

IN THE CIRCUIT COURT OF SALINE COUNTY, ARKANSAS

3 DIVISION

FILED  
SALINE COUNTY  
CIRCUIT CLERK

2018 NOV 26 AM 10:00

HOT SPRINGS VILLAGE  
PROPERTY OWNERS' ASSOCIATION

BY: PLAINTIFF 02

VS. CASE NO. 13CV-18-1495

INTERNATIONAL SECURITY NETWORKS, INC.

DEFENDANT

COMPLAINT

Hot Springs Village Property Owners Association, by and through its attorneys, Steel, Wright, Gray, PLLC, for its Complaint against Defendant, states:

**PARTIES**

1. Hot Springs Village Property Owners Association ("HSVPOA") is an Arkansas nonprofit corporation located in Garland County, Arkansas and Saline County, Arkansas.

2. Upon information and belief, International Security Networks, Inc. ("ISN") is a Florida corporation with its principal office located at 155 East Blue Heron, Suite 401, Riviera Beach, Florida 33404. According to the records of the Florida Secretary of State, ISN's registered agent for service of process is Olivier Pouille, 1040 Fairview Lane, Singer Island, Florida 33404.

**JURISDICTION AND VENUE**

3. This Court has jurisdiction over the parties and subject matter of this case.

**FACTS**

4. On or about August 16, 2017, HSVPOA and ISN entered into an Agreement wherein ISN agreed to provide, deliver, and train HSVPOA personnel on the ISN system, which includes gatekeeper and database manager with software interface, driver's license scanners, access control website with guest notification, mobile software for iPads, kiosks with printer,

anti-tailgating, RFID readers and tags, control panels, RFID based traffic direction light, and installation with related work (more commonly known as the "Gate Project") and, in exchange, HSVPOA agreed to pay the sum of \$189,869.34. A copy of the Agreement is attached hereto as Exhibit "1."

5. Further, per the terms of the Agreement, ISN agreed to perform all work for the Gate Project in a timely manner and established deadlines for items to completed.

6. ISN failed to perform its work on the Gate Project in a timely manner and failed to meet the deadlines. Furthermore, more than fifteen (15) months after entering into the Agreement, the Gate Project is incomplete, not functional, and HSVPOA has been required to solicit proposals from third parties to complete the Gate Project.

7. Despite demand and numerous attempts to provide ISN the ability to complete the Gate Project, ISN has failed and/or refused to comply with the terms of the Agreement and, as a direct and proximate result, HSVPOA has been damaged in the amount of \$147,172.90.

#### **COUNT I – BREACH OF CONTRACT**

8. HSVPOA restates, realleges, and incorporates all allegations contained in paragraph 1–7 above as if they were repeated here word for word.

9. On or about August 16, 2017, HSVPOA and ISN entered into the Agreement for the Gate Project.

10. HSVPOA has performed its obligations under the Agreement.

11. ISN has failed to perform its obligations under the Agreement. ISN's failure to perform its obligations is a material breach of the Agreement that has directly and proximately resulted in damages to HSVPOA in the amount of \$147,172.90.

12. HSVPOA is entitled to its reasonable attorney's fees pursuant to Ark. Code Ann. § 16-22-308.

WHEREFORE, HSVPOA prays for judgment in its favor and against International Security Networks, Inc. in the amount of \$147,172.90, for its costs and attorney's fees, and for any other proper relief to which it may be entitled.

STEEL, WRIGHT, GRAY, PLLC  
400 West Capitol Avenue, Suite 2910  
Little Rock, Arkansas 72201  
(501) 251-1587

By: Alex T. Gray  
Alex T. Gray, Ark. Bar No. 2008127

*Attorney for Hot Springs Village  
Property Owners' Association*

# AGREEMENT

This agreement is made and entered into August 16 2017, between **Hot Springs Village Property Owners' Association**, 895 DeSoto Blvd. Hot Springs Village, Arkansas 71909 and **International Security Networks, inc** having its principle office at 155 East Blue Heron Suite 401 Riviera Beach, Florida 33404.

