

07-15-2003

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ET

Attorney Docket No.: 22073-2

To the United States Patent and Trademark Office, 102496742, the attached original documents or copy thereof.

1. Name of conveying party(ies):

Doru Pascaru

2. Name and address of receiving party(ies):

Constantin Barbulescu
6 Baltusrol Drive
Purchase, NY 10577

- Individual(s) citizenship: United States
- Association:
- General Partnership:
- Limited Partnership:
- Corporation-State:
- Other:

3. Nature of conveyance:

- Assignment
- Security Agreement
- Merger
- Change of Name
- Other: Letter of Assignment and Transfer

Execution Date: May 13, 2003

If Assignee is not domiciled in the U.S.A., a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment.)

4. Application number(s) or registration number(s):

A. Trademark Application No.(s):

B. Trademark Registration No.(s):

2,032,673

5. Name and address of party to whom correspondence document should be mailed:

MICHAEL L. LOVITZ, ESQ.
CONNOLLY BOVE LODGE & HUTZ LLP
P. O. Box 2207
1220 Market Street
Wilmington, DE 19899
Telephone: (302) 658-9141
Facsimile: (302) 658-5614

6. Total number of applications and registrations involved: [1]

7. Total fee (37 CFR 3.41) Cal. 1 x \$40.00 = \$ 40.00
0 x \$25.00 = \$ 00.00

Authorized to be charged to Deposit Account No. 03-2775.

8. Deposit Account number: 03-2775
(for any additional fees required)

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9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Michael L. Lovitz
Name of Person Signing

Signature

July 14, 2003
Date

Total number of pages including cover sheet, attachments and document: [7]

**PERSONAL & CONFIDENTIAL**

May 13, 2003

Mr. Doru Pascaru
73 Benson Avenue
Westwood, NJ 07675

Dear Doru:

This will confirm the agreement between you and Telstar International, Inc. (hereafter referred to as the "Company") regarding your separation from the Company.

1. We agree that your date of separation from employment with the Company will be May 13, 2003 (the "Separation Date") and, effective as of the Separation Date, you hereby resign from your positions as Chief Financial Officer, officer and/or director of the Company and any of the Company's subsidiaries, affiliates and related entities, including but not limited to, Direct Express and Telstar Direct, LLC, and for consideration of \$1.00 and other good and valuable consideration more particularly set forth below, you agree to sell all of your shares and ownership, legal and equitable rights and interests in the Company (approximately 45,000,000 shares of Company Class A common stock) to the Company, and in each of the Company's subsidiaries, related entities and affiliates to each such subsidiary, related entity and affiliate. In addition, you hereby transfer all your rights, title and interest in certain trademarks that you jointly own with Constantin Barbulescu, including but not limited to Classic Card and Jalapeno Verde to Constantin Barbulescu. This provision and nothing herein shall apply to Star Data.
2. For and in consideration of (i) your providing the release set forth in paragraph 7 below, (ii) your sale of all your shares and ownership, legal and equitable rights and interests in the Company, and (iii) you, making the representations and agreements set forth herein, including those set forth in paragraph 9 hereof, the Company hereby agrees to pay you the sums set forth in paragraphs 3, 4 and 5 below, subject to the terms and conditions set forth in this letter agreement.
3. Subject to this letter agreement becoming effective, as consideration for the services rendered by you prior to the date hereof, your release of all claims against the Company, subsidiaries, affiliates related entities, and their officers, shareholders and employees as set forth below, and your performance hereunder, the Company shall pay you severance compensation in the following amounts and in the following manner:
 - (a) The sum of \$100,000.00, payable in ten (10) equal monthly installments of \$10,000.00 each, commencing on the Effective Date of this letter agreement (as defined in paragraph 21 below) and continuing on the fifteenth (15th) day of each month thereafter through and including February 15, 2004.
 - (b) The Company shall pay your COBRA payments to continue your participation in its medical and dental insurance programs, from the Separation Date through the period ending 12/31/03.

