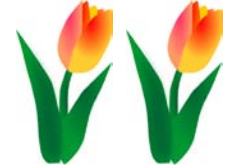


Kevin Hanlon, Chief Executive Officer
Dave Shannon, Regional Sales Manager
Carol Sullivan, Account Executive
Adam Puccia, Product Manager
Shauna Patrick, PC Remarketing Manager

Richard Fiddler, Vice President
Mark Moro, Regional Sales Manager
Jess Picarel, Regional Sales Manager
Gene Bausinger, Product Manager



1st Quarter 2011 – ComSource Newsletter



Dell:

Effective earlier this quarter ComSource became a certified Dell Corporation Business Partner. With this authorization, ComSource can now sell the complete line of Dell servers, storage, personal computer lines as well as other peripheral technology offerings. We are excited that we can now provide our valued customers with the complete suite of Dell products at highly competitive price levels.

ComSource's business relationship with Dell was further solidified through the February 2011 Dell acquisition of Compellent Technology, Inc...an up and coming leader within the storage industry. As many of you are aware, Compellent continues to earn awards for its storage leadership positions in virtualization, thin provisioning, automatic data tiering, high utilization and very easy to use storage management tools.

Compellent, a Dell storage company, complements Dell's SMB offerings with iSCSI architecture/Dell Equallogic to provide end users with a broad offering of industry leading storage solutions.

Dell Corporation, with over \$60 billion in annual revenue, is a revolutionary industry leader in the computer technology world...manufacturing servers, blades, storage solutions, both desktop and notebook PC's as well as other technology offerings.

ComSource Leasing and our New Software Tool:

Equipment leasing is on the upswing...and one of the reasons may be the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The legislation provides 100 percent bonus depreciation for investments placed in service after September 8, 2010 and through December 31, 2011. Under the new bonus depreciation schedule, a business may immediately write off 100 percent of the cost of depreciable property (including technology) acquired in the same calendar year, provided the equipment is used in the U.S. A ComSource lease gives you the ability to take advantage of this bonus depreciation schedule, yet spread the payments over the next 36 or more months.

Leasing can also help with keeping debt lines free to comply with debt covenants and avoid committing to equipment that may become obsolete. Someone once said..."if it appreciates buy it...if it depreciates lease it." All IT equipment eventually becomes obsolete - either too old to work effectively with the latest software applications or superseded by new technologies. When you own the equipment, you're forced to take on this risk yourself, but when you lease, you transfer the risk of obsolescence to us.

ComSource leasing gets even better! ComSource has recently invested in an improved asset management leasing software program to provide an added benefit to our unique leasing programs. Our ComSource leasing customers will be given a **secure online access to their entire lease portfolio** from the high level schedule information down to the individual assets. This program will allow you, our ComSource lessees, to view, search and download all information about your leased equipment. You will have your data at your fingertips: an easy to read and organized review of lease status, schedule number, expiration date, asset description and status, serial number, locations, lease amount and other information. This program will also give our leasing customers the ability to export data to Excel spread sheets and easily merge information with your own internal asset management systems.

IBM Power Systems:

The recent introduction of IBM p7 models has led to a number of high-end p6 units hitting the pre-owned market. ComSource has recently been involved with the sale of two 2x 9119-FHA 48 way 5.0 GHz p6 servers with 512GB of memory. These units sold for only 20% of original IBM list price. We have more of these available; please call for exact configurations and pricing. Interestingly, we also have several of the "hot" p7 machines, models 740, 750 and 770. Generally, we are seeing little discounting on direct channel new sales. ComSource can supply these p7 servers for 25% to 35% discount. Regarding Power 6, here are two recent examples:

Power 6 9119-FHA

w/ 56-way, 5.0GHz, 512GB Memory, 22x4GB HBA,
14x4 Bit Element, 3x110 Drawers, 12x146GB 15K Disk

List Price: **\$2,393,958**

ComSource Discounted Sale Price Only: **\$ 380,000**

There are similar deals to be had in the IBM iSeries. Following is an example of a large Power 6 unit we currently have available for sale:

Power 6 570 MMA server

8 active procs/ 4.2 GHz speed
8 OS licenses @ 6.1
40,000 Interactive CPW
40 GB Memory (can add more if required)
1.6 TB DASD/ 15K drives (can add more if required)

