

QUARTERLY REPORT ON FORM 10QSB FOR THE PERIOD ENDED DECEMBER 31, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2007

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.000-31355

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

(Name of small business issuer in its charter)

Nevada

81-0438093

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

124 North First Street, Louisville, KY 40202

(Address of principal executive offices)

502-379-4788

(Issuer's telephone number)

SUNCREST GLOBAL ENERGY CORP.

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of January 29, 2008, Beacon Enterprise Solutions Group, Inc. had a total of 10,468,021 shares of common stock issued and outstanding.

Transitional small business disclosure format: Yes No

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PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Beacon Enterprise Solutions Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet

	December 31, 2007
	(Unaudited)
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 651,367
Accounts receivable	646,987
Inventory	590,222
Refund due from escrow from acquired business	49,970
Prepaid expenses and other current assets	100,864
	<hr/>
Total current assets	2,039,410
Property and equipment, net	230,954
Goodwill	2,801,973
Other intangible assets, net	4,283,020
Inventory, less current portion	99,158
Security deposits	27,591
	<hr/>
Total assets	<u>\$ 9,482,106</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Current portion of long-term debt	\$ 433,132
Line of credit obligation	250,000
Bridge notes (net of \$65,161 of discounts)	634,839
Current portion of capital lease obligations	17,734
Accounts payable	900,909
Accrued private placement costs	481,407
Accrued acquisition costs	444,595
Accrued expenses	273,361
Customer deposits	247,322
	<hr/>
Total current liabilities	3,683,299
Long-term debt, less current portion	1,840,225
Capital lease obligations, less current portion	7,756
Other acquisition liability	50,000
	<hr/>
Total liabilities	5,581,280
Stockholders' equity	
Series A convertible preferred stock, \$1,000 stated value, 4,500 shares authorized, 2,433.9 shares issued and outstanding, (liquidation preference \$3,051,544)	2,433,900
Common stock, \$0.001 par value 70,000,000 shares authorized, 10,648,021 shares issued and outstanding	10,468
Additional paid in capital	3,352,004
Accumulated deficit	(1,895,546)
	<hr/>
Total stockholders' equity	3,900,826
	<hr/>
Total liabilities and stockholders' equity	<u>\$ 9,482,106</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Beacon Enterprise Solutions Group, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations
(Unaudited)

	For the three months ended December 31, 2007
Net sales	\$ 137,088
Cost of goods sold	34,832
	102,256
Gross profit	102,256
Operating expense	
Salaries and benefits	438,884
Selling, general and administrative	486,330
	925,214
Total operating expense	925,214
Loss from operations	(822,958)
Other expenses	
Interest expense	(27,995)
	(27,995)
Total other expenses	(27,995)
Net loss before income taxes	(850,953)
Income taxes	—
	(850,953)
Net loss	(850,953)
Series A Preferred Stock:	
Contractual dividends	(7,335)
Deemed dividends related to beneficial conversion feature	(903,878)
	\$(1,762,166)
Net loss available to common stockholders	\$(1,762,166)
Net loss per share to common stockholders - basic and diluted	\$ (0.30)
Weighted average shares outstanding basic and diluted	5,818,999

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Beacon Enterprise Solutions Group, Inc. and Subsidiaries
Condensed Consolidated Statement of Stockholders' (Deficit) Equity
(Unaudited)

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	\$1,000 Stated Value	Shares	\$0.001 Par Value			
Balance at October 1, 2007			5,187,650	\$ 5,188	\$ (812)	\$ (133,380)	\$ (129,004)
Common stock granted to employee for services			782,250	782	(782)		—
Vested portion of common stock granted to employee for services					132,372		132,372
Shares of Suncrest outstanding at							

time of share exchange			1,273,121	1,273	(1,273)		—
Common stock issued as purchase consideration in business combinations			3,225,000	3,225	2,738,025		2,741,250
Series A Preferred Stock issued in private placement	2,433.9	2,433,900					2,433,900
Private placement offering costs					(491,404)		(491,404)
Beneficial conversion feature — deemed preferred stock dividend					903,878	(903,878)	—
Bridge note warrants					72,000		72,000
Series A Preferred Stock contractual dividends						(7,335)	(7,335)
Net loss						(850,953)	(850,953)
Balance at December 31, 2007 (unaudited)	2,433.9	\$ 2,433,900	10,468,021	\$ 10,468	\$ 3,352,004	\$ (1,895,546)	\$ 3,900,826

The accompanying notes are an integral part of these condensed consolidated financial statements.

Beacon Enterprise Solutions Group, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows
(Unaudited)

	For the Three Months Ended December 31, 2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Net loss	\$ (850,953)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and Amortization	21,924
Non-cash interest	6,839
Share based payment	132,372
Changes in operating assets and liabilities:	
Accounts receivable	(9,321)
Inventory	315
Prepaid expenses and other current assets	(73,398)
Accounts payable	26,227
Other assets	97,048
Accrued expenses	164,217
NET CASH USED IN OPERATING ACTIVITIES	(484,730)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Capital expenditures	(5,081)
Acquisition of businesses, net of acquired cash	(1,776,933)
NET CASH USED IN INVESTING ACTIVITIES	(1,782,014)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Proceeds from issuances of bridge notes	422,000
Proceeds from sale of preferred stock, net of offering costs	2,433,900
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,855,900
NET INCREASE IN CASH AND CASH EQUIVALENTS	589,156
<u>CASH AND CASH EQUIVALENTS — BEGINNING OF PERIOD</u>	62,211
<u>CASH AND CASH EQUIVALENTS — END OF PERIOD</u>	\$ 651,367
<u>Supplemental disclosures</u>	
Cash paid for:	
Interest	\$ 2,717

Income taxes	\$ —
Acquisition of businesses	
Accounts receivable	\$ 661,666
Inventory	689,695
Prepaid expenses and other current assets	52,824
Property and equipment	226,743
Goodwill	2,801,973
Customer relationships	3,704,074
Non-compete agreements	500,000
Tradenames	100,000
Security deposits	6,050
Line of credit	(250,000)
Accounts payable and accrued expenses	(872,868)
Customer deposits	(304,190)
Long-term debt assumed	(354,199)
Capital lease obligations	(25,490)
Less: common stock issued as purchase consideration	(2,741,250)
Less: acquisition notes issued to sellers of acquired businesses	(1,973,500)
Less: accrued acquisition costs	(444,595)
Cash used in acquisition of businesses (net of \$148,283 of cash acquired)	\$ 1,776,933
Accrued offering costs	\$ 481,407
Bridge note warrants	\$ 72,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEACON ENTERPRISE SOLUTIONS GROUP, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1 — THE COMPANY

Organization

The financial statements presented are those of Beacon Enterprise Solutions Group, Inc. (“Beacon” or the “Company”), which was originally formed in the State of Indiana on June 6, 2007.

The Company is a unified, single source information technology and telecommunications enterprise that provides professional services and sales of information technology and telecommunications products to mid-market commercial businesses, state and local government agencies, and educational institutions.

The Company was formed for the purpose of acquiring and consolidating regional telecom businesses and service platforms into an integrated, national provider of high quality voice, data and VOIP communications to small and medium-sized business enterprises (the “SME Market”). The Company’s business strategy is to acquire companies that will allow it to serve the SME Market on an integrated, turn-key basis from system design, procurement and installation through all aspects of providing network service and designing and hosting network applications.

The Company was a development stage enterprise with no operating history until completing the Share Exchange Transaction described below and simultaneous business combinations and Private Placement financing transaction described in Notes 4 and 14, respectively.

Share Exchange Transaction

Pursuant to a Securities Exchange Agreement, Suncrest Global Energy Corp. (“Suncrest”) acquired all of the outstanding no par value common stock of the Company on December 20, 2007. Suncrest, in exchange for such Company common stock issued 1 share of its own \$0.001 par value common stock directly to the Company’s stockholders for each share of their Company common stock (the “Share Exchange Transaction”). Following the Share Exchange Transaction, the existing stockholders of Suncrest retained 1,273,121 shares of Suncrest’s outstanding common stock and the Company’s stockholders became the majority owners of Suncrest. Suncrest was incorporated in the State of Nevada on May 22, 2000. The Company paid a \$305,000 fee to the stockholders of Suncrest in connection with completing the Share Exchange Transaction which is included as a component of selling, general and administrative expense in the accompanying condensed consolidated statement of operations.

Prior to the Share Exchange Transaction, Suncrest was a publicly-traded corporation with nominal operations of its own. Pursuant to the merger, Suncrest was the surviving legal entity. Following the Share Exchange Transaction, Suncrest changed its name to Beacon Enterprise Solutions Group, Inc. on February 15, 2008 and continued to carry on the operations of the Company. The Share Exchange Transaction has been accounted for as a reverse merger and recapitalization transaction in which the original Beacon is deemed to be the accounting acquirer. Accordingly, the accompanying condensed consolidated financial statements present the historical financial position, results of operations and cash flows of Beacon, adjusted to give retroactive effect to the recapitalization of Beacon into Suncrest.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of December 31, 2007 and for the three months then ended have been prepared in accordance with the accounting principles generally accepted in the United States of America for interim financial information and pursuant to the instructions to Form 10-QSB and Item 310(b) of Regulation S-B of the Securities and Exchange Commission ("SEC") and on the same basis as the annual audited consolidated financial statements. The unaudited condensed consolidated balance sheet as of December 31, 2007, condensed consolidated statement of operations for the three ended December 31, 2007 and the condensed consolidated statement of stockholders' equity and cash flows for the three months ended December 31, 2007 are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position, operating results and cash flows for the period presented. The results for the three months ended December 31, 2007 are not necessarily indicative of results to be expected for the year ending September 30, 2008 or for any future interim period. The accompanying condensed consolidated financial statements should be read in conjunction with the Company's financial statements and notes thereto included in the Company's Current Report on Form 8-K, which was filed with the SEC on December 28, 2007.

NOTE 2 — LIQUIDITY, FINANCIAL CONDITION AND MANAGEMENT'S PLANS

The Company incurred a net loss of \$850,953 and used \$484,730 of cash in its operating activities for the three months ended December 31, 2007. At December 31, 2007, the Company's accumulated deficit amounted to \$1,895,546. The Company had cash of \$651,367 and a working capital deficiency of \$1,539,075 at December 31, 2007.

