

1 DAVID J. VAN HAVERMAAT (Cal. Bar No. 175761)  
Email: vanhavermaatd@sec.gov  
2 DAVID S. BROWN (Cal. Bar No. 134569)  
Email: browndav@sec.gov

FILED  
CLERK, U.S. DISTRICT COURT  
5/22/18  
CENTRAL DISTRICT OF CALIFORNIA  
BY: **CS** DEPUTY

3 Attorneys for Plaintiff  
4 Securities and Exchange Commission

5 Joseph G. Sansone, Unit Chief (Market Abuse Unit)  
New York Regional Office  
6 200 Vesey Street, Suite 400  
New York, New York 10281

LODGED  
CLERK, U.S. DISTRICT COURT  
5/22/18  
CENTRAL DISTRICT OF CALIFORNIA  
BY: **CS** DEPUTY

7 Robert A. Cohen, Unit Chief (Cyber Unit)  
8 Headquarters  
100 F Street, N.E.  
9 Washington, District of Columbia 20549

10 Michele Wein Layne, Regional Director  
Amy Jane Longo, Regional Trial Counsel  
11 444 S. Flower Street, Suite 900  
Los Angeles, California 90071  
12 Telephone: (323) 965-3998  
Facsimile: (213) 443-1904

13  
14 **UNITED STATES DISTRICT COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA**  
16 **WESTERN DIVISION**

17 **SECURITIES AND EXCHANGE**  
18 **COMMISSION,**

19 **Plaintiff,**

20 **vs.**

21 **TITANIUM BLOCKCHAIN**  
22 **INFRASTRUCTURE SERVICES,**  
23 **INC.; EHI INTERNETWORK AND**  
24 **SYSTEMS MANAGEMENT, INC.**  
25 **aka EHI-INSM, INC.; and MICHAEL**  
26 **ALAN STOLLERY aka MICHAEL**  
27 **STOLLAIRE,**

28 **Defendants.**

Case No. **CV18-4315-DSF(JPRx)**  
**DECLARATION OF JULIANA**  
**MOREHEAD**



1 agreements, and/or other substantive business relationships, including the purchase  
2 and sale of a product or service. ERCOT also maintains records of entities or persons  
3 with which it has engaged as an employee, vendor, contractor, or consultant. For the  
4 purposes of this declaration, as Assistant General Counsel of ERCOT, I am a  
5 custodian of those records or am otherwise qualified to testify about them.

6 7. ERCOT's records are current as of the date of this declaration. The  
7 search of these materials has not disclosed any current or past relationship between  
8 ERCOT and TBIS or Stollaire directly.

9 8. The search of these materials indicates that ERCOT engaged the services  
10 of an entity named EHI-INSM, Inc. from July to October 2007. Under a written  
11 agreement with ERCOT, EHI-INSM, Inc. provided consulting, auditing, and training  
12 services related to ERCOT's use of certain software. These services did not involve  
13 blockchain technology or digital currency. The name of the person who performed  
14 the services for EHI-INSM, Inc. was Michael Stoller. Mr. Stoller is referenced in the  
15 agreement as the CEO of EHI-INSM, Inc. The professional services agreement  
16 between EHI-INSM, Inc. and ERCOT prohibits EHI-INSM, Inc. from ever publicly  
17 disclosing the existence of the agreement or its relationship with ERCOT, unless  
18 ERCOT has given prior written consent to EHI-INSM, Inc. to make such a  
19 disclosure. ERCOT does not have any record of providing EHI-INSM, Inc. or Mr.  
20 Stoller with written consent to publicly disclose its prior relationship with ERCOT.  
21 Further, ERCOT has not authorized EHI, Stollaire or TBIS to use ERCOT's name or  
22 logo in its marketing or advertising or for any other purpose.

23 9. ERCOT sent Stoller a notice of breach of contract on March 16, 2018,  
24 demanding that Stoller immediately take action to prevent further unauthorized  
25 disclosure or misuse of ERCOT's confidential information, including the removal of

26 ///

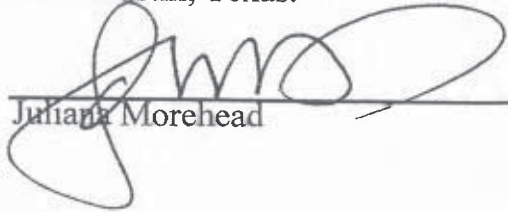
27 ///

28

1 the ERCOT logo from the EHI-INSM, Inc. website. A true and correct copy of this  
2 notice is attached hereto as Exhibit 1.

3 I declare under penalty of perjury under the laws of the United States of  
4 America that the foregoing is true and correct.

5 Executed this 19<sup>th</sup> day of March, 2018 at Austin, Texas.

6  
7   
8 \_\_\_\_\_  
9 Juliana Morehead

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28.

# **EXHIBIT 1**

EXHIBIT 1



**Taylor**  
2705 West Lake Drive  
Taylor, TX 76574  
T 512.248.3000  
F 512.248.3095

**Austin**  
7620 Metro Center Drive  
Austin, TX 78744  
T 512.225.7000  
F 512.225.7020

ercot.com

March 15, 2018

EHI-INSM, Inc.  
Attn: Michael Stoller ([michael.stoller@ehiinsm.com](mailto:michael.stoller@ehiinsm.com))  
12407 Moorpark Street, Suite 102  
Studio City, California 91604

VIA Email and CMRR

**Re: Notice of Breach of Professional Services Agreement**

Dear Mr. Stoller:

On June 1, 2007, the attached Professional Service Agreement (Agreement) became effective between Electric Reliability Council of Texas, Inc. (ERCOT) and EHI-INSM, Inc. (EHI).

On February 9, 2018, ERCOT became aware that the ERCOT logo was displayed on EHI's website (<http://www.ehiinsm.com/index.php/clients/>) in breach of EHI's agreement not to "publicly release information about [EHI's] relationship with ERCOT . . . (via activities such as news releases, articles, brochures, advertisements, web pages, prepared speeches, or otherwise, without ERCOT's prior written consent." In accordance with Section 20 of the Agreement, ERCOT hereby notifies you that EHI is in material breach of Section 7(a) of the Agreement, which remains in effect via the survival provisions of Section 7(e).

ERCOT hereby demands that you immediately take all necessary action to prevent further unauthorized disclosure/misuse of ERCOT's Confidential Information including, but not limited to removal of the ERCOT logo from the above-referenced website and any other promotional materials.

Moreover, ERCOT hereby notifies you that if you fail to comply with the demands set forth above, ERCOT may choose to pursue all equitable and legal remedies provided in Section 7(d) of the Agreement or otherwise available under law.

This notice is made without prejudice to any of our rights, powers, privileges, remedies, and defenses, now existing or hereafter arising, all of which are hereby expressly reserved.

Should you have any questions, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Juliana Morehead", is written over a large, light-colored oval shape.

