

FILEONE, INC. LLC

FOURTH AMENDMENT TO SOFTWARE SERVICE AGREEMENT

This Fourth Amendment ("Amendment") shall be deemed a material part of that certain Software Services Agreement by and between FileONE, Inc., a North Carolina ~~corporation~~ ^{Limited Liability Company} ("FileONE") with Federal Identification Number 56-2137429, having its principal offices at 5520 Dillard Drive, Suite 280, Cary, NC, acting through its President, Robert Sydnor and the Department of State of Puerto Rico ("Customer"), with Corporate Social Security Number, 660-43-3481, acting through its Secretary, Hon. Kenneth D. McClintock, of legal age, married and resident of San Juan, Puerto Rico, with an address of P.O. Box 9023271, San Juan, PR 00902-3271 ("Initial Agreement") as amended by a First Amendment to Agreement dated February 5th, 2010 ("First Amendment"), a Second Amendment to Agreement dated December 28, 2010 ("Second Amendment") and a Third Amendment to Agreement dated September 2, 2011 (Initial Agreement, First Amendment, Second Amendment and the Third Amendment are collectively referred to as "Agreement"). The terms of this Amendment shall modify and supersede any and all inconsistent terms of the Agreement. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Agreement.

RECITALS

WHEREAS, FileONE and Customer entered into the Agreement under which FileONE will be supplying its SystemWorks business filing systems and other related services to Customer;

WHEREAS, both FileONE and Customer wish to make a second amendment to the Agreement with respect to said services FileONE will be providing to the Customer;

WHEREAS, the Agreement is a valid and subsisting agreement between FileONE and Customer and both parties shall continue to be bound by the terms and conditions of the Agreement not otherwise amended herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

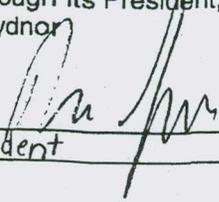
1. Incorporation of Recitals. The foregoing recitals are hereby specifically incorporated into, and deemed a material part of, this Amendment.

2. Attachments to Agreement. Attachments 1, 2 and 3 to the Agreement are hereby deleted in their entirety and replaced in their entirety with Attachments 1, 2 and 3 attached hereto and fully incorporated herein by this reference. In addition, a new Attachment 6, attached hereto and fully incorporated by this reference, is hereby added to the Agreement.

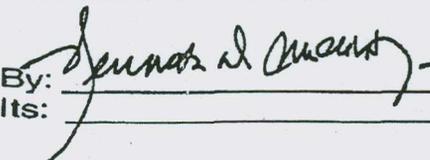
3. Continuing Validity of Agreement. Except as specifically set forth in this Amendment, all remaining terms and conditions of the Agreement shall remain in full force and effect.

EXECUTED as of the 25th day of October, 2011.

FileONE, INC. LLC ^{PA}
acting through its President,
Robert Sydnor

By: 
Its: President

Department of State of Puerto Rico
acting through its Secretary,
Hon. Kenneth D. McClintock

By: 
Its: _____

Departamento de Estado
S.S. Patronal-660-63-7290

ATTACHMENT 1

HOSTED SOFTWARE

HOSTED SOFTWARE MODULES	DESCRIPTION
	SystemWORKS™ Module access for Core, Business Entity (check modules being accessed):
<input checked="" type="checkbox"/>	Core Module
<input checked="" type="checkbox"/>	Business Entity Back-Office Module
<input checked="" type="checkbox"/>	Business Entity Online Module
<input checked="" type="checkbox"/>	Trademark and Tradename Module

Notes:

- The SystemWORKS™ Software Modules set forth above which shall be accessible by Customer shall be FileONE's existing modules with standard functionality. FileONE shall provide customization only for Puerto Rico specific legislative requirements and only as agreed upon in advance and in writing by FileONE and Customer.

[END OF ATTACHMENT 1]

ATTACHMENT 2

Services Transactional Fees, Payment Processing Schedule and Back File Services Fees and Payment Schedule

A. **Transaction Fees.** Customer shall pay the following transactions fees for the use of the Hosted Software and Service provided by FileONE under the Agreement:

Customer Filing Charge Per Transaction	FileONE Fee
\$1 - \$14	\$1
\$15 - \$24	\$2
\$25 - \$74	\$3
\$75 - \$99	\$4
\$100 and up	\$5
Annual Reports, Non-Profits	\$2
Annual Reports, All Other Types	\$15
Trademark/Tradename Standard Fee	15% of all Customer Trademark/Tradename fees
Trademark/Tradename Penalty Fee	15% of all Customer Trademark/Tradename penalties

Notes on Pricing:

1. All fees associated with the processing of the business filing, trademark, and tradename transactions including, but not limited to, banking fees, service fees, processing fees, credit card association fees and all other processing fees shall be the responsibility of the Customer and shall be deducted from the amounts payable to Customer as set forth in Section 3 below.
2. **Payment Processing; Establishment of Accounts.** Prior to the "Go Live" date of the Hosted Software, FileONE shall open a Hosted Software Operating Account ("HSA") which shall be maintained separately for the Customer and under the ownership of FileONE. Ownership of all accounts used to receive revenue for the operation of the Hosted Software shall be in the name of FileONE. It is to this account that all Hosted Software revenue shall be deposited and from which disbursements shall be made as provided in Section 3 below.
3. **Payment Processing; Disbursement of Funds.** All fees received by the Customer for filings processed through the Hosted Software and Service shall be deposited in the HSA. At the end of each month, FileONE shall deduct all applicable charges as set forth in Section 1 of Attachment 2 as fees due to FileONE for the use by the Customer of the Hosted Software. In addition, FileONE shall deduct all fees associated with processing the business filing, filing, trademark, and tradename transactions including, but not limited to, banking fees, service fees, processing fees, credit card association fees and all other processing fees which are associated with the processing of the business filing transactions. After deducting the total of all charges due for the month from the HSA, FileONE shall send a check for the remaining funds, payable to *Secretario de Hacienda*, to Departamento de Estado, Oficina de Presupuesto y

Finanzas, PO Box 9023271, San Juan, PR 00902-3271. FileONE shall also provide to the Customer at the end of each month, a report identifying the total transactions which took place during the month, the total revenue received in the HSOA and all applicable deductions related to FileONE's charges associated with the use of the Hosted Software (the "Monthly Transaction Report"). If the Customer disputes any information set forth on the Monthly Transaction Report, Customer shall within ten (10) days of its receipt of the Monthly Transaction Report, notify FileONE in writing and the parties shall work together to identify and resolve any disputed items within ten (10) days after FileONE's receipt of such notice.

B. Corporation and Trademark/Tradenname Back File Services Fees and Payment Schedule. Customer shall pay the following fees for FileONE's performance of the Corporation and Trademark/Tradenname Back File Services in accordance with the payment schedule set forth below. Any changes to the pricing and/or payment schedule as set forth below shall be mutually agreed upon, in writing, by the parties and set form in an amendment to the Agreement. Payments retained by FileONE shall not exceed 40% of the corporation fees received by the Customer whether received through the HSOA account or through the Customer's voucher system. The remaining 60% belongs to the General Fund of the Commonwealth of Puerto Rico. For the avoidance of doubt and by way of example, if the Customer receives fees in the amount of \$500,000 through the HSOA account and \$500,000 through the Customer's voucher system, the total of \$1,000,000 shall be eligible for payment to FileONE based on the forgoing percentages for the Services to be performed by FileONE hereunder. Therefore, FileONE shall be entitled to payment in the amount of \$400,000 based on a total amount received by the Customer in the amount of \$1,000,000. Notwithstanding the foregoing, the Customer shall at all times remain responsible for the payment of all fees associated with the Services to be performed by FileONE hereunder whether or not such fees are available for payment when due.

B.1 Corporation Back File Services Fee Table

Milestone	Project Payment	Payment Date	Services Delivered
Project Definition and Analysis Deliverable	\$250,000	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Delivery of Corporation Back File Service Plan, Project Schedule and Project Design and Solution Report.
Payment for 1 st Month of Corporation Back File Documents Processed	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment. For the first month
Payment for 2 nd Month of Corporation Back File Documents Processed	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the second month
Payment for 3 rd Month of Corporation Back File Documents Processed	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the third month
Payment for 4 th Month of Corporation Back File	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the	Deployment of the Customer processed documents and data to

Documents Processed		payment amount due	the Customer's staging environment for the fourth month
Payment for 5 th Month of Corporation Back File Documents Processed	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the fifth month
Payment for 6 th Month of Corporation Back File Documents Processed	\$251,084	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the six month
Additional Filing Charge Per Transaction--Annual Report Filing * <i>Applied to all 2010 except Non-Profits</i>	\$8.00	Paid according to Item A-3	
Additional Filing Charge Per Transaction--Annual Report Filing * <i>Applied to all 2010 Non-Profits</i>	\$2.50	Paid according to Item A-3	
Additional Filing Charge Per Transaction--Annual Report Filing * <i>Applied to all 2011 except Non-Profits</i>	\$8.00	Paid according to Item A-3	
Additional Filing Charge Per Transaction--Annual Report Filing * <i>Applied to all 2011 Non-Profits</i>	\$2.50	Paid according to Item A-3	
Annual Report (AR) Penalty Fee* Applied to all Full Penalties and Grace Program Penalties for any year AR	15% of penalty	Paid according to Item A-3	

* Fees are in addition to the original SystemWORKS filing fees set forth in Section A of Attachment 2. Unless otherwise noted, all payments are due within thirty (30) days of Customers receipt of FileONE's invoice. In the event the Customer has failed to make a payment within sixty (60) days of when such payment is due, the parties shall immediately schedule a meeting to discuss the progress of the project as well as to ensure the Customer has the appropriate funds available to pay FileONE for the Services being provided hereunder.