TELSTAR INTERNATIONAL, INC. One North Broadway, Suite 500, White Plains, NY 10601 TEL: (914) 428-5555 FAX: (914) 428-5640



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At the end of that period, you shall be entitled to continue to make your own COBRA payments in such programs in accordance with the applicable COBRA regulations.

- (c) The Company shall continue to pay your auto lease payment for your Acura MDX (or an allowance of \$625.00 per month), through the period ending 12/31/03.
 - (d) The Company shall pay your legal fees necessary to review this agreement, in an amount not to exceed \$1,000.00.
4. Subject to this letter agreement becoming effective, as consideration for your shares of stock in the Company, the Company shall pay you the following amounts and forgive the following indebtedness:
- (a) On the Effective Date, the Company shall pay you \$50,000 in good and available funds.
 - (b) On the Effective Date, you shall be relieved of any further obligation to pay the \$300,000 loan presently owed by you to the Company, which loan shall on the Effective Date be deemed cancelled, null, void and of no further force and effect.
5. On the Effective Date, the Company shall pay you \$50,000.00 as the first of two (2) payments against the \$100,000.00 loan owed by the Company to you. On the fourteenth day of the eleventh (11th) month immediately following the Effective Date, the Company shall pay you an additional \$50,000.00 which sum represents the balance of the \$100,000.00 loan payable by the Company to you.
6. To secure the payment of the 10 monthly payments of \$10,000.00 and the \$50,000.00 balance of the \$100,000.00 loan discussed above, you are hereby granted a security interest in and a lien upon a Siemens DCO switch, purchased by the Company in 2002 ("Siemens Switch"), and the NAMS system and software associated with the Siemens Switch. In furtherance thereof, you are hereby granted full right and authority to file any and all UCC Financing Statements necessary to properly perfect the lien granted herein on the Siemens Switch. The Company shall have the option to pre-pay any amounts under this Agreement without penalty. Upon the Company's completing the 10 monthly payments of \$10,000.00 and its payment of \$50,000.00 as the balance of the \$100,000.00 loan, you shall file the appropriate documents to record the Company's satisfaction of such debt, and you shall no longer have a security interest or lien in the Siemens Switch and the NAMS system and software.
7. (a) Except as hereafter provided in Section 10 hereof, in consideration of the compensation and other remuneration described in paragraphs 3 and 4 above, you voluntarily, knowingly and willingly release and forever discharge the Company, its parents, subsidiaries, related entities and affiliates, together with its and their respective officers, directors, partners, shareholders, employees, successors and assigns (collectively, the "Related Persons"), from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever which against any of them you or your heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising prior to the Effective Date. This release includes, but is not limited to, any rights or claims relating in any way to your employment relationship with the Company, or the termination thereof, or under any Statute, including the federal Age Discrimination in Employment

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Act, Title VII of the Civil Rights Act, The Americans With Disabilities Act, the New York Human Rights Law, and any other federal, state or local law.

(b) Except as hereafter provided in Section 10 hereof, the Company its parents, subsidiaries, related entities and affiliates, together with its and their respective officers, directors, partners, shareholders, employees, successors and assigns (collectively, the "Related Persons") voluntarily, knowingly and willingly releases and forever discharges you, from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever which against you any of the Company or Related Persons, or their successors or assigns ever had, now have or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising prior to the Effective Date.