IBM List Price: **In excess of \$500,000**

ComSource Discounted Sale Price Only: **\$92,900**

IBM Tape:

ComSource continues to be very active in the design and deployment of all IBM tape product offerings from the industry leading IBM 3592-E05 to the E06 Encryption capable Jaguar 2 and 3 drives. ComSource also has "Best in Country" prices for IBM 3588-F4A LTO4 and 3588-F5A LTO5 drives. In addition, we have great prices on the latest IBM 3584 robotic libraries. In short, ComSource remains "King of the Hill" when it comes to the latest IBM Tape backup components.

IBM Mainframe:

The time is right for you to replace your current IBM Processor with a fully remanufactured **IBM z10 EC** Class Processor supplied by ComSource.

Reduce Maintenance:

If you currently use IBM for your System z maintenance and you replace your older z9 processor with one of our IBM z10 processors you should see a maintenance reduction between 20-25%.

Reduce IBM Software:

As you are aware, by reducing MSU levels on your IBM System z processor you and your company will experience a reduction in monthly or annual IBM software expenses.

Reduce Third Party ISV Software:

With an MSU drop of 20% you would be positioned to strongly negotiate with your ISV providers to request/demand reduction in your annual ISV support contracts. If you are finding it challenging to get any concessions from your ISV's just let ComSource know and we have a team that will assist you towards achieving some ISV reductions.

Additional Features and Capabilities Available with a z10 or z9:

ZIP Engines - DB2 offload
ZAP Engines - JAVA offload
Faster Specialty Engines
IFL Linux
ICF Internal Coupling

Consider Third Party Maintenance:

There are many very high quality third party IBM maintenance providers in the marketplace today. These companies have the experience, the references and the track record supporting Enterprise accounts with 7x24x365 support. We are seeing savings in the 40% range to most Fortune 1500 end users versus discounted IBM maintenance rates.

Contact your ComSource sales rep today and let us tailor a Z10 or Z9 Mainframe solution specific to your needs.

Compellent Storage:

The Compellent Fluid Data storage technology has been implemented as a key business solution to optimize performance, reduce energy costs and increase storage utilization by more than 2000 enterprises and service providers. The Compellent software and hardware platform enables customers to leverage new technologies as they become available without the rip-and-replace upgrades that most competitive storage providers require.

Organizations have deployed Fluid Data for its flexibility, intelligent automated tiered storage and for the, scalable and cost-effective administration of virtualized data centers. Compellent's unmatched functionality can lower the cost of storage by 50 percent and provide the following benefits:

- **Efficiency: Industry leading storage utilization eliminates wasted space:** fewer disk drives to buy and install/reduced power, cooling and rack space
- **Scalability: Scale from 1 to 1000 TB with a single product:** One model no forklift upgrades/Mix and match multiple technologies on a single system
- **Easy to Manage: No need for a dedicated storage admin:** Less administration with automated online non disruptive change management/single pane of glass management
- **Enterprise Class Availability: Continuous Data Protection:** Faster backups/ Multi-site replication without the traditional cost or complexity
- **Best Support in the Industry: World class service by Compellent employees:** 100% of Compellent customers would buy again /Ranked #1 in technical support by Storage Magazine

As stated earlier, in late February 2011 Dell completed its acquisition of Compellent Technologies, Inc. The Compellent acquisition is Dell's latest strategic investment to expand its award winning enterprise storage portfolio. The combination of Compellent technology with current Dell storage solutions significantly advances the Dell strategy to help customers better manage data growth, reduce storage costs and dramatically simplify the management of IT infrastructure. Compellent and Dell share the vision of helping enterprise and cloud customers optimize their storage investments and the acquisition will assist Dell in transforming the data center with open, capable and affordable solutions that allow customers to do more with their IT dollars! Call ComSource for more information today!

CommVault:

CommVault's exclusive single-platform architecture gives companies unprecedented control over data growth, costs and risk. CommVault's Simpana® software suite of products was designed to work together seamlessly from the ground up, sharing a single code and common function set, to deliver superlative Data Protection, Archive, Replication, Search and Resource Management capabilities. More companies every day join those who have discovered the unparalleled efficiency, performance, reliability, and control only CommVault can offer. Recently CommVault was named to the "Leaders" quadrant of Gartner's 2011 Magic Quadrant for Enterprise Disk-Based Backup and Recovery Report.

