 25 and 26 of this Assurance a document titled "Settlement and Mutual Release." Letters in the form of Exhibit A annexed hereto will be accompanied by a Settlement and Mutual Release in the form of Exhibit B annexed hereto; letters in the form of Exhibit A-1 will be accompanied by a Settlement and Mutual Release in the form of Exhibit B-1, letters in the form of Exhibit A-2 will be accompanied by a Settlement and Mutual Release in the form of Exhibit B-2 and letters in the form of Exhibit A-3 will be accompanied by a Settlement and Mutual

Release in the form of Exhibit B-3. As referenced in those letters, each Participating Customer will be required to provide a notarized signature of a duly authorized officer, partner or other agent of the company and/or the personal guarantor on the Settlement and Mutual Release and return the same to CIT within thirty-five (35) days of CIT's mailing of the letter.

28. To the extent set forth in the Settlement and Mutual Release, each Participating Customer shall provide CIT with a release of claims arising under the Rental Agreement and any and all NorVergence related issues. As to each Participating Customer who executes a Settlement and Mutual Release, CIT shall provide a release of claims arising under the Rental Agreement, to the extent set forth in the Settlement and Mutual Release. To the extent set forth in the Settlement and Mutual Release, each Participating Customer and CIT shall agree to mutually dismiss with prejudice (and without award of costs or attorneys' fees to any party) any pending litigation arising from the Rental Agreement or CITs efforts to collect under or enforce the Rental Agreement.

29. If a State Customer who executes a Settlement and Mutual Release defaults in payment of their Settlement Balances, CIT may pursue collection of the unpaid Settlement Balance plus interest, and reasonable costs of collection including attorneys' fees, as provided for in the Settlement and Mutual Release.

30. CIT further agrees that it shall not institute any civil action against the Participating Customer for breach of its Rental Agreement or otherwise seek to enforce the Rental Agreement against any Participating Customer, unless there is a default as described in paragraph 29. CIT will dismiss any pending litigation against any Participating Customer

who is a party to existing litigation provided that, if any such Participating Customer has brought counterclaims or separate claims against CIT, they will be dismissed by the Participating Customer as a condition to CIT's dismissal, which may be accomplished by proffering to and obtaining from counsel for the Participating Customer a stipulation dismissing any and all such claims and counterclaims.

31. In the event that any State Customer does not accept the Settlement outlined in this Assurance and requested in the attached Settlement and Mutual Release within thirty-five (35) days allotted or does not execute the Settlement and Mutual Release, the Rental Agreement shall remain in full force and effect and shall be enforceable by all parties to the same extent that it had been enforceable prior to and without regard to CIT's settlement offer. However, notwithstanding any provision authorizing otherwise in any Rental Agreement, if CIT chooses to enforce the Rental Agreement pursuant to this paragraph 31 of the Assurance, then any lawsuit it initiates will be filed by CIT in the state of the State Customer's residence, unless the State Customer objects thereto in reliance on the terms of its Rental Agreement, or unless any State Customer has initiated litigation against CIT, in which case CIT may assert counterclaims or separate claims against such State Customer where its action is pending.

Affidavits of Compliance

32. Within sixty (60) days of the Effective Date of this Assurance, CIT shall submit an affidavit to each Attorney General, subscribed to by an officer of CIT:

a. Attesting that it sent the letters to the State Customers in accordance with the terms of this Assurance;

b. Providing an accounting of the Participating Customers, including the Participating Customers' Settlement Balances and payment schedules elected or agreed upon; and

c. Providing the names of the State Customers whose letters were undeliverable.

33. Within six months from the Effective Date of this Assurance, CIT shall submit to each Attorney General an affidavit, subscribed to by an officer of CIT:

a. Affirming its compliance with the provisions of this Assurance as to the Participating Customers from that Attorney General's state;

b. Providing an accounting of the Participating Customers, including the terms of their payment schedules and payments made; and

c. On or after the second anniversary of the date of this Assurance, the Attorneys General may request in writing a further updated affidavit setting forth CIT's compliance with the provisions of this Assurance as to the Participating Customers from that Attorney General's state and an updated accounting of the Participating Customers from that Attorney General's state, including the terms of their payment schedules and payments made, and CIT shall submit such an affidavit within forty-five (45) days of any such request.

34. The affidavits to be provided pursuant to paragraphs 32 and 33 of this Assurance shall be used only for the purposes of assuring compliance with this Assurance, and shall be used, cited or referred to for no other purposes whatsoever, and shall not constitute any admission of liability or obligation whatsoever on the part of CIT, except to provide to

the Participating States information concerning the status and compliance with this Assurance.

General Provisions

35. This Assurance is entered into by the Parties on their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Assurance.

36. This Assurance shall be binding upon CIT as well as its officers, directors, agents (including, but not limited to, third party collection agents), employees, successors and assigns, and any entity or device through which it may now or hereafter act, as well as any persons who have authority to control or who, in fact, control and direct its business. In no event shall assignment of any right, power, or authority under this Assurance avoid the obligation to comply with this Assurance.

37. The Parties have negotiated, jointly drafted, and fully reviewed the terms of this Assurance and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Assurance.

38. As used in this Assurance, the plural shall include the singular and the singular shall include the plural.

39. Except as otherwise explicitly provided in this Assurance, nothing herein shall be construed to limit the authority of the Attorneys General to protect the interests of the Participating States or the people of these States.

40. If any portion of this Assurance is held invalid or unenforceable by operation of law, the remaining terms of this Assurance shall not be affected.

41. This Assurance contains the entire agreement among the Parties. Except as otherwise provided herein, this Assurance may be modified only by a written instrument signed by or on behalf of a Participating State and CIT, and then shall be binding only with respect to any or each such State so executing.

42. The exhibits to this Assurance are and shall be considered a part of this Assurance.

43. This Assurance is agreed to by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in, this Assurance nor any action taken hereunder shall constitute, or be construed as:

a. An approval, sanction, or authorization by the Attorneys General of any act or practice of CIT;

b. Having any impact on the business practices of CIT, including but not limited to, the terms of equipment rental or lease agreements or insurance practices, other than as specifically provided herein regarding the rental of Norvergence equipment;

c. An admission by CIT that any of its acts or practices described in or prohibited by this Assurance are unfair or deceptive or violate any of the consumer protection or other laws of any of the Participating States;

d. Any agreement or admission by any party to this Assurance as to the existence or non-existence of any fact or allegation that has been made in connection herewith; or

e. The applicability of any statute, law, rule, or regulation to the business or agreements of CIT, except to the extent, and then solely for the purposes provided for, herein.

44. Each person executing this Assurance represents to the other party to the Assurance that he or she is duly authorized to execute and deliver this Assurance, and that, upon the occurrence of the Effective Date, this Assurance shall be a valid, binding, and enforceable agreement, and that all formalities required therefore have been or will be undertaken.

45. Unless otherwise prohibited by law, any signature by the parties to this Assurance may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be one and the same Assurance.

Rights of Customers and CIT

46. Nothing in this Assurance shall be construed to prevent any State Customer or CIT (collectively referred to as "rental parties") from pursuing any right or remedy which one rental party may have against the other, except to the extent that a Participating Customer executes a Settlement and Mutual Release pursuant to this Assurance, in which event the rights of the rental parties shall be as provided for therein.

Effective Date

47. This Assurance shall be effective on May 26, 2005 ("Effective Date").

VIOLATION OF ASSURANCE AS PRIMA FACIE PROOF OF VIOLATION OF CONSUMER PROTECTION STATUTES

48. The parties understand that pursuant to the statutes cited in footnote 3 to this Assurance, a violation of this Assurance shall constitute prima facie evidence of a violation of those statutes in any subsequent proceedings brought by the Attorneys General against CIT or any of his officers, agents, directors or employees. It is further understood that upon any default, an Attorney General's Office has the right to file appropriate legal proceedings to enforce this Assurance.