On June 14, 2007, the Company signed a non-exclusive engagement agreement with Laidlaw & Company (UK) Ltd. ("Laidlaw") in which Laidlaw agreed to provide the Company with certain corporate finance advisory services including (i) raising capital under the Private Placement transaction described in Note 14; (ii) structuring the business combinations described in Note 4; and (iii) assisting the Company with identifying the public company in the Share Exchange Transaction described in Notes 1 and 14. These transactions were completed on December 20, 2007. The Company raised \$4.0 million in the private placement in three separate closings on December 20, 2007, January 15, 2008, and February 12, 2008. The Company assumed approximately \$405,000 of debt obligations in which the sellers of one of the acquired businesses described in Note 4 triggered an acceleration of principal under certain change of ownership provisions that constitute an event of default under those agreements (Note 10). These obligations are classified as current liabilities in the accompanying condensed consolidated balance sheet as a result of the Company's commitment to repay or obtain letters of credit upon which the creditors can draw them pursuant to its merger agreement with Bell-Haun Systems Inc. as described in Note 4.

As described in Note 10, the Company received \$500,000 of gross proceeds (\$278,000 prior to September 30, 2007 and \$222,000 during the three months ended December 31, 2007) under a bridge financing facility furnished by two of its founding stockholders, who are also members of the Board of Directors. The Company also raised \$200,000 of additional capital through the issuance of bridge notes in a second bridge note transaction completed on November 15, 2007. As discussed in Note 12, the Company also has up to \$300,000 of additional equity financing available to it from two of its directors to draw as an additional source of funding if needed.

The Company is also in the process of raising up to an additional \$635,000 of equity financing under a proposed sale of Series A-1 Convertible Preferred stock in one of its subsidiaries. The terms of these preferred shares are intended to be substantially identical to the Company's Series A Convertible Preferred Stock other than the liquidation preference which will be subordinate to the Series A Convertible Preferred. Prospective investors in this transaction have deposited approximately \$635,000 of funds into an escrow account. The completion of this transaction is subject to completing certain administrative procedures including amending the subsidiary's certificate of incorporation to create a Series A-1 convertible preferred stock designation, circulating the final form of the private placement memorandum, executing subscription agreements and obtaining consents to amending certain escrow procedures.

The Company believes that the funds it has received in the Private Placement and bridge note transactions, funds it has available under the \$300,000 equity financing commitment, and funds it expects to generate from operations will enable it to pay its debt obligations that are due within the next twelve months and sustain the business through at least January 1, 2009. If the Company is unable to raise additional capital, it will be required to take various measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing its business development activities, suspending the pursuit of its business plan, and controlling overhead expenses. The Company cannot provide any assurance that it will raise additional capital. The Company has not secured any commitments for new financing, other than the equity financing commitment discussed above, at this time, nor can it provide any assurance that new financing will be available to it on acceptable terms, if at all.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Beacon Enterprise Solutions Group, Inc. (formerly Suncrest) and its wholly-owned subsidiaries the original Beacon formed in Indiana in June 2007 and BH Acquisition Corp. All significant inter-company accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. Due to their short-term nature, cash equivalents, when they are carried, are carried at cost, which approximates fair value.

Revenue and Cost Recognition

The Company applies the revenue recognition principles set forth under the Securities and Exchange Commission's Staff Accounting Bulletin ("SAB") 104 with respect to all of its revenue. Accordingly, the Company recognizes revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the vendor's fee is fixed or determinable, and (iv) collectability is probable.

Business Telephone System and Computer Hardware Product Revenues — The Company requires its hardware product sales to be supported by a written contract or other evidence of a sale transaction that clearly indicates the selling price to the customer, shipping terms, payment terms (generally 30 days) and refund policy, if any. Since the Company's hardware sales are supported by a contract or other document that clearly indicates the terms of the transaction, and the selling price is fixed at the time the sale is consummated, the Company records revenue on these sales at the time at which it receives a confirmation that the goods were tendered at their destination when shipped "FOB destination," or upon confirmation that shipment has occurred when shipped "FOB shipping point."

For product sales, the Company applies the factors discussed in Emerging Issues Task Force ("EITF") issue 99-19 "Reporting Revenue Gross as a Principal vs. Net as an Agent," ("99-19"), in determining whether to recognize product revenues on a gross or net basis. In a substantial majority of these transactions, the Company acts as principal because; (i) it has latitude in establishing selling prices; (ii) takes title to the products; and (iii) has the risks and rewards of ownership, including the risk of loss for collection, delivery or returns. For these transactions, the Company recognizes revenues based on the gross amounts billed to customers.

Professional Services Revenue — The Company generally bills its customers for professional telecommunications and data consulting services based on hours of time spent on any given assignment at its hourly billing rates. As it relates to delivery of these services, the Company recognizes revenue under these arrangements as the work is completed and the customer has indicated their acceptance of services by approving a work order milestone or completion order. For certain engagements, the Company enters fixed bid contracts, and recognizes revenue as phases of the project are completed and accepted by the client.

Time and Materials Contracts — Revenues from time and materials contracts, which generally include product sales and installation services, are billed when services are completed based on fixed labor rates plus materials. A substantial majority of the Company's services in this category are completed in short periods of time. The company may on occasion enter into long-term contracts in which it would be appropriate to recognize revenue using long-term contract accounting such as the percentage of completion method. We generated revenues of \$137,088 from short-term time and materials contracts for the three month period ended December 31, 2007. These services were fully completed as of December 31, 2007. Cost of revenues from time and materials contracts includes materials and labor.

Maintenance Contracts — The Company, as a representative of various original equipment manufacturers, sells extended maintenance contracts on equipment it sells and acts as an authorized servicing agent with respect to these contracts. These contracts, which are sold as separate agreements from other products and services, are

individually negotiated and are generally not bundled with other products and services. For maintenance contract sales, the Company applies the factors discussed in "EITF" 99-19 in determining whether to recognize product revenues on a gross or net basis. Maintenance contracts are typically manufacturer maintenance contracts that are sold to the customer on a reseller basis. Based on an analysis of the factors set forth in EITF 99-19, the Company has determined that it acts as an agent in these situations, and therefore recognizes revenues on a net basis. The Company's share of revenue that it earns from originating these contracts is deferred and recognized over the life of the contract. Material and labor is charged for any service calls under these maintenance contracts on a time and materials basis which is charged to either the customer or manufacturer.

The Company accounts for sales taxes collected on behalf of government authorities using the net method. Pursuant to this method, sales taxes are included in the amounts receivable and a payable is recorded for the amounts due the government agencies.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. These estimates and assumptions include valuing equity securities and derivative financial instruments issued as purchase consideration in business combinations and/or in financing

transactions and in share based payment arrangements, accounts receivable reserves, inventory reserves, deferred taxes and related valuation allowances, allocating the purchase price to the fair values of assets acquired and liabilities assumed in business combinations (including separately identifiable intangible assets and goodwill) and estimating the fair values of long lived assets to assess whether impairment charges may be necessary.

Accounts Receivable

The Company has a policy of reserving for uncollectible accounts based on its best estimate of the amount of probable credit losses on its existing accounts receivable. Account balances deemed to be uncollectible are charged to the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. Historically, the companies acquired in the business combinations described in Note 4 have experienced minimal credit losses. A significant portion of accounts receivable outstanding at December 31, 2007 include customer accounts acquired in the business combinations completed on December 20, 2007. These accounts are stated at their net realizable value established using the purchase method of accounting (Note 4).

Inventory

Inventory, which consists of business telephone systems and associated equipment and parts, is stated at the lower of cost (first-in, first-out method) or market. In the case of slow moving items, we may write down or calculate a reserve to reflect a reduced marketability for the item. The actual percentage reserved will depend on the total quantity on hand, its sales history, and expected near term sales prospects. When we discontinue sales of a product, we will write down the value of inventory to an amount equal to its estimated net realizable value less all applicable disposition costs. Slow moving items include spare parts for older phone systems that the Company uses to repair or upgrade customer phone systems. A portion of these items, which are stated at their net realizable value, are likely to be used after the next twelve months and are therefore presented as non-current inventory in the accompanying condensed consolidated balance sheet. Substantially all of the inventory on hand at December 31,

2007 was acquired in the business combinations completed on December 20, 2007. These goods are stated at the net realizable value established using the purchase method of accounting (Note 4).

Property and Equipment

Property and equipment is stated at cost, including any cost to place the property into service, less accumulated depreciation. Depreciation is recorded over the estimated useful lives of the assets which currently range from 2 to 5 years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents. We maintain our cash accounts at high quality financial institutions with balances, at times, in excess of federally insured limits. As of December 31, 2007, we had cash balances of \$424,292 in excess of federally insured limits. Management believes that the financial institutions that hold our deposits are financially sound and therefore pose minimal credit risk.

Start Up Costs

All expenses incurred in connection with our formation and related start up activities have been expensed as incurred and are included in selling, general and administrative expenses in the accompanying condensed consolidated financial statements. Start up costs, which principally include professional fees and other administrative costs amounted to \$127,126 for the three months ended December 31, 2007 and are included in selling general and administrative expense in the accompanying condensed consolidated statement of operations.

Goodwill and Intangible Assets

The Company accounts for goodwill and intangible assets in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," ("SFAS 142). SFAS 142 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations. SFAS 142, requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests when circumstances indicate that the recoverability of the carrying amount of goodwill may be in doubt. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value. The Company operates a single reporting unit. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value and/or goodwill impairment.

The Company's amortizable intangible assets include customer relationships, covenants not to compete and tradenames. These costs are being amortized using the straight-line method over their estimated useful lives. The estimated fair values and useful lives of the customer relationships, non-compete agreements and tradenames are preliminary as of December 31, 2007 as established by the Company

using the purchase method of accounting. These amounts will be adjusted when the Company completes its valuation.

In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company reviews the carrying value of intangibles and other long-lived assets for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of long-lived assets is measured by comparison of its carrying amount to the undiscounted cash flows that the asset or asset group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any, exceeds its fair market value.

Preferred Stock

We apply the guidance enumerated in SFAS No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" and EITF Topic D-98 "Classification and Measurement of Redeemable Securities," when determining the classification and measurement of preferred stock. Preferred shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value in accordance with SFAS 150. All other issuances of preferred stock are subject to the classification and measurement principles of EITF Topic D-98. Accordingly we classify conditionally redeemable preferred shares (if any), which includes preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control, as temporary equity. At all other times, we classify our preferred shares in stockholders' equity. Our preferred shares do not feature any redemption rights within the holders control or conditional redemption features not within our control as of December 31, 2007. Accordingly all issuances of preferred stock are presented as a component of condensed consolidated stockholders' (deficit) equity.

Convertible Instruments

We evaluate and account for conversion options embedded in convertible instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") and EITF 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock" ("EITF 00-19").