Note: Pricing in the table above is based on maximum volumes as set forth in item D, Table D.1 below. In order to provide any indexing and/or data/image processing services in excess of the maximum volumes set forth in item 3 below, the parties shall execute a new amendment to the Agreement, which will be billed in accordance with the rates set forth in item D, Table D.1 below. Such amendment shall be fully executed by the parties prior to the performance any additional services by FILEONE.

B.2 Trademark/Tradename Back File Services Fee Table

Milestone	Project Payment	Payment Date	Services Delivered
Project Definition and Analysis Deliverable	\$250,000	Paid upon a sufficient transaction amount balance is available in the transaction account to cover the payment amount due	Delivery of Trademark and Tradename Back File Service Plan, Project Schedule and Project Design and Solution Report.
FileONE Trademark/ Tradename Back File Indexing, Data/Image Processing, 1 st Deliverable	\$452,204	Paid upon a sufficient transaction amount balance available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment. For the first deliverable
FileONE Trademark/ Tradename Back File Indexing, Data/Image Processing, 2 nd Deliverable	\$452,204	Paid upon a sufficient transaction amount balance available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the second deliverable
FileONE Trademark/ Tradename Back File Indexing, Data/Image Processing, 3 rd Deliverable	\$452,204	Paid upon a sufficient transaction amount balance available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the third deliverable
FileONE Trademark/ Tradename Back File Indexing, Data/Image Processing, 4 th Deliverable	\$452,204	Paid upon a sufficient transaction amount balance available in the transaction account to cover the payment amount due	Deployment of the Customer processed documents and data to the Customer's staging environment for the fourth deliverable
Additional Filing Charge Per Transaction--Annual Report Filing * <i>Applied to all 2011 except Non-Profits</i>	\$14.00	Paid according to Item A-3	

* Fees are in addition to the original SystemWORKS filing fees set forth in Section A of Attachment 2. Unless otherwise noted, all payments are due within thirty (30) days of Customers receipt of FileONE's invoice. In the event the Customer has failed to make a payment within sixty (60) days of when such payment is due, the parties shall immediately schedule a meeting to discuss the progress of the project as well as to ensure the Customer has the appropriate funds available to pay FileONE for the Services being provided hereunder.

Note: Pricing in the table above is based on maximum volumes as set forth in item D, Table D.2 below. In order to provide any indexing and/or data/image processing services in excess of the maximum volumes set forth in item 3 below, the parties shall execute a new amendment to the Agreement, which will be billed in accordance with the rates set forth in item D, Table D.2 below. Such amendment shall be fully executed by the parties prior to the performance any additional services by FILEONE.

C. **Corporation and Trademark/Tradename Back-File Invoices.** Services provided by FileONE to the Customer for the Project Definition and Analysis Deliverable Milestone as well as the Payments for the respective Corporation and Trademark/Tradename Back File Documents Processed Milestones and the payment for the additional Back File Services in excess of the maximum volumes set forth in the Second Amendment shall be calculated up to a

maximum of **five million eight hundred nine thousand three hundred sixty-five dollars (\$5,809,365.00)** unless extended by mutual written agreement by the parties. For the avoidance of doubt, **five million eight hundred nine thousand three hundred sixty-five dollars (\$5,809,365.00)** does not include any amounts that may be billed separately by FileONE for **charges associated with the additional filing charge per transaction – Annual Report Filing Milestone, AR Penalty Fee, Trademark/Tradenname Filing Milestone, and the Trademark/Tradenname Penalty Fee.** FileONE shall provide all services to the Customer in accordance with the terms of this Agreement and FILEONE's proposal set forth on Attachments 5 and 6. Invoices submitted by FileONE to Customer will comply with the following:

1. According to the Department of the Treasury of Puerto Rico Circular Letter No. 1300-02-10 dated on July 14th 2009, FileONE should submit to Customer an invoice for services rendered no later than ten (10) days after the beginning of the following month.
2. Invoices submitted by FileONE to Customer will be itemized and should include: FileONE's letterhead, date of invoice, date or dates in which services were rendered, detail of the work performed, total quantity invoiced for the services and any other reasonable information requested by the Customer or its authorized representative needed to authorize and process payment of invoice.
3. Invoices should be certified as correct by the Assistant Secretary of Services in order to process payment.
4. Invoices should also comply with Executive Order No. OE-2001-73 and Law No. 84 of 2002, as amended, "Code of Ethics for Contractors", 3 PR Stats. Ann § 1756, and each shall include the following Certification:

Under penalty of absolute nullity, I certify that no public servant of the government entity is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the government entity. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no payment has been received for them.

D. **Exceeded Volume for the Back File Services** FileONE is hereby warned that any excess of services rendered not authorized by an Amendment to the Agreement will in no way be responsibility of the Customer. Any service not considered in this Agreement will be the total responsibility of FileONE. The parties agree that FileONE will not incur in any obligations or expenses without the written consent of the Customer.

D.1 Exceeded Volume Pricing For the Corporation Back File Services. The FileONE price in item B.1 above is based on assumed deliverable volumes in the table below, which were estimated in good faith by FileONE based on the information and documentation provided by the Customer. If volumes exceed the quoted thresholds, items will be priced according to the table below, after the execution of a new amendment to the agreement by the parties. By way of example, if the actual number of 2009 ARs requiring full indexing was 41,000, then the PRDOS would pay \$4,000 [calculated as 41,000-40,000 * \$4.00] above the Included in Item B.1-Back File Services Fees and Payment Schedule.

Task	Description	Pricing
2009 Full Capture	- Full Indexing of up to 40,000 filings	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional scanning and Basic Indexing above 320,000 pages	\$0.72 per page
	- Additional Full Indexing above 40,000 filings	\$3.60 per filing
2007-2008 Box Capture	- Scan up to 41,000 filings and up to 328,000 pages - Basic indexing of 328,000 scanned pages - Full Indexing of up to 4,000 filings	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional scanning and Basic Indexing above 328,000 pages	\$0.72 per page
	- Additional Full Indexing above 4,000 filings	\$3.60 per filing
2006-2008 File Capture	- Scan up to 65,000 pulled file folders and up to 2,275,000 pages - Basic indexing of 2,275,000 scanned pages - Full Indexing of up to 3,000 filings	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional scanning and Basic Indexing above 2,275,000 pages	\$0.72 per page
	- Additional Full Indexing above 3,000 filings	\$3.60 per filing
	- Additional pull of file folders above 65,000 folders	\$1.80 per folder
Name Change Amendments for 2009 ARs only	- Name Change Research of up to 200 2009 Annual Reports - Searching and locating up to 200 Name Change Amendments in scanned file folder - Updating up to 200 Corporation records based on Formation document or NCA found in scanned file folder	Included in Item 2-Back File Services Fees and Payment Schedule
	- Name Change Research above 200 2009 Annual Reports - Searching and locating Name Change Amendments in scanned file folder exceeding 200 documents - Updating Corporation records based on Formation document or NCA found in scanned file folder exceeding 200 documents	\$0.90 per Corporation researched \$0.90 per update
Redaction of AR Forms	- Redaction of up to 400,000 pages of standard AR forms for 2006 -2009 ARs	Included in Item 2-Back File Services Fees and Payment Schedule
	- Redaction of additional AR form pages above 400,000	\$0.36 per page
Microfilm of images	- Microfilm of up to 2,900,000 FileONE scanned images	Included in Item 2-Back File Services Fees and Payment Schedule
	- Microfilm of additional pages above 2,900,000	\$0.08 per page

Task	Description	Pricing
Wet Boxes	- Processing of up to the 10,500 wet pages	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional wet document pages above 10,500	\$0.45 per page
Pick and Pull Services	- Corporation folder pull up to 65,000 "Active" Corporation folders.	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional Corporation folder pulls above 65,000	\$0.90 per folder
Storage 1 year term Paper	- First year Paper Storage of Scanned Documents	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional paper storage years beyond the first year	\$9,000 per year after the first year
Storage 1 year term microfilm	- First year Storage of Microfilm	Included in Item 2-Back File Services Fees and Payment Schedule
	- Additional microfilm storage years beyond the first year	\$9,000 per year after the first year
2009 AR Research and Rejection Processing	- Review of up to 10,000 2009 Annual Reports flagged for rejection before printing and sending	Included in fixed price and 15% penalty fee
	- Additional review of 2009 Annual Reports flagged for rejection before printing and sending above 10,000 Annual Reports	\$1.80 per filing
	- Stuffing up to 10,000 envelopes and preparing printed rejections for mailing	Included in fixed price and 15% penalty fee
	- Additional stuffing of envelopes and preparing printed rejections for mailing above 10,000 rejections	\$0.22 per filing
	- Black and white printing of up to 80,000 rejection notice pages on PRDOS provided letterhead	Included in fixed price and 15% penalty fee
	- Additional black and white printing of rejection notice pages on PRDOS provided letterhead exceeding 80,000 pages	\$0.09 per page
	- Envelopes (up to 10,000 envelopes) - Postage (up to 10,000 letters mailed)	Included in fixed price and 15% penalty fee
	- Envelopes needed above 10,000 included	\$0.09 per envelope
	- Postage needed above 10,000 included	\$0.50 per postage stamp
2009 AR Rejection Re-File Processing	- Basic processing of up to 10,000 incoming 2009 re-filed AR documents which are submitted by clients as a result of a rejection notice - Updating up to 10,000 Corporation records on original filing and attaching amendment to original filing	Included in fixed price and 15% penalty fee
	- Basic processing of incoming re-filed 2009 AR documents which are submitted by clients as a result of a rejection notice above up to 10,000 re-filed documents - Updating Corporation records on original filing and attaching amendment to original filing exceeding 10,000 original amendments	\$3.60 per filing

If FileONE believes that the quoted threshold is going to be reached soon, then FileONE shall notify that fact to the Customer with at least thirty (30) days notice of anticipation, in order to allow Customer to separate funds and work with the administrative matters that precede the execution of a new amendment to the Agreement.