RELEASE

49. The subject matter of this Assurance is the issues covered in paragraphs 8 through 17 of this Assurance. The Attorneys General acknowledge that the execution of this Assurance constitutes a complete settlement and release by the Attorneys General of all the civil claims and causes of action for damages, fines, costs, restitution, injunction, penalties, and any other remedies that were asserted or could have been asserted by the Attorneys General, either individually or collectively, on or prior to the effective date of this Assurance against CIT arising from the subject matter of this Assurance and pursuant to any common law authority each of the Attorneys General possess, and pursuant to any consumer deceptive or unfair trade practices statutes listed in footnote 3 of this Assurance and the regulations promulgated pursuant to such statutes, as well as any consumer protection laws that each of the Attorneys General has authority to enforce.

THE PARTIES TO THIS ASSURANCE CONSENT TO THE FORM, CONTENT, AND ENTRY OF THIS ASSURANCE ON THE DATES UNDER THEIR RESPECTIVE SIGNATURES.

IN THE MATTER OF)
)
CIT TECHNOLOGY FINANCING SERVICES, INC.)
AND CIT GROUP/EQUIPMENT FINANCING, INC.)

By: _____
(Name) Ron Arrington
(Title) President-CIT Technology Financing Services, Inc.
Date: May 24, 2005

IN THE MATTER OF)
)
CIT TECHNOLOGY FINANCING SERVICES, INC.)
AND CIT GROUP/EQUIPMENT FINANCING, INC.)

_____
[AG'S NAME]
Attorney General of [STATE / COMMONWEALTH]

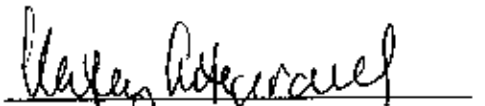
By: _____
[NAME OF AAG / DAG]
Assistant Attorney General

Date: _____

In the Matter of CIT Technology Financing Services, Inc.
and CIT Group/Equipment Financing, Inc.
ASSURANCE OF VOLUNTARY COMPLIANCE

MICHAEL A. COX
ATTORNEY GENERAL
STATE OF MICHIGAN

Dated: 5/11/05

By: 

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In the Matter of CIT Technology Financing Services, Inc.,
and CIT Group/Equipment Financing, Inc.
ASSURANCE OF VOLUNTARY COMPLIANCE

Dated: May 17, 2005

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IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

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Date: 5/12/05

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

M. JANE BRADY
Attorney General of Delaware

By: _____
BARBARA J. GADBOIS
Deputy Attorney General

Date: May 17, 2005

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

RICHARD BLUMENTHAL
Attorney General of Connecticut

By: Valerie J. Bryan
Valerie J. Bryan
Assistant Attorney General

Date: May 20, 2005

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC. AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

PATRICK C. LYNCH
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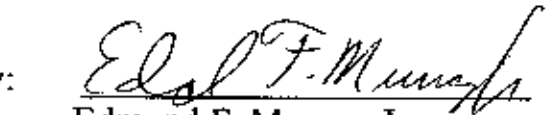
STATE OF RHODE ISLAND

By: 

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In the Matter of CIT Technology Financing Services, Inc.
And CIT Group/Equipment Financing, Inc.
ASSURANCE OF VOLUNTARY COMPLIANCE

Dated: May 17, 2005

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Attorney General of Pennsylvania

FRANK T. DONAGHUE
Chief Deputy Attorney General

By: _____
Henry Hart, III
Senior Deputy Attorney General

By: _____
E. Barry Creany
Senior Deputy Attorney General

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

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Attorneys for the District of Columbia

Date: May 12, 2005

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

LISA MADIGAN
Attorney General of Illinois

By: Elizabeth Blackston
Elizabeth Blackston
Assistant Attorney General

By: Jennifer Meyer
Jennifer Meyer
Assistant Attorney General

Date: 5-11-05

IN THE MATTER OF CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

Dated: May 11, 2005

JOSEPH B. DOYLE
Administrator, Governor's Office of Consumer Affairs

Anne S. Infinger

Anne S. Infinger
Director, Legal Division
Governor's Office of Consumer Affairs
2 Martin Luther King, Jr. Drive, Suite 356
Atlanta, GA 30334-4600

EXHIBIT A-1
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT LETTER

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS WHO HAVE EQUIPMENT RENTAL AGREEMENTS WITH CIT TECHNOLOGY FINANCING SERVICES, INC. OR CIT GROUP/EQUIPMENT FINANCING, INC., AND TO ANY GUARANTORS

Dear [Insert Customer Name] and/or [Insert Guatantor Name]

You are receiving this notice because the records of CIT Technology Financing Services, Inc. and/or CIT Group/Equipment Financing, Inc. ("CIT") reflect that [Insert Customer Name] entered into an Equipment Rental Agreement (referred to herein as the "Rental Agreement") with NorVergence, Inc. ("NorVergence"), which was subsequently assigned to CIT. Pursuant to an agreement with the Attorney General of the State of [Insert State] (the "Attorney General"), CIT is pleased to offer you a one-time opportunity to participate in a Settlement Program by which you may resolve any outstanding balance on the Rental Agreement at a substantial discount, and settle any and all disputes between you and CIT arising from or relating to the Rental Agreement.

<u>The Settlement Program Offered By CIT</u>

If you elect to participate in this Settlement Program, in exchange for being current on your rental payments under the Rental Agreement as of July 15, 2004 (the "Cutoff Date") CIT will: (a) forgive eighty-five percent (85%) of the remaining principal balance; (b) forgive any late fees or penalties assessed on your account on or after the Cutoff Date; and (c) refund 67% of any insurance-related charges paid on your account prior to the Cutoff Date, and forgive any and all insurance-related charges assessed on your account on or after the Cutoff Date. You will also receive credit for any payments made to CIT after the Cutoff Date. In the event that payments you actually made after the

Cutoff Date exceeded 15% percent of the remaining principal balance due as of the Cutoff Date (plus applicable taxes), you will receive a refund of the amount in excess of that amount if you elect to participate in the Settlement Program. You are responsible for all applicable taxes.

In exchange for the benefits provided above, you must be current on your payments under the Rental Agreement as of the Cutoff Date, or you must bring your payments current to the Cutoff Date. You must also agree to release CIT from any claims concerning your Rental Agreement, CIT's efforts to collect under or enforce your Rental Agreement, or CIT's involvement with NorVergence, as described more fully below. You must also agree to pay CIT the "Settlement Balance," which is the amount equal to fifteen percent (15%) of the outstanding balance under your Rental Agreement as of July 15, 2004 (plus all amounts, if any, necessary to bring your account current as of that date), minus any late fees, penalties, and any insurance-related charges paid or charged since the Cutoff Date, plus any credits as described in the preceding paragraph. After settlement, you may be responsible for potential tax liabilities including but not limited to property and usage taxes of the Matrix box and other telephone equipment that was financed through CIT. In regards to these taxes, you may have an affirmative obligation to report these tax liabilities to either your local tax assessor or state department of revenue depending on your state's laws. You may elect to pay the Settlement Balance in one of the following ways:

(a) If your Settlement Balance is equal to Four Thousand Nine Hundred Ninety-Nine and 99/100 Dollars ($4,999.99) or less, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twelve (12) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Settlement and Mutual Release (attached) (also referred to as "Release"). CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

(b) If your Settlement Balance is Five Thousand and 00/100 Dollars ($5,000) or more, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twenty-four (24) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Release. CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

You will also have the right at any time to pay the remainder of the Settlement Balance at any time without penalty.