SFAS 133 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments in accordance with EITF 00-19. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not remeasured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of SFAS 133. SFAS 133 and EITF 00-19 also provide an exception to this rule when the host instrument is deemed to be conventional (as that term is described in the implementation guidance to SFAS 133 and further clarified in EITF 05-2, "The Meaning of "Conventional Convertible Debt Instrument" in Issue No. 00-19").

We account for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with the provisions of EITF 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features" ("EITF 98-5") and EITF 00-27, "Application of EITF 98-5 to Certain Convertible Instruments" ("EITF 00-27"). Accordingly, we record when necessary discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption. We also record when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the transaction and the effective conversion price embedded in the preferred shares.

We evaluated the conversion option featured in the Bridge Financing Facility and Bridge Notes that are more fully described in Note 10. These conversion options provide the noteholders, of whom three are also founding stockholders and/or directors of Beacon, with the right to convert any advances outstanding under the facility, into shares of our common stock at anytime upon or after the completion of the entire Private Placement described in Note 14. The conversion options embedded in these notes are not exercisable unless and until we raise the full \$4,000,000 of proceeds stipulated in the Private Placement that was commenced during the three months ended December 31, 2007.

As of December 31, 2007, we completed only a portion of the Private Placement. We deemed the completion of the entire Private Placement to be an event that is not within our control. Accordingly, these conversion options are deemed to be contingent conversion options as of December 31, 2007 in accordance with EITF 98-5 and EITF 00-27 that do not require any accounting recognition unless and until the entire Private Placement is completed and the conversion option becomes exercisable at the option of the holder. As described in Notes 10 and 16, the Company completed its Private Placement on February 12, 2007 at which time the conversion options embedded in the Notes became exercisable at the option of the holders.

Common Stock Purchase Warrants and Other Derivative Financial Instruments

We account for the issuance of common stock purchase warrants and other free standing derivative financial instruments in accordance with the provisions of EITF 00-19. Based on the provisions of EITF 00-19, we classify as equity any contracts that (i) require physical settlement or net-share settlement or (ii) gives us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement). We classify as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our free standing derivatives consist of warrants to purchase common stock that were issued to three founding stockholders/directors and one independent qualified investor in connection with the Bridge Financing Facility and Bridge Notes described in Note 10 as well as warrants issued to the Series A Preferred Stock shareholders and placement agent and its affiliates in connection with the Private Placement as described in Note 14. We evaluated the common stock purchase warrants to assess their proper classification in the balance sheet as of December 31, 2007 using the applicable classification criteria enumerated in EITF 00-19. We determined that the common stock purchase warrants do not feature any characteristics permitting net cash settlement at the option of the holders. Accordingly, these instruments have been classified in stockholders' equity in the accompanying condensed consolidated balance sheet as of December 31, 2007.

Income Taxes

We account for income taxes under SFAS No. 109, "Accounting for Income Taxes" ("SFAS 109"). SFAS 109 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. SFAS 109 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. Furthermore, SFAS 109 provides that it is difficult to conclude that a valuation allowance is not needed when there is negative evidence such as cumulative losses in recent years. Therefore, cumulative losses weigh heavily in the overall assessment. Accordingly, we have recorded a full valuation allowance against our net deferred tax assets. In addition, we expect to provide a full valuation allowance on future tax benefits until we can sustain a level of profitability that demonstrates our ability to utilize the assets, or other significant positive evidence arises that suggests our ability to

utilize such assets. We will continue to re-assess our reserves on deferred income tax assets in future periods on a quarterly basis.

Effective June 6, 2007 (date of inception), we adopted Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") - an interpretation of FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on the derecognition of income tax liabilities, classification of interest and penalties on income taxes, and accounting for uncertain tax positions in interim period financial statements. Our policy is to record interest and penalties on uncertain tax provisions as a component of our income tax expense.

As described in Note 15, we completed our preliminary assessment of uncertain tax positions in accordance with FIN 48 during our the period of June 6, 2007 through September 30, 2007 and for the quarter ended December 31, 2007, including the effects of the Share Exchange Transaction described in Note 1 and business combinations completed as described in Note 4. Based on this preliminary assessment, we have determined that we have no material uncertain income tax positions requiring recognition or disclosure in accordance with FIN 48.

Net Loss Per Share

Net loss per share is presented in accordance with SFAS No. 128 "Earnings Per Share." ("SFAS 128") Under SFAS 128, basic net loss per share is computed by dividing net loss per share available to common stockholders by the weighted average shares of common stock outstanding for the period and excludes any potentially dilutive securities. Diluted earnings per share reflects the potential dilution that would occur upon the exercise or conversion of all dilutive securities into common stock. The computation of loss per share for the three month period ended December 31, 2007 excludes potentially dilutive securities because their inclusion would be anti-dilutive.

Shares of common stock issuable upon conversion or exercise of potentially dilutive securities at December 31, 2007 are as follows:

	Warrants	Common Stock Equivalents	Total Common Stock Equivalents
Series A Convertible Preferred Stock	1,622,600	3,245,200	4,867,800
Placement Agent Warrants	1,232,814		1,232,814
Bridge Financing Warrants	875,000		875,000

The table above excluded 336,000 contingently exercisable common stock purchase warrants issued to the Bridge Note holders (Note 10) and 1,166,666 shares of common stock underlying the contingent conversion options embedded in the Bridge Notes (Note 10). As described in Note 16, the Company completed its Private Placement on February 12, 2008 at which time the aforementioned warrants and conversion options became exercisable and additional Series A Preferred shares convertible into 2,088,133 shares of common stock and common stock purchase warrants exercisable for 1,044,067 shares of common stock were issued to the investors in that transaction.

Fair Value of Financial Instruments

The carrying amounts reported in the financial statements for cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate fair value based on the short-term maturity of these instruments. The carrying amounts of the bridge notes, long-term debt and capital lease obligations approximate fair value because the contractual interest rates or the effective yields of such instruments, which includes the effects of contractual interest rates taken together with the concurrent issuance of common stock purchase warrants, are consistent with current market rates of interest for instruments of comparable credit risk.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a market based framework for measuring fair value and expands disclosure of fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and accordingly, does not require any new fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 is not expected to have a material effect on the Company's consolidated financial statements.

On February 15, 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). The guidance in SFAS 159 "allows" reporting entities to "choose" to measure many financial instruments and certain other items at fair value. The objective underlying the development of this literature is to improve financial reporting by providing reporting entities with the opportunity to reduce volatility in reported earnings that results from measuring related assets and liabilities differently without having to apply complex hedge accounting provisions, using the guidance in SFAS 133, as amended. The provisions of SFAS 159 are applicable to all reporting entities and are effective as of the beginning of the first fiscal year that begins subsequent to November 15, 2007. The adoption of SFAS 159 is not expected to have a material effect on the Company's consolidated financial statements.

In June 2007, the EITF reached a consensus on EITF Issue No. 06-11, "Accounting for Income Tax Benefits on Dividends on Share-Based Payment Awards" ("EITF 06-11"). EITF 06-11 addresses share-based payment arrangements with dividend protection features that entitle employees to receive (a) dividends on equity-classified nonvested shares, (b) dividend equivalents on equity-classified nonvested share units, or (c) payments equal to the dividends paid on the underlying shares while an equity-classified share option is outstanding, when those dividends or dividend equivalents are charged to retained earnings under SFAS 123R and result in an income tax deduction for the employer. A realized income tax benefit from dividends or dividend equivalents that are charged to retained earnings are paid to employees for equity-classified nonvested shares, nonvested equity share units, and outstanding equity share options should be recognized as an increase in additional paid in capital. The amount recognized in additional paid-in capital for the realized income tax benefit from dividends on those awards should be included in the pool of excess tax benefits available to absorb potential future tax deficiencies on share-based payments for fiscal years beginning after December 15, 2007. The Company does not expect the adoption of this pronouncement to have a material impact on its consolidated financial statements.

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141R, "Business Combinations" ("SFAS 141R"), which replaces SFAS No. 141, "Business Combinations." SFAS 141R establishes principles and requirements for determining how an enterprise recognizes and measures the fair value of certain assets and liabilities acquired in a business combination, including noncontrolling interests, contingent consideration, and certain acquired contingencies. SFAS 141R also requires acquisition-related transaction expenses and restructuring costs be expensed as incurred rather than capitalized as a component of the business combination. SFAS 141R will be applicable prospectively to business

combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141R will have an impact on the accounting for any businesses acquired after the effective date of this pronouncement.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — An Amendment of ARB No. 51" ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary (previously referred to as minority interests). SFAS 160 also requires that a retained noncontrolling interest upon the deconsolidation of a subsidiary be initially measured at its fair value. Upon adoption of SFAS 160, the Company would be required to report any noncontrolling interests as a separate component of stockholders' equity. The Company would also be required to present any

net income allocable to noncontrolling interests and net income attributable to the stockholders of the Company separately in its consolidated statements of operations. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of SFAS 160 shall be applied prospectively. SFAS 160 will have an impact on the presentation and disclosure of the noncontrolling interests of any non wholly-owned businesses after the effective date of this pronouncement.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements upon adoption.

NOTE 4 — BUSINESS COMBINATIONS

Advanced Data Systems, Inc.

On December 20, 2007, pursuant to an Asset Purchase Agreement (the "ADSnetcurve Agreement"), our acquisition of Advance Data Systems, Inc. ("ADSnetcurve") became effective. The ADSnetcurve Agreement was entered into between us, ADSnetcurve and the shareholders of ADSnetcurve, whereby the Company acquired substantially all of the assets and assumed certain of the liabilities of ADSnetcurve. Contemporaneously with the acquisition of ADSnetcurve, certain employees of ADSnetcurve entered into employment agreements with us, effective upon the closing of the acquisition.

ADSnetcurve is a global information technology company that provides technology solutions. Specifically, these services include web application development, IT management and hosting services for scalable infrastructure solutions); and support services. The Company acquired ADSnetcurve because the business provides the software development and support infrastructure that is needed to develop custom applications for clients' information technology systems, and to provide management, hosting and technical support services with respect to those systems.

The aggregate purchase price paid by Beacon, inclusive of direct transaction expenses, in connection with the ADSnetcurve acquisition amounted to \$1,727,548, including 700,000 shares of common stock valued at \$.85 per share, \$666,079 of cash, a \$300,000 secured promissory note ("ADS Note"), and estimated direct transaction expenses of \$172,345 net of \$5,876 of cash acquired.

The ADS Note (Note 10) has a term of 48 months, bearing interest at prime, and is secured by the assets acquired by Beacon from ADSnetcurve. The ADS Note provides for monthly principal and interest payments of \$7,219. Subsequent to the initial Private Placement, the ADS Note also contains a pre-payment provision such that we will be required to make additional principal payments equal to 3.2% of the net amount received by us from any equity capital raised, in excess of \$1,000,000, after the closing date until such time as the ADS Note has been paid in full.