Exceeded Volume Estimates and Costs. The Customer identified additional documents which need to be scanned, imaged, indexed and placed in storage which were not included in the initial estimate of documents as well as identified additional Back File services which need to be performed as a result of incorrect filings, filings with two sided pages, illegible documents, deficiencies in paper reports received by the Customer and filing which the Customer continues to receive.

The additional estimated Corporation Back File costs for the following services to be provided by FileONE are as follows:

Task	Description	Price	Estimated Additional Quantity	Total Price
Scanning and Indexing	Additional scanning and Basic Indexing above 2,900,000 pages	\$0.72 per page	2,386,816	\$1,718,507.52
	Additional Full Indexing above 40,000 filings	\$3.60 per filing	39,053	\$140,590.80
Microfilm of Images	Microfilm of additional pages above 2,900,000	\$0.08 per page	2,386,816	\$190,945.28
Pick and Pull Services	Additional Corporation folder pulls above 65,000	\$0.90 per folder	39,053	\$35,147.70
			MAXIMUM TOTAL PRICE	\$2,085,191.30

Due to the significant volume of documents to be processed, FileONE agreed to provide a discount of \$91,146.30, which lowers the maximum Total Price of the services to **\$1,994,045.00** for the additional estimated Corporation Back File services.

D.2 Exceeded Volume Pricing For the Trademark/Tradenam ("TM/TN") Back File Services. The FileONE price in item B.2 above is based on assumed deliverable volumes in the table below, which were estimated in good faith by FileONE based on the information and documentation provided by the Customer. If volumes exceed the quoted thresholds, items will be priced according to the table below, after the execution of a new amendment to the agreement by the parties. By way of example, if the actual number of TM/TN document pages scanned was 2,050,000, then the PRDOS would pay \$36,000 [calculated as 2,050,000-2,000,000 * \$0.72] above the Included in Item B.2-Back File Services Fees and Payment Schedule.

Task	Description	Pricing
Document Scanning	- Document Preparation, Scanning and De-Prep of up to 2,000,000 total document pages (note: double-sided counts as 2 pages)	Included in TM/TN Back File Services Fee
	- Additional Scanning, Basic Indexing and Document Indexing above 2,000,000 pages	\$0.72 per image

Data Indexing	- Single keystroke indexing of TM/TN records up to 170,000,000 total keystrokes ¹	Included in TM/TN Back File Services Fee
	- Additional keystrokes above 170,000,000 total keystrokes	\$0.015 per keystroke
	- Additional classification and splitting of documents above the 10% assumption of folders which will require manual classification and splitting of stapled document sets.	\$0.24 per page
Pick and Pull Services	- TM/TN folder pull up to 80,000 "Active" TM/TN folders.	Included in TM/TN Back File Services Fee
	- Additional TM/TN folder pulls above 80,000	\$0.90 per folder
Storage 1 year term Paper	- First year Paper Storage of Scanned Documents	Included in TM/TN Back File Services Fee
	- Additional paper storage years beyond the first year	\$25,000 per year after the first year
Storage 1 year term microfilm	- First year Storage of Microfilm	Included in TM/TN Back File Services Fee
	- Additional microfilm storage years beyond the first year	\$9,000 per year after the first year

¹ A keystroke is defined as a single, alphanumeric value correctly entered into the system. The TM/TN documents contain many free form text fields, compared to the documents indexed for Corporations. Wherefore, the parties agreed that a charge per keystroke for data indexing was the most cost effective way of completing the TM/TN back file efforts.

[END OF ATTACHMENT 2]

ATTACHMENT 3

Customer Obligations for Access to and Use of the Hosted Software and Service

Corporations Database:

Activity	Date
Provide FileONE with a copy of and access to the current corporation's database.	Within 5 days of contract execution.
Provide all existing detailed documentation on the current corporation's database.	Within 5 days of contract execution.
Provide finalized format of filing forms for all annual report filings.	By January 8 th , 2010
Provide detailed listing of annual report filing rules and requirements for all of the different annual report filings for all business entity types. Make resources available to FileONE that are knowledgeable about the AR filing rules.	By January 8 th , 2010
Provide existing AR processing workflow overview.	By January 8 th , 2010
Establish initial portal linkages and network connectivity to FileONE Hosted Services.	By February 1 st , 2010
Work closely with FileONE to put in place a testing environment for joint quality assurance testing activities.	By February 1 st , 2010
Obtain and deploy all required hardware, software and Internet equipment and services.	By February 8 th , 2010
Perform User Acceptance Testing for Annual Report Filings	Starting February 8 th , 2010
Deploy finalized Puerto Rico Portal Linkages to FileONE's Hosted Production SystemWORKS Environment	February 15 th , 2010
Provide detailed documentation of all business entity rules and processing requirements. Make resources available to FileONE that are knowledgeable about the business entity filing rules.	By February 30 th , 2010
Provide finalized format of filing forms for all filing types.	By February 30 th , 2010
Work with FileONE and Treasury to finalize the format and details for the interface from SystemWORKS to Treasury.	By March 1 st , 2009
Complete User Acceptance Testing for the general corporation's module.	Starting May 17 th , 2010

Trademarks/Tradenames ("TM/TN") Database:

Activity	Due Date
Provide documentation on the rules, guidelines, and workflows within the PRTO department. Have resources readily available to FileONE that are knowledgeable about the TM/TN filing rules.	Within 10 business days of execution of the Fourth Amendment to Agreement through final implementation
Provide FileONE with a copy of and access to the current trademarks system. Including but not limited to: <ul style="list-style-type: none"> • Back-end database. Similar to the access provided by the DOS for the corporation's database. • Administrative logon access to the current web-based system. • Standards for submitting test records through the current web system 	Within 10 business days of execution of the Fourth Amendment to Agreement through final implementation
Provide all TM/TN filings to be scanned prior to scanning phase commencement.	Within 20 business days of execution of the Fourth Amendment to Agreement
Provide PRTO resource to manage existing and new "In-Progress" filing workflow.	Within 10 business days of execution of the Fourth Amendment to Agreement through final implementation
Provide all existing documentation on the current TM/TN system. Including but not limited to: <ul style="list-style-type: none"> • Database design documentation • Business rules that were implemented in the current system • Historical requirements and testing documentation • Training documentation 	Within 10 business days of execution of the Fourth Amendment to Agreement
Provide finalized format of filing forms for all TM/TN filings including the filing rules and requirements.	Within 10 business days of execution of the Fourth Amendment to Agreement
Provide the PRTO office access to the network that currently services the PRDOS corporation's system.	Within 20 business days of execution of the Fourth Amendment to Agreement
Provide written approval on the documentation (e.g. Solution Reports) that is developed for each release of the Trademark and Tradename system.	Based on project schedule
Provide sufficient resources for performing User Acceptance Testing for each phase of the implementation: <ul style="list-style-type: none"> • Phase 1 (TM/TN searches/registration) • Phase 2 (Renewals / cancelations / oppositions / withdrawals) • Phase 3 (Amendments) 	Based on project schedule through final implementation
Provide PRDOS contact for monthly transactional reconciliations.	Within 20 business days of execution of the Fourth Amendment to Agreement

Deploy finalized Puerto Rico Portal Linkages to FileONE's Hosted
Production SystemWORKS Environment

During Phase 1 release

[END OF ATTACHMENT 3]
ATTACHMENT 6

FileONE Trademark and Tradename Services Proposal



September 1, 2011

Honorable Kenneth McClintock
Puerto Rico Department of State
San Jose St., San Francisco
San Juan, Puerto Rico 00902

Dear Secretary McClintock,

Over the past few months, FileONE has made a significant time and resources investment to analyze the opportunity to partner with the Puerto Rico Department of State, Trademark Office (PRTO) to provide a robust SystemWORKS Trademark and Tradename filing solution.

The FileONE Trademark and Tradenames System projects will effectively eliminate the two key challenges for the PRTO. The first challenge is the PRTO legacy system is essentially unable to handle the complex needs and filing volumes of the PRTO making it difficult and highly labor intensive to perform even the most basic services. The legacy system's functionality is incomplete and does not provide for many critical services such as renewals and amendments.