(c) If your account is current through July 15, 2004 and you are entitled to a refund from CIT, CIT will send the refund to you within thirty (30) days of CIT's receipt of the fully executed Release.

To participate in this Settlement Program, **you must complete, sign and return to CIT Technology Financing Services, Inc., postmarked within 35 days from the date of this notice,** two copies of the enclosed Release. Please note that, in order to participate in this Settlement Program, your signatures on these documents must be notarized. Upon CIT's receipt of the fully executed Release, CIT will send you a written notification terminating the Rental Agreement.

By accepting this proposal, you (a) elect and agree to pay the Settlement Balance; and (b) fully release CIT from, and agree not to sue CIT for, any and all claims that you have or may have had against CIT relating to your Rental Agreement or any other matter arising from your dealings with NorVergence, including any such claims you may have as a member or representative of various proposed class action lawsuits that have been brought against CIT on behalf of asserted classes of NorVergence customers (as well as any such proposed class action lawsuits that may be brought in the future). If you are currently involved in any litigation with CIT over your Rental Agreement and you wish to participate in the Settlement Program, you and CIT will mutually dismiss that action with prejudice.

CIT, in turn, will fully release you from, and agree not to sue you for or to dismiss you from, any and all claims that it has or may have had against you based upon your Rental Agreement. Both you and CIT will retain all rights under law to enforce the Release.

CIT has agreed to propose this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices. Indeed, CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the rental of NorVergence telecommunications equipment.

If You Decide Not To Participate In The Settlement Program:

You are not obligated to participate in the Settlement Program agreed to by CIT and the Attorney General, and you have the right to consult with an attorney of your choosing before you decide whether to participate in the Settlement Program. Nothing in the settlement between CIT and the Attorney General prevents you from pursuing any right or remedy at law, equity or contract which you may have against CIT, except to the

extent that you elect to participate in this Settlement Program and execute a Release. If you elect not to participate in the Settlement Program, then CIT may seek to enforce all terms of the original Rental Agreement in full and may make use of any of the remedies available to it under the law, equity or contract. CIT will institute such legal proceedings against you in a court in the State of [Insert State], unless you object to the jurisdiction of that Court. Some of those Attorneys General have obtained default judgments against NorVergence, a company now in bankruptcy. NorVergence did not appear in or defend the cases brought against it by the suing Attorneys General. CIT was not named as a party in those cases. Accordingly, the applicability of such default judgments, if any, on the enforceability of the Rental Agreements assigned to, or otherwise held by CIT would have to be determined by an appropriate court should you decide not to participate in the settlement program. The same would be true, with respect to CIT, for any additional default judgments that may be sought and obtained by any of the Attorneys General against NorVergence.

If You Elect To Participate In The Settlement Program:

If you elect to participate in the Settlement Program, and then default on your payment obligation thereunder, CIT will have the right to accelerate all payments remaining due thereunder, and declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due under this Settlement Agreement. CIT will, in that event, also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default until the date of payment, as well as its costs of collection, including attorneys' fees.

IMPORTANT: If you elect to participate in the Settlement Program, but thereafter fail to pay CIT the Settlement Balance as promised in the Release, CIT may seek to enforce its rights to receive payment (including default interest and costs of collection including attorneys' fees) by use of any of the remedies available to it under the law, equity or contract. CIT has agreed, however, that it will not institute any legal proceedings against you in any court outside the State of [Insert State].

What You Would Be Agreeing To Pay If You Enroll In The Settlement Program:

Currently, the remaining balance on your Rental Agreement after you have brought your Rental Agreement account current up to the Cutoff Date of July 15, 2004 is $_____. If you agree to participate in the Settlement Program, CIT your Settlement Balance will be _____, which results in a savings to you of $_____.

More specifically, as of [date of letter] CIT has the following information about your Rental Agreement and what the Settlement Program would require you to pay:

A. **Unpaid Balance Due as of July 15, 2004 including applicable taxes plus credit for 67% of insurance-related charges paid before July 15, 2004:** _____

B. **Plus 15% of Remaining Balance Due after July 15, 2004 plus applicable taxes:** _____

C. **Minus: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts):** _____

Total:

Amount to be Paid (Settlement Balance) _____

or

Amount to be Refunded _____

Payment options: Lump sum payment or _____ per month for _____ months

Please call [phone number] if you have any questions regarding this Settlement Program or your Rental Agreement account.

Yours truly,

CIT Technology Financing Services, Inc.,
CIT GROUP/EQUIPMENT Financing, Inc.

EXHIBIT B-1
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT AND MUTUAL RELEASE

between

[Customer and Guarantor]
and
CIT TECHNOLOGY FINANCING SERVICES, INC.,
CIT GROUP/EQUIPMENT FINANCING, INC.

I, _____, on behalf of the entity named above (the "Customer") and as personal guarantor (together, the "Customer and Guarantor"), elect to take advantage of the Settlement Program agreed to by the ATTORNEY GENERAL OF THE STATE OF [insert State] and CIT TECHNOLOGY FINANCING SERVICES, INC. and CIT GROUP/EQUIPMENT FINANCING, INC. ("CIT") to pay off Customer's Rental Agreement with CIT (the "Rental Agreement") at a substantial discount and to settle any and all disputes between Customer and/or Guarantor and CIT arising from the Rental Agreement. With this Settlement and Mutual Release (the "Settlement Agreement" or "Release") I am: (1) accepting the terms of the Settlement Program offered by CIT and (2) entering into a mutual release of claims with CIT and related parties.

I understand that CIT and the Attorney General of the State of [insert State] have agreed to the terms of this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices, and that CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the Rental Agreement.

1. Terms Of The Settlement Program

By accepting the terms of this Settlement Program, I understand that, in exchange for being current on all rental payments due on the Rental Agreement through July 15, 2004 (the "Cutoff Date"), CIT will:

(a) forgive eighty-five percent (85%) of the remaining principal balance as of July 15, 2004;

(b) forgive any late fees, penalties or insurance-related charges assessed on [Customer's] account on or after the Cutoff Date; and

(c) You will also receive a credit for 100% of any and all payments made to CIT after the Cutoff Date and will receive a credit or refund for 67% of all insurance-related charges paid before the Cutoff Date.

I also understand that CIT'S records reflect the following information about Customer's Rental Agreement account:

1. **Unpaid Balance Due as of July 15, 2004 including applicable taxes and with credit for 67% of insurance-related charges paid before July 15, 2004** _____

2. **Plus 15% of Remaining Balance Due after July 15, 2004 plus applicable taxes** _____

3. **Minus: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts):** _____

Total:

4. **Amount to be Paid (Settlement Balance)** _____

or

5. **Amount to be Refunded** _____

[NOTE: If Settlement balance due to CIT]

Lessee and/or Guarantor agree to pay the amount Settlement Balance by the method checked here and request that CIT invoice Lessee and/or Guarantor accordingly:

_____ Pay the Settlement Balance on Line 5 in a lump sum within 30 days of your delivery of this agreement.

_____ Pay the Settlement Balance on Line 5 in ____ equal monthly installments of _____, beginning on the date specified in the first CIT invoice, which payment date shall be at least 15 days after the date of mailing of such invoice. I understand that Lessee and/or Guarantor may prepay the remainder of the Settlement Balance at any time without penalty.

I understand that if Lessee and/or Guarantor fail to pay the Settlement Balance as promised, CIT may seek to enforce the Release in full and make use of any of the remedies available to it under the law, including the right to declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due or to become due under this Settlement Agreement. CIT will also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default to date of collection, as well as its costs of collection, including attorneys' fees. However, CIT will file suit against Lessee and/or Guarantor only in a court in their home State, unless Lessee and/or Guarantor take the position that Lessee and/or Guarantor are not subject to jurisdiction in that State.

