

Item 3

LITIGATION

TWO MEN AND A TRUCK®/INTERNATIONAL, Inc., f/k/a TWO MEN AND A TRUCK/USA, Inc. v. Pamela Fernsler, (United States District Court for the Eastern District of Michigan, Detroit Division, File Number 94-CV-75261). We filed this action in December 1994 against a former franchisee to enforce the termination of the franchise and protect our service marks. The former franchisee filed a counterclaim alleging that we violated Michigan franchise investment law and had no right to the name. After obtaining a Preliminary Injunction barring them from using our name and service marks, we obtained a Summary Judgment in our favor on the franchise investment law counterclaim and our claim to the exclusive right to the **TWO MEN AND A TRUCK®** service mark. We also obtained a jury verdict in our favor for \$134,763.28 on March 13, 1997, plus enhanced damages of \$15,000 and attorney's fees of \$42,597 on May 28, 1997. As a result of the jury verdict, we obtained a Permanent Injunction against them. They appealed. On December 17, 1998 the 6th Circuit Court of Appeals affirmed the jury verdict in our favor, and the U. S. Supreme Court refused to grant their Petition for a Writ of Certiorari, which ended the appeals process and confirmed the lower courts' decisions in our favor.

TWO MEN AND A TRUCK® /INTERNATIONAL, Inc. f/k/a TWO MEN AND A TRUCK/USA, Inc v. TWO MEN AND A TRUCK®/Kalamazoo, Inc., T & M Express, Inc., TWO MEN AND A TRUCK®/Northern Indiana, Mark D. Mayes and Keum Lee Mayes, (United States District Court for the Western District of Michigan, File Number 5:94-CV-162). We filed this action in December 1994 against former franchisees and their principals and affiliates to enforce the termination of their franchises and to protect our service marks. We obtained a Preliminary Injunction in our favor barring them from using our name and service marks in July 1995. They filed a counterclaim alleging breach of contract, breach of franchise investment laws and the right to use the **TWO MEN AND A TRUCK®** name. In 1996, we were granted a Summary Judgment in our favor regarding our exclusive right to the **TWO MEN AND A TRUCK®** name and service marks. [*TWO MEN AND A TRUCK®/International, Inc. v. TWO MEN AND A TRUCK®/Kalamazoo, Inc.*, 949 F. Supp. 500 (WD Mich, 1996)] On July 3, 1997, the Court took evidence regarding our damages and awarded us \$71,158. The other claims between the parties were dismissed, without prejudice. No party appealed, but one Defendant, **TWO MEN AND A TRUCK®/Kalamazoo, Inc.** (having filed bankruptcy on December 12, 1994) sued us in the bankruptcy court on claims dismissed by the federal court. The bankruptcy court for the Western District of Michigan, Case # HK94-85578, APN 98-88081, abstained from hearing the matter. Then, on July 6, 1998, the bankrupt company sued us in Michigan state court, Ingham County Circuit Court Case # 98-89432-CK, claiming we made misleading earnings projections, thereby violating Michigan's franchise investment law. It also claimed we breached the terms of the franchise agreement. In January and October 2000, the Circuit Court dismissed the Michigan franchise investment law claims against us, and in February 2001, it dismissed the remaining claim in the lawsuit against us for breach of contract. The bankrupt company has not appealed these decisions.

B & F Quality Services, Inc. v. TWO MEN AND A TRUCK®/INTERNATIONAL, Inc. (Arbitration in Southfield, Michigan, Case # 54-Y114 00553 99). On November 19, 1999, this Demand for Arbitration was brought by a former franchisee alleging wrongful termination of its