If, from the closing date to the first anniversary of the closing of this transaction, the annual revenue generated by ADSnetcurve amounts to less than \$1,800,000, then the balance due under the ADS Note will be reduced by up to 60% of its principal amount but will not be less than \$120,000. As of December 31, 2007,

Management believes that the ADS Note will not be adjusted to an amount less than \$300,000 and has therefore included the entire amount of the note in the purchase consideration.

The agreement was subject to a net working capital adjustment that was initially measured and later adjusted as of December 20, 2007. Based on the initial net working capital measurement, \$116,049 was escrowed on December 20, 2007. On January 15, 2008, based on the final determination of net working capital, \$66,079 was released to the sellers (included in cash consideration above) and the remaining balance was returned to the Company from escrow.

Beginning December 21, 2007, the day immediately following the effective date of the transaction, the financial results of ADSnetcurve were consolidated with those of our business. The acquisition was accounted for under the purchase method of accounting, whereby a preliminary valuation of the fair values of the acquired assets and assumed liabilities of the acquired business was performed as of December 20, 2007. The excess of the purchase price over net assets acquired amounted to \$614,384 and was recorded as goodwill. Other separately identifiable intangibles consisting of customer relationships, non-compete agreements and tradenames amounted to an aggregate of \$962,027. The preliminary estimates of fair value will be adjusted as necessary when the final valuation is completed.

Bell-Haun Systems Inc.

On December 20, 2007, pursuant to an Agreement and Plan of Merger (the "Bell-Haun Agreement"), our acquisition of Bell-Haun Systems, Inc. ("Bell-Haun") became effective. The Bell-Haun Agreement was entered into between Beacon, BH Acquisition Sub, Inc. (the "Acquisition Sub"), Bell-Haun and Thomas Bell and Michael Haun, whereby, Bell-Haun merged with and into the Acquisition Sub, with the Acquisition Sub surviving the merger.

Bell-Haun specializes in the installation, maintenance and ongoing support of business telephone systems, wireless services, voice messaging platforms and conference calling services to businesses throughout its region. The Company acquired Bell-Haun because it believes the business provides it with (i) a customer base and presence in the greater Columbus, Ohio region and (ii) an established presence in the market for products and services needed to design telecommunications infrastructures and implement such design plans and systems.

The aggregate purchase price paid by Beacon, inclusive of direct transaction expenses, in connection with the Bell-Haun acquisition

amounted to \$794,100, including 500,000 shares of common stock valued at \$.85 per share, \$155,048 of cash, notes payable (the "Bell-Haun Notes") in the amount \$119,000, and future payments in the amount of \$50,000 related to non-compete agreements that are included in the direct transaction costs of \$95,052.

The Bell-Haun Notes are payable over 60 months in installments of \$2,413 including interest at 8% per annum with the first payment due and payable on January 19, 2009 (Note 10).

The Bell-Haun Agreement also provides for the payment of up to \$480,374 of additional purchase consideration upon the attainment of certain earnings milestones based on gross profit earned over the twelve months following the anniversary of the closing. These payments are being accounted for as contingent consideration that would be recorded as an increase to goodwill at December 20, 2008, the measurement date of the milestone if such milestones are attained.

Beginning December 21, 2007, the day immediately following the effective date of the transaction, the financial results of Bell-Haun Systems Inc. were consolidated with those of our business. The acquisition was accounted for under the purchase method of accounting, whereby a preliminary valuation of the fair values of the assets acquired and liabilities assumed was performed as of December 20, 2007. The aggregate amount of the purchase price which amounted to \$794,100 plus the amount of the net liabilities assumed which amounted to \$599,520 (grand total of \$1,393,620), was allocated to goodwill and other intangible assets. Goodwill amounted to \$519,860 and separately identifiable intangibles consisting of customer relationships and non-compete agreements amounted to an aggregate of \$873,760. The preliminary estimates will be adjusted as necessary when the final valuation is completed.

As described in Notes 2 and 10, the Company assumed approximately \$405,000 of debt obligations in this transaction that were in default as of the closing due to certain change of control restrictions that the sellers breached upon the transfer of their shares to the Company.

CETCON, Inc.

On December 20, 2007, pursuant to an Asset Purchase Agreement (the "CETCON Agreement"), our acquisition of CETCON, Inc. ("CETCON") became effective. The CETCON Agreement was entered into between Beacon, CETCON and the shareholders of CETCON, whereby we acquired substantially all of the assets and assumed certain of the liabilities of CETCON. Contemporaneously with acquisition of CETCON, certain employees of CETCON entered into employment agreements with us, effective upon the closing of the acquisition.

CETCON provides engineering consulting services to commercial and government entities with respect to the design and implementation of their voice, data, video, and security infrastructures and systems. The Company acquired CETCON because the business provides systems design and engineering services that include evaluating information technology needs (including voice, data, video, and security needs) and also designs and engineers systems (i.e., hardware) and infrastructure (i.e., cabling and connectivity) to meet those needs at the enterprise level.

The aggregate purchase price paid by Beacon, inclusive of direct transaction expenses, in connection with the CETCON acquisition amounted to \$2,158,111, including 900,000 shares of common stock valued at \$.85 per share, \$700,000 of cash, a \$600,000 secured promissory note (the "CETCON Note") and direct transaction costs of \$235,519 net of cash acquired of \$142,407.

The CETCON Note (Note 10) has a term of 60 months, bearing interest at 8% APR. The CETCON Note provides for monthly principal and interest payments in the amount of \$12,166 and is secured by the assets acquired by us in this transaction (subordinate only to existing senior debt of \$194,947 assumed in the acquisition). If, from the closing date to October 31, 2008, the revenue generated from CETCON is less than \$2,000,000, the principal amount of the CETCON Note will be reduced by the percentage of the actual revenue divided by \$2,000,000. We believe that the minimum revenue of \$2,000,000 provided for in the CETCON Note for which there would be consideration payable is probable. Accordingly, the full principal amount of the CETCON Note is included in the purchase consideration paid to the seller as of the closing date of the acquisition.

We may prepay all or a portion of the outstanding principal amount and accrued interest under the CETCON Note. Subsequent to completion of the Private Placement, the CETCON Note contains a pre-payment provision such that we will be required to make additional principal payments equal to 3% of the net amount received by us from any equity capital raised, in excess of \$1,000,000, after the closing date until such time as the CETCON Note is paid in full.

Beginning December 21, 2007, the financial results of CETCON, Inc. were consolidated with those of our business. The acquisition was accounted for under the purchase method of accounting, whereby a preliminary valuation of the fair values of the assets acquired and liabilities assumed of the acquired business was performed as of December 20, 2007. The excess of the purchase price over net tangible and separately identifiable intangible assets acquired amounted to \$944,220 and was recorded as goodwill. Other separately identifiable intangibles consisting of customer relationships and non-compete agreements amounted to an estimated aggregate fair value of \$1,127,887. The preliminary estimates will be adjusted as necessary when the final valuation is completed.

Strategic Communications, Inc.

On December 20, 2007, pursuant to the filing of an Asset Purchase Agreement (the "Strategic Agreement"), our acquisition of Strategic Communications, LLC ("Strategic") became effective. The Strategic Agreement was entered into between Beacon, Strategic and the members of Strategic, whereby we acquired substantially all of the assets and assumed certain of the liabilities of Strategic. Contemporaneously with the Strategic Agreement, Beacon, RFK Communications, LLC ("RFK") (co-owner of Strategic

Communications, Inc.) and the members of RFK entered into an Asset Purchase Agreement, whereby we acquired substantially all of the assets and assumed certain of the liabilities of RFK.

Strategic is a voice, video and data communication systems solutions provider. Strategic specifically provides procurement for carrier services (including voice, video, data, Internet, local & long distance telephone

applications), infrastructure services (including cabling and equipment); routers, servers and hubs; telephone systems, voicemail, general technology products and maintenance support. The Company acquired Strategic because it believes the business provides it with a customer base and presence in the greater Louisville, Kentucky region and an established presence in the market for products and services needed to design and implement these types of systems.

The aggregate purchase price paid by Beacon, inclusive of direct transaction expenses, in connection with the Strategic acquisition amounted to \$2,206,519, including 1,125,000 shares of common stock valued at \$.85 per share, \$220,500 of cash, a \$562,500 secured promissory note (the "Strategic Secured Note"), a \$342,000 promissory note (the "Strategic Escrow Note") and direct transaction expenses of \$125,269.

We delivered the \$342,000 Strategic Escrow Note (Note 10) and a stock certificate for 200,000 shares of the common stock conveyed to the members of Strategic as purchase consideration to be held in escrow (the "Strategic Escrow Shares") for the purpose of securing the indemnification obligations of members of Strategic. The specific indemnity secures a commitment on the part of the sellers in this transaction to hold Beacon harmless from its previously existing liabilities, including a \$313,000 tax delinquency, since Beacon agreed to assume only \$500,000 of liabilities in the transaction. The escrow agreement will terminate and the Strategic Escrow Note and Strategic Escrow Shares will be released to the sellers upon confirmation that Strategic has settled the liabilities specified under such indemnification. If necessary, the amounts escrowed can be used to settle such liabilities.

The Strategic Secured Note (Note 10) has a term of 60 months, bearing interest at 8% APR. The Strategic Secured Note provides for monthly principal and interest payments of \$11,405. If, from the closing date to the first anniversary of the closing of this transaction, the revenue generated from Strategic is less than \$4.5 million, the principal amount of the Strategic Secured Note will be reduced by percentage of the actual revenue divided by the minimum threshold. We believe that the minimum threshold provided for in the Strategic Secured Note for which there would be consideration payable is probable. Accordingly, the full principal amount of the Strategic Secured Note is included in the purchase consideration paid to the seller as of the closing date of the acquisition. We may prepay all or a portion of the outstanding principal amount and accrued interest under the Strategic Secured Note.

The Strategic Escrow Note bears interest at the Federal short term rate (4% as of December 31, 2007) and matures on the earlier of the final round of equity financing (as that term is defined in the Strategic Escrow Note) or December 31, 2008 (the "Maturity Date"), at which time the entire principal and accrued interest will be due and payable. The Company may prepay all or a portion of the outstanding principal amount and accrued interest under the Strategic Escrow Note. In addition, the Company has agreed to pay interest and penalties that Strategic incurs related to a tax liability it incurred prior to the acquisition. The Company's assets are encumbered by the tax lien; however Strategic, as the seller in this transaction, is still the primary obligor of this liability and is still therefore primarily liable for payment of the entire balance, including penalties and interest. The lien in the amount of approximately \$313,000 is expected to be settled on or before May 31, 2008.