Checks are to be made payable to CIT Technology Financing Services, Inc. and sent to [ADDRESS TO BE ADDED]. Please include the account number on the check.

[NOTE: If Refund Payment Due by CIT]

CIT will send a refund check in the amount of _____ within 30 days of the receipt of Lessee's and/or Guarantor's acceptance of this Settlement.

2. Release Of Claims

I understand that, in exchange for the opportunity to pay off the Rental Agreement at a substantial discount, Customer and Guarantor hereby release and discharge CIT, and all of its subsidiaries, parents, affiliates, predecessors, successors and assigns, officers, directors, employees, shareholders and agents (the "CIT Parties") from, and covenant not to file or pursue any lawsuit or claim in any place against any CIT Party for, any and all claims (including claims as a member or representative of a proposed class action, whether pending now or filed later) that Customer and/or

Guarantor has or may have had against the CIT Parties for any and all damages, restitution, equitable relief, attorneys' fees and/or penalties relating to the Rental Agreement or Customer's dealings with NorVergence. Customer and/or Guarantor further agree that if they are currently involved in any litigation arising from the Rental Agreement or any efforts to collect under or enforce the Rental Agreement, Customer and/or Guarantor and CIT will mutually dismiss these claims with prejudice.

In exchange for Customer and/or Guarantor's payment to CIT pursuant to this Settlement Agreement, except for the reservations contained herein, CIT hereby releases and discharges Customer and/or Guarantor from, and covenants not to file or pursue any lawsuit or claim in any place against Customer and/or Guarantor for, any and all claims that CIT has or may have had against Customer and/or Guarantor and all of its subsidiaries, parents, affiliates, predecessors, successors, assigns, officers, directors, employees, shareholders, agents, and guarantors for any and all damages, equitable relief, attorneys' fees and penalties relating to the Rental Agreement. Notwithstanding the Release contained in the prior sentence, Customer and/or Guarantor shall remain liable for any amounts claimed against CIT by any governmental entity or other third-party after the date of this Settlement Agreement, for which, under the terms of the Rental Agreement, Customer was liable in addition to the rental payment amounts stated therein.

I hereby acknowledge and represent that I have read this Settlement Agreement; that I have had the opportunity to consult with a lawyer concerning it; that Customer and/or Guarantor are voluntarily entering into this Settlement Agreement; that neither CIT nor its agents or attorneys have made any representations or promises concerning the terms or effects of this Settlement Agreement other than those set forth in this document; and I understand that this is a full and final release of all claims Customer and/or Guarantor has or may have against the CIT Parties concerning the Rental Agreement.

I further agree that this Settlement Agreement constitutes the entire agreement among the parties hereto, may not be changed orally and may not be modified or amended except pursuant to an agreement in writing signed by all of the parties hereto, unless Customer and/or Guarantor change their mind as provided above.

The signatory for the Customer below represents that he or she is duly authorized to enter into this Settlement Agreement and on behalf of the Customer.

This Settlement Agreement shall be deemed accepted upon your return to CIT of an executed copy of this Settlement Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has caused this Settlement Agreement to be executed this ____ day of _____, 2005.

Dated:_____

[NAME OF CUSTOMER]

By: _____ [Name]

[Title]
[Address]

By: _____
[Name], as Guarantor

CIT TECHNOLOGY FINANCING SERVICES, INC., CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____

FILL OUT COMPLETELY AND SEND TWO SIGNED ORIGINALS TO CIT at: [ADDRESS TO BE ADDED]

PLEASE KEEP A COPY FOR YOUR RECORDS. A FULLY EXECUTED DOCUMENT WILL BE SENT TO CUSTOMER AND ANY GUARANTOR UPON COMPLETION OF THE TERMS OUTLINED HEREIN

EXHIBIT C
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.

NOTICE OF TERMINATION OF RENTAL AGREEMENT

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS OF TERMINATION OF EQUIPMENT RENTAL AGREEMENT.

Dear [Insert Customer Name] and/or [Insert Guarantor Name]

Pursuant to the Settlement and Mutual Release (the "Settlement Agreement") executed between you and CIT Technology Financing Services, Inc. or CIT Group/Equipment Financing, Inc. ("CIT"), please be advised that the Equipment Rental Agreement has been terminated.

Accordingly, pursuant to the terms of the Settlement Agreement, this notice is to advise you that, except as specifically provided in the Settlement Agreement, your Rental Agreement has been terminated as of [Insert Date of CIT's Receipt of the Signed Settlement Agreement].

Sincerely,

CIT Technology Financing Services, Inc.,
CIT GROUP/EQUIPMENT Financing, Inc.

EXHIBIT A-2
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT LETTER

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS WHO HAVE EQUIPMENT RENTAL AGREEMENTS WITH CIT TECHNOLOGY FINANCING SERVICES, INC. OR CIT GROUP/EQUIPMENT FINANCING, INC., AND TO ANY GUARANTORS

Dear [Insert Customer Name] and/or [Insert Guarantor Name]

You are receiving this notice because the records of CIT Technology Financing Services, Inc. and/or CIT Group/Equipment Financing, Inc. ("CIT") reflect that [Insert Customer Name] entered into an Equipment Rental Agreement (referred to herein as the "Rental Agreement") with CIT, to rent equipment you obtained from NorVergence, Inc. ("NorVergence"), which subsequently assigned the first [____] months of that Rental Agreement to CIT. Pursuant to an agreement with the Attorney General of the State of [Insert State] (the "Attorney General"), CIT is pleased to offer you a one-time opportunity to participate in a Settlement Program by which you may resolve any outstanding balance at a substantial discount on that portion of the Rental Agreement assigned to CIT, and settle any and all disputes between you and CIT arising from or relating to the Rental Agreement.

The Settlement Program Offered By CIT

If you elect to participate in this Settlement Program, in exchange for being current on your rental payments under the Rental Agreement as of July 15, 2004 (the "Cutoff Date") CIT will: (a) forgive eighty-five percent (85%) of the remaining principal balance under that portion of the Rental Agreement assigned to CIT; (b) forgive any late fees or penalties assessed on your account on or after the Cutoff Date; and (c) refund 67% of any insurance-related charges paid on your account prior to the Cutoff Date, and

forgive any and all insurance-related charges assessed on your account on or after the Cutoff Date. You will also receive credit for any payments made to CIT after the Cutoff Date. In the event that payments you actually made after the Cutoff Date exceeded 15% percent of the remaining principal balance due as of the Cutoff Date (plus applicable taxes), you will receive a refund of the amount in excess of that amount if you elect to participate in the Settlement Program. You are responsible for all applicable taxes.

In exchange for the benefits provided above, you must be current on your payments under the Rental Agreement as of the Cutoff Date, or you must bring your payments current to the Cutoff Date. You must also agree to release CIT from any claims concerning your Rental Agreement, CIT's efforts to collect under or enforce your Rental Agreement, or CIT's involvement with NorVergence, as described more fully below. You must also agree to pay CIT the "Settlement Balance," which is the amount equal to fifteen percent (15%) of the outstanding balance under the [ ] month portion of your Rental Agreement assigned to CIT as of July 15, 2004 (plus all amounts, if any, necessary to bring your account current as of that date), minus any late fees, penalties, and any insurance-related charges paid or charged since the Cutoff Date, plus any credits as described in the preceding paragraph. After settlement, you may be responsible for potential tax liabilities including but not limited to property and usage taxes of the Matrix box and other telephone equipment that was financed through CIT. In regards to these taxes, you may have an affirmative obligation to report these tax liabilities to either your local tax assessor or state department of revenue depending on your state's laws. You may elect to pay the Settlement Balance in one of the following ways:

(a) If your Settlement Balance is equal to Four Thousand Nine Hundred Ninety-Nine and 99/100 Dollars ($4,999.99) or less, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twelve (12) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Settlement and Mutual Release (attached) (also referred to as "Release"). CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

(b) If your Settlement Balance is Five Thousand and 00/100 Dollars ($5,000) or more, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twenty-four (24) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Release. CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

You will also have the right at any time to pay the remainder of the Settlement Balance at any time without penalty.