The second key PRTO challenge is the lack of an accurate Trademark database which matches the paper filings received. Without a reliable database, PRTO attorneys are unable to determine if a new Trademark application is in conflict with an existing registration. As such, the PRTO is at risk of authorizing the new Trademark application, creating significant costs and confusion for the two parties who believe they alone hold the Trademark registration.

Within our enclosed proposal we present a complete solution that fully addresses the needs of the PRTO. As part of our commitment to the PRDOS, we have included imaging and indexing up to 2 million pages of Trademark and Tradename records with microfilming to provide an easy to access and accurate online solution for the PRTO and its constituents.

We are pleased to offer this entire Trademark and Tradename system, as well as the scanning and indexing effort for **no up-front investment for the PRDOS**. Our proposal does not require any initial licensing payment; rather we will invoice for work completed and accept payments through revenue collected through SystemWORKS. As we have done for the existing Corporations SystemWORKS application and Back File project, FileONE will leverage the Corporation and Trademark/Tradename transactional revenue to pay for the system and services over the remaining three (3) years of the original SystemWORKS contract.

The PRTO Back File project benefits include:

1. No upfront investment for the Trademark/Tradename system or the Back File Project.
2. Implementation supported by the current, on-site FileONE team overseeing SystemWORKS. Our FileONE PR team is highly accessible to support the PRTO staff and filers.
3. Long-term, onsite support of your SystemWORKS Trademark/Tradename system throughout the duration of the SystemWORKS contract.



4. **Assignment** of four (4) to five (5) FileONE local PR resources, including the FileONE Corporation **support** team, to augment the scanning, **indexing** and initial system implementation activities.
5. **Employment** of 20+ Puerto Rico-based resources.
6. **Seamless** integration of the Trademarks/Tradenames with the SystemWORKS Corporation **system**.
7. **Elimination** of the extensive Trademarks and Tradenames filing and review backlog.
8. Full **indexing** of Trademark and Tradename **application** data to provide an accurate, searchable **database** synchronized with the paper filings **backlog**.
9. **Scanning** & microfilming of 'active' Trademark and Tradename folders.

Secretary McClintock, we look forward to **partnering** with the Puerto Rico Department of State, Trademark **Office** team on this tremendous opportunity to deliver on your vision of bringing key services online, including the Trademark and Tradename services described in our attached proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Sydnor'.

Robert Sydnor
President

Executive Summary

PROBLEM STATEMENT

The current Puerto Rico Department of State (PRDOS) administration inherited a Trademark (TM) and Tradename (TN) system with a significant number of database and document image omissions. Under Secretary McClintock's leadership, the PRDOS has made tremendous progress within the Corporations division with the implementation of the SystemWORKS™. FileONE proposes to leverage the existing SystemWORKS application and Puerto Rico based Back File team to provide a robust Trademark and Tradename solution for the PRTO.

After a review of the existing TM and TN system compared to the existing paper filings, the PRTO and FileONE understand the information contained on the paper documents does not match what is contained in the current PRTO system. The issues outlined below will continuously prevent the PRTO from reliably providing even the most basic services to meet statutory obligations.

The existing state of the PRTO database is severely limiting the office from offering many key services, including:

- **Accuracy of Trademark and Tradename Review:** without complete Trademark description data or specimens available for the PRTO to research, the PRTO attorneys are unable to complete a timely and thorough research for new Trademark applications.
- **Online Access:** without an accurate database, the PRTO is unable to leverage its online system to encourage PRTO customers to perform the majority of services online, which ultimately results in a much lower cost to the PRTO.

In addition to the key service limitations highlighted above, the existing database issues continue to put the PRTO at risk of authorizing new Trademark rights that are in direct conflict with existing Trademarks. While many of the existing Trademarks are stored in paper copy at the PRTO, the PRTO has identified this as a very high-risk practice for the office.

FILEONE SOLUTION OVERVIEW

FileONE proposes to implement a new SystemWORKS Trademark and Tradename online application and lead the effort to resolve incomplete data and images.

FileONE will primarily use Puerto Rico-based resources on this project. With the experience we have gained in working with the PRDOS Corporations Back File project, FileONE will collaborate with our Puerto Rico-based service partner, Iron Mountain for this Back File project. We will leverage our existing partnership with the Iron Mountain team in Rio Grande, Puerto Rico for the document preparation, scanning and storage efforts.

As the PRTO has identified a number of key online services it wishes to offer the public, our proposed solution is centered on positioning the PRTO to meet this commitment. Once the Back File project is completed, the PRTO can offer online Trademark and Tradename applications, renewals, amendments and online copy/research.

To develop a comprehensive database, FileONE proposes to review, scan and index up to 2 million Trademark and Tradename document pages. FileONE will process the documents to identify and index the unique TM and TN events to provide the PRTO with an accurate system of record.

Once completed, the SystemWORKS Trademark and Tradename application will integrate with the existing SystemWORKS Corporations system. As the Puerto Rico DOS and CIOs office look at opportunities to provide central services for the business community and citizens, FileONE is pleased to lead this project. Following system implementation, Corporations will be able to link their Corporate records with a new Trademark application. As Corporations update their profile information (e.g. Corporation amendment of address), the SystemWORKS application will prompt them to file the appropriate Trademark amendment(s).

SystemWORKS Functional Overview

Section

2

The SystemWORKS application provides several modules to support Business Services processing, eliminating the need for multiple computer systems. The following section provides an overview of the online and back-office SystemWORKS modules, as well as a summary of the proposed services FileONE is offering the PRTO as part of the SystemWORKS implementation.

2.1 Trademark and Tradename Online Services Available to PRTO Customers

Through our SystemWORKS solution, we provide online features that are offered to both customers and staff within the same system. The application is designed to help foster clean and valid data based on the PRTO business rules, while making the filing process easy for the end user.

The customer-facing website provides a user friendly wizard for workflow processing for online submission and order processing. This functionality guides the user through friendly, intuitive data entry screens that prompts users for required information according to the PRTO business rules. The SystemWORKS website helps automate this process and puts the effort into the hands of the customers, rather than a paper-based process that includes numerous manual steps. Specific help with detailed instructions will be available for all online processing screens.

As part of the SystemWORKS application suite, the following areas of functionality will be included:

2.1.1 Tradename and Trademark Searches

SystemWORKS provides the ability for an online search of Tradenames and Trademarks by name, description, owner, or classification, as well as by file number. This functionality will be used to provide free information to the public for live data that has been released for public consumption. Documents that are not released for public viewing (such as receipts) will only be visible to PRTO staff. The rules for displaying specific documents will be managed by configurations and reviewed with the PRTO during the implementation.

2.1.3 Online Account Creation and Management

SystemWORKS will include user accounts within the system for both external filer and internal PRTO users. External filers will be allowed to automatically enroll into the system through the website as well as be able to reset their password through the system. Internal PRTO staff will have account privileges managed through the FileONE administration module that also allows specific access to be granted to the back-office system.

For this implementation this will be very beneficial for customers allowing them to see a history of their submissions as well as track and receive alerts for events (such as office actions and approvals) regarding specific Tradenames and Trademarks. Additionally, it gives the PRTO better control on the system and allows staff to reach out to their customers through the contact information associated with their account.

2.1.4 Trademark and Tradename Actions

When the system is online and data is up to date, it will allow for the automation of several additional processes to amend a registration. Listed below are service offerings, automated through SystemWORKS and performed through the life of a Trademark and Tradename. All of these processes are built on top of the previously discussed functionality and mandate the data to be real time, wherever possible. Many of these actions mandate a similar process for Trademarks as well as Tradenames however the system and implementation process will ensure that the laws and business rules are adhered to for them separately. The system will manage the following actions:

- Renewals
- Cancellations
- Oppositions
- Withdrawal
- Amendments
 - Application Corrections
 - Pending Submission Revival
 - Address Change
 - Corporate Merger
 - Corporate Name Change
 - Transfer
 - Extension to File Required Document

2.1.5 Online Corporation System Integration

The system being proposed to the PRTO is built on top of the core product that currently manages the data for the Puerto Rico Department of State Corporations. This technology and design allows for easy integration between the two areas of business for the Department of State. During the implementation the product will be reviewed with the PRDOS to determine what level of integration will occur between the two systems. This can merely be a reporting mechanism (such as corporation status) or can be a direct data transfer between systems.

2.2 Additional Online Services Available to PRTO staff

In addition to the feature-rich filings included in SystemWORKS for the PRTO customers, there are also significant features available exclusively to the PRTO staff. The following sections describe features available only to authorized personnel as determined by the PRTO.

2.2.1 Office Review Workflow

The review of registrations filed in SystemWORKS will also be managed directly in the system. Back office reviews will be initiated once a registration has been submitted and payment has been approved. The PRTO review staff will log into the system, review the full filing package, and respond to the filings as denoted by the appropriate business rules. All activities will be tracked with the submission package in a single, easy-to-monitor location within the system. This will include:

Office Actions

Actions initiated by the PRTO will be generated from and will be maintained in system. These actions are part of the registration process and will be tracked individually along with all attached files.

Response to Actions

Once a filer has created an account within the system they will be allowed to respond to office actions within the system. This will allow the filer to have easy access to their open and submitted actions while keeping all communications within the electronic package for a given registration.