Juliana Morehead  
Assistant General Counsel

ERCOT Confidential



01/08 2007 17:20 FAX 353 51 594105

GENZYME IRELAND LTD

003/011



RECEIVED JUL 10 2007

## PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT is made between Electric Reliability Council of Texas, Inc., a Texas non-profit corporation ("ERCOT") having an office at 7620 Metro Center Drive, Austin, Texas 78744-1654 and EHI-INSM Inc., a California Limited Liability Company, having an office at the address set forth below ("Contractor").

WHEREAS, ERCOT desires to engage the services of Contractor, as an independent contractor and not as an employee, according to the terms and conditions provided in this Agreement; and

WHEREAS, Contractor desires to render professional or technical services for ERCOT on the terms and conditions provided in this Agreement;

NOW THEREFORE, in consideration of the mutual promises contained in this contract, ERCOT and Contractor (the "Parties") hereby agree as follows:

1. **Term.** This Agreement shall commence on June 1, 2007 and shall expire on August 31, 2009 ("Term"). However, if any Statement of Work Agreement ("SOW") begun during the term of this Agreement has not been completed upon the termination date of this Agreement, the terms of this Agreement shall continue in force solely with respect to such SOW until such SOW has either expired or has been otherwise terminated. Either party may terminate this Agreement or any statement of work executed hereunder (a "Contract") for Cause by providing ten (10) days written notice and opportunity to cure to the other party. Either party may terminate a Contract immediately by providing written notice to the other party, if the Cause is not curable. Either party may terminate a Contract at any time without Cause by providing thirty (30) days written notice to the other. As used in this Section, "Cause" means a party's failure to perform, fraud, misconduct or any material breach of a Contract.
2. **Services.** Contractor agrees to perform professional or technical services for ERCOT ("Services"), through its employees ("Individuals") which Services shall be as described in Statement of Work Agreements ("SOWs") executed by the Parties pursuant to the terms and conditions of this Agreement, setting forth the scope of services, the schedule for performance, the fees to be paid for such Services, the time period during which such Services will be rendered, and any additional terms agreed upon by the parties. In case of any conflict between this Agreement and a SOW, the terms of this Agreement shall prevail. This Agreement may only be modified by written agreement of the Parties. Contractor shall perform all Services in accordance with reasonable instructions, directions, requests, rules and regulations issued during the term of this Agreement by the ERCOT Contact Person named in each SOW. ERCOT agrees that Contractor shall establish Contractor's working hours and work environment, as well as Contractor's specific strategies, actions, and methodologies for performing required Services under this Agreement. Contractor agrees to abide by the policies applicable to ERCOT employees and independent contractors while on ERCOT premises.
3. **Fees, Expenses and Invoices.** In exchange for Services performed by Contractor for ERCOT, ERCOT shall pay Contractor the fees set forth in the applicable SOW. During the term of any SOW, Contractor shall not increase the rates charged for the individuals providing Services thereunder or change the rate categories used for ERCOT billing purposes. All rates and fees will be in U.S. Dollars.
  - a. **Time and Material Services.** Except in cases where the SOW states that Services are performed for a fixed or flat fee, regardless of time expended by Contractor, each Individual must submit a signed weekly timesheet, detailing the services performed, for written approval by the ERCOT Contact Person named in the SOW. Each timesheet must indicate the facility at which the Services were performed (Met Center, TCC I, or TCC II) and whether any Services were performed at any location other than an ERCOT facility (Badge logging may be audited for verification of time charged.) Any Individual who provides Services for more than one project must separate, on his or her timesheet, the time spent on each project or for general services not related to a specific project. Contractor shall issue separate invoices each month for each SOW. Each invoice shall contain a description of the work performed by each Individual during the previous month, the time billed by each Individual on an hourly or daily basis (in accordance with the fee structure set forth in the SOW), and, if any Individual performs Services on more than one project or for general purposes, separating the time billed for each project.

and for general purposes. Contractor must enclose copies of the relevant signed weekly timesheets with each invoice.

b. Fixed Fee Services. In cases where the SOW states that Services are performed for a fixed or flat fee, Contractor shall issue invoices containing a description of the work performed, including a listing of all milestones and deliverables, in accordance with the terms of the SOW.

c. Out of Pocket Expenses. ERCOT will reimburse Contractor for Contractor's reasonable actual expenses that Contractor incurs in performing Services benefiting ERCOT under this Agreement, but only to the extent that such expenses are pre-approved in writing by ERCOT, documentation of such expenses is provided to ERCOT within sixty (60) days of the expense being incurred, and such expenses comply with the ERCOT Travel and Expense Reimbursement Policy, which may change from time to time, but a current copy of which is attached hereto as Exhibit A and is incorporated herein for all purposes.

d. Invoices. Contractor shall provide ERCOT with a monthly invoice describing work performed, time expended (unless fixed fee), fees, and pre-approved expenses with a copy of all receipts for claimed expenses. Within thirty (30) days after ERCOT receives an invoice from Contractor, ERCOT will pay Contractor the amount set forth in such invoice, subject however to the condition that: (i) ERCOT accepts all delivery and all performance of the Services described in such invoice; (ii) Contractor has satisfied, and continues satisfying, all of its obligations, representations, warranties and covenants under this Agreement; and (iii) Contractor has provided adequate documentation of the expenses and other charges set forth in the invoice, as described in this paragraph, above. Contractor shall send all invoices to:

Electric Reliability Council of Texas, Inc.  
Accounts Payable Department  
7620 Metro Center Drive  
Austin Texas 78744  
Fax #: (512) 225-7020

#### 4. Relationship of Parties

a. Independent Contractor. Contractor is and shall remain at all times an independent contractor, and nothing in this Agreement shall be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. All of Contractor's personnel who perform Services must be employees of Contractor, unless Contractor first obtains written permission from ERCOT to retain contractors to perform Services, and Contractor discloses the names, qualifications, and background investigations of such contractors to ERCOT.

b. Authority. Except as expressly provided to the contrary elsewhere in this Agreement, neither Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Contractor shall be solely responsible for achieving the results contemplated by this Agreement, and for supervising the specific manner and methods by which Individuals achieve such results.