(c) If your account is current through July 15, 2004 and you are entitled to a refund from CIT, CIT will send the refund to you within thirty (30) days of CIT's receipt of the fully executed Release.

To participate in this Settlement Program, **you must complete, sign and return to CIT Technology Financing Services, Inc., postmarked within 35 days from the date of this notice,** two copies of the enclosed Release. Please note that, in order to participate in this Settlement Program, your signatures on these documents must be notarized. Upon CIT's receipt of the fully executed Release, CIT will send you a written notification terminating the Rental Agreement.

By accepting this proposal, you (a) elect and agree to pay the Settlement Balance; and (b) fully release CIT from, and agree not to sue CIT for, any and all claims that you have or may have had against CIT relating to your Rental Agreement or any other matter arising from your dealings with NorVergence, including any such claims you may have as a member or representative of various proposed class action lawsuits that have been brought against CIT on behalf of asserted classes of NorVergence customers (as well as any such proposed class action lawsuits that may be brought in the future). If you are currently involved in any litigation with CIT over your Rental Agreement and you wish to participate in the Settlement Program, you and CIT will mutually dismiss that action with prejudice.

CIT, in turn, will fully release you from, and agree not to sue you for or to dismiss you from, any and all claims that it has or may have had against you based upon your Rental Agreement. Both you and CIT will retain all rights under law to enforce the Release.

If you elect to participate in the Settlement Program, it will not affect your rights or obligations with respect to the last [illegible] months of the Rental Agreement, which were not assigned to CIT. Ownership of the last [illegible] months may have been retained by NorVergence or assigned to some other financial institution. As you know, NorVergence is a debtor in pending bankruptcy proceedings. If you have questions regarding the last [illegible] months of the Rental Agreement, you should contact the Bankruptcy Trustee appointed in NorVergence's bankruptcy case. The trustee is Charles Forman, Forman, Holt & Eliades, LLC, 218 Route 17 North, Rochelle Park, New Jersey 07662, telephone (866) 808-3616.

CIT has agreed to propose this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices. Indeed, CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the rental of NorVergence telecommunications equipment.

If You Decide Not To Participate In The Settlement Program:

You are not obligated to participate in the Settlement Program agreed to by CIT and the Attorney General, and you have the right to consult with an attorney of your choosing before you decide whether to participate in the Settlement Program. Nothing in the settlement between CIT and the Attorney General prevents you from pursuing any right or remedy at law, equity or contract which you may have against CIT, except to the extent that you elect to participate in this Settlement Program and execute a Release. If you elect not to participate in the Settlement Program, then CIT may seek to enforce all terms of the original Rental Agreement in full and may make use of any of the remedies available to it under the law, equity or contract. CIT will institute such legal proceedings against you in a court in the State of [insert State], unless you object to the jurisdiction of that Court. Some of those Attorneys General have obtained default judgments against NorVergence, a company now in bankruptcy. NorVergence did not appear in or defend the cases brought against it by the suing Attorneys General. CIT was not named as a party in those cases. Accordingly, the applicability of such default judgments, if any, on the enforceability of the Rental Agreements assigned to, or otherwise held by CIT would have to be determined by an appropriate court should you decide not to participate in the settlement program. The same would be true, with respect to CIT, for any additional default judgments that may be sought and obtained by any of the Attorneys General against NorVergence.

If You Elect To Participate In The Settlement Program:

If you elect to participate in the Settlement Program, and then default on your payment obligation thereunder, CIT will have the right to accelerate all payments remaining due thereunder, and declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due under this Settlement Agreement. CIT will, in that event, also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default until the date of payment, as well as its costs of collection, including attorneys' fees.

IMPORTANT: If you elect to participate in the Settlement Program, but thereafter fail to pay CIT the Settlement Balance as promised in the Release, CIT may seek to enforce its rights to receive payment (including default interest and costs of collection including attorneys' fees) by use of any of the remedies available to it under the law, equity or contract. CIT has agreed, however, that it will not institute any legal proceedings against you in any court outside the State of [insert State].

What You Would Be Agreeing To Pay If You Enroll In The Settlement Program:

Currently, the remaining balance on the [ ] month portion of your Rental Agreement that was assigned to CIT after you have brought your Rental Agreement account current up to the Cutoff Date of July 15, 2004 is $[ ]. If you agree to participate in the Settlement Program, CIT your Settlement Balance will be [ ], which results in a savings to you of $[ ].

More specifically, as of [date of letter] CIT has the following information about your Rental Agreement and what the Settlement Program would require you to pay:

A. Unpaid Balance Due as of July 15, 2004 including applicable taxes plus credit for 67% of insurance-related charges paid before July 15, 2004: _____

B. Plus 15% of Remaining Balance Due after July 15, 2004 under that portion of the Rental Agreement assigned to CIT plus applicable taxes: _____

C. Minus: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts): _____

Total:

Amount to be Paid (Settlement Balance) _____

or

Amount to be Refunded _____

Payment options: Lump sum payment or _____ per month for _____ months

Please call [phone number] if you have any questions regarding this Settlement Program or your Rental Agreement account.

Yours truly,

CIT Technology Financing Services, Inc.

EXHIBIT B-2
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT AND MUTUAL RELEASE

between

[Customer and Guarantor]
and
CIT TECHNOLOGY FINANCING SERVICES, INC. and/or
CIT GROUP/EQUIPMENT FINANCING, INC.

I, _____, on behalf of the entity named above (the "Customer") and as personal guarantor (together, the "Customer and Guarantor"), elect to take advantage of the Settlement Program agreed to by the ATTORNEY GENERAL OF THE STATE OF [insert State] and CIT TECHNOLOGY FINANCING SERVICES, INC. and CIT GROUP/EQUIPMENT FINANCING, INC. ("CIT") to pay off Customer's obligations at a substantial discount under that portion of its Rental Agreement with NorVergence (the "Rental Agreement") that was assigned to CIT and to settle any and all disputes between Customer and/or Guarantor and CIT arising from the Rental Agreement. With this Settlement and Mutual Release (the "Settlement Agreement" or "Release") I am: (1) accepting the terms of the Settlement Program offered by CIT and (2) entering into a mutual release of claims with CIT and related parties.

I understand that CIT and the Attorney General of the State of [insert State] have agreed to the terms of this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices, and that CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the Rental Agreement.

1. **Terms Of The Settlement Program**

By accepting the terms of this Settlement Program, I understand that, in exchange for being current on all rental payments due on the Rental Agreement through July 15, 2004 (the "Cutoff Date"), CIT will:

(a) forgive eighty-five percent (85%) of the remaining principal balance due under the first [___] months of the Rental Agreement as of July 15, 2004;

(b) forgive any late fees, penalties or insurance-related charges assessed on [Customer's] account on or after the Cutoff Date; and

(c) You will also receive a credit for 100% of any and all payments made to CIT after the Cutoff Date and will receive a credit or refund for 67% of all insurance-related charges paid before the Cutoff Date.