Beginning December 21, 2007, the day immediately following the effective date of the transaction, the financial results of Strategic were consolidated with those of our business. The acquisition was accounted for under the purchase method of accounting, whereby a preliminary valuation of the fair values of the assets acquired and liabilities assumed was performed as of December 20, 2007. The excess of the purchase price over the net tangible and separately identifiable intangible assets acquired amounted to \$723,509 and was recorded as goodwill. Other separately identifiable intangibles consisting of customer relationships, non-compete agreements and tradenames amounted to an estimated aggregate fair value of \$1,340,400. The preliminary estimates will be adjusted as necessary when the final valuation is completed.

Business Combination Accounting

The Company accounted for its acquisitions of ADSnetcurve, Bell-Haun, CETCON and Strategic using the purchase method of accounting prescribed under SFAS 141 "Business Combinations." Under the purchase method, the acquiring enterprise records any purchase consideration issued to the sellers of the acquired business at their fair values. The aggregate of the fair value of the purchase consideration plus any direct transaction expenses incurred by the acquiring enterprise is allocated to the assets acquired (including any separately identifiable intangibles) and liabilities assumed based on their fair values at the date of acquisition. The excess of cost of the acquired entities over the fair values of assets acquired and liabilities assumed was recorded as goodwill. The results of operations for each of the acquired companies following the dates of each of the business combination (which was December 20, 2007) are included in the Company's consolidated results of operations for the quarter ended December 31, 2007. The Company evaluated each of the aforementioned transactions to identify the acquiring entity as required under SFAS 141 for business combinations effected through an exchange of equity interests. Based on such evaluation the Company determined that it was the acquiring entity in each transaction (and cumulatively for all transactions) as (1) the larger portion of the relative voting rights in each of the acquired business and in the combined

business as a whole was retained by the existing Beacon stockholders, (2) there are no significant minority interests or organized groups of interests carried over from the acquired entities that could exercise significant influence over the operating policies or management decisions of the combined entity, (3) the sellers in each of these transactions have no participation on the board of directors nor are they involved in any corporate governance functions of the combined entity and (4) a majority of the Senior Management positions in the combined entity, including those of the Chairman and Chief Executive Officer and the Chief Accounting Officer, were retained by officers of Beacon both prior and subsequent to the business combination. The following table provides a breakdown of the purchase prices of each of the acquired businesses including the fair value of purchase consideration issued to the sellers of the acquired business and direct transaction expenses incurred by the Company in connection with consummating these transactions:

	ADSnetcurve	Bell-Haun Systems	CETCON	Strategic Communications	Total Consideration
Cash paid	\$ 666,079	\$ 155,048	\$ 700,000	\$ 220,500	\$ 1,741,627
Notes payable	300,000	119,000	600,000	904,500	1,923,500
Common stock issued	595,000	425,000	765,000	956,250	2,741,250
Direct acquisition costs (including \$444,595 of accrued but unpaid)	172,345	95,052	235,519	125,269	628,185
Net of cash acquired	(5,876)	—	(142,407)	—	(148,283)
	<u>\$ 1,727,548</u>	<u>\$ 794,100</u>	<u>\$ 2,158,111</u>	<u>\$2,206,519</u>	<u>\$ 6,886,278</u>

The fair value of common stock issued to the sellers as purchase consideration was determined to be \$.85 per share based on the selling prices of equity securities issued by the Company in the Private Placement Transaction described in Note 14. The fair value of note obligations issued to the sellers as purchase consideration is considered to be equal to their principal amounts because such notes feature interest rates that are deemed to be comparable for instruments of similar credit risk. Transaction expenses, which include legal fees and transaction advisory services directly related to the acquisitions amount to \$628,185. Such fees include legal, accounting and business broker fees paid in cash.

The Company also evaluated all post combination payments payable or potentially payable to the sellers of the acquired business as either contingent consideration or compensation under applicable employment agreements to determine their proper characterization in accordance with EITF 97-8 "Accounting for Contingent Consideration Issued in a Purchase Business Combination." The Company determined that potential contingent consideration payable to certain sellers of the acquired businesses upon the attainment of certain pre-defined financial milestones should be accounted for as additional purchase consideration because there are no future services required on the part of such sellers in order for them to be entitled to those payments. In addition, the Company deems these payments to be a component of the implied value of the acquired businesses for which payment would be made based on financial performance. Conversely, any payments to be made to certain sellers of the acquired businesses under their respective employment agreements are deemed to be compensation for post combination services

because such payments, which management believes are comparable to amounts for similar employment services, require the continuation of post-combination employment services.

Preliminary Purchase Price Allocation

Under the purchase method of accounting, the total preliminary purchase price was allocated to each of the acquired entities, net tangible and identifiable intangible assets based on their estimated fair values as of December 20, 2007. The preliminary allocation of the purchase price for these three acquisitions is set forth below. The excess of the purchase price over the net tangible and identifiable intangible assets was recorded as goodwill.

	ADSnetcurve	Bell-Haun Systems	CETCON	Strategic Communications	Total Consideration
Accounts receivable	\$ 151,208	\$ 20,000	\$ 466,458	\$ —	\$ 637,666
Inventory	—	168,065	—	521,630	689,695
Prepaid expenses and other current assets	13,430	34,522	5,516	1,815	55,283
Property and equipment	47,500	19,243	20,000	140,000	226,743
Goodwill	614,384	519,860	944,220	723,509	2,801,973
Customer relationships	812,027	773,760	927,887	1,190,400	3,704,074
	100,000	100,000	200,000	100,000	500,000
Covenants not to compete					
Tradenames	50,000	—	—	50,000	100,000
Security deposits	21,541	—	—	6,050	27,591
Line of credit obligation	—	(250,000)	—	—	(250,000)
Accounts payable and accrued liabilities	(50,091)	(325,686)	(5,491)	(491,600)	(872,868)
Customer deposits	(32,451)	(56,412)	(205,532)	(9,795)	(304,190)
Capital lease obligations	—	—	—	(25,490)	(25,490)
Long-term debt	—	(159,252)	(194,947)	—	(354,199)
Other acquisition liability	—	(50,000)	—	—	(50,000)

	\$1,727,548	\$ 794,100	\$2,158,111	\$ 2,206,519	\$6,886,278
Net tangible asset acquired (liabilities assumed)	\$ 151,137	\$ (599,520)	\$ 86,004	\$ 142,610	\$ (219,769)

The purchase price allocation is preliminary, based on management's estimates and has not yet been finalized. The Company considered its intention for future use of the acquired assets, analyses of the historical financial performance of each of the acquired businesses and estimates of future performance of each acquired businesses' products and services in deriving the fair values of the assets acquired and liabilities assumed. The Company's final determination of the purchase price allocation could result in changes to the amounts reflected in its preliminary estimate and estimated useful lives of acquired assets.

Pro-Forma Financial Information

The unaudited financial information in the table below summarizes the combined results of operations of the Company and ADSnetcurve, Bell-Haun, CETCON and Strategic, on a pro-forma basis, as if the companies had been combined as of the beginning of each of the periods presented.

The unaudited pro-forma financial information for the three months ended December 31, 2007 combines the historical results of Beacon for the three months ended December 31, 2007 and the historical results of ADSnetcurve, Bell-Haun, CETCON and Strategic for the same period. The unaudited pro-forma financial results for the three months ended December 31, 2006 combines the historical results of ADSnetcurve, Bell-Haun, CETCON and Strategic. The pro-forma weighted average number of shares outstanding also assumes that the Share Exchange Transaction described in Note 1 was completed as of the beginning of each of the periods presented.

	Three Months Ended December 31, 2006	Three Months Ended December 31, 2007
	(Unaudited)	(Unaudited)
Net sales	\$ 2,102,498	\$ 1,780,356
Income from operations	(13,287)	(739,884)
Net income (loss) available to common stockholders	(13,287)	(1,079,876)
Per share, basic and diluted:		
Net income (loss) available to common stockholders	\$ (0.00)	\$ (0.10)
Pro-forma weighted average shares outstanding	10,468,121	10,468,121

The unaudited pro-forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisitions of these businesses had taken place at the beginning of each of the periods presented.

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable amounted to \$646,987 as of December 31, 2007. A significant portion of the accounts receivable includes customer account balances acquired in the business combinations completed on December 20, 2007. These account balances are stated at their net realizable values using the purchase method of accounting (Note 4).

NOTE 6 — INVENTORY, NET

Inventory consists of the following as of December 31, 2007:

Inventory (principally parts and system components)	\$ 689,380
Less: current portion	(590,222)
Inventory, non-current	\$ 99,158

A substantial majority of the inventory includes parts and system components for phone systems that the Company uses to fulfill repair, maintenance services and/or upgrade requirements. A portion of these items, which are stated at their net realizable value, are likely to be used after the next twelve months and are therefore presented as non-current inventory in the accompanying balance sheet. A significant portion of the inventory on hand at December 31, 2007 was acquired in the business combinations completed on December 20, 2007, which are stated at net realizable value using the purchase method of accounting.

NOTE 7 — PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of December 31, 2007:

Computer equipment	\$	105,081
Vehicles		74,243
Furniture and fixtures		45,000
Software		7,500
		231,824
Less: accumulated depreciation		(870)
	\$	230,954

Property and equipment includes \$24,950 of vehicles financed under capital lease obligations that the Company assumed in its acquisitions of Strategic Communications. Depreciation and amortization amounted to \$870 for the three months ended December 31, 2007.

NOTE 8 — INTANGIBLE ASSETS, NET

The following table is a summary the intangible assets acquired in business combinations as described in Note 4:

	ADSnetcurve	Bell-Haun Systems	CETCON	Strategic Communications	Total Consideration
Goodwill	\$ 614,384	\$ 519,860	\$ 944,220	\$ 723,509	\$ 2,801,973
Customer relationships	812,027	773,760	927,887	1,190,400	3,704,074
Contracts not to compete	100,000	100,000	200,000	100,000	500,000
Tradenames	50,000	—	—	50,000	100,000
	962,027	873,760	1,127,887	1,340,400	4,304,074
Less: Accumulated amortization	(4,642)	(4,188)	(6,338)	(5,886)	(21,054)
Intangibles, net	957,385	869,572	1,121,549	1,334,514	4,283,020

The above noted intangible assets are being amortized on a straight-line basis. Customer relationships are being amortized over a 10 year useful life, contracts not to compete are being amortized over a 2 year useful life and tradenames are being amortized over a 5 year useful life, based on the estimated economic benefit.