## Scope of Work.

① ISN will Provide, Deliver and Train on the ISN system as described in the Quote dated August 8, 2017, which includes GateKeeper and Database Manager with software Interface, Driver's License Scanners, Access Control Website with Guest Notification, Mobile software for iPads, Kiosks with printers, Anti-Tailgating, RFID Readers and Tags, Control Panels, RFID based Traffic Direction Light and Installation with related work. The Quote does not include: sales tax, pole, network, cabling, iPad mobile devices, PCs, and Printers. ② The work to be performed under this agreement shall hereinafter be referred to as the "Work".

All work by ISN and any sub-contractor / vendor shall be performed in accordance to industry best standards. ISN represents that it is competent, skilled, and qualified to complete this project based on Hot Springs Village Property Owners' Association, requirements. All systems and hardware will become the property of Hot Springs Village Property Owners' Association, upon delivery.

## Training

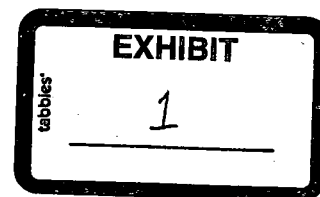
The training sessions will take place on site with follow up remotely.

## Time of Commencement and Completion.

Upon execution of this Agreement, and receipt of the initial payment, ISN shall schedule the System to be assembled and delivered and installed. All Work shall be performed in a timely manner. Any delay or unforeseen circumstances encountered by ISN shall be immediately identified to, and a new dates will be agreed upon ③

## Contract Sum

Hot Springs Village Property Owners' Association, shall pay ISN for the System, delivery, installation, and training, the sum of One Hundred Eighty Nine Thousand, Eight Hundred Sixty Nine Dollars and Thirty Four Cents (**\$189,869.34**) including 6.5% sales tax. The monthly fee of Five Hundred, Fifty five (\$555) Dollars will ④ be invoiced prior to the first of the month, due by the first.



**Terms**

The order will be initiated when International Security Networks is in receipt of the 25% deposit from Hot Springs Village Property Owners' Association. The second payment of 25% will be due to International Security Networks 45 days prior to on-site installation, with the 40% upon completion of installation and training of all components related to the quotation dated July 14, 2017. The third payment of 10% will be due net 15 from satisfactory completion of the complete system and all components.

**Warranty**

Warranty is 1-yr on hardware, software, and 90 days on labor.

**Support**

Systems are set up with remote access. Software generally requires minimal fixes like restore settings or database and reboot. Most support issues are handled remotely within a few minutes. Occasionally, it may require leaving a message which will receive a call back. During normal business hours, a return call can be expected within the hour. At night, on the weekends and holidays a return call will occur within the day.

**Payment Schedule:**

- 25% (\$47,467.33 including sales tax) Due to ISN with the order.
- 25% (\$47,467.33 including sales tax) Due to ISN 45 days prior to on site Installation.
- 40% (\$75,947.74 including sales tax) Due to ISN upon completion of Installation and training.
- 10% (\$18,986.94 including sales tax) Due to ISN net 15 from satisfactory completion

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On behalf of Hot Springs Village Property Owners' Association,, below signed person acknowledges the above Agreement and authorizes the first payment.

*[Handwritten Signature]*

Date 8/16/17

On behalf of International Security Networks, Inc.

*[Handwritten Signature]*

Date 10/25/17



## Hot Springs Village ISN GateKeeper

Item	Description	Price	Qty	Total
Gatekeeper Software	Visitor screening system, and Report Engine	\$7,995.00	2	\$15,990.00
Database Manager	Database Manager for detailed administration of the system	\$1,495.00	1	\$1,495.00
Gatekeeper Installation	Connect equipment, start up, and test all system functions	\$950.00	2	\$1,900.00
Sales Tax 6.5%		\$61.75	2	\$123.50
Database Conversion	Configure and load single database such as csv. Or mdb.	\$850.00	1	\$850.00
Training	Training of the Guards or system admin per hour	\$80.00	6	\$480.00
Photo ID	Software to create Photo IDs	\$1,995	1	\$1,995
<b>Total</b>				<b>\$22,833.50</b>