I also understand that CIT'S records reflect the following information about Customer's Rental Agreement account:

1. **Unpaid Balance Due as of July 15, 2004 Including applicable taxes and with credit for 67% of insurance-related charges paid before July 15, 2004** _____

2. **Plus 15% of Remaining Balance Due under the portion of the Rental Agreement assigned to CIT after July 15, 2004 plus applicable taxes** _____

3. **Minus: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts):** _____

Total:

4. **Amount to be Paid (Settlement Balance)** _____

or

5. **Amount to be Refunded** _____

[NOTE: If Settlement balance due to CIT]

Lessee and/or Guarantor agree to pay the amount Settlement Balance by the method checked here and request that CIT invoice Lessee and/or Guarantor accordingly:

_____ Pay the Settlement Balance on Line 5 in a lump sum within 30 days of your delivery of this agreement.

_____ Pay the Settlement Balance on Line 5 in ____ equal monthly installments of ____, beginning on the date specified in the first CIT invoice, which payment date shall be at least 15 days after the date of mailing of such invoice. I understand that Lessee and/or Guarantor may prepay the remainder of the Settlement Balance at any time without penalty.

I understand that if Lessee and/or Guarantor fail to pay the Settlement Balance as promised, CIT may seek to enforce the Release in full and make use of any of the remedies available to it under the law, including the right to declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due or to become due under this Settlement Agreement. CIT will also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default to date of collection, as well as its costs of collection, including attorneys' fees. However, CIT will file suit against Lessee and/or Guarantor only in a court in their home State, unless Lessee and/or Guarantor take the position that Lessee and/or Guarantor are not subject to jurisdiction in that State.

Checks are to be made payable to CIT Technology Financing Services, Inc. and sent to [ADDRESS TO BE ADDED]. Please include the account number on the check.

[NOTE: If Refund Payment Due by CIT]

CIT will send a refund check in the amount of ____ within 30 days of the receipt of Lessee's and/or Guarantor's acceptance of this Settlement.

2. Release Of Claims

I understand that, in exchange for the opportunity to pay off the Rental Agreement at a substantial discount, Customer and Guarantor hereby release and discharge CIT, and all of its subsidiaries, parents, affiliates, predecessors, successors and assigns, officers, directors, employees, shareholders and agents (the "CIT Parties")

from, and covenant not to file or pursue any lawsuit or claim in any place against any CIT Party for, any and all claims (including claims as a member or representative of a proposed class action, whether pending now or filed later) that Customer and/or Guarantor has or may have had against the CIT Parties for any and all damages, restitution, equitable relief, attorneys' fees and/or penalties relating to the Rental Agreement or Customer's dealings with NorVergence. Customer and/or Guarantor further agree that if they are currently involved in any litigation arising from the Rental Agreement or any efforts to collect under or enforce the Rental Agreement, Customer and/or Guarantor and CIT will mutually dismiss these claims with prejudice.

In exchange for Customer and/or Guarantor's payment to CIT pursuant to this Settlement Agreement, except for the reservations contained herein, CIT hereby releases and discharges Customer and/or Guarantor from, and covenants not to file or pursue any lawsuit or claim in any place against Customer and/or Guarantor for, any and all claims that CIT has or may have had against Customer and/or Guarantor and all of its subsidiaries, parents, affiliates, predecessors, successors, assigns, officers, directors, employees, shareholders, agents, and guarantors for any and all damages, equitable relief, attorneys' fees and penalties relating to the Rental Agreement. Notwithstanding the Release contained in the prior sentence, Customer and/or Guarantor shall remain liable for any amounts claimed against CIT by any governmental entity or other third-party after the date of this Settlement Agreement, for which, under the terms of the Rental Agreement, Customer was liable in addition to the rental payment amounts stated therein.

I hereby acknowledge and represent that I have read this Settlement Agreement; that I have had the opportunity to consult with a lawyer concerning it; that Customer and/or Guarantor are voluntarily entering into this Settlement Agreement; that neither CIT nor its agents or attorneys have made any representations or promises concerning the terms or effects of this Settlement Agreement other than those set forth in this document; and I understand that this is a full and final release of all claims Customer and/or Guarantor has or may have against the CIT Parties concerning the Rental Agreement.

I further agree that this Settlement Agreement constitutes the entire agreement among the parties hereto, may not be changed orally and may not be modified or amended except pursuant to an agreement in writing signed by all of the parties hereto, unless Customer and/or Guarantor change their mind as provided above.

The signatory for the Customer below represents that he or she is duly authorized to enter into this Settlement Agreement and on behalf of the Customer.

This Settlement Agreement shall be deemed accepted upon your return to CIT of an executed copy of this Settlement Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has caused this Settlement Agreement to be executed this ____ day of _____, 2005.

Dated:_____

[NAME OF CUSTOMER]

By: _____ [Name]

[Title]
[Address]

By: _____
[Name], as Guarantor

CIT TECHNOLOGY FINANCING SERVICES, INC., CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____

FILL OUT COMPLETELY AND SEND TWO SIGNED ORIGINALS TO CIT at: [ADDRESS TO BE ADDED]

PLEASE KEEP A COPY FOR YOUR RECORDS. A FULLY EXECUTED DOCUMENT WILL BE SENT TO CUSTOMER AND ANY GUARANTOR UPON COMPLETION OF THE TERMS OUTLINED HEREIN

EXHIBIT C
CIT TECHNOLOGY FINANCING SERVICES, INC.
AND CIT GROUP/EQUIPMENT FINANCING, INC.

NOTICE OF TERMINATION OF RENTAL AGREEMENT

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS OF TERMINATION OF EQUIPMENT RENTAL AGREEMENT.

Dear [Insert Customer Name] and/or [Insert Guarantor Name]

Pursuant to the Settlement and Mutual Release (the "Settlement Agreement") executed between you and CIT Technology Financing Services, Inc. or CIT Group/Equipment Financing, Inc. ("CIT"), please be advised that the Equipment Rental Agreement has been terminated.

Accordingly, pursuant to the terms of the Settlement Agreement, this notice is to advise you that, except as specifically provided in the Settlement Agreement, your Rental Agreement has been terminated as of [Insert Date of CIT's Receipt of the Signed Settlement Agreement].

Sincerely,

CIT Technology Financing Services, Inc.

EXHIBIT A-3
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT LETTER

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS WHO HAVE EQUIPMENT RENTAL AGREEMENTS WITH CIT TECHNOLOGY FINANCING SERVICES, INC. OR CIT GROUP/EQUIPMENT FINANCING, INC., AND TO ANY GUARANTORS

Dear [Insert Customer Name] and/or [Insert Guarantor Name]

You are receiving this notice because the records of CIT Technology Financing Services, Inc. and/or CIT Group/Equipment Financing, Inc. ("CIT") reflect that [Insert Customer Name] entered into an Equipment Rental Agreement (referred to herein as the "Rental Agreement") with CIT, to rent equipment you obtained from NorVergence, Inc. ("NorVergence"). Pursuant to an agreement with the Attorney General of the State of [Insert State] (the "Attorney General"), CIT is pleased to offer you a one-time opportunity to participate in a Settlement Program by which you may resolve any outstanding balance on the Rental Agreement at a substantial discount, and settle any and all disputes between you and CIT arising from or relating to the Rental Agreement.

<u>The Settlement Program Offered By CIT</u>

If you elect to participate in this Settlement Program, in exchange for being current on your rental payments under the Rental Agreement as of July 15, 2004 (the "Cutoff Date") CIT will: (a) forgive eighty-five percent (85%) of the remaining principal balance; (b) forgive any late fees or penalties assessed on your account on or after the Cutoff Date; and (c) refund 67% of any insurance-related charges paid on your account prior to the Cutoff Date, and forgive any and all insurance-related charges assessed on your account on or after the Cutoff Date. You will also receive credit for any payments made to CIT after the Cutoff Date. In the event that payments you actually made after the

Cutoff Date exceeded 15% percent of the remaining principal balance due as of the Cutoff Date (plus applicable taxes), you will receive a refund of the amount in excess of that amount if you elect to participate in the Settlement Program. You are responsible for all applicable taxes.