#### 5. Individual Requirements

a. Background Investigation. If any Individuals will have unescorted ("badged") access to ERCOT's facilities or access to information systems, each Individual who will have such access must successfully pass a background investigation, including: (i) a criminal background check, in each county, state, and country in which the Individual has worked, lived, or attended school, showing no felonies and no misdemeanors except those misdemeanors that ERCOT accepts in writing, using a vendor of consumer report services acceptable to ERCOT; (ii) a verification of Individual's prior employment and educational history; (iii) a check of Individual's driving history if driving is required for the performance of Services; and (iv) a clean supervised five-panel drug screen to detect cocaine, amphetamines, opiates, phencyclidine and marijuana, by a medical office or drug testing service acceptable to ERCOT. Contractor shall provide to ERCOT written results of the full background investigation for each Individual. All information regarding an Individual obtained during the background check and drug screen will be kept confidential by ERCOT to the extent allowed by law.



b. ERCOT Policies and Procedures Contractor agrees that it and all Individuals will abide by ERCOT's Code of Conduct and all policies and procedures applicable to ERCOT independent contractors while performing Services for ERCOT, on ERCOT premises, or using ERCOT equipment or networks. Further, all Individuals shall execute the then-current form of confidentiality, conflict of interest, ethics, electronic resource use, and antitrust agreements required by ERCOT prior to their entering ERCOT premises, using ERCOT equipment or networks, or beginning services for ERCOT. The form of the current required Contractor Ethics Agreement is attached hereto as Exhibit B and is incorporated herein for all purposes. Contractor acknowledges and agrees that all Services involving the installation, creation, or modification of software must comply with ERCOT's Application Security Requirements and other written standards, policies, and procedures. Contractor acknowledges that (i) any e-mail or computer usage by any Individual using ERCOT computer or electronic equipment and (ii) any tangible item situated on ERCOT's premises (including, for example, but not limited to filing cabinets, desks or other work areas), is subject to inspection by ERCOT personnel at any time with or without notice.

c. Subcontractors. All Individuals must be employees of Contractor, for whom Contractor is solely responsible and pays required federal, state, local tax withholdings (including social security, unemployment, Medicare), worker's compensation insurance, and benefits, unless otherwise disclosed by Contractor and agreed to in writing by ERCOT. Any permitted subcontractors must successfully pass the required Background investigation described above.

6. **ERCOT Liability.** ERCOT SHALL NOT BE LIABLE UNDER THIS AGREEMENT FOR ANY SPECIAL, INDIRECT INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND. THE TOTAL CUMULATIVE LIABILITY OF ERCOT FOR CLAIMS OF ANY KIND, WHETHER BASED ON CONTRACT OR TORT OR OTHERWISE RELATING TO THIS AGREEMENT, SHALL NOT EXCEED THE COMPENSATION PAID TO CONTRACTOR FOR SERVICES UNDER THIS AGREEMENT.

7. **Confidentiality.**

a. Disclosing Party. For the purposes of this Agreement, ERCOT will be disclosing Confidential Information, as defined in this agreement, to Contractor. Contractor acknowledges that the existence of this Agreement and its terms are considered ERCOT Confidential Information, and Contractor will not publicly release information about its relationship with ERCOT and/or this Agreement (via activities such as news releases, articles, brochures, advertisements, web pages, prepared speeches, or otherwise) without ERCOT's prior written consent.

b. Confidential Information. "Confidential Information" shall mean all information, technical data or know-how which relates to the business, services or products of ERCOT or ERCOT's consultants or vendors including, without limitation, any research, products, services, developments, inventions, processes, techniques, designs, scientific, technical, engineering, distribution, marketing, financial, merchandising and sales information, which is disclosed to Contractor within the scope of Contractor's Services, directly or indirectly, in writing, orally or by drawings or inspection. Confidential Information does not include information, technical data or know-how which (i) is already published or available to the public, or subsequently becomes available, other than by a breach of this Agreement; (ii) is received from a third party not to Contractor's knowledge in breach of any obligation of confidentiality; (iii) is independently developed by personnel or agents of Contractor without reliance on the Confidential Information; (iv) is proven by written evidence to be known to Contractor at the time of disclosure; or (v) is produced by Contractor in compliance with an order, rule or law of any federal, state, local or municipal body having jurisdiction over a party, provided that Contractor gives ERCOT notice, to the extent reasonably possible, of such order, rule or law and gives ERCOT an opportunity to defend and/or attempt to limit such production.

c. Precautions Taken to Protect Confidential Information. Contractor agrees not to disclose or use the Confidential Information for any purpose other than purposes under this Agreement. Contractor shall take reasonable actions and precautions to prevent unauthorized disclosure and use of Confidential Information. Confidential Information and all copies thereof shall remain the property of ERCOT. Confidential Information, shall, upon request of ERCOT or immediately upon termination of this Agreement, be promptly returned by Contractor to ERCOT, accompanied by all copies of such documentation made by Contractor, provided that Contractor may keep a one copy of this Agreement. Contractor agrees to immediately notify ERCOT upon discovery of any unauthorized use or disclosure

of Confidential Information and to cooperate in any reasonable way to help ERCOT regain possession of the Confidential Information and prevent further unauthorized use or disclosure.

d. Remedies. Contractor acknowledges and agrees that breach of this Section, or any promise or covenant contained herein, by it may result in irreparable and continuing damage to ERCOT, for which there would be no adequate remedy at law, and that, in the event of such breach, ERCOT may be entitled to injunctive relief and/or a decree for specific performance, in addition to all such other and further relief as may be available at law, in equity, or otherwise.

e. Survival of Confidentiality. The provisions of this Section shall survive any termination or expiration of this Agreement.

f. Loopholes. Contractor recognizes that by performing services under this agreement, Contractor may become aware of methods by which market participants could manipulate or "game" the ERCOT system ("Loopholes") and thereby take unethical advantage of Loopholes in the ERCOT system. Contractor agrees that to the extent Contractor becomes aware of such information, it will promptly notify a member of ERCOT's management of the existence of such Loopholes and that it will treat such information as Confidential Information.

8. **Conflict of Interest** ERCOT recognizes that Contractor routinely performs services for other clients, and ERCOT agrees that Contractor shall be permitted to perform services for other clients; subject however to the condition that Contractor's work for another client does not create a conflict of interest with ERCOT and Contractor complies with all the provisions of this Agreement. Contractor represents that any of its employees who provide Services to ERCOT will not concurrently provide any services to market participants and will not concurrently provide services to any other client where such services might create a conflict of interest. Each employee of Contractor who provides Services to ERCOT must first sign ERCOT's then-current Contractor Ethics Agreement. A copy of the current version of this Agreement is attached hereto as Exhibit A. Contractor will provide ERCOT with a copy of each such executed Agreement. Contractor shall disclose to ERCOT any conflicts of interests that it has or might have with ERCOT. ERCOT may waive, in writing, any conflicts of interest that are not prohibited. All conflicts of interest will be presumed to be prohibited unless they are disclosed to and specifically waived by ERCOT. A conflict of interest exists when:

a. Contractor, Contractor's affiliates, or Contractor's employees stand to gain or lose from or otherwise be materially affected by an ERCOT business decision;

b. Any employee of ERCOT has any ownership interest in Contractor or is directly related to (parent, child, sibling, the spouse of a parent, child, sibling, or any household member) any of Contractor's officers, directors, affiliates, or employees (provided however that ownership of less than 5% of a publicly traded company is not considered a conflict);

c. Contractor or any of its officers, directors, or affiliates has an interest, direct or indirect, in a member or market participant of ERCOT, or a market participant of ERCOT or its officers or directors has an interest, direct or indirect, in Contractor (provided however that ownership of less than 5% of a publicly traded company is not considered a conflict);

d. Contractor or any of its affiliates has a known interest, direct or indirect, in any other entity dealing with ERCOT, and the interest is of such an extent or nature that Contractor's decision might be affected or determined by it; or

e. Contractor is providing services to an entity that has a direct conflict of interest with ERCOT where such conflict could expose ERCOT to risk of negative press or improper use of Confidential Information (as defined herein), ERCOT Deliverables or ERCOT intellectual property rights.