Notation to File

The system tracks file notes that can be customized for the PRTO offices. This includes items such as research performed, correspondences (such as phone contacts), or miscellaneous information that should be included for evidentiary purposes.

2.2.2 Order Review and Payment Reconciliation

As previously implemented with the Corporations system, SystemWORKS traces financial transactions to the individual items that are purchased. The system maintains a complete history of financial transactions managed by the system and integrates them with the depositing financial institution. As with the Corporations Division, the system will continue to provide monthly reconciliation reports for the Puerto Rico Treasury Team. The following are benefits to this integration:

Receipt and Deposit Reconciliation

SystemWORKS supports the reconciliation between the payment processing system (SystemWORKS™) and the depositing financial institution. FileONE will continue to leverage our existing eCheck and credit card vendors to integrate all electronic payments (eCheck and credit card) between our system and the financial institution. This integration includes a data exchange between both systems, providing consolidated reporting of the consumer transactions against the account transactions that have been deposited.

Dishonored Payment Processing

Dishonored payments for items purchased through SystemWORKS will be managed through integration with our eCheck vendor and the system's cancellation process. When financial payments fail, the system will prevent the filing to move forward. Once restitution of a dishonored payment is received, SystemWORKS payment processing will allow for resolution of outstanding payable amounts due.

Payments

SystemWORKS will allow the following payment options to be included in the implementation based on how the customer submits their request (online or at the office kiosks).

Online Payment Options

- Credit Card
- eCheck

In-Office Payment Options

- Credit Card
- eCheck
- Paper check

2.2.3 Complete Filing Histories

Unlike external customers, PRTO staff will have access to all filing history, including sensitive data (such as receipts) based on a role-based access model. The roles and document visibility rules will be determined during the implementation process.

2.2.4 Existing Pre-Configured and Custom Reports

SystemWORKS provides a series of pre-configured reports that are included in the application. The reports are included in the scope of work for this project.

2.2.5 System Configurability

SystemWORKS is a user-friendly system supporting customizable settings that can be configured during startup, or after the system has gone into production. This configurability affords the PRTO to more efficiently adapt to changes such as new legislation or changing business rules. The following is a partial list of the system settings the PRTO can configure in SystemWORKS:

Configuration Group	Configuration Setting
Fee Schedule	<ul style="list-style-type: none"> ▪ Based on Item Type ▪ Date Based Fees for Year-to-Year Changes
General Lookups	<ul style="list-style-type: none"> ▪ Trademark Classes ▪ Countries

Configuration Group	Configuration Setting
	<ul style="list-style-type: none"> ▪ States / Provinces ▪ Payment Method ▪ Address Types ▪ Notation to File Types
Security Roles / Workflow	<ul style="list-style-type: none"> ▪ Manage Internal and External Access Roles ▪ Role Assignments ▪ Review Workflow Assignments

2.2.6 Hardware and third party software

The proposed solution will be fully hosted and supported by FileONE. FileONE will purchase and maintain the required server hardware and licenses at no additional cost to the PRTO. The PRTO maintains responsibility for purchasing and maintaining any additional desktop computers and peripheral devices.

2.2.7 User Testing Environment

As with all implementations that FileONE manages, a formal testing environment will be available for the PRTO to train, demo, and formally test against. This is also hosted and maintained by FileONE. During our configuration and implementation process, we will provide access to this test system prior to go-live and will maintain this environment even after the system has moved into production. This will allow the PRTO to review and work in a test area without risking changes to production data.

2.3 SystemWORKS Trademarks and Tradenames Project Schedule

Provided that the contract amendment is executed before September 16, 2011, FileONE is confident that the first phase deliverable can be delivered by June 2012. The following table identifies the project schedule for the system implementation, as well as the Back File project:

Phase Number	Objectives	Estimated Completion Date
PHASE 1	<p>SystemWORKS development and implementation. See Section 2, "SystemWORKS Functional Overview" for more details.</p> <p>Phase 1 implementation will include:</p> <ul style="list-style-type: none"> ▪ Tradename and Trademark Searches ▪ Tradename and Trademark Registration ▪ Online Account Creation and Management (if chosen) 	<p>Analysis Sign-Off: 60 days from project kick-off</p> <p>Initial System Demo & UAT Deployment Sign-Off: 120 days from project kick-off</p> <p>User Acceptance Sign-Off: 150 days from project kick-off</p> <p>Deploy Sign-Off: 160 days from project kick-off</p>

Phase Number	Objectives	Estimated Completion Date
PHASE 2	From Section 2, Phase 2 SystemWORKS functionality will include: <ul style="list-style-type: none"> ▪ Renewals ▪ Cancelations ▪ Oppositions ▪ Withdrawals 	Analysis Sign-Off: 90 days from project kick-off Initial System Demo & UAT Deployment Sign-Off: 150 days from project kick-off User Acceptance Sign-Off: 180 days from project kick-off Deploy Sign-Off: 190 days from project kick-off
PHASE 3	From Section 2, Phase 3 SystemWORKS functionality will include: <ul style="list-style-type: none"> ▪ Amendments <ul style="list-style-type: none"> ○ Application Corrections ○ Pending Submission Revival ○ Address Change ○ Corporate Merger ○ Corporate Name Change ○ Trademark Transfer ○ Extension to File Required Document 	Analysis Sign-Off: 120 days from project kick-off Initial System Demo & UAT Deployment Sign-Off: 180 days from project kick-off User Acceptance Sign-Off: 210 days from project kick-off Deploy Sign-Off: 220 days from project kick-off

Trademark Back File Scope of Work Overview

Section

3

Within the Trademark (TM) and Tradename (TN) Back File project, FileONE has included the scope of work to image and index the TM and TN documents found within 'active' folders. In addition to the core TM and TN imaging and indexing effort, FileONE has provided a microfilm phase to provide a stronger disaster recovery solution.

The TM and TN Back File project will be done in several phases. The first phase will include the document level scanning of 'active' folders. During the second phase, FileONE will perform basic indexing of the TM and TN Application records. During the third phase, FileONE will perform full indexing for the other standard document types. Finally, FileONE will provide the PRTO with a complete microfilm library of the images scanned during the first phase scanning process.

The PRTO understands that FileONE will create TM and TN filing events for any filing processed. Please note that for all TMs and TNs processed, FileONE will neither review nor reject a filing for missing information or information believed to be inaccurate. Certain fields or document types (vouchers, renewals, etc.) may contain placeholder (dummy) data on the TM or TN record.

3.1 PHASE 1 DOCUMENT LEVEL SCANNING

During the first phase of the project, FileONE will complete document preparation, scanning and storage of up to 2 million TM and TN pages. FileONE will capture documents in black and white at 300dpi. The image files will be captured and stored in a multi-page .tif format.

3.1.1 Step 1: Document Preparation

FileONE will prepare documents for scanning by performing the following preparation steps:

1. Removal of documents from boxes and file folders, if applicable.
2. Removal of staples and other document fasteners.
3. Placement of any "sticky" notes and other small items on separate, standard-size sheets.
4. Straightening any folded corners and repairing torn edges.
5. If any documents have landscape orientation, rotating may be performed as needed.
6. Insertion of barcode separator sheets.

3.1.2 Step 2: Document Scanning

FileONE will make a reasonable effort to provide high-quality images for the PRTO. The following image correction efforts will occur:

- **Image Enhancement:** Auto-enhancement capability will be used to improve the image quality and legibility while maintaining the integrity of the image information. The specific enhancement options used for each document type shall be determined during the implementation and testing phase. Scan mode will be duplex (front and back) unless otherwise instructed. Back-side threshold (5kb or less per page) and blank side dropout will be utilized to eliminate blank pages. As some TM and TN original documents are in poor quality, the PRTO agrees to accept these images as-is.
- **Deskew:** straightening of slightly skewed images
- **Despeckle:** removal of noise/dirt/speckles. The level of despeckling aggressiveness will be set to remove random noise while maintaining the integrity of the image information
- **Crop:** removal of over-scanned areas
- **Border Removal:** removal of black borders around the document image
- **Line Smoothing:** smoothing of jagged lines
- **Edge Enhancement:** enhancing character edges to sharpen the image

Once scanned, completed TM and TN filings will be placed back into the place of origin (box and/or folder, where appropriate) with scanning barcode sheets included. If filings were originally in folders, they will be placed back into their respective folders and put into a box with tracking information. Completed documents from the TM and TN folders will not be reattached by staples or reaffixed to folder prongs. If filings are stapled together and loose in boxes, scanned filings will be re-stapled with one staple through the entire filing and returned to the box of origin.