In exchange for the benefits provided above, you must be current on your payments under the Rental Agreement as of the Cutoff Date, or you must bring your payments current to the Cutoff Date. You must also agree to release CIT from any claims concerning your Rental Agreement, CIT's efforts to collect under or enforce your Rental Agreement, or CIT's involvement with NorVergence, as described more fully below. You must also agree to pay CIT the "Settlement Balance," which is the amount equal to fifteen percent (15%) of the outstanding balance under your Rental Agreement as of July 15, 2004 (plus all amounts, if any, necessary to bring your account current as of that date), minus any late fees, penalties, and any insurance-related charges paid or charged since the Cutoff Date, plus any credits as described in the preceding paragraph. After settlement, you may be responsible for potential tax liabilities including but not limited to property and usage taxes of the Matrix box and other telephone equipment that was financed through CIT. In regards to these taxes, you may have an affirmative obligation to report these tax liabilities to either your local tax assessor or state department of revenue depending on your state's laws. You may elect to pay the Settlement Balance in one of the following ways:

(a) If your Settlement Balance is equal to Four Thousand Nine Hundred Ninety-Nine and 99/100 Dollars ($4,999.99) or less, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twelve (12) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Settlement and Mutual Release (attached) (also referred to as "Release"). CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

(b) If your Settlement Balance is Five Thousand and 00/100 Dollars ($5,000) or more, you may either make a lump sum payment of the entire Settlement Balance or pay off the Settlement Balance in up to twenty-four (24) equal monthly installment payments, with the lump sum payment or the first installment payment to be due within thirty (30) days of CIT's receipt of the fully executed Release. CIT will mail you a bill for the first installment within fifteen (15) days of CIT's receipt of the fully executed Release.

You will also have the right at any time to pay the remainder of the Settlement Balance at any time without penalty.

(c) If your account is current through July 15, 2004 and you are entitled to a refund from CIT, CIT will send the refund to you within thirty (30) days of CIT's receipt of the fully executed Release.

To participate in this Settlement Program, **you must complete, sign and return to CIT Technology Financing Services, Inc., postmarked within 35 days from the date of this notice,** two copies of the enclosed Release. Please note that, in order to participate in this Settlement Program, your signatures on these documents must be notarized. Upon CIT's receipt of the fully executed Release, CIT will send you a written notification terminating the Rental Agreement.

By accepting this proposal, you (a) elect and agree to pay the Settlement Balance; and (b) fully release CIT from, and agree not to sue CIT for, any and all claims that you have or may have had against CIT relating to your Rental Agreement or any other matter arising from your dealings with NorVergence, including any such claims you may have as a member or representative of various proposed class action lawsuits that have been brought against CIT on behalf of asserted classes of NorVergence customers (as well as any such proposed class action lawsuits that may be brought in the future). If you are currently involved in any litigation with CIT over your Rental Agreement and you wish to participate in the Settlement Program, you and CIT will mutually dismiss that action with prejudice.

CIT, in turn, will fully release you from, and agree not to sue you for or to dismiss you from, any and all claims that it has or may have had against you based upon your Rental Agreement. Both you and CIT will retain all rights under law to enforce the Release.

CIT has agreed to propose this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices. Indeed, CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the rental of NorVergence telecommunications equipment.

If You Decide Not To Participate In The Settlement Program:

You are not obligated to participate in the Settlement Program agreed to by CIT and the Attorney General, and you have the right to consult with an attorney of your choosing before you decide whether to participate in the Settlement Program. Nothing in the settlement between CIT and the Attorney General prevents you from pursuing any right or remedy at law, equity or contract which you may have against CIT, except to the

extent that you elect to participate in this Settlement Program and execute a Release. If you elect not to participate in the Settlement Program, then CIT may seek to enforce all terms of the original Rental Agreement in full and may make use of any of the remedies available to it under the law, equity or contract. CIT will institute such legal proceedings against you in a court in the State of [insert State], unless you object to the jurisdiction of that Court. Some of those Attorneys General have obtained default judgments against NorVergence, a company now in bankruptcy. NorVergence did not appear in or defend the cases brought against it by the suing Attorneys General. CIT was not named as a party in those cases. Accordingly, the applicability of such default judgments, if any, on the enforceability of the Rental Agreements assigned to, or otherwise held by CIT would have to be determined by an appropriate court should you decide not to participate in the settlement program. The same would be true, with respect to CIT, for any additional default judgments that may be sought and obtained by any of the Attorneys General against NorVergence.

If You Elect To Participate In The Settlement Program:

If you elect to participate in the Settlement Program, and then default on your payment obligation thereunder, CIT will have the right to accelerate all payments remaining due thereunder, and declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due under this Settlement Agreement. CIT will, in that event, also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default until the date of payment, as well as its costs of collection, including attorneys' fees.

IMPORTANT: If you elect to participate in the Settlement Program, but thereafter fail to pay CIT the Settlement Balance as promised in the Release, CIT may seek to enforce its rights to receive payment (including default interest and costs of collection including attorneys' fees) by use of any of the remedies available to it under the law, equity or contract. CIT has agreed, however, that it will not institute any legal proceedings against you in any court outside the State of [insert State].

What You Would Be Agreeing To Pay If You Enroll In The Settlement Program:

Currently, the remaining balance on your Rental Agreement after you have brought your Rental Agreement account current up to the Cutoff Date of July 15, 2004 is $_____. If you agree to participate in the Settlement Program, CIT your Settlement Balance will be _____, which results in a savings to you of $_____.

More specifically, as of [date of letter] CIT has the following information about your Rental Agreement and what the Settlement Program would require you to pay:

A. **Unpaid Balance Due as of July 15, 2004 including applicable taxes plus credit for 67% of insurance-related charges paid before July 15, 2004:** _____

B. **Plus 15% of Remaining Balance Due after July 15, 2004 plus applicable taxes:** _____

C. **<u>Minus</u>: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts):** _____

<u>Total:</u>

Amount to be Paid (Settlement Balance) _____

or

Amount to be Refunded _____

Payment options: Lump sum payment or _____ per month for _____ months

Please call [phone number] if you have any questions regarding this Settlement Program or your Rental Agreement account.

Yours truly,

CIT Technology Financing Services, Inc.

EXHIBIT B-3
CIT TECHNOLOGY FINANCING SERVICES, INC. and
CIT GROUP/EQUIPMENT FINANCING, INC.
SETTLEMENT AND MUTUAL RELEASE

between

[Customer and Guarantor]
and
CIT TECHNOLOGY FINANCING SERVICES, INC.,
CIT GROUP/EQUIPMENT FINANCING, INC.

I, _____, on behalf of the entity named above (the "Customer") and as personal guarantor (together, the "Customer and Guarantor"), elect to take advantage of the Settlement Program agreed to by the ATTORNEY GENERAL OF THE STATE OF [insert State] and CIT TECHNOLOGY FINANCING SERVICES, INC. and CIT GROUP/EQUIPMENT FINANCING, INC. ("CIT") to pay off Customer's Rental Agreement with CIT (the "Rental Agreement") at a substantial discount and to settle any and all disputes between Customer and/or Guarantor and CIT arising from the Rental Agreement. With this Settlement and Mutual Release (the "Settlement Agreement" or "Release") I am: (1) accepting the terms of the Settlement Program offered by CIT and (2) entering into a mutual release of claims with CIT and related parties.