CommVault® Simpana® 9 software has also recently garnered the No. 1 ranking in an independent industry guide to evaluating virtual server protection software, which was published by research firm DCIG. According to the report, CommVault received "Best in Class" honors for overall functionality in comparison to other solutions in the market, across seven categories encompassing technology, management, backup, restore, deduplication, media and support. CommVault outranked offerings from legacy software providers, including EMC, Symantec, CA and IBM, as well as point-level virtualization software vendors. CommVault also received a "Best in Class" designation in the virtual server management category. DCIG cited Simpana software as a "stand out" in this category, as the majority of other top-ranked vendors didn't offer the same level of management features and functionality.

Contact your ComSource sales representative today to learn more about CommVault and the unparalleled benefits of Simpana 9.

Networking:

ComSource continues to expand in our Network offerings...We are now a certified Dell partner and can offer all Dell Networking product as well as Dell Cloud Services and Dell VIS/AIM data center and Network management software. ComSource is always committed to giving our customers true choice solutions and continues to offer latest and greatest as well as legacy Cisco hardware as well. With a very expansive lease portfolio and technical resources, ComSource can give their valued customers blended solutions of New and Fully tested refurbished product. Our ComSource team was able to save one of our long time customers in NYC over 300K by mixing a solution of New, Refurbed and New Surplus Cisco equipment. We provided our customer with a cost savings and even supplied them with more robust Cisco 6500 switches where the competition had quoted smaller 4507's at a higher price. Our creative solutions save our customers hundreds of thousands of dollars every year. Attached is a list of off lease Cisco equipment that we are offering in appreciation to our end user customers at wholesale prices. If you have any interest, questions or requirements, please contact your ComSource Representative.

QTY EQUIPMENT

COMSOURCE "SPECIAL" PRICING

(1) WS-C3750-24TS-S	\$ 800.00
(2) WS-C3750G-24PS-S	\$2,500.00 ea
(1) WS-C3750G-48TS-S	\$3,500.00
(1) CISCO2801-HSEC/ K9	\$ 600.00
(1) WS-C3750-24FS-S	\$3,300.00
(1) WS-C3750-24PS-S	\$ 800.00
(2) ASA5520-BUN-K9	\$2,400.00 ea
(9) WS-C3560G-24PS	\$2,000.00 ea

ALL EQUIPMENT IS REFURBISHED AND COMES WITH A 1 YEAR WARRANTY

EMC/Bus-Tech:

EMC® Corporation, recently acquired Bus-Tech, Inc. a provider of VTL (Virtual Tape Library) solutions that utilize open systems disk storage to store and retrieve mainframe tape data. Bus-Tech products enhance EMC solutions for mainframe batch processing, backup and recovery, disaster recovery, and data archiving applications. Bus-Tech now becomes part of the rapidly growing EMC Backup Recovery Systems (BRS) division, which delivers next-generation, disk-based backup and recovery solutions.

The opportunity for mainframe users to eliminate tape infrastructure and embrace next-generation disk-based backup solutions is being driven by mainframe virtual tape and data deduplication technologies. Bus-Tech and EMC are technology and market leaders in these respective categories. The combination of EMC disk library and EMC deduplication storage systems with Bus-Tech mainframe virtual tape library controllers gives mainframe users a simple, cost-effective way to eliminate complex and aging tape-based systems. This accelerates their batch, backup and disaster recovery processes while providing automation and reliability levels that tape-based systems simply cannot deliver.

Al Brandt, President of Bus-Tech, said, "This acquisition begins a new and very exciting chapter for Bus-Tech and its employees. EMC's Backup Recovery Systems division has sustained a market trajectory to which we will soon be contributing. Bus-Tech's solutions span the full range of mainframe customer types, so the potential associated with this combination is significant. We are looking forward to a very productive future as members of the EMC family."

Please contact your ComSource sales representative today to learn more about the mainframe virtual solution.