The following is a summary of amortization expense for the next five years and thereafter:

2008	\$	640,407
2009		632,188
2010		390,407
2011		390,407
2012		389,750
Thereafter		1,839,861
	\$	4,283,020

The values of the goodwill and intangible assets and the estimated useful lives are preliminary based on estimates made by management using the purchase method of accounting described in Note 4. These amounts are subject to change upon the final determination of the purchase price allocations described in Note 4.

NOTE 9 — ACCRUED EXPENSES

Accrued expenses consist of the following at December 31, 2007:

Accrued compensation	\$	253,472
Accrued other		19,889
	\$	273,361

NOTE 10 — NOTES PAYABLE AND LONG TERM DEBT**Bridge Financing Transactions**

On July 16, 2007, the Company entered into a \$500,000 Bridge Financing Facility provided by two of its founding stockholders who are also directors of the Company. The terms of the facility provide for the founding stockholders/directors to make up to \$500,000 of advances to the Company on a discretionary basis at any time prior to the closing of an equity offering in which gross proceeds are at least \$4,000,000 (the "Qualified Offering"). As of December 31, 2007, the entire facility was drawn down of which \$278,000 of the proceeds were received prior to September 30, 2007 and the remaining \$222,000 of proceeds were received during the three months ended December 31, 2007.

Advances under this facility bear interest at the Prime Rate (7.25% as of December 31, 2007) per annum and were to originally mature (i) in the event a Qualified Offering did not occur on or prior to December 31, 2007, on December 31, 2007; or (ii) in the event a Qualified Offering occurred prior to December 31, 2007, twenty-four (24) months after the date of the closing of the Qualified Offering. In December 2007, the Company was informed that only a portion of the Private Placement described in Note 14 (which would have satisfied the requirement to complete a Qualified Offering) would be completed by December 31, 2007. Based on this development, the note holders agreed, on December 28, 2007, not to demand repayment of the notes before the completion of the Private Placement or December 31, 2008, whichever came first. The effect of the change in the maturity date of the notes was insignificant to the Company's financial results.

As of December 31, 2007, the notes are contingently convertible into our common stock at a conversion price equal to \$.60 per share, or into the number and type of such equity securities into which the shares otherwise issuable upon such conversion are converted or exchanged under the terms of a merger, exchange or reorganization consummated by the Company prior to or at the time of a Qualified Offering. Unpaid principal is payable in cash or stock at the option of the holder if the conversion options is effected and all unpaid accrued interest is payable in cash only.

We evaluated the conversion option stipulated in the Bridge Financing Facility to determine whether it requires immediate accounting recognition and whether under SFAS 133, such conversion feature should be bifurcated from its host instrument and accounted for as a free standing derivative in accordance with EITF 00-19. In performing this analysis, we determined that the conversion option, which is fixed and therefore conventional under EITF 05-2, provides the founding stockholders/directors with the right to convert any advances outstanding under the Bridge Financing Facility into shares of our common stock at anytime upon or after the completion of a Qualified Offering. We deem the completion of the Private Placement, which meets the definition of a Qualified Offering under this agreement, to be an event that is not within our control. Accordingly, the conversion option was deemed to be a contingent conversion option that does not require any accounting recognition until the completion of the Private Placement which occurred on February 12, 2008.

In connection with the issuance of the Bridge Financing Facility, we issued warrants to purchase shares of our common stock (the "Warrants"). The Warrants allow the holders to purchase up to 865,000 shares of our common stock at an exercise price of \$1.00 per share, of which 625,000 are immediately exercisable. The remaining 240,000 Warrants (the "Contingent Bridge Facility Warrants") would become exercisable at a rate of 10,000 shares per month from the date of a Qualified Offering (if completed) until the maturity date of the Bridge Financing Facility. Upon full conversion of the advances into shares of Beacon common stock or upon the final maturity date, all remaining unvested Warrants will automatically vest and become exercisable. If the founding stockholders/directors require prepayment of the advances after the completion of a Qualified Offering but prior to

the final maturity date, all remaining unvested Warrants will be forfeited and canceled. The Warrants expire on June 30, 2012.

The fair value of the 625,000 exercisable Warrants, which amounted to \$0, was calculated using the Black-Scholes option pricing model. Assumptions relating to the estimated fair value of the Warrants are as follows: fair value of common stock of \$.002 on the commitment date of July 16, 2007; risk-free interest rate of 4.95%; expected dividend yield of zero percent; expected life of five years; and current volatility of 66.34%.

As of December 31, 2007, we recorded \$7,090 of interest expense under this arrangement, which is included in accrued expenses and other current liabilities in the accompanying balance sheet.

The final closing of the Private Placement was completed on February 12, 2008. Accordingly, the founding stockholders/directors have the right to demand repayment of these notes in cash at any time after February 12, 2008. From the date of the final closing of the Private Placement on February 12, 2008, the founding stockholders/directors may also (at their option) convert the outstanding principal into shares of our common stock and receive cash payment of accrued and unpaid interest. The conversion option was not considered beneficial because the fair value of the common stock that would be issuable upon the exercise price of the conversion option is \$0.85 per share and the commitment date fair value of the stock was nominal. In addition to the above, vesting commenced on the Contingent Bridge Facility Warrants, which were recognized for accounting purposes on February 12, 2008.

On November 15, 2007, we issued \$200,000 of convertible notes payable (the "Bridge Notes") in a separate debt financing. Of this amount, \$100,000 of the Bridge Notes was issued to one of the directors of Beacon. These Bridge Notes were issued under terms

substantially identical to the terms stipulated under the Bridge Financing Facility described above. The holders of the Bridge Notes also agreed, on December 28, 2007, not to demand repayment of these notes before the completion of the Private Placement described in Note 14 or December 31, 2008, whichever came first. The effect of the change in the maturity dates of these notes was insignificant to the Company's financial results. Accordingly, these notes are due on demand anytime after the completion of the Private Placement described in Note 14, which occurred on February 12, 2008.

We evaluated the conversion option stipulated in the Bridge Notes (which has terms identical to the conversion option featured in the Bridge Financing Facility described above) to determine whether it requires immediate accounting recognition and whether under SFAS 133, such conversion feature should be bifurcated from its host instrument and accounted for as a free standing derivative in accordance with EITF 00-19. In performing this analysis, we determined that the conversion option, which is fixed and therefore conventional under EITF 05-2, provides the founding stockholders/directors with the right to convert any advances outstanding under the Bridge Notes into shares of our common stock at anytime upon or after the completion of a Qualified Offering. As described above, we deem the completion of the Private Placement, which meets the definition of a Qualified Offering to be an event that is not within our control. Accordingly, the conversion option was deemed to be a contingent conversion option that does not require any accounting recognition until the completion of the Private Placement, which occurred on February 12, 2008, however their value is nominal.

In connection with the issuance of the Bridge Notes, we also issued warrants to purchase shares of our common stock (the "Note Warrants"). The Note Warrants allow the holders to purchase up to 346,000 shares of our common stock at an exercise price of \$1.00 per share, of which 250,000 are immediately exercisable. The remaining 96,000 Note Warrants (the "contingent Bridge Note Warrants") would become exercisable at a rate of 8,000 shares per month from the date of a Qualified Offering (if completed) until the maturity date of the Bridge Notes. Upon full conversion of the principal into shares of our common stock or upon the final maturity date, all remaining unvested Note Warrants will automatically vest and become exercisable. If the note holders require prepayment of the principal after the completion of a Qualified Offering but prior to the final maturity date, all remaining unvested Note Warrants will be forfeited and canceled. The Warrants expire on June 30, 2012.

The fair value of the 250,000 exercisable Warrants, which amounted to \$112,500, was calculated using the Black-Scholes option pricing model. Assumptions relating to the estimated fair value of the Warrants are as follows:

fair value of common stock of \$.85 on the commitment date of November 15, 2007; risk-free interest rate of 3.71%; expected dividend yield of zero percent; expected life of 1,689 days through June 30, 2012; and current volatility of 66.34%. Accordingly, we discounted the face value of the Bridge Notes to \$128,000 and recorded an attributable equity value of \$72,000 to paid-in capital for the Note Warrants based on the net proceeds of the Bridge Notes versus the relative fair value of the Note Warrants and Bridge Notes combined in accordance with Accounting Principle Board Opinion No. 14 "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants." ("APB 14") The difference between the face value of the Bridge Notes and the fair value will be accreted over the estimated life of the Bridge Notes of 2.27 years.

As of December 31, 2007, we recorded \$1,889 of interest expense under this arrangement, which is included in accrued expenses and other current liabilities in the accompanying balance sheet and \$6,839 of interest expense related to accretion to face value.

The final closing of the Private Placement was completed on February 12, 2008. Accordingly, the holders of the Bridge Notes have the right to demand repayment of these notes in cash at any time after February 12, 2008 or convert, at their option, the outstanding principal into shares of our common stock and receive cash payment of accrued and unpaid interest. In addition, vesting commenced on the Contingent Bridge Note Warrants, which were recognized for accounting purposes on February 12, 2008. The fair value of the Contingent Bridge Note Warrants, which amounted to approximately \$43,000, was recognized for accounting purposes on February 12, 2008.

Line of Credit Obligation

Pursuant to the acquisition of Bell-Haun we assumed a bank line of credit with a balance of \$250,000 bearing interest at the Prime Rate (7.25% as of December 31, 2007) plus 2.4% and a contractual maturity date of March 31, 2008 at which time the entire principal amount plus any accrued but unpaid interest becomes due and payable. This obligation was in default as of the time of our acquisition of Bell-Haun due to a change of control covenant in the loan agreement triggered by the sale of their shares to the Company.

Long Term Debt

The following is a summary of our long term debt:

Huntington Bank	\$	154,910
Integra Bank		194,947
Acquisition notes (payable to the sellers of the acquired businesses described in Note 4)		
ADSnetcurve		300,000
Bell-Haun		119,000
CETCON		600,000
RFK		562,500
Strategic		342,000
		<hr/>

Less: Current portion	2,273,357 (433,132)
Non-current portion	<u>\$ 1,840,225</u>

Huntington Bank

Pursuant to the acquisition of Bell-Haun the Company assumed a long-term note with Huntington Bank with a remaining principal balance of \$155,220 payable over 33 months at an annual interest rate of 7.5%. This obligation was in default as of the time of our acquisition of Bell-Haun due to a change of control covenant that the sellers triggered upon the sale of their shares to the Company.

Integra Bank

Pursuant to the acquisition of CETCON we also assumed a long-term note with Integra Bank with a remaining principal balance of \$194,947 payable over 55 months with a final balloon payment in month 55 of \$120,000 bearing interest at 8.2% per annum.