I understand that CIT and the Attorney General of the State of [insert State] have agreed to the terms of this Settlement Program for the purpose of avoiding the expense and inconvenience of litigation and it is not an admission on the part of CIT that it engaged in any form of unlawful conduct or business practices, and that CIT expressly denies that it engaged in any such unlawful conduct or business practices and expressly denies that it is liable to any person or entity in connection with the Rental Agreement.

1. Terms Of The Settlement Program

By accepting the terms of this Settlement Program, I understand that, in exchange for being current on all rental payments due on the Rental Agreement through July 15, 2004 (the "Cutoff Date"), CIT will:

(a) forgive eighty-five percent (85%) of the remaining principal balance as of July 15, 2004;

(b) forgive any late fees, penalties or insurance-related charges assessed on [Customer's] account on or after the Cutoff Date; and

(c) You will also receive a credit for 100% of any and all payments made to CIT after the Cutoff Date and will receive a credit or refund for 67% of all insurance-related charges paid before the Cutoff Date.

I also understand that CIT'S records reflect the following information about Customer's Rental Agreement account:

1. **Unpaid Balance Due as of July 15, 2004 including applicable taxes and with credit for 67% of insurance-related charges paid before July 15, 2004** _____

2. **Plus 15% of Remaining Balance Due after July 15, 2004 plus applicable taxes** _____

3. **<u>Minus</u>: Monies Paid since Cutoff Date (includes monthly payments, late fees, penalties, interest, insurance-related charges or settlement amounts):** _____

<u>Total:</u>

4. **Amount to be Paid (Settlement Balance)** _____

or

5. **Amount to be Refunded** _____

[NOTE: If Settlement balance due to CIT]

Lessee and/or Guarantor agree to pay the amount Settlement Balance by the method checked here and request that CIT invoice Lessee and/or Guarantor accordingly:

_____ Pay the Settlement Balance on Line 5 in a lump sum within 30 days of your delivery of this agreement.

_____ Pay the Settlement Balance on Line 5 in _____ equal monthly installments of _____, beginning on the date specified in the first CIT invoice, which payment date shall be at least 15 days after the date of mailing of such invoice. I understand that Lessee and/or Guarantor may prepay the remainder of the Settlement Balance at any time without penalty.

I understand that if Lessee and/or Guarantor fail to pay the Settlement Balance as promised, CIT may seek to enforce the Release in full and make use of any of the remedies available to it under the law, including the right to declare as compensation for the loss of its bargain, and not as a penalty, a sum equal to all amounts then due or to become due under this Settlement Agreement. CIT will also be entitled to receive default interest at the rate of 1% per month on all outstanding balances from the date of default to date of collection, as well as its costs of collection, including attorneys' fees. However, CIT will file suit against Lessee and/or Guarantor only in a court in their home State, unless Lessee and/or Guarantor take the position that Lessee and/or Guarantor are not subject to jurisdiction in that State.

Checks are to be made payable to CIT Technology Financing Services, Inc. and sent to [ADDRESS TO BE ADDED]. Please include the account number on the check.

[NOTE: If Refund Payment Due by CIT]

CIT will send a refund check in the amount of _____ within 30 days of the receipt of Lessee's and/or Guarantor's acceptance of this Settlement.

2. Release Of Claims

I understand that, in exchange for the opportunity to pay off the Rental Agreement at a substantial discount, Customer and Guarantor hereby release and discharge CIT, and all of its subsidiaries, parents, affiliates, predecessors, successors and assigns, officers, directors, employees, shareholders and agents (the "CIT Parties") from, and covenant not to file or pursue any lawsuit or claim in any place against any CIT Party for, any and all claims (including claims as a member or representative of a proposed class action, whether pending now or filed later) that Customer and/or

Guarantor has or may have had against the CIT Parties for any and all damages, restitution, equitable relief, attorneys' fees and/or penalties relating to the Rental Agreement or Customer's dealings with NorVergence. Customer and/or Guarantor further agree that if they are currently involved in any litigation arising from the Rental Agreement or any efforts to collect under or enforce the Rental Agreement, Customer and/or Guarantor and CIT will mutually dismiss these claims with prejudice.

In exchange for Customer and/or Guarantor's payment to CIT pursuant to this Settlement Agreement, except for the reservations contained herein, CIT hereby releases and discharges Customer and/or Guarantor from, and covenants not to file or pursue any lawsuit or claim in any place against Customer and/or Guarantor for, any and all claims that CIT has or may have had against Customer and/or Guarantor and all of its subsidiaries, parents, affiliates, predecessors, successors, assigns, officers, directors, employees, shareholders, agents, and guarantors for any and all damages, equitable relief, attorneys' fees and penalties relating to the Rental Agreement. Notwithstanding the Release contained in the prior sentence, Customer and/or Guarantor shall remain liable for any amounts claimed against CIT by any governmental entity or other third-party after the date of this Settlement Agreement, for which, under the terms of the Rental Agreement, Customer was liable in addition to the rental payment amounts stated therein.

I hereby acknowledge and represent that I have read this Settlement Agreement; that I have had the opportunity to consult with a lawyer concerning it; that Customer and/or Guarantor are voluntarily entering into this Settlement Agreement; that neither CIT nor its agents or attorneys have made any representations or promises concerning the terms or effects of this Settlement Agreement other than those set forth in this document; and I understand that this is a full and final release of all claims Customer and/or Guarantor has or may have against the CIT Parties concerning the Rental Agreement.

I further agree that this Settlement Agreement constitutes the entire agreement among the parties hereto, may not be changed orally and may not be modified or amended except pursuant to an agreement in writing signed by all of the parties hereto, unless Customer and/or Guarantor change their mind as provided above.

The signatory for the Customer below represents that he or she is duly authorized to enter into this Settlement Agreement and on behalf of the Customer.

This Settlement Agreement shall be deemed accepted upon your return to CIT of an executed copy of this Settlement Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has caused this Settlement Agreement to be executed this ____ day of _____, 2005.

Dated:_____

[NAME OF CUSTOMER]

By: _____ [Name]

[Title]
[Address]

By: _____
[Name], as Guarantor

CIT TECHNOLOGY FINANCING SERVICES, INC., CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____

FILL OUT COMPLETELY AND SEND TWO SIGNED ORIGINALS TO CIT at: [ADDRESS TO BE ADDED]

PLEASE KEEP A COPY FOR YOUR RECORDS. A FULLY EXECUTED DOCUMENT WILL BE SENT TO CUSTOMER AND ANY GUARANTOR UPON COMPLETION OF THE TERMS OUTLINED HEREIN

EXHIBIT C
CIT TECHNOLOGY FINANCING SERVICES, INC.,
CIT GROUP/EQUIPMENT FINANCING, INC.

NOTICE OF TERMINATION OF RENTAL AGREEMENT

_____, 2005

[Insert Customer Name]

[Insert Guarantor Name]

RE: NOTICE TO FORMER [INSERT STATE] NORVERGENCE CUSTOMERS OF TERMINATION OF EQUIPMENT RENTAL AGREEMENT.

Dear [Insert Customer Name] and/or [Insert Guarantor Name]

Pursuant to the Settlement and Mutual Release (the "Settlement Agreement") executed between you and CIT Technology Financing Services, Inc. or CIT Group/Equipment Financing, Inc. ("CIT"), please be advised that the Equipment Rental Agreement has been terminated.

Accordingly, pursuant to the terms of the Settlement Agreement, this notice is to advise you that, except as specifically provided in the Settlement Agreement, your Rental Agreement has been terminated as of [Insert Date of CIT's receipt of the signed Settlement Agreement].

Sincerely,

CIT Technology Financing Services, Inc.