3.1.3 Step 3: Manual Document Review

In order to streamline the conversion and indexing process, documents in the 2nd Floor PRTO office will need manual handling at the outset of the project. The goal of these activities is to ensure that all documents have been filed into their appropriate folders or folders have been created for documents that do not yet have a folder. FileONE will be responsible for the handling of these Pre-Indexing Setup Activities. In the following setup activities narrative, many references are made to the "2nd Floor Archive Layout" located in Section 5.8 at the end of this document. The activities and their descriptions are as follows:

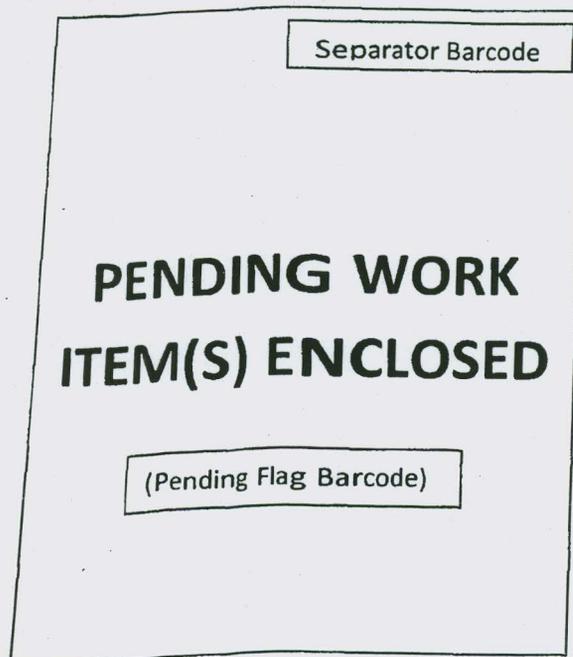
1. **Merge Sections A & B** – The 8 boxes in Section A are loose applications and amendments that have been processed, evaluated, and scanned and are simply waiting to be filed into file folders that should be in Section B. PRTO will file these documents in the correct trademark folder in Section B (located under the 8 boxes in Section A and in the far corner of the file room containing Section E). If a trademark folder cannot be found in Section B, PRTO will locate the correct folder and merge the documents. Once these loose documents and file folders are merged, PRTO staff should place these documents in the downstairs population, since these

- folders should now represent full and complete trademark folders. If, while merging these sections, PRTO determines that there is pending work outstanding in any folders, the folder will be marked by PRTO staff as containing pending work (see "Folders with Pending Work").
2. Section C – This section includes pending files that a PRTO employee is working on scanning into the PRTO trademarks system. Since there are pending files in this section that have not been scanned into the PRTO trademark system, FileONE recommends the PRTO finishing this scanning work and moving documents into respective folders. This will ensure that work which has a pending status has been scanned into the PRTO system for PRTO staff to work electronically while the paper documents are no longer in the PRTO office during backscanning. Further, any file folder which has a pending work item should be marked by PRTO staff as such (see "Folders with Pending Work").
 3. Section D – This section consists of trade name folders. PRTO will hold these items until the end of the conversion project and they will be indexed and processed then. If there are any loose documents associated with trade name folders, these documents will be filed into the correct folders by PRTO staff before being sent for scanning. Any file folder which has a pending work item should be marked by PRTO staff as such (see "Folders with Pending Work").
 4. Section E – The file folders in this section should all be scanned application files which have been scanned, but not processed and evaluated by PRTO staff. These file folders should be matched by PRTO staff with any loose documents that may be found in other sections, marked as "Pending Work" (see "Folders with Pending Work"), then placed in boxes prepared by PRTO.
 5. Section F – The boxes in this section should all be applications that have not been scanned and have not been processed and evaluated by PRTO staff. These file folders should be marked as "Pending Work" (see "Folders with Pending Work") and the boxes prepared by PRTO.
 6. Section G – This section contains Certificates of Registration from the US Trademarks Office that are to be placed in force in Puerto Rico. These documents will be boxed up separately by PRTO staff and handled through a separate scanning and indexing process. If there is any pending work, the files should be marked as such by PRTO staff (see "Folders with Pending Work") and the boxes will be scanned.
 7. Section H – This section includes shelves with miscellaneous TM/TN filings, but will likely be handling in a similar manner to the files in Section B. Folders with pending work items must be marked by PRTO staff as "Pending Work" (see "Folders with Pending Work").

3.1.4 Step 4: Folders with Pending Work

For file folders on the 2nd Floor Archive, it is necessary for PRTO staff to mark which folders have pending work items. This will assist in later determining which files in the new FileONE PRTO system need to be worked or need to be updated with work that was completed in the current PRTO system between the time that the file folders were removed from PRTO for backscanning and the time that the file folder scanning and indexing was completed. Once the project is complete, PRTO will have to research each file marked with pending work and determine how to update the new system with the changes that occurred, but were not captured in the backfile process.

FileONE will insert an additional document into each file folder that has a pending work item. This document will then be used in the indexing process to flag the given file folder with a status that indicates that the file has pending work items contained in it. An example of a pending work document is below.



Example of Pending Work Item Separator Sheet

3.2 PHASE 2: BASIC INDEXING FOR TRADEMARK AND TRADENAME

During this phase, FileONE will perform the following actions:

- Perform Folder Level Indexing utilizing a lookup database provided by PRTO or manual data entry
- Split documents into separate business events and assign a business event type (document type) to each business event. Documents will be separated through the use of barcode labels that are placed on the first page of each stapled document set in a file folder.
- Perform Basic Indexing utilizing a lookup database provided by PRDOS or manual data entry

FileONE will index each document with the document type and date of document (some documents may have additional indexes).

3.2.1 Step 1: Folder Level Indexing

The first step in Phase 2 is folder level indexing. In this stage, FileONE will assign the indexes listed below to the folder. These folder level indexes will be automatically associated to all documents and pages inside the folder. PRTO will supply a lookup database containing basic trademark information that FileONE will use to assist in entering the indexes listed below. If the information is listed in the

database, FileONE may visually validate that the indexes listed below is correct and make corrections if necessary. If there is conflicting information, the image will be considered the accurate record.

Folder level indexes are as follows:

- Trademark Registration Number (if available) OR New Trademark Application Pending Work Item Number (if item is a new application that is pending work).
- Mark Name

3.2.2 Step 2: Document Classification

FileONE will use a combination of manual and automated methods to split documents into separate business events. Documents will be separated by business event through the use of preprinted barcode labels that are placed on the first page of each stapled document set in a file folder. Note: since PRTO desires specimens to be split into separate documents, FileONE will apply preprinted labels to specimen documents as well, separating specimens from TM/TN applications. Barcode labels will be in a mutually agreeable format and will be placed in the upper right hand corner of the first page of a stapled document set.

When a folder enters the document classification step, FileONE's automated system will check each page for a preprinted barcode, and append all pages that come after the page with the preprinted barcode to the current document, up until another preprinted barcode page is found or the end of the folder is reached.

After the documents have been split by preprinted barcode label, FileONE will review the documents to validate that business events have been split out correctly and assign a document type to each unique document created. During its onsite assessment, FileONE identified a small sampling of documents where individual business events were stapled together in one document set. Under the assumption that no more than 10% of folders will require stapled document sets to be split into separate business events, FileONE will manually review a sample of the TM/TN document to assess whether additional business events must be split out. For example, some file folders that were scanned by PRTO staff had several business events grouped together into one receipt sheet. These will be split out by FileONE. FileONE will not read documents in-depth in order to separate stapled document groups into business events and identify document types, but will use keywords and phrases to quickly determine if business events need to be further split out.

The list of document types that will be identified by FileONE is listed in Section 3.2.3: Basic Indexing, along with basic indexes that will be identified. For documents that have been given a receipt by PRTO, the document type may already be assigned a type that is not listed in Section 3.2.3: Basic Indexing section. For example, a document with a PRTO receipt may have the document type of "Office Action" or "Office Action Response from Client". For document types like these, FileONE will capture the document type from the PRTO receipt and the effective date listed on the receipt as long as the document has a PRTO receipt. However, if a document that is not listed in the document types in Section 3.2.3: Basic Indexing is attached to a TM/TN application or other document via stapled document set, it will remain part of the stapled document set and will not be manually split into a

separate document. For example, if an office action requesting that the submitter of an application correct a form and return it for further processing is attached to a TM/TN application and does not have a PRTO generated receipt, it will remain attached to the TM/TN application and will not be split out into a separate business event and document.

3.2.3 Step 3: Basic Indexing

FileONE will index each document with at least the document type and date of document (some documents may have additional indexes). See the tables below for the list of document types and their respective indexes. Note: Folder level indexes are not represented in this table as they propagate down to document indexes as discussed in Step 1: Folder Level Indexing.

After Basic Indexing, 5% of folders will be sent to a quality review process to review employee work and ensure that document typing and indexing rules have been following correctly.

3.3 PHASE 3: FULL INDEXING FOR SELECTED TRADEMARK AND TRADENAME DOCUMENTS

During this phase, FileONE will collect data from selected documents in order to create a set of data for each file folder that is as full and complete as possible using the documents contained in each folder.

A maximum of 75,000,000 keystrokes is allotted for the entire project. This number has been calculated by estimating approximately 1,500 keystrokes per file folder and multiplying by 50,000 file folders. Keystrokes in excess of the 75 million limit will be considered out of the scope of this project.

3.3.1 Step 1: Document Selection Process

FileONE will use logic established by a collaboration between FileONE and the PRTO in order to programmatically select documents from the staging database based the effective date and document type in order to capture the latest data from documents. This statement of work currently assumes the following about this logic. Changes to these assumptions may impact pricing, especially if it results in an increase in the number of keystrokes entered per file folder.