#### 9. Deliverables.

a. Ownership of Deliverables. For any deliverables requested by and/or delivered to ERCOT in connection with Services under any SOW signed pursuant to this Agreement ("Deliverables"), Contractor does hereby, without reservation, irrevocably:

01/08 2007 17:22 FAX 353 51 584105

GENZYME IRELAND LTD

005/011

i. sell, assign, grant, transfer and convey to ERCOT, its successors and assigns, Contractor's entire right, title and interest (past, present, future, and throughout the world) in and to (i) such Deliverables and (ii) any and all claims, of any nature whatsoever, for past, present or future infringement or violation of the Deliverables;

ii. to the extent that all or any portion of the Deliverables includes a work of authorship created by Contractor, either solely or jointly with another, and to the extent such work is eligible for treatment as a "work for hire" deem each such work of authorship created as a "work made for hire" (as that term is defined in the United States Copyright Act (17 U.S.C. et seq.)) that is owned solely by ERCOT;

iii. represent, warrant and covenant that Contractor forever waives all moral rights in the Deliverables and shall never assert any moral rights in the Deliverables, and

iv. acknowledge and agree that Contractor shall have no license, sublicense, right or immunity, either directly, indirectly, or by implication, estoppel or otherwise, under all or any part of the Deliverables.

b. Professional Materials. "Professional Materials" means any software, software designs, raw experience modeling, industry data and any generic analyses of such data, routines, user-interface conventions, interfaces to third-party products, user-interface design patterns, other development and design tools, and documentation which Contractor developed prior to the execution of the applicable SOW. ERCOT agrees that Deliverables shall not include any Professional Materials which are delivered to ERCOT under this Agreement so long as such do not contain any of ERCOT's Confidential Information. ERCOT acknowledges and agrees that Contractor retains all right, title and interest in the Professional Materials.

c. License to Professional Materials. In consideration of and effective upon ERCOT's payment to Contractor of amounts required under the applicable SOW, and subject to the other terms and conditions of this Agreement, Contractor hereby grants to ERCOT a non-exclusive, non-transferable, royalty-free, license to use, copy, operate, process and modify the Professional Materials for use in connection with the associated Deliverables.

10. **Warranty.** Contractor warrants that it will perform all Services performed in connection with this Agreement with due diligence and in full compliance with the highest professional standards of practice in the industry. Contractor warrants that it has good title to and/or the right to transfer license to all products, if any, and Deliverables provided to ERCOT under this Agreement. Contractor shall perform Services in compliance with all laws, and, if any licenses or permits are required for Contractor to perform the Services, Contractor warrants that it shall maintain such licenses or permits.

#### 11. Indemnification.

a. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD ERCOT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, SUITS, LIABILITIES, ASSESSMENTS, PENALTIES, LOSSES, DEMANDS, DAMAGES, COSTS (INCLUDING COURT COSTS), ATTORNEYS' FEES, EXPENSES, OR INTEREST PAYMENTS THAT ERCOT MAY AT ANY TIME INCUR BY REASON OF ANY DEMAND, PROCEEDING, ACTION, SUIT OR CLAIM BROUGHT AGAINST ERCOT BY ANY NON-PARTY OR ANY INDIVIDUAL ARISING FROM OR RELATING TO AN ACTUAL OR ALLEGED (A) FAILURE BY CONTRACTOR TO SATISFY ANY ONE OR MORE OBLIGATIONS, REPRESENTATIONS, WARRANTIES OR COVENANTS UNDER THIS AGREEMENT, (B) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONTRACTOR, OR ANY ONE OR MORE OF ITS EMPLOYEES, OFFICERS, DIRECTORS, AFFILIATES, CONTRACTORS, LICENSEES OR AGENTS, INCLUDING BUT NOT LIMITED TO ANY INDIVIDUAL OR (C) CLAIM THAT THE ANY SOFTWARE OR DELIVERABLE PROVIDED BY CONTRACTOR INFRINGES ANY UNITED STATES PATENT, TRADEMARK OR COPYRIGHT OR IS CLAIMED TO BE A MISAPPROPRIATION OF A TRADE SECRET. ERCOT shall promptly notify Contractor of any such claim. Contractor shall (i) have the obligation to undertake the defense of such claim, process or other legal proceeding by representatives of its choosing, reasonably satisfactory to ERCOT, at Contractor's expense; provided, however, that ERCOT may participate in the defense with counsel of its own choosing and at its own expense, and (ii) pay any final judgment entered against ERCOT or any settlement agreed to in writing



by Contractor on such issue in any such suit or proceeding. In the event Contractor fails to defend such claim in good faith and diligently, ERCOT shall have the right to undertake the defense, compromise, or settlement of such claim on behalf of and for the account and risk of Contractor and at Contractor's expense.

b. If all or any part of the Deliverables is the subject of any claim, suit or proceeding for infringement or misappropriation of any Intellectual Property Right, Contractor may, and in the event of any adjudication that the Deliverables or any part thereof infringes or misappropriates any patent, trademark, copyright or trade secret, or if the licensing or use of the Deliverables or any part thereof is enjoined, Contractor shall, at its expense do one of the following things: (i) procure for ERCOT the right under such patent, trademark, copyright or trade secret to fully use the Deliverables or the affected part thereof; or (ii) replace the Deliverable or affected part thereof with another non-infringing Deliverable; or (iii) suitably modify the Deliverable or affected part thereof to make it non-infringing.

**12. Insurance.** Contractor shall, at its sole cost and expense, secure and maintain as a minimum, from the Effective Date and thereafter during the term of this Agreement, for its own protection and the protection of ERCOT, the following insurance coverage with insurance companies with a minimum A.M. Best Rating of A-V:

- a. A Fidelity Bond or Crime Policy in the amount of \$1,000,000 with third party coverage with ERCOT as a named beneficiary for Contractor's employees working on ERCOT premises or working with ERCOT intellectual property, proprietary information, or Confidential Information;
- b. Errors & Omissions (Professional Liability) insurance with a limit of \$1,000,000 per claim made and \$2,000,000 annual aggregate;
- c. Commercial General Liability with a limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate covering bodily injury and tangible property damage claims;
- d. Umbrella Liability insurance in the amount of \$3,000,000 per incident which shall be excess of Commercial General Liability coverage required herein.