### Convenience Options

Item	Description	Start Up	Monthly
Resident Website*	Web page with info, updates and reviews their guest activity	\$1,942	\$250
Guest Notification*	Sends text or Email or Both to resident announcing visitor entry	\$100	\$75
APP***	Apple and Android smart phone APP requires web page	\$100	\$20
<b>Total</b>		<b>\$2,142</b>	<b>\$345</b>

### Barcode based Authorization and Processing

Item	Description	Price	Qty	Total
Guest Invitations	Provides IntellaPass with barcode for guard authorization.	\$1,450.00	1	\$1,450.00
IntellaPass Gate	Software to authorize IntellaPass at the gate	\$684.00	2	\$1,368.00
Barcode Gun Reader	Reads IntellaPass and Photo IDs at the gatehouse.	\$495.00	2	\$990.00
Sales Tax 6.5%		\$32.18	2	\$64.35
Enhanced Printing	Adds visitor picture via drivers license scanner prints IntellaPass ID	\$454.00	2	\$908.00
<b>Total</b>				<b>\$4,780.35</b>

### Apple iPod GateKeeper Interface

Item	Description	Qty	Start Up	Monthly
Visitor Screening	GateKeeper version for local network interface to Apple Mobile	2	\$2,980	\$196
Database Monitor	Community look up with text or call option for remote contact	1	\$290	\$14
System set up	Configure local Database Manager for regular Apple updates	2	\$160	\$0
<b>Total</b>			<b>\$3,430</b>	<b>\$210</b>

### Software Interface

Item	Description	Price
Property management	Property Management software downloads to Database Manager	\$2,000

Prices do not include, travel costs, poles, network, cabling, Mobile devices, PCs, Printers, if required.  
 Includes ISN tech on site visit to install Kiosks with printers and RFID with your tech's help.  
 Current lead-time is 45 days from receipt of initial payment.  
 Terms are 50% on order, 40% equipment delivery, 10% NET 15 From Delivery  
 Additional installation and training will be billed net 15 days at \$80/hour.  
 ISN may upgrade or change components to improved the system based on available technology  
 1-yr warranty on hardware and software, 90 days on labor.

Tuesday, August 08, 2017

Prices valid for 60 days

## Hot Springs Village Long Range RFID Vehicle Access

### Visitor Pass Entry Kiosk\*

Item	Description	Price	Qty	Total
Kiosk	Device reads QR code or barcode on visitor-pass for entry & exit	\$2,987.00	6	\$17,922.00
Sales Tax 6.5%		\$194.16	6	\$1,164.93
Screen Attendant	Video Screen with attendant who greets and confirms access	\$1,298.00	6	\$7,788.00
Sales Tax 6.5%		\$84.37	6	\$506.22
Camera	Face Camera for transaction snap shot and viewing visitor	\$985.00	6	\$5,910.00
Sales Tax 6.5%		\$64.03	6	\$384.15
Printer	Pass printer for kiosk	\$0.00	6	\$0.00
Configuration	Connect equipment, start up, and test all system functions	\$450.00	6	\$2,700.00
<b>Total</b>				<b>\$33,291.15</b>

\*Does not include physical installation of cable and pad

### Resident lane Tailgate system

Item	Description	Price	Qty	Total
Anti-Tailgating	Processor hardware for electronic inputs	\$428.00	8	\$3,424.00
Sales Tax 6.5%		\$27.82	8	\$222.56
Software	Analyzes reads and sensor to determine violations, Alerts	\$1,930.00	8	\$15,440.00
Installation	Install, Set up, and test upgrades and options	\$130.00	8	\$1,040.00
Sales Tax 6.5%		\$8.45	8	\$67.60
<b>Total</b>				<b>\$20,126.56</b>