- While the TM/TN application contains the original data used to establish a filing, there may be amendments in the TM/TN folder that change the information on the TM/TN application. If an amendment is found that changes the TM/TN information, the updated information will be indexed on the amendment, but the original information will not be indexed on the TM/TN application.
- Only the latest amendment for each amendment type that changes a TM/TN application will be indexed. For example, if there are three Address Change forms, only the one with the latest date will be indexed, but the two earlier Address Change forms will still be assigned document types and basic indexes.
- Information on Renewal documents cannot officially change the TM/TN. For example, a new address on a Renewal does not constitute an address change. For an official address change, a separate Address Change document must be submitted. Additionally, classes cannot be changed on a Renewal and must be indexed from the original TM/TN Application.

- The following amendments are currently the **only** known documents that can update a TM/TN application and override the information on an application.
 - Address Change
 - Legal Representative Change
 - Corporation Merger
 - Corporation Transfer
 - Corporation Name Change

For this phase, the assumption is made that all loose documents have been reunited with folders correctly. If a document has been orphaned from its folder and is not reunited with its folder before the folder has been scanned, the cost to electronically reunite these orphaned documents (and re-index the fully indexed data if the orphaned document is an amendment) will be considered a change order. If an orphaned document is found after FileONE has transmitted the file folder to PRTO, PRTO must attach the orphaned document to its record and FileONE will not handle the orphaned document.

3.3.2 Step 2: Full Indexing

The fields described in 3.4.3 will be indexed during this step on each selected document. If a document is selected that overrides a TM/TN application's data, the TM/TN application document will still be indexed with non-overridden data, but the fields that are overridden on other forms will be flagged so that the data entry operator does not index the fields on the TM/TN application and only indexes the newest fields on the amendment documents.

3.4 Data Indexing

3.4.1 Folder Level Indexing

Index Name	Description
TM/TN Registration Number	This is the number given for a TM/TN that has been fully evaluated.
TM/TN Temporary ID	If the TM/TN has not been registered and been issued a number as a fully evaluated trademark, the Trademark Temporary ID will be used.
TM/TN Name	The name of the TM/TN.

3.4.2 Document Level Indexing

Index Name	Description
Document (Transaction) Type	<p>This is the type of transaction that the document performs. A list of possible document types follows:</p> <ul style="list-style-type: none"> • Trademark Application • Tradename Application • Renewal • Cancellation • Opposition • Address Change • Corporation Merger*

	<ul style="list-style-type: none"> • Corporation Transfer* • Corporation Name Change* • Withdrawal • Representative Change • Certificate of Existence
Surviving Company Name	This is only indexed for the document types marked with an asterisk (*) above.
Filing Date	This is the date that the document was filed.
Receipt data	<p>If a receipt is found in a document, the data pertaining to the receipt will be automatically populated from the current PRTO database. However, for the following fields, the information will be visually validated, and corrected, if necessary:</p> <ul style="list-style-type: none"> • Document (Transaction) Type • Filing Date

3.4.3 Full Indexing

TM/TN Application

Index Name	Description
Filing Date	
Filing Number	
Original Filing Number	
Mark Type Flag (Trade / Service)	
Mark	
Classes (One)	
Language (EN/ES)	
Applicant Name	
Applicant Telephone #	
Applicant Mail Address1	
Applicant Mail Address2	
Applicant Mail City	
Applicant Mail State	
Applicant Mail Postal Code	
Representative Name	
Representative Telephone #	
Representative Mail Address1	
Representative Mail Address2	
Representative Mail City	
Representative Mail State	
Representative Mail Postal Code	
Representative Attorney Number	
Email	
Authorize Email Flag	
Fax	
Authorize Fax Flag	

Applicant Citizenship / State of Corporation	
Mark Usage (Goods / Services)	
Mark Used Since Date	
Mark Not Used in PR Flag	
Mark Description	
Mark Words (unstylized words)	
Mark Design	
Mark Colors / Color Only	
Trade Dress	
Slogan / Phrase	
Scent / Sound / Flavor	
Translation of Mark (if not in EN/ES)	
Non Registrable Component	
Other Related Registrations Owned	

TM/TN Address Change, Merger, Name Change or Transfer

Index Name	Description
Applicant Name	
Applicant Telephone #	
Applicant Mail Address1	
Applicant Mail Address2	
Applicant Mail City	
Applicant Mail State	
Applicant Mail Postal Code	

TM/TN Representative Change

Index Name	Description
Representative Name	
Representative Telephone #	
Representative Mail Address1	
Representative Mail Address2	
Representative Mail City	
Representative Mail State	
Representative Mail Postal Code	
Representative Attorney Number	

3.5 PHASE 4: MICROFILM SERVICE

As part of the microfilm service, FileONE will microfilm 'active' TM/TN documents scanned as part of Phase 1 of the Back File project. At a high level, this service will include:

- Convert document images captured to 16mm rolled microfilm
- Microfilm will be stored offsite in a secure facility in Pennsylvania for disaster recovery purposes

- Film will be returned in acid free cardboard film box , labeled by contents
- Images will be written to microfilm in a manner that will minimize the amount of film used (i.e. landscape documents will be rotated to portrait view to conserve space on the film)

Please note the microfilm project is limited to those images for 'active' TM/TN that are scanned as part of the Back File effort. Documents scanned into the system outside of the Back File effort are not included in the scope of work or pricing.

SystemWORKS & Back File Pricing

Section

4

4.1 FileONE'S BACK FILE AND SYSTEMWORKS PRICING ESTIMATE

Following our detailed analysis, FileONE has estimated pricing for the PRTO based on the assumed volumes of paper Trademark and Tradename documents and the scope of work for the SystemWORKS Trademark/Tradename application. For the PRTO's convenience, FileONE has provided the cost per document page for any values that exceed the assumed thresholds in Section 5.6, "FileONE Volume Assumptions and Extended Pricing."

Deliverable	Price	Invoice
Phase 1--Trademarks and Tradenames SystemWORKS Software Includes: <ul style="list-style-type: none"> - Tradename Search - Tradename Registration - Trademark Search - Trademark Registration (includes USPTO) 	\$338,680*	See Section 4.2 for SystemWORKS transaction detail. FileONE paid only as SystemWORKS revenue is available per the terms of the original contract.
Phase 2--Trademarks and Tradenames SystemWORKS Software Includes: <ul style="list-style-type: none"> - Trademark Renewal - Trademark Amendments (Below) - Trademark Cancellation / Withdrawal - Trademark Opposition - Correspondence Customizations - Trademark Workflow (includes Office Actions) - UI branding - Financial Management - Records Request 	\$178,570*	See Section 4.2 for SystemWORKS transaction detail. FileONE paid only as SystemWORKS revenue is available per the terms of the original contract.
FileONE Back File Indexing, Data/Image Processing - Project Definition and Analysis Deliverable	\$250,000	Within ten (10) days of contract execution, fixed invoice paid only as SystemWORKS funds are available
FileONE Back File Indexing, Data/Image Processing - Invoice for 1 st Deliverable Back File Documents Processed	\$452,204	Within thirty (30) days of contract execution, fixed invoice paid only as SystemWORKS funds are available
FileONE Back File Indexing, Data/Image Processing - Invoice for 2 nd Deliverable of Back File Documents Processed	\$452,204	Within sixty (60) days of contract execution, fixed invoice paid only as SystemWORKS funds are available

Deliverable	Price	Invoice
FileONE Back File Indexing, Data/Image Processing - Invoice for 3 rd Deliverable of Back File Documents Processed	\$452,204	Within ninety (90) days of contract execution, fixed invoice paid only as SystemWORKS funds are available
FileONE Back File Indexing, Data/Image Processing - Invoice for 4 th Deliverable of Back File Documents Processed	\$452,204	Within one hundred, twenty (120) days of contract execution, fixed invoice paid only as SystemWORKS funds are available
TOTAL ESTIMATED PRICE	\$2,696,066	

*Estimated pricing based on AR, TM and TN volume

4.2 PROPOSED PAYMENT APPROACH

FileONE proposes that a hybrid transactional model be used to fund the SystemWORKS Trademark and Tradename project. Using a combination of fixed milestone payments, Trademark and Tradename fees and an increase in 2011 annual report FileONE fees (For-Profit and LLC filings), FileONE can offer the PRTO an opportunity to begin and complete this project without any additional appropriations.

Using this hybrid model, FileONE will invoice the PRTO the fixed deliverable amounts for the Trademark and Tradename Back File scanning and indexing phases of this project. FileONE has structured the Back File payments into five (5) deliverables highlighted in the table in Section 4.1: one (1) Project Definition Analysis deliverable and four (4) Back File project deliverables. FileONE will retain transactional revenue, until the outstanding fixed deliverable invoices have been satisfied.

For the SystemWORKS application, FileONE will be compensated for Trademark and Tradename transactions completed in the system. FileONE and the PRDOS have forecasted that TM/TN revenue is insufficient to pay for the SystemWORKS Trademark and Tradename development, implementation and support services. Therefore, FileONE proposes to also include a marginal allocation of the Annual Report (AR) revenue for the 2011 ARs only. The total estimated transactional revenue for the SystemWORKS Trademark and Tradename application is \$818,300.