SUN/ORACLE

Along with the complete line of SUN/ORACLE servers, ComSource has an extensive inventory of Modular Tape Library Systems such as the SL500, SL3000 and the SL8500 in stock and can offer you substantial discounts off new pricing. Looking to upgrade your current Library? ComSource has available all LTO drives, as well as, the 9840 class, 9940 class, and 10000B class tape drives available. SAS, Fibre or Ficon available.

In regards to servers, we have a large inventory in stock including the SUN M3000, M4000, and T5220 servers along with all memory, drives, HBA's and other various peripherals at great pricing.

HP

As a reminder, ComSource can offer our end users HP Certified Refurbished servers. These servers carry a "same as new" 3 Year warranty that can be uplifted to 24x7x4 onsite warranty as well. This includes all of the latest Generation models available from HP. As always, we can offer 1 or 2 year old HP Proliant and Integrity servers, tape drives, memory, drives, and other peripherals at tremendous savings. Please give us a call to show these savings to you.

Phones

ComSource has become very focused the last few years on expanding our product offerings. One area that has had tremendous growth is providing our customers phone systems. Whether you are looking for Avaya, Cisco, Polycom, Nortel or Plantronics, ComSource can assist you on building the solution you are looking for. If you are looking for just spare phones, we have a large inventory of completely refurbished pre-owned phones backed by a full 1 year warranty. Headsets are also available. Please call us to learn more.

Healthcare Leasing/Renting and Mobile Technology:

With the constant development of new HIPAA guidelines and other regulations to enhance patient privacy as well as maximize patient care, healthcare organizations are looking more and more towards leasing, or renting, their IT equipment and services. In fact, current data shows that nearly 50% of the medical equipment sold today – from the MRI's to the mobile carts – is being financed through leasing. This also includes the medical professional's laptops, netbooks, and the various communication devices. With ComSource leasing and financing programs, you can stay on the cutting edge of patient care, while managing cash flow. The many benefits of leasing in the healthcare space include:

❖ Ability to conserve and utilize your cash:

*No initial cash outlay

*Off Balance Sheet Financing – unlike borrowing which reduces the amount of available credit. No depreciation issues.

*No impact on your current liabilities and credit arrangement

*Leased payments are fixed and are not subject to interest rate changes during the term of the lease

*You only pay for the asset's useful life as opposed to 100% that is incurred in a financed purchase agreement

*Leasing can provide payments to meet your budgetary requirements

❖ Flexibility – ComSource can offer the maximum amount of upgrade, add-on, extension or replacement flexibility in the industry. Should you need any additional model or feature upgrades during the term of the lease, we can supply both without causing you any disruption to your contract or budget.

❖ Tech Refresh – Leases can contain upgrade provisions which allow a user to take advantage of rapid changes in technology. Many call this a "technology refresh." These solutions will keep state of the art technology in the

hands of the caregivers. The risk of technological obsolescence may make the additional costs of ownership unjustified.

Allow your company the opportunity to conserve cash while keeping up with the latest technology developments and tools to stay within the ever-changing healthcare guidelines. Please call your ComSource rep today to discuss the many leasing options we are able to provide! (315) 682-4115

Consider a Quality Third Party Maintenance Provider:

ComSource and one of our top partner affiliates provides 3rd party maintenance for equipment from leading technology manufacturers, to include IBM, HP, SUN, DELL, EMC, and Cisco. One of the biggest expenses faced by companies today is the ongoing maintenance expense of their Information Technology infrastructure. Allow ComSource the opportunity to take a look at your infrastructure and propose an alternative plan to your support needs. We represent the #1 (number one) 3rd party maintenance provider in the country and have provided many of our customers with a superior maintenance solution at a fraction of the cost of OEM's. What differentiates our ComSource offering from other 3rd party maintenance providers is our partners' talented W2 employee base, asset management portal, local service centers that utilize a "hot spares" strategy and 7x24x365 US based call centers. Please call Jessica Picarel (or your ComSource representative) at (315) 682-4115 to see where we can help your company utilize budget funds on much needed technology rather than exorbitant maintenance expenses! In fact, we believe that you will be astonished as to how much money you can save in annual maintenance expenditures over the OEM's with our ComSource maintenance offering.