\* Assumes use of existing photo beam or loop, cable, and camera

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### Totals

Item	Price	Monthly
Visitor Screening	\$22,833.50	\$0.00
Convenience Options	\$2,142.00	\$345.00
Barcode based Authorization	\$4,780.35	\$0.00
iPad Mobile	\$3,430.00	\$210.00
Software Interface	\$2,000.00	\$0.00
Automated Vehicle RFID	\$25,726.89	\$0.00
RFID based light	\$11,316.69	\$0.00
AC for Prox Readers	\$6,712.20	\$0.00
Six Entry Kiosks	\$33,291.15	\$0.00
Four Anti-Tailgating Systems	\$20,126.56	\$0.00
<b>Total</b>	<b>\$132,359.34</b>	<b>\$555.00</b>

Item	Price
Special price for July 2017 for 15,000 tags	\$54,000.00
Sales Tax 6.5%	\$3,510.00
<b>Total</b>	<b>\$57,510.00</b>

Prices do not include travel costs, poles, network, cabling, Mobile devices, PCs, Printers, if required.  
Includes ISN tech on site visit to install Kiosks with printers and RFID with your tech's help.  
Current lead-time is 45 days from receipt of initial payment.  
Terms are 50% on order, 40% equipment delivery, 10% NET 15 From Delivery  
Additional installation and training will be billed net 15 days at \$80/hour.  
ISN may upgrade or change components to improved the system based on available technology  
1-yr warranty on hardware and software, 90 days on labor.

Tuesday, August 08, 2017

Prices valid for 60 days

## International Security Networks RFID Readers and Control Panels

### Automated Vehicle RFID

Item	Description	Price	Qty	Total
RFID Reader	Reader with 25+ foot adjustable range for vehicle entry	\$2,388.00	7	\$16,716.00
Sales Tax 6.5%		\$155.22	7	\$1,086.54
Control Panel	IP panel for RFID resident access, internal memory	\$485.00	6	\$2,910.00
Sales Tax 6.5%		\$31.53	6	\$189.15
Access Control Software	Updates panel logs transactions and displays resident info	\$693.00	1	\$693.00
Install Access Control	Install, Set up, and test connection with the Control Panel	\$250.00	6	\$1,500.00
Sales Tax 6.5%		\$16.25	6	\$97.50
Reader Installation	Mount reader on existing pole, configure, and cable	\$340.00	7	\$2,380.00
Sales Tax 6.5%		\$22.10	7	\$154.70
<b>Total</b>				<b>\$25,726.89</b>

### Red/Green RFID based directional light

Item	Description	Price	Qty	Total
Directional Light	Controller and sign that illuminates based on RFID read	\$2,475.00	2	\$4,950.00
Sales Tax 6.5%		\$160.88	2	\$321.75
RFID Reader	Reader with 25+ foot adjustable range for vehicle entry	\$2,388.00	2	\$4,776.00
Sales Tax 6.5%		\$155.22	2	\$310.44
Installation	Mount reader, lights, configure, and connect cable	\$450.00	2	\$900.00
Sales Tax 6.5%		\$29.25	2	\$58.50
<b>Total</b>				<b>\$11,316.69</b>

Requires loop, power and cabling

### Access Control for current Proximity Card Readers\*

Item	Description	Price	Qty	Total
Control Panel	IP panel for Proxy card resident access, internal memory	\$485.00	8	\$3,880.00
Sales Tax 6.5%		\$31.53	8	\$252.20
Install Access Control	Install, Set up, and test connection with the Control Panel	\$250.00	8	\$2,000.00
Sales Tax 6.5%		\$16.25	8	\$130.00
Installation	Configure software for additional Proximity card control	\$450.00	1	\$450.00
<b>Total</b>				<b>\$6,712.20</b>

\*Does not include work on existing proximity readers or cable

Prices do not include, travel costs, poles, network, cabling, Mobile devices, PCs, Printers, if required.  
Includes ISN tech on site visit to install Kiosks with printers and RFID with your tech's help.  
Current lead-time is 15 days from receipt of initial payment.  
Terms are 50% on order, 40% equipment delivery, 10% NET 15 From Delivery  
Additional installation and training will be billed net 15 days at \$80/hour.  
ISN may upgrade or change components to improved the system based on available technology  
1-yr warranty on hardware and software, 90 days on labor.

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Tuesday, August 08, 2017

Prices valid for 60 days