Contractor shall furnish to ERCOT certificates of insurance, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage and that ERCOT is named as an additional insured under the CGL policy and any Automobile Liability policy. The CGL and any Automobile policy shall also include a waiver of subrogation in favor of ERCOT, its directors, agents, representatives, independent contractors, servants and employees. Contractor shall provide ERCOT with renewal or replacement certificates at least thirty (30) days prior to expiration or termination of any such bonds or insurance. Failure to consistently maintain such fidelity bond or insurance coverage, or to timely provide ERCOT with insurance certificates, shall constitute a material breach of this Agreement.

**13. Audit.** Contractor's records, which shall include, but not be limited to, accounting and payroll records (hard copies as well as electronic data), indirect cost records, overhead allocation records, correspondence, schedules, receipts, vouchers, memoranda and any other documentation relating to this Agreement or work performed hereunder, shall be open to inspection and subject to audit and/or reproduction during regular business hours and upon prior reasonable notice by the ERCOT's Internal Audit Manager or a duly authorized representative, at ERCOT's expense. Contractor shall maintain all such records for a period of three (3) years after the termination or expiration of the Agreement or for such longer periods as may be required by law. Contractor shall also provide ERCOT, prior to ERCOT's execution of this Agreement, its annual audited financial statement, and Contractor shall make available to ERCOT, upon request during the Term of this Agreement, its annual audited and quarterly unaudited financials. The information contained in Contractor's financials or obtained by ERCOT during any audit will be kept confidential by ERCOT to the extent allowed by law.

**14. Assignment.** This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of any party, provided however that Contractor shall not, without the prior written consent of ERCOT, assign, subcontract or transfer this Agreement or any obligation incurred under this Agreement. Notwithstanding anything to the contrary in this Agreement, ERCOT may assign this Agreement, without Contractor's consent, to any non-party.

**15. Governing Law.** Notwithstanding anything to the contrary in this Agreement, this Agreement shall be deemed entered into in Texas and shall be governed by and construed and interpreted in accordance with the

01/06 2007 17:15 FAX 353 51 594105

GENZYME IRELAND LTD

006/611

laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. With respect to any suit, action or other proceeding arising from or relating to this Agreement, the parties hereby irrevocably agree to non-exclusive personal jurisdiction and venue of the United States District Court for the Western District of Texas and any state court within Travis County or Williamson County, Texas.

16. **Taxes.** Contractor is solely responsible for all taxes (federal, state, local) and other similar statutory obligations arising from, relating to, or in connection with any payment made to Contractor by ERCOT, except for state or local sales taxes which must be included on Contractor's invoices to ERCOT. CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD ERCOT HARMLESS TO THE EXTENT OF ANY OBLIGATION IMPOSED BY LAW ON ERCOT TO PAY ANY SUCH TAX.

17. **Amendment.** This Agreement may only be amended by a writing signed by both parties.

18. **Legal Construction.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

19. **Export Laws.** Contractor represents, warrants, agrees and certifies that it (a) shall comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) shall not knowingly permit any non-party to directly or indirectly, import, export, re-export, disclose, or transship any ERCOT inventions or any third party materials accessed by Contractor during the course of this Agreement in violation of any such laws, rules or regulations.

20. **Notices.** Any notice related to this agreement shall be in writing and delivered to the persons at the addresses listed below, and notice to ERCOT shall also be delivered to ERCOT's General Counsel at 7620 Metro Center Drive, Austin, Texas 78744, or by facsimile to (512) 225-7079.

21. **Entire Agreement.** This Agreement constitutes the sole agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter. Any master consulting or professional services agreement previously executed by the parties ("Prior Agreement") is hereby terminated and superseded by this Agreement. Any Services originally agreed upon by the parties pursuant to the Prior Agreement, which are still in progress as of the effective date of this Agreement, shall be deemed subject to the terms of this Agreement.

22. **Electronic Signatures.** This Agreement may be executed by facsimile or scanned and electronically transferred signatures. A copy of this Agreement bearing such a signature or signatures shall have the same force and effect as an original agreement with inked original signatures. Once signed, any reproduction of this Agreement made by reliable means (e.g., photocopy, scan, facsimile) is considered an original.

Signed this 1st day of June, 2007.

By Contractor: EHI-INSM Inc.

Signature: *[Handwritten Signature]*

Printed Name: Michael Stoller

Address: 12407 Moorpark Street, Suite 102

Studio City, California, 91604, USA

Phone: 818-510-0570

Fax: 267-561-7631

Email: michael.stoller@ehiinsm.com

By Electric Reliability Council of Texas, Inc.:

Signature: *[Handwritten Signature]*

Printed Name: David Puffer

Title: Director

Address: 7620 Metro Center Drive  
Austin, TX 78744







Exhibit A

**ERCOT CORPORATE STANDARD**

Document Name:	Business Expense Reimbursement Corporate Standard
Document ID:	CS3.5
Effective Date:	June 15, 2006
Governs:	ERCOT Personnel
Approved:	Sam Jones, Interim CEO and President

**1. Purpose**

This standard covers travel and business expenses incurred by individuals on behalf of ERCOT and outlines the minimum requirements for reimbursement of necessary and reasonable travel and business expenses incurred by them. This standard describes ERCOT expense reimbursement documentation requirements and Internal Revenue Service (IRS) Regulations in addition to providing a framework for consistent reimbursement of approved business expenses. This standard does not identify all expenses that may be incurred or reimbursable.

Employees, consultants, contractors, and individuals seeking employment at ERCOT who may travel to ERCOT for interviews (collectively "Individuals"), are expected to follow this standard unless other written agreements for expense reimbursement have been made. Contractors will be reimbursed through the contracting company issuing their paycheck unless otherwise established in contractual terms between ERCOT and the contracting company. Reimbursement for approved employee relocation expenses must be processed through the ERCOT authorized third-party relocation agency (consult with your Human Resources representative).

**2. Standards**

**2.1 Law**

Applicable laws and government regulations take priority over ERCOT standards.

**2.2 Special Circumstances and Exceptions**

Reimbursement requests for expenses that are not consistent with this standard require the circumstances and business purpose of the expenditure to be clearly documented and approved by the CEO, CFO or their designee.

**2.3 Internal Control**

**2.3.1 Approvals**

Business expense reimbursement requests must be approved in accordance with ERCOT's Delegation of Authority Standard. The person approving the expense reimbursement reviews the appropriateness of each expense and verifies that the proper documentation is attached.

**2.3.2 Receipt Requirements**

Original receipts are required for all transportation, hotel, auto rental expenditures (including fuel for rented vehicles) and all other expenditures of \$25 or more or as otherwise specifically identified below. The \$25 threshold is a minimum requirement only – excessive or inappropriate expenses will be rejected and not reimbursed.

01/06 2007 17:23 FAX 353 51 594105

GENZYME IRELAND LTD

007/011

**2.4 Business Purpose**

The business purpose (who, what, when, where, why) of each expense must be clearly stated on the Business Expense Reimbursement Form. Meeting or conference agendas should be attached when business travel includes an overnight stay.