Acquisition Notes

Notes payable with an aggregate value of \$1,923,500 were issued as purchase consideration in our business combinations as described in Note 4. The terms of these notes, including provisions for partial acceleration in the event we raise additional equity capital in future financing transactions and optional prepayment provisions, are more fully described in Note 4.

The following table summarizes debt principal payment obligations by year for the long-term debt other than the Bridge Financing Facility, Bridge Notes and short term bank borrowings which are presumed to be paid within the next twelve months:

<u>Year</u>	
2008	\$ 433,132
2009	662,970
2010	347,063
2011	375,281
2012	428,397
Thereafter	26,514
	<u>\$ 2,273,357</u>

Substantially all of the Company's assets are pledged as collateral under its various debt obligations.

NOTE 11 — CAPITAL LEASE OBLIGATIONS

The Company assumed capital lease obligations related to service vehicles in its acquisitions of Strategic Communications under which the aggregate present value of the minimum lease payments amounted to \$25,877 as of the date of these acquisitions. In accordance with SFAS 13, "Accounting for Leases" ("SFAS 13"), the present value of the minimum lease payments was calculated using discount rate of 5%. Lease payments, including amounts representing interest, amounted to approximately \$1,725 for the three months ended December 31, 2007.

Minimum lease payments due in years subsequent to December 31, 2007 are as follows:

2008	\$ 17,734
2009	8,143
	<u>25,877</u>
Total minimum lease payments	25,877
Less: amount representing interest	(388)
	<u>25,489</u>
Present value of minimum lease payments	25,489
Current portion of long-term capital lease obligations	(17,734)
	<u>\$ 7,756</u>

NOTE 12 — RELATED PARTY TRANSACTIONS

On July 16, 2007, the Company entered into the \$500,000 Bridge Financing Facility provided by two of its founding

On November 15, 2007, the Company entered into a separate \$100,000 bridge note with one of its directors (Notes 3 and 10).

The Company has up to \$300,000 of additional equity financing available to it from two of its directors to draw as an additional source of funding, if needed. Up to 300,000 shares of common stock are issuable under this arrangement (Note 3).

One of the Company's founders also provides it with certain consulting services. There is no formal agreement between the Company and this founder. For the three months ended December 31, 2007, the Company recorded \$28,558 of compensation expense paid in cash to the founder for consulting services provided, which is included in salaries and benefits in the accompanying condensed consolidated statement of operations.

The Company has obtained insurance through an agency owned by one of its founding stockholders/directors. Insurance expense paid through the agency for the three months ended December 31, 2007 was \$6,576 and is included in selling, general and administrative expense in the accompanying condensed consolidated statement of operations.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

Employment Agreements

The Company has entered into employment agreements with three of its key executives with no specific expiration dates that provide for aggregate annual compensation of \$480,000 and up to \$120,000 of severance payments for termination without cause. In addition, the Company entered into employment agreements with five key employees of certain of the acquired businesses upon its completion of the business combinations described in Note 4. Aggregate compensation under these agreements amounts to \$580,000. Two of these agreements expire on December 31, 2009 and the remaining three have no specified expiration date. These agreements also provide for aggregate severance payments of up to \$326,000 for termination without cause.

The agreements contain certain commitments by the company to maintain employment as well as provisions for severance in the event of certain circumstances. The Company believes that events triggering any of the provisions of the agreements, individually, will not materially affect its financial position or results of operations. However, we can give no assurance that events triggering any of the provisions of the agreements in the aggregate would not have a material affect on our financial position or results of operations.

Operating Leases

The Company has entered into operating leases for office facilities in Louisville, KY, Columbus, OH and Cincinnati, OH. A summary of the minimum lease payments due on these operating leases exclusive of the Company's share of operating expenses and other costs:

2008	\$	182,694
2009		170,223
2010		100,000
	\$	<u>452,917</u>

Strategic Communications Tax Liability

As further described in Note 4, the assets of Beacon acquired from Strategic Communications are encumbered by a \$313,000 Federal tax lien for delinquent sales and use, payroll and income taxes incurred by Strategic prior to the acquisition on December 20, 2007. The Company has agreed to pay interest and penalties accruing on this obligation, which amount to approximately \$29,000 as of December 31, 2007. Strategic, as the seller in this transaction, is still the primary obligor of these tax liabilities and is therefore primarily liable for payment of the entire balance, including penalties and interest. The company expects the liability to be paid and the lien to be

released on or before May 31, 2007. The Company has placed a note payable to the sellers of Strategic and shares of common stock issued as purchase consideration in an escrow account as security for this obligation.

NOTE 14 — STOCKHOLDERS EQUITY

Authorized Capital

The Company is currently authorized to issue up to 70,000,000 shares of common stock and 4,500 shares of Series A Preferred Stock.

Each share of Series A preferred has voting rights equal to an equivalent number of common shares into which it is convertible. The holders of the Series A are entitled to receive cumulative dividends in preference to any dividend on the common stock at the rate of 10% per annum on the initial investment amount commencing December 21, 2007. Dividends accrued but unpaid with respect to this feature amounted to \$7,335 for the year ended December 31, 2007 and are presented as an increase in net loss available to the common stockholders for the year ended December 31, 2007. The Company has the option of paying the dividend in either common stock or cash.

The Series A Preferred Stock designation contains certain restrictive covenants including restrictions against: the declaration of dividend distributions to common stockholders; certain mergers, consolidations and business combinations; the issuance of preferred shares with rights or provisions senior to the Series A Preferred Stock; and restrictions against incurring or assuming unsecured liabilities or indebtedness unless certain minimum performance objectives are satisfied.

The Series A Preferred Stock also contains a right of redemption in the event of liquidation or a change in control. The redemption feature provides for payment of 125% of the face value and 125% of any accrued unpaid dividends in the event of bankruptcy, change of control, or any actions to take the Company private. The amount of the redemption preference was \$3,051,544 measured on December 31, 2007.

Private Placement of Convertible Preferred Stock

During the three months ended December 31, 2007, we issued in a Private Placement transaction, 2,433.9 shares of our Series A convertible preferred stock and 1,622,600 five year common stock purchase warrants exercisable at \$1.00 per share for net proceeds of \$1,952,493 (gross proceeds of \$2,433,900 less offering costs of \$481,407). The Series A is convertible into common stock at any time, at the option of the holder at a conversion price of \$.75 per share. The conversion price is subject to adjustment for stock splits, stock dividends, recapitalizations, dilutive issuances and other anti-dilution provisions, including circumstances in which we, at our discretion, issue equity securities or convertible instruments that feature prices lower than the conversion price specified in the Series A preferred shares. The Series A is also automatically convertible into shares of our common stock, at the then applicable conversion price upon the closing of a firm commitment underwritten public offering of shares of our common stock yielding aggregate proceeds of not less than \$20 million or under certain other circumstances when the trading volume and average trading prices of the stock attain certain specified levels.

As described in Note 1, we evaluated the conversion options embedded in the Series A securities to determine (in accordance with SFAS 133 and EITF 00-19) whether they should be bifurcated from their host instruments and accounted for as separate derivative financial instruments. We determined, in accordance with SFAS 133, that the risks and rewards of the common shares underlying the conversion feature are clearly and closely related to those of the host instrument. Accordingly the conversion features, which are not deemed to be beneficial at the commitment dates of these financing transactions, are being accounted for as embedded conversion options in accordance with EITF 98-5 and EITF 00-27. Based on an evaluation of the beneficial conversion feature, the Company recorded a deemed dividend of \$903,878. The warrants issued with the Series A Preferred Stock amounted to 1,622,600 exercisable Investor Warrants, with a fair value of \$746,396. The fair value was calculated using the Black-Scholes option pricing model. Assumptions relating to the estimated fair value of the Investor Warrants are as follows: fair value of common stock of \$.85 on the commitment date of December 20, 2007; risk-free interest rate of 3.45%; expected dividend yield of zero percent; expected life of five years through December 20, 2012; and current volatility of 66.34%. Accordingly, a \$903,878 deemed dividend related to the beneficial conversion factor was recorded based on the difference between the effective conversion price of the conversion option, which was approximately \$0.57 per share and the fair value of the common stock at the commitment date of the transaction, which was approximately \$0.85 per share.

The Company has reserved 3,245,200 shares of its common stock for issuance upon the conversion of its Series A convertible preferred stock and 1,622,600 shares of its common stock for issuance upon exercise of the Investor Warrants.

As described in Note 1, the Company applies the classification and measurement principles enumerated in EITF Topic D-98 with respect to accounting for its issuances of the Series A preferred stock. The Company is required, under Nevada law, to obtain the approval of its board of directors in order to effectuate a merger, consolidation or similar event resulting in a more than 50% change in control or a sale of all or substantially all of our assets. The board of directors is then required to submit proposals to enter into these types of transactions to its stockholders for their approval by majority vote. The preferred stockholders do not (i) have control of, or currently, any representation on its Board of Directors and (ii) currently do not have sufficient voting rights to control a redemption of these shares by either of these events. In addition the effectuation of any transaction or series of transactions resulting in a more than 50% change in control can be made only by us at our own election. Based on these provisions, we classified the Series A preferred shares as permanent equity in the accompanying condensed consolidated balance sheet because the liquidation events are deemed to be within the Company's control in accordance with the provisions of EITF Topic D-98.

We evaluate the Series A convertible preferred stock at each reporting date for appropriate balance sheet classification.

Registration Rights

Pursuant to the terms of the registration rights agreement entered into in connection with the Private Placement, the Company agreed to file with the SEC as soon as is practicable after completion of the offering a registration statement (the "Registration Statement") and use its best efforts to have the Registration Statement declared effective not later than June 30, 2008. The Registration Statement registering for resale (i) the shares of the Company's common stock underlying the units sold in the Private Placement (the "Units") and (ii) the shares of the Company's common stock issuable upon the exercise of the warrants issued in the Private Placement and issued to the placement agent. The Company agreed to use its commercially reasonable best efforts to have such "resale" Registration Statement declared effective by the SEC as soon as possible and, in any event, not later than June 30, 2008.

If the Registration Statement is not declared effective by the SEC by June 30, 2008 then the Company is obligated to issue to each purchaser of units in the Private Placement to pay a 1% of the aggregate purchase price of the units, for each 30 day period the Company is late in filing the Registration Statement or the Registration Statement is late in being declared effective.

The Company applies FASB Staff Position EITF 00-19-2 "Accounting for Registration Payment Arrangements," with respect to determining whether to record a liability for contingent consideration potentially transferable to security holders covered under registration rights agreements. The Company believes it will be able to fulfill its registration obligations and has therefore not accrued any penalties under this arrangement.