Similar to our current Annual Report transactional funding model, FileONE will assume a significant portion of the total project risk by deferring payment for the remaining value of the contract through our transactional model. These fees would be in addition to the existing transaction fees contracted under the original SystemWORKS and Corporation Back File agreements. FileONE has assumed 46,100 for-profit and LLC AR transactions for the 2011 AR filing season at \$14.00 per AR. Both FileONE and the PRDOS understand that the total fees paid to FileONE may be lower or higher than the estimated value and will vary based on the actual 2011 AR and TM/TN filing volume. FileONE will a portion of the filing transaction revenue until the outstanding, fixed invoices are satisfied.

In addition to the one-time, additional 2011 AR filing fee, FileONE will be paid 15% of all paid TM/TN standard filing fees and penalties transactions. Any zero dollar (\$0) SystemWORKS Trademark/Tradename filings will be assessed a \$1 per transaction FileONE fee.



For the purposes of FileONE TM and TN transactional estimates, FileONE assumed 3,000 transactions with a \$22.50 FileONE transactional fee, and another 3,000 transactions per year at a blended average FileONE transactional fee of \$2 per transaction.

For the PRTO's convenience, FileONE has provided estimated pricing based on the volume assumptions detailed in Section 5.6, "FileONE Volume Assumptions and Extended Pricing". Should the volume exceed the assumed thresholds, FileONE has provided the cost per image in Section 5.6

Key Assumptions

5.1 DEFINITION OF 'ACTIVE' TRADEMARKS AND TRADENAMES

FileONE will scan the content of existing TM/TN folders which have existing TM/TN Application data and/or images in the current PRTO system, up to 2 million document pages.

Scanning and indexing 'non-active' TM and TN folders is outside of the scope of this proposal. Upon request, FileONE can provide pricing for scanning 'non-active' TM and TN.

5.2 PRTO TRADEMARK AND TRADENAME AVAILABILITY

FileONE understands the PRTO database does not accurately reflect the current Trademark and Tradename data as indicated on the paper filings. Following the completion of this project, the PRTO will be positioned to provide online TM and TN searches and filing. FileONE will use commercially reasonable efforts to ensure the accuracy of all work performed throughout all phrases and for all deliverables of this project. The PRTO accepts final responsibility for the accuracy the data and images. FileONE strongly recommends that the PRTO review TM and TN data before providing online services. The PRTO is wholly responsible for all TM and TN data within the PRTO SystemWORKS™ database.

5.3 IMAGE AND DATA UPLOAD SCHEDULE

As FileONE completes the imaging and indexing effort for the back file, FileONE will upload the completed images and data into the SystemWORKS application. FileONE and the PRTO will mutually determine the periodic upload schedule prior to project commencement.

5.4 ACCESSING TRADEMARK AND TRADENAME FOLDERS DURING PROCESSING

The PRTO **will** not have access to the physical documents for a given client during the time a filing or folder enters the conversion process until after the conversion process has been completed. Should the PRTO need **more** immediate access to a file, the following process and fees will apply:

- **Standard Rush Orders:** For requests received before 11am, FileONE will scan and deliver images by 12pm the following business day; requests received after 11am will be delivered by 5pm the following business day.
- **Standard Rush Charges:** PRTO will be charged \$40 for each batch request. A batch consists of one or more filings submitted together. To minimize its costs, the PRTO is encouraged to batch standard rush filing requests.
- **Expedited Rush Orders:** FileONE will scan and delivered images within four (4) hours of receipt of the request. If the four (4) hour processing window exceeds 5pm, FileONE will provide the documents by 9am the following business day.
- **Expedite d Rush Charges:** PRTO will be charged \$80 for each file request.

5.5 IDENTIFYING AND PRODUCING PAPER DOCUMENTS AND TM/TN FOLDERS UPFRONT

The PRTO must identify and produce all TM and TN folders before the initial document preparation and scanning process begins. Documents or folders found after the scanning process has begun will either: 1) incur additional processing fees to be defined by FileONE following our assessment of the added scope, or 2) may not be scanned as part of this project.

5.6 FileONE VOLUME ASSUMPTIONS AND EXTENDED PRICING

For the PRTO's convenience, FileONE has provided the cost per document page for imaging and data indexing for any values that exceed the quoted thresholds.

Task	Description	Pricing
Document Scanning	- Document Preparation, Scanning and De-Prep of up to 2,000,000 total document pages (note : double-sided counts as 2 pages)	Included in FileONE Core Price
	- Additional Scanning, Basic Indexing and Document Indexing above 2,000,000 pages	\$0.72 per image

Data Indexing	- Single keystroke indexing of TM/TN records up to 170,000,000 total keystrokes	Included in FileONE Core Price
	- Additional keystrokes above 170,000,000 total keystrokes	\$0.015 per keystroke
	- Additional classification and splitting of documents above the 10% assumption of folders which will require manual classification and splitting of stapled document sets.	\$0.24 per page
Pick and Pull Services	- TM/TN folder pull up to 80,000 "Active" TM/TN folders.	Included in FileONE Core Price
	- Additional TM/TN folder pulls above 80,000	\$0.90 per folder
Storage 1 year term Paper	- First year Paper Storage of Scanned Documents	Included in FileONE Core Price
	- Additional paper storage years beyond the first year	\$25,000 per year after the first year
Storage 1 year term microfilm	- First year Storage of Microfilm	Included in FileONE Core Price
	- Additional microfilm storage years beyond the first year	\$9,000 per year after the first year

All fees, including overages, will be deducted from filing fees collected by FileONE on behalf of PRDOS before remittance to PRDOS. If insufficient funds are available, FileONE will invoice the PRDOS.

5.7 DELIVERABLE DESCRIPTIONS AND ACCEPTANCE OF DATA AND IMAGES

The Project Definition and Analysis Deliverable will include the project plan, schedule, and detailed project design and solution report. The four (4) Back File Documents Processed Deliverables consists of a deployment of the PRTO processed documents and data to the FileONE staging environment.

Should the PRTO determine that certain documents or data does not meet the standards as defined in this proposal, FileONE will deduct the deliverable as a percentage of the total records included in the deliverable. For example, if FileONE provides 1,000 TM Application filings for the 1st Deliverable of Back File Documents Processed, and the PRTO determines that 10 records contain errors, FileONE will defer payment of one (1) percent of the invoice (calculated as 10 errors divided by 1,000 records) until the records are corrected.

FileONE will use commercially reasonable efforts to ensure the accuracy of all work performed throughout all phases and for all deliverables of this project. The PRTO accepts final responsibility for the accuracy the data and images. Through the course of the project, FileONE, at its sole discretion, may update the information and process outline in the following tables to provide the data and image repository.

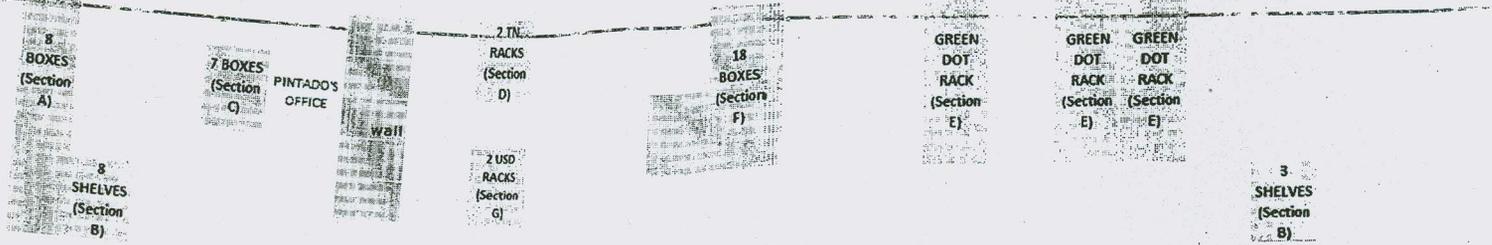
FileONE will import data and images on a periodic basis. The PRTO must report any missing or erroneous data or images within thirty (30) calendar days of delivery by FileONE ("PRTO Review

Period"). The PRTO must provide a specific list of erroneous or missing TM or TN data and/or images in writing to the FileONE project manager during the PRTO Review Period. All data and images provided by FileONE will be accepted by default after the thirty (30) calendar day PRTO Review Period. Any FileONE efforts to correct missing or erroneous data and/or images after the PRTO Review Period are outside of the scope of **this** proposal and will be considered a change order. FileONE will make reasonable efforts to correct data and image errors.

5.8 2ND FLOOR ARCHIVE LAYOUT

entrance

2nd Floor Archive Layout



These 8 BOXES to the right have applications that have been processed, evaluated, and scanned and are simply waiting to be filed. Underneath the boxes are 8 SHELVES in storage cabinets that contain files that are pending but have been scanned. The applications in the boxes above have their folder in shelves below and they are simply waiting for someone to file them so they can go to the archives downstairs. Some of these may not have receipts because they are from 2008-2007. The 7 BOXES in Pintado's office consist of two boxes of renewal applications, which he has scanned only. The other five boxes contain new trademark applications, which he scans and does data entry on.

The folders in the 2 TN RACKS (trade name) have not been scanned but they are all registered. They are waiting to be scanned. The files in the 2 USD RACKS (US Deposit) have not been touched at all. They do not. The 18 BOXES are applications that have not been touched. These are from 2010-2011 so

These 3 SHELVES belong to the same group as those to the far left (8 shelves). Some of these may not have receipts because some are from 2008-2007

*Note: Receipts were only given after 2010