**2.5 Frequency and Reimbursement**

All expenses should be submitted on a Business Expense Reimbursement Form (and for contractors and consultants on an invoice) to Accounts Payable within 60 days. Accounts Payable will remit reimbursement to the individual (or contracting company) as noted below.

Employee business expense reimbursement requests submitted more than 60 days after the end of the month that the expenses were incurred must be approved by a Corporate Officer before it will be processed.

Employee business expense reimbursement requests, with appropriate supporting documentation and approvals, received by Accounts Payable staff by the fifteenth of the month will be processed and paid on the paycheck issued on the last day of the month.

Employee business expense reimbursement requests, with appropriate supporting documentation and approvals, received by Accounts Payable staff by the last day of the month will be processed and paid on the paycheck issued on the fifteenth day of the following month.

Employees that leave employment with ERCOT will be reimbursed for outstanding expenses provided they submit their remaining expenses within 30 days of their last date of employment.

**2.6 Cash Advances and Advance Payments**

ERCOT does not issue cash advances for employee business expenses.

Advance payment will be made directly to vendors for registration fees, airfare, hotel and other expenses where necessary. Such expenses must be consistent with this Standard and will be processed using ERCOT's approved Manual Check Request Form process (contact an Accounts Payable staff person).

**2.7 Air Transportation, Auto Rental, and Hotel****2.7.1 Air Transportation**

ERCOT's standard is to use coach class air transportation and the lowest airfare possible that meets business travel requirements (e.g. use at least seven-day advance, use normally traveled routes, which often include one intermediate stop, use alternate airports where more than one exists within proximity of the departure location, use most economic carrier, etc). Individuals are responsible for excess costs resulting from a non-authorized class of air transportation. The individual is responsible for penalty charges for lost tickets. An individual may purchase or use personal mileage rewards to obtain air class upgrades to a non-authorized class of air transportation, however these costs are not reimbursable.

Individuals paying for their own airline ticket must attach a copy of the flight confirmation indicating the cost and itinerary to their expense report.

Any single round trip airfare or equivalent purchased by a consultant or contractor that costs over \$700 before taxes must be approved in advance of ticket purchase by the individual's ERCOT Contact person. Documentation submitted in support of the reimbursement request for airfare exceeding this threshold shall include detailed explanation of the business need for the airfare and evidence of pre-approval.

Reimbursement of any single round trip airfare or equivalent purchased by an ERCOT employee that costs over \$700 before taxes will be subject to adjustment or denial if the airfare exceeding the threshold amount was not pre-approved by the employee's manager.

**2.7.2 Non-Refundable Airline Tickets and Advance Purchased Tickets**

When non-refundable and advance purchased tickets must be changed due to business need, ERCOT will reimburse the additional expense incurred to make the changes.

**2.7.3 Personal Travel Combined with Business Travel**

Employees may combine business travel with personal travel. Expenses incurred by the employee for personal travel must be clearly documented and separated from the business portion of the trip. Personal travel expenses are not reimbursable.

**2.7.4 Cost Savings from Weekend Travel**

Individuals may elect to stay over a Saturday night if such election results in a lower airfare or cost saving to ERCOT. In this case, the individual may be reimbursed for the hotel stay, car rental and meals (at regular reimbursable amounts) incurred over the weekend, as long as there is a net cost savings to ERCOT. Individuals must document the net cost savings of the weekend travel arrangement and obtain the approval of their Corporate Officer before finalizing such plans. Expenses other than hotel, car rental and meals are not reimbursable unless the stay over is for business reasons. The individual's request for reimbursement of expenses incurred in connection with weekend travel must include documentation of the net cost savings to ERCOT as well as evidence of required pre-approval.

**2.7.5 Frequent Traveler/User Programs**

Frequent flier travel mileage awards, air ticket vouchers or coupons (e.g. for "bumping") belong to the individual unless they are convertible into cash. All "cash-back" awards must be returned to ERCOT. Voluntary "bumping" must not negatively impact ERCOT by curtailing hours worked, resulting in delay or cancellations of business meetings. Individuals are responsible for any additional costs associated with frequent traveler programs, including the cost of enrollment. Frequent flier mileage, upgrades, and other travel incentive plans must not be a factor in the choice of airline or other travel services (including hotels, car rentals, etc.). Use of airline, hotel or rental car marketing incentives that increase costs to ERCOT are prohibited.

**2.7.6 Auto Rental**

Car rentals should be justified by business necessity and cost, and should be shared whenever possible. Reimbursement for gasoline expenditures related to a rental vehicle is allowed with a receipt. Individuals must, whenever possible, refuel rental cars before returning them to the car rental agency (include the fuel receipt with documentation).

ERCOT will reimburse individuals at Compact or Economy car rental rates unless there are more than two people traveling together. In this situation, an upgrade to a mid-sized car is allowed. ERCOT is insured for business travel with rental cars under a corporate insurance policy; therefore it is not necessary for employees to purchase insurance from the rental car company when renting a vehicle in the USA. ERCOT will not reimburse employees for insurance acquired through the rental company.

**2.7.7 Hotels**

Individuals should use a hotel, located in the general area in which business will be conducted, with a reasonable rate for single, economy rooms that is rated as a three star hotel or lower on the AAA rating scale or equivalent. When an event that is being attended is at a hotel, the hotel is allowed regardless of the assigned "star" rating of the hotel. Hotels with room rates less than \$100 (before taxes) per night are allowable regardless of the assigned "star" rating of the hotel. Other than as noted above, the cost of four and five star hotels are considered unreasonable.

For extended out of town stays, lower cost, long-term rates should be arranged.

In cases where a double occupancy room is required for personal reasons (e.g. individual is traveling with a non-business companion and is charged a higher rate), the "personal portion" must be deducted from the charges and paid by the individual.

Incidental hotel charges such as mini bar charges, alcoholic beverages, gym fees, and movie costs are not reimbursable.

Hotel cancellation charges are not reimbursed by ERCOT unless ERCOT is directly responsible for the cancellation under extraordinary circumstances that prevented prior notification.

Itemized lodging receipts are required for reimbursement. Documentation supporting the hotel "star" classification is required when room rates are \$100 or more (before taxes) per night.

**2.8 Other Transportation and Alternative Lodging**

**2.8.1 Taxi, Bus, Limousine, or Train**

Business necessity and reasonable costs should justify all other transportation expenses (taxi, buses, trains, etc). Use of shuttle buses or share-a-ride programs is encouraged whenever practical. Private limousine rental should be avoided unless there is a valid business reason.

**2.8.2 Personal Automobile**

Individuals using their personal automobile on ERCOT business will be reimbursed only for ERCOT business mileage and associated expenses (i.e., tolls, parking, etc). The reimbursement rate is based on current IRS guidelines and the reimbursement is meant to cover all costs of "wear and tear" to the Individual's personal vehicle when used for business purposes. Accordingly, ERCOT will not reimburse for oil changes and other personal automobile maintenance expenses.