8. The Company shall obtain the release of, and return to you, any and all guarantees of Company debt or obligations delivered by you, if any. In addition, the Company hereby indemnifies and holds you harmless from and against any losses, damages, claims, causes of action, costs and expenses (including attorneys fees and costs) incurred by you as a result of your delivery of such guarantees.
9. The parties represent that each party has not filed against the other party or the Company or the Company's parents, subsidiaries, affiliates or any Related Persons, any complaints, charges or law suits arising out of your employment by the Company, or any other matter arising on or prior to the date hereof. Except as hereafter provided in section 10 hereof, each party covenants and agrees that it will not seek recovery against the other party or any of the other party's parents, subsidiaries, affiliates or any Related Person arising out of any of the matters set forth in this paragraph or in paragraph 7.
10. Notwithstanding anything to the contrary set forth herein, nothing set forth in this letter agreement shall prevent either party from enforcing the terms hereof.
11. You represent that you have returned or will immediately return to the Company all confidential information of the Company ("Company Information"), and you will not retain any copies, reproductions or excerpts thereof, including without limitation business plans and projections, strategic planning documentation, reports, files, memoranda, records, mailing lists, customer lists, credit cards, door and file keys, training manuals, and other physical or personal property which you received or prepared or helped prepare in connection with your employment by the Company, and other technical, business or financial information or trade secrets the use or disclosure of which might reasonably be construed to be contrary to the interests of the Company or any Related Person.
12. In the course of your employment with the Company you acquired confidential Company Information and Related Person information. You understand and agree that such Company Information was disclosed to you in confidence and for the benefit and use of only the Company. You acknowledge that you have no ownership right or interest in any Company Information used or developed during the course of your employment. You understand and agree that (a) you will keep such Company Information confidential at all times after your employment with the Company and (b) you will not make use of Company Information on your own behalf or on behalf of any third party. Notwithstanding the foregoing, the parties acknowledge and agree that the Company's customer and vendor lists obtained by you by virtue of your status as a shareholder, officer and

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director of the Company prior to the Effective Date shall not be deemed to be included within the definition of confidential Company Information for purposes hereof, and that the same may be used by you in connection with any business venture in which you may engage now or in the future.

13. The Company covenants and agrees to maintain its books and records (and cause its parents, affiliates, subsidiaries and related parties to maintain their books and records) for a period of at least six (6) years following the Effective Date, and that the Company will provide you with the financial information that is necessary for you to prepare your tax return for 2003. In addition, you will be granted access to financial information as necessary, if such information is necessary for responding to tax audits and state, federal and local tax investigations, and the defense of any judicial action or arbitration, or mediation or JAMS dispute resolution proceeding regarding your ownership of shares in the Company or any of the Company's parents, affiliates, subsidiaries or related parties prior to the Effective Date. All information disclosed to you pursuant to this section shall be limited to the period ending on the Effective Date.
14. You agree that, from the date hereof through May 13, 2005, you will not solicit, entice, persuade, induce or influence any individual who is an employee of the Company, affiliates, subsidiaries or Related Person, to terminate his or her employment with the Company or to become employed by any other individual or entity, and you shall not approach any such employee for any such purpose. Any breach of the terms of this paragraph 14 shall result in immediate legal action to recover damages.
15. The Company advises you to consult with an attorney of your choosing prior to signing this letter agreement. You confirm that you have the right and have been given the opportunity to review this letter agreement and, specifically, the release set forth in paragraph 7(a) and the representations and agreements set forth in paragraph 9, with an attorney of your choice. You also understand and agree that the Company is under no obligation to offer you the severance compensation set forth in paragraph 3 and that you are under no obligation to consent to the release set forth in paragraph 7(a) and the representations and agreements set forth in paragraph 9, and that you have entered into this agreement freely and voluntarily.
16. You agree to cooperate with the Company and execute all documents necessary to transfer all your former responsibilities as CFO of the Company, including but not limited to, banking, credit, finance, accounts payable, accounts receivable, and banking relationships and authorizations, to individuals designated by the Company's CEO and/or President.
17. You agree to destroy all Company credit cards in your possession, and agree not to use any Company account for any purpose whatsoever.
18. You agree to cooperate with the Company and execute all documents necessary to relinquish all your all your shares and ownership, legal and equitable rights and interests in the Company its subsidiaries, related entities, Related Persons, affiliates, and any entity in which you are a co-director and/or shareholder with either Constantin Barbulescu or Joseph Guariglia (excluding Star Data). In addition, as of the Effective Date, you and Constantin Barbulescu hereby terminate the Shareholders Agreement of Telstar International, Inc. entered into between you and Constantin Barbulescu on

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January 5, 2000, (Shareholder Agreement") and waive any and all rights under the Shareholder Agreement.