Requests for reimbursement of mileage expenses relating to use of the Individual's personal vehicle for ERCOT business must be based on reasonable mileage traveled by the Individual. The request must include documentation of the originating, intermediate, and final trip destinations as warranted.

Mileage between ERCOT's Met Center facility in Austin and its Taylor facilities will be reimbursed based upon 35 miles each way or 70 miles round trip. Individuals are responsible for mileage associated with commuting to/from the office during regularly scheduled work days.

In cases where an Individual chooses to drive to a meeting outside of the state of Texas rather than fly, the Individual will be paid the lesser of 1) mileage as noted above plus other incremental costs; or 2) a reasonable estimate of the air fare plus other incremental costs (e.g. mileage to/from the airport, parking, transportation costs at destination, etc)

ERCOT is not responsible for fines, thefts, or damage to personal autos resulting from business use or for any other losses sustained by the Individual.

Individuals who use their personal vehicles for business purposes are responsible for maintaining the minimum insurance limits specified by applicable State law for personal automobile insurance coverage and that the coverage extends to primary or incidental business use of any vehicle. The Individual is responsible for any costs involved in securing this insurance and those costs are non-reimbursable.

**2.8.3 Alternative Lodging (in-lieu-of hotel)**

Employees may choose to lodge with friends or relatives during a business trip. The employee may be reimbursed for the actual cost of meals with their host up to \$50 per day with a maximum amount of \$150 per week. Receipts are required for reimbursement of all such payments.

**2.8.4 Parking**

Airport parking will be reimbursed at long-term rates.

**2.9 MEALS REIMBURSEMENT**

**2.9.1 Business Meal Requirements**

Business meal expenses must be ordinary, necessary, reasonable and related to the conduct of business. Business meals expected to exceed \$50 per person must be pre-approved by a Director or above. For business meals to qualify for ERCOT reimbursement the expenditure must be either directly related to or associated with the active conduct of company business and documented as follows:

Date incurred.

Names and titles of attendees;

Company affiliation;



01/06 2007 17:14 FAX 353 51 594105

GENZYME IRELAND LTD

004/011

Location where incurred – serving establishment and city;

Nature and purpose of the business discussion;

Amount

### 2.9.2 Meals for Trips More than 50 Miles From the Home Office

Meals for ERCOT business trips are reimbursable if they are reasonable and appropriate for the occasion. Meals are covered and reimbursement will include the actual cost of food, beverages, tips, gratuity and taxes up to a maximum of \$50 per day. Receipts are required for each meal reimbursement of \$25 or more.

The maximum of \$50 per day will be reduced for meals provided by others or when individual travel is for a partial day. Generally, the \$50 per day maximum should be reduced in the circumstances and amounts described below.

\$10 if breakfast is provided by others or if Individual travel does not cover a typical breakfast period.

\$15 if lunch is provided by others or if Individual travel does not cover a typical lunch period.

\$25 if dinner is provided by others or if Individual travel does not cover a typical dinner period.

The Individual's professional judgment is required. Excessive meal costs will be rejected and will not be reimbursed.

### 2.9.3 Meals for Trips Less than 50 Miles From the Home Office

When job duties or attendance at training sessions require an Individual to be less than 50 miles from their assigned home office, meals are the responsibility of the Individual and are not reimbursable.

### 2.9.4 Group Meetings and Off-site Meetings

For group meetings, off-site meetings, business conference group meals, entertainment, and other group expenditures, the name, title, and business relationship of all participants, including the highest level Individual that participated in the group event must be included on the Business Expense Reimbursement Form. The approval must be the next higher level employee not in attendance, unless ERCOT's approved Delegation of Authority Standard requires a higher approval. ERCOT officers may approve group meals for conferences, staff meetings, etc., whether hosted by them or their direct reports.

Working lunches at ERCOT offices should be utilized prudently, not on a regular recurring basis. Supporting documentation as described in Section 2.9.1 must be provided.

### 2.9.5 Working Three or More Hours beyond the Normal Work Week Schedule

Meal expenses incurred for required overtime work of three hours duration or more in one regularly scheduled work day are reimbursable.

A Manager or Director may order-in group meals for overtime work of at least five hours duration on working weekends or holidays.

These meals must be served on ERCOT premises and the circumstances of the overtime meal expenses must be described on the Business Expense Reimbursement Form.

### 2.9.6 Alcoholic Beverages

If the cost of a meal or group event includes alcoholic beverages, Individuals must deduct the cost of any alcoholic beverages from the reimbursement request, along with the applicable tax and tip; as such expenses are not reimbursable.

## 2.10 MISCELLANEOUS EXPENSES

### 2.10.1 Training Session and Continuing Education Registration

Registration or enrollment costs relating to training sessions, continuing education courses, or similar business meetings are reimbursable provided the training is related to the Individual's current or expected job duties and is deemed by the Individual's manager or ERCOT Contact to be beneficial to ERCOT. Reimbursement requests for these expenses must be supported by a meeting agenda.



**2.10.2 Dues and Memberships**

Membership dues for technical/professional organizations and societies are reimbursable, provided the membership relates to the employee's current job duties and are deemed by the employee's manager to be beneficial to ERCOT.

**2.10.3 Professional License Fees**

Fees are reimbursable provided the license relates to the employee's current job responsibilities and is deemed by the employee's manager to be beneficial to ERCOT.

**2.10.4 Personal Calls**

Personal calls to home, etc., while traveling out of town are an allowable expense within reason. Calls should be made using the most cost effective method available (calling card, cell phone if national coverage plan, etc.). Please use professional judgment to determine the reasonableness of such calls.

**2.10.5 Employee Recognition and Rewards**

Group employee recognition events must be business related and require approval from a Corporate Officer. Individual employee rewards may be in the form of reimbursed expenses (i.e. dinner) or gift certificates.

**2.10.6 Incidental Tips and Gratuities**

Tips or gratuities are allowed and will be reimbursed up to a maximum of 15 percent. Tips or gratuities for meals are included in the meal reimbursement Section 2.9.2.

**2.10.7 Laundry**

ERCOT will reimburse Individuals for reasonable valet and laundry charges for trips that span more than seven days.

**2.10.8 Incidental Business Expenses**

ERCOT will reimburse reasonable, ordinary, and necessary incidental expenses incurred by Individuals conducting ERCOT business. These expenses should be minor in nature and incurred under the exercise of good faith by the Individual. Such expenses include minor purchases of materials and supplies, conference calls, courier services, subscriptions, etc.

**2.10.9 Cell Phones****Allowance**

If an employee's job function has been approved as requiring a cell phone, an allowance of \$40 may be provided to cover expected cell phone costs, depending on expected business call volume for that job function. This allowance is added directly to an employee's paycheck the first pay period of the month. ERCOT does not reimburse cell phone charges incurred by consultants or contractors.