19. **NON-DISPARAGEMENT.** You shall refrain from making any statements or comments of a defamatory or disparaging nature to any third party regarding the Company, any of its affiliates, subsidiaries, related entities or any of their directors.

20. **NO COOPERATION WITH OTHERS:** You agree that you will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company, its affiliates, subsidiaries and related entities and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company if such consultation or assistance would require or entail your disclosure of confidential or proprietary information of the Company, or any other information relating to the Company's operations not known to the general public, unless you are required or compelled under a subpoena, court order or other judicial mandate or mediation or arbitration proceeding to do so. You further agree that you will not knowingly encourage, advise or assist any Company employee or former Company employee to prosecute any claim, charge or complaint against the Company, its affiliates, subsidiaries and related entities and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company unless under a subpoena, court order or other judicial mandate or in connection with any arbitration, JAMS dispute resolution or mediation proceeding to do so.

21. You may have (45) forty-five days to consider the terms of this letter agreement. Furthermore, once you have signed this agreement, you will have (7) seven additional days from the date you sign it to revoke your consent. To revoke this letter agreement you must clearly communicate your decision to do so to Joseph Guariglia, President of the Company within the seven-(7) day period. This agreement will not become effective until seven (7) days after the date you have signed it, as indicated on the last page hereof. Such (7th) seventh day is considered to be the "Effective Date" of this agreement.

22. You agree to keep the terms of your severance compensation and other payments received hereunder and this letter agreement confidential, other than as necessary to consult with your legal or tax advisors or to comply with a subpoena, court order or other judicial mandate or in connection with any arbitration, mediation or JAMS dispute resolution.

23. The terms in this letter agreement and those documents executed contemporaneously herewith constitute the entire agreement between us and may not be altered or modified other than in a writing signed by you and the Company or other party to such agreement. You represent that in executing this letter agreement you do not rely and have not relied upon any representation or statement not set forth herein made by the Company or any of its agents, representatives, attorneys or Related Persons with respect to the subject matter, basis or effect of this letter agreement, or otherwise.

24. This letter agreement will be governed by the laws of the State of New York, without reference to its choice of law rules, and any dispute arising from this agreement shall be settled by JAMS resolution services. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this letter agreement, except for the \$1,000.00 legal fees paid by the Company on your behalf.

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Handwritten initials: JG and CB

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25. This letter agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

This letter agreement sets forth the entire agreement between the Company and yourself with respect to the subject matter hereof. This letter agreement may only be amended in writing signed by yourself and the Company's Chief Executive Officer. The failure of you or the Company to insist upon strict adherence to any term of this letter agreement on any occasion shall not be considered a waiver of your or the Company's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this letter agreement.

If this letter agreement correctly sets forth our understanding, please so signify by signing and dating the enclosed copy of this letter and returning it to Joseph Guariglia, President, Telstar International, Inc. 1 N. Broadway, White Plains, NY 10601.

Very truly yours,

Telstar International, Inc.

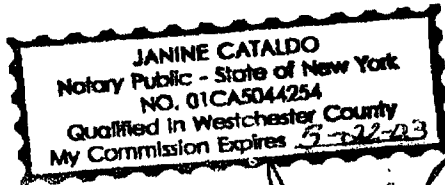
By: /s/ Constantin Barbulescu
Constantin Barbulescu - CEO

AGREED TO AND ACCEPTED:
/s/ Doru Pascaru
Doru Pascaru

Dated: May 13, 2003

Constantin Barbulescu, Individually

By: /s/ Constantin Barbulescu
Constantin Barbulescu



Janine Cataldo

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