**Cell Phone and Related Equipment**

ERCOT does not purchase mobile phones or PDAs for individual use. The device purchase, services, and the associated phone number belong to the individual whether employed by ERCOT or not. ERCOT does not reimburse these purchases.

**Other Charges**

ERCOT does not reimburse activation or cancellation charges. Employees are obligated to pay the wireless carrier the total amount on each monthly bill, even if this amount exceeds the authorized amount. If the employee's charges for business use have exceeded the base charge, an itemized bill attached to an ERCOT expense report must be submitted.

ERCOT does not reimburse employees for cellular phone services when such service is no longer required by ERCOT or service has been cancelled for non-payment. ERCOT does not reimburse the cancellation fee if the employee changes providers.

01/08 2007 17:13 FAX 353 51 594105

GENZYME IRELAND LTD

003/011

**2.10.10 Remote Access**

Employees appropriately approved as providing 24 X 7 Call Out Support (where response time is critical to problem resolution) may be reimbursed for the actual cost of maintaining remote access at home. Home access to non production systems will not be reimbursed. (email, www.ercot.com, intranet.ercot.com etc)

**3. RESPONSIBILITY**

The Controller and CFO are responsible for maintaining and communicating this Standard.

**EXHIBIT B****CONTRACTOR ETHICS AGREEMENT**

Contractors of Electric Reliability Council of Texas, Inc. ("ERCOT") must conduct ERCOT's business legally, with integrity and total objectivity, and in compliance with all laws, rules, regulations, Protocols and ERCOT policies and procedures, including but not limited to, the ERCOT Code of Conduct, the ERCOT Fraud Prevention Corporate Standard (CS 1.4), and this Ethics Agreement. ERCOT will not tolerate fraud, misconduct or abuse of the Ethics Agreement or Code of Conduct.

**Confidential Information**

ERCOT employees and contractors must maintain confidentiality of all Confidential Information and must take reasonable actions and precautions to prevent unauthorized disclosure of Confidential Information. "Confidential Information" means all information, technical data or know-how which relates to the business, services or products of ERCOT, its members or Market Participants, or its contractors, consultants or vendors which is disclosed to a contractor because of his or her services for ERCOT. Any information labeled private, proprietary, "Protected Information," "Confidential" or otherwise known to be confidential according to a rule, law, Protocol or other ERCOT policy or procedure shall be treated as Confidential Information by ERCOT contractors unless the information is properly classified as public or ERCOT Limited. Confidential information does not include information which (i) is already published or available to the public, other than by a breach of this Agreement or a known breach of any other Ethics Agreement or (ii) was, prior to you or your employer performing services for ERCOT, independently developed by personnel of your employer without reliance on any Confidential Information. To preserve the integrity of the market in the ERCOT Region and the trust and credibility of ERCOT, it is essential that ERCOT contractors not disclose Confidential Information to anyone who is not an ERCOT employee, officer, director, or contractor who has signed a confidentiality agreement, unless specifically authorized by the provider of the information and/or the ERCOT Legal Department.

**Prohibited Conflicts of Interest**

ERCOT employees and contractors must conduct ERCOT's business with total objectivity and without any influence from any Prohibited Conflict of Interest. "Prohibited Conflicts of Interest" include, but are not limited to, situations where a contractor or his or her spouse, dependent, or a member of his or her household:

1. Stands to gain or lose personally from an ERCOT business decision, other than the performance of services for ERCOT under a statement of work.
2. Has ownership or a controlling interest in, any Market Participant, ERCOT supplier or vendor, or any other entity doing business with ERCOT.
3. is employed by any Market Participant, ERCOT supplier or vendor, or any other entity dealing with ERCOT.
4. Has an interest, direct or indirect, of such an extent or nature that the contractor's decisions, recommendations or other actions on behalf of ERCOT might be affected by the interest; or
5. Serves in an advisory, consulting, technical or management capacity for any ERCOT Market Participant.

Contractors need not disclose ownership of publicly-traded equity securities of a vendor or supplier if the securities are held as an investment and the contractor or related party (a) owns less than one percent (1%) of the outstanding securities of the entity, (b) does not have representation on the entity's board of directors (or equivalent managing entity), and (c) does not exercise influence over the entity's day-to-day management decisions.

01/08/2007 17:12 FAX 353 51 594105

GENZYME IRELAND LTD

001/011

A contractor must immediately inform the Legal Department if a Prohibited Conflict of Interest or even the appearance of a Prohibited Conflict of Interest might exist, so that management may evaluate the situation. After full disclosure by the contractor, ERCOT may agree to conditions that appropriately limit any potential influence from a Prohibited Conflict of Interest.

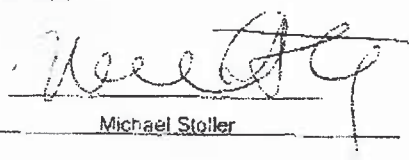
**Notice**

Any ERCOT contractor who has concerns or questions about these requirements and prohibitions or who believes he or she may have a potential Prohibited Conflict of Interest should contact his/her ERCOT Contact or the Legal Department. Any contractor who becomes aware of a violation of the Code of Conduct, or the appearance of a violation of the Code of Conduct, by any person must immediately notify their ERCOT Contact or the Legal Department.

**Contractor Agreement**

By my signature below, I hereby confirm and acknowledge that I have read and I understand the requirements of the ERCOT Code of Conduct, ERCOT Fraud Prevention Corporate Standard (CS 1.4), and this ERCOT Ethics Agreement, I agree to be bound by and comply with all requirements and the intent of these requirements, and I will be subject to disciplinary action, termination, injunction, and/or all other available legal or equitable remedies if I violate the Code of Conduct, this Ethics Agreement, or the intent behind either, whether my violation is intentional or careless. If I have signed any previous ERCOT Ethics Agreement, I further confirm that I have complied with those requirements since the date of such previous Ethics Agreement(s).

Contractor Signature: \_\_\_\_\_



Date: June 1, 2007

Printed Name: \_\_\_\_\_

Michael Stoller

Contractor Employer: \_\_\_\_\_

EHI-INSM Inc.

Please return this Agreement to ERCOT Legal Department and Fax to (512) 225-7079.

01/06 2007 17:24 FAX 353 51 594105

GENZYME IRELAND LTD

010/011



EXHIBIT A-1

MISSING RECEIPT FORM

FOR: \_\_\_\_\_

Receipt for: _____	Receipt for: _____
Date: _____	Date: _____
Amount: _____	Amount: _____
Vendor: _____	Vendor: _____
Description: _____	Description: _____
Signature: _____	Signature: _____

Receipt for: _____	Receipt for: _____
Date: _____	Date: _____
Vendor: _____	Vendor: _____
Description: _____	Description: _____
Amount: _____	Amount: _____
Signature: _____	Signature: _____

Receipt for: _____	Receipt for: _____
Date: _____	Date: _____
Amount: _____	Amount: _____
Vendor: _____	Vendor: _____
Description: _____	Description: _____
Signature: _____	Signature: _____