Completion of Share Exchange Transaction

On December 20, 2007, pursuant to the a Share Exchange transaction between Suncrest and Beacon, Beacon exchanged 9,194,900 shares of Beacon common stock and 2,433.9 shares of Beacon Series A preferred stock for 9,194,900 shares of Suncrest common stock and 2,433.9 shares of Suncrest Series A preferred stock. The shareholders of Suncrest, prior to the recapitalization, held 3,003,847 shares of which they returned 1,730,726 for cancellation and retained 1,273,121 shares of the recapitalized company. Immediately following the Share Exchange transaction, there were 10,468,121 shares of common stock outstanding, including 9,194,900 shares held by Beacon's existing stockholders and 1,273,121 shares held by the stockholders of Suncrest. As described in Note 1, the Share Exchange has been accounted for as a recapitalization of Beacon into Suncrest because the existing Beacon stockholders retained a majority interest in the combined enterprise. The Company paid a \$305,000 fee to the stockholders of Suncrest in connection with completing the Share Exchange Transaction which is included as a component of selling, general and administrative expense in the accompanying condensed consolidated statement of operations.

Issuances of Common Stock in Business Combinations

The Company issued 3,225,000 shares of common stock in connection with business combinations described in Note 4. The aggregate fair value of these shares amounted to \$2,741,250.

Restricted Stock Grant

On December 5, 2007, the Company granted 782,250 shares of restricted common stock with an aggregate fair value of \$664,913 to the Company's president. Immediately upon grant 150,000 shares vested with the remaining shares vesting in quantities of 210,750 shares on each of December 20, 2008, 2009 and 2010. The Company accounts for share-based compensation under SFAS No. 123(R), "Share-Based Payment," which requires it to expense the fair value of grants made under the share based compensation programs over the vesting period of each individual agreement. Awards granted are valued and non-cash share-based compensation expense is recognized in the consolidated statements of operations in accordance with SFAS No. 123(R). The Company recognizes non-cash share-based compensation expense ratably over the requisite service period which generally equals the vesting period of awards, adjusted for expected forfeitures. The Company recognized \$132,372 of non-cash share-based compensation expense during the three months ended December 31, 2007 in connection with such grants. Unamortized compensation under this arrangement amounted to \$534,345 as of December 31, 2007 and will be amortized over the remaining vesting period of 3 years. The shares vest immediately upon the Company's termination without cause or the Executive's resignation for good reason. In the event of termination for cause, or resignation without good reason, the Company has the right to repurchase any unvested shares for nominal consideration.

NOTE 15 — INCOME TAXES

As described in Note 1, the Company adopted FIN 48 effective June 6, 2007. FIN 48 requires companies to recognize in their financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

The Company and its subsidiaries intend to conform their tax periods to the September 30 reporting period established by Beacon and subsequently file consolidated federal and state income tax returns. The consolidated group for this purpose includes (i) Beacon, the former development stage enterprise organized to execute the business combinations and Share Exchange transactions as described in Notes 4 and 14, respectively, (ii) BH Acquisition Corp., the legal entity formed by Beacon to acquire the stock of Bell-Haun Systems, Inc., and (iii) Beacon Nevada (formerly Suncrest) which merged with Beacon in the Share Exchange transaction completed on December 20, 2007.

Beacon's initial tax reporting period is June 6, 2007 (inception) through September 30, 2007 but has not yet filed any Federal or State income tax returns. Beacon estimates that its deferred tax assets as of September 30, 2007 amount to approximately \$52,000 and principally consist of a net operating loss and start up costs. Beacon, as a result of having evaluated all available evidence as required under SFAS 109, fully reserved for its net deferred tax assets since it is more likely than not that the future tax benefits of these deferred tax assets will not

be realized in future periods.

Suncrest, prior to the Share Exchange transaction, had nominal operations and a net operating loss of approximately \$499,000 expiring at various times through 2016 and has filed Federal and State income tax returns for the years ended June 30, 2004, 2005 and 2006 that have not been examined by the applicable Federal and State tax authorities.

Bell-Haun Systems, Inc., previous to its acquisition by the Company had net operating losses of approximately \$969,000 expiring at various times through 2027. Bell-Haun Systems Inc. filed Federal and State income tax returns for the years ended December 31, 2004, 2005 and 2006 that have not been examined by the applicable Federal and State tax authorities

The Company preformed a preliminary assessment of possible uncertain tax positions under FIN 48. Based on this preliminary assessment management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of FIN 48. Accordingly, the adoption of FIN 48 did not have a material effect on the Company financial statements. The Company's policy, is to classify penalties and interest associated with uncertain tax positions, if required as a component of its income tax provision. The Company also intends to perform a nexus study but has, on a preliminary basis, determined it must file State income tax returns in Indiana, Kentucky, Nevada and Ohio.

The Company is in the process of evaluating and quantifying the extent of any deferred tax assets of Suncrest and Bell-Haun that may have existed as for the dates of the Share Exchange Transaction and acquisition of Bell-Haun, respectively. However, the Company believe that limitations were triggered with respect to these tax assets at the time of the Share Exchange Transaction and acquisition of Bell-Haun Systems, Inc. due to the "change in ownership" provisions under Section 382 of the Internal Revenue Code. Accordingly, the Company has not recognized any income tax benefits for these or any other possible deferred tax assets. The utilization of these and any net operating losses that the Company may have generated may be subject to substantial limitations in future periods due to the "change in ownership" provisions under Section 382 of the Internal Revenue Code and similar state provisions.

NOTE 16 — SUBSEQUENT EVENTS

Completion of Private Placement

On January 15 and February 12, 2008 the Company received aggregate gross proceeds of \$1,566,100 upon the closing of the second and final rounds of escrow pursuant to the \$4,000,000 Private Placement described in Note 14. Direct costs related to the placement of \$713,500 were paid out of the proceeds of the second and final closings of escrow. Pursuant to the completion of the Private Placement, Beacon issued 1,566.1 shares of Convertible Series A Preferred Stock, 2,088,133 Investor Warrants to purchase shares of the Company's common stock at an exercise price of \$1.00 per share, 407,186 warrants to purchase shares of the Company's common stock at \$1.00 per share to the Placement Agent, and 600,000 warrants to purchase shares of the Company's common stock at \$1.00 per share to affiliates of the Placement Agent.

The features of the securities issued in this transaction are identical to those described in Note 14. Based on an evaluation of the beneficial conversion feature, the Company expects to record a deemed dividend

as of each of the closing dates based upon the relative fair values of the securities issued in this transaction in accordance with APB 14 and a determination of the effective conversion price of the preferred shares in accordance with EITF 00-17.

As described in Note 10, the \$500,000 principal balance due under the Bridge Financing Facility and \$200,000 principal due under the Bridge Notes each became exercisable into 833,333 and 333,333 shares of common stock, respectively or payable in cash at the option of the holders. The conversion option embedded in the \$500,000 Bridge Financing Facility was deemed to have a nominal value. The intrinsic value of the conversion option embedded in the \$200,000 Bridge Notes amounts to approximately \$156,000. In addition, an aggregate of 336,000 common stock purchase warrants became exercisable at the option of the holders in these transactions.

Beacon Solutions 401(k) Plan

During the three months ended December 31, 2007, Beacon established a retirement benefits plan, referred to as the Beacon Solutions 401(k) Plan, intended to meet the requirements of section 401(k) of the Internal Revenue Code of 1986. Under the Beacon Solutions 401(k) Plan, employees may contribute up to the maximum allowable under federal law, and the Company will match up to 100% of the first 1% contributed by the employee and up to 50% of the next 5% contributed by the employee, in cash subject to a vesting schedule based on years of service. All employees are eligible to enroll on date of hire. Employees are automatically enrolled at 3% employer contribution but can change their election at any time.

Authorization of Series A-1 Preferred Stock

On February 14, 2008, the Board of Directors recommended to the shareholders an amendment of the Articles of Incorporation to authorize 5,000,000 shares of Preferred Stock and designate and authorize 1,000 shares of Series A-1 Preferred Stock. On the same day, the shareholders approved the amendment to the Articles of Incorporation.

In this quarterly report references to "Beacon," "we," "us," and "our" refer to Beacon Enterprise Solutions Group, Inc.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand future prospects and make informed investment decisions. This report contains these types of statements. Words such as "may," "will," "expect," "believe," "anticipate," "estimate," "project," or "continue" or comparable terminology used in connection with any discussion of future operating results or financial performance identify forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. All forward-looking statements reflect our present expectation of future events and are subject to a number of important factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Overview

Beacon is a unified, single source information technology and telecommunications enterprise that provides professional services and sales of information technology and telecommunications products to mid-market commercial businesses, state and local government agencies, and educational institutions.

We were formed for the purpose of acquiring and consolidating regional telecom businesses and service platforms into an integrated, national provider of high quality voice, data and VOIP communications to small and medium-sized business enterprises (the "SME Market"). Our business strategy is to acquire companies that will allow us to serve the SME Market on an integrated, turn-key basis from system design, procurement and installation through all aspects of providing network service and designing and hosting network applications.

Beacon was a development stage enterprise with no operating history until completing our acquisition of Suncrest Global Energy Corp. ("Suncrest") in a share exchange in which the shareholders of Beacon become the majority owners of Suncrest ("Share Exchange Transaction") completed on December 20, 2007. Concurrent with the Share Exchange Transaction, we also completed the acquisition of four complementary information technology and telecommunications businesses (the "Phase I Acquisitions") described below.

Phase I Acquisitions

Beacon entered into acquisition agreements with Advanced Data Systems, Inc. ("ADSnetcurve"), Bell-Haun Systems, Inc., CETCON, Inc., and Strategic Communications, Inc. on October 15, 2007 and consummated the Phase I Acquisitions on December 20, 2007. Beacon paid an aggregate purchase price for the Phase I Acquisitions of \$1,650,500 in cash, \$1,923,500 in notes, and 3,225,000 Beacon Common Shares. Beacon used the proceeds of the a Private Placement offering to finance the Phase I Acquisitions. As part of their historical businesses, CETCON, Inc. provided systems design and engineering, ADSnetcurve provided software development and support and Bell-Haun Systems, Inc. and Strategic Communications, Inc. provided technology and equipment procurement, as well as installation, maintenance and support services.

Results of Operations

For the three months ended December 31, 2007

Revenue for the three months ended December 31, 2007 was \$137,088 provided primarily by services performed by the Phase I Acquisitions consisting primarily of engineering and design, software development, business telephone system installations, and time and materials services for system maintenance. Revenue was

recognized for the period December 21, 2007 through December 31, 2007 subsequent to the acquisition of the four target companies on December 20, 2007.

Cost of goods sold amounted to \$34,832 and consisted of equipment and materials used in business telephone system installations and parts used in services.

Salaries and benefits of \$438,884 consisted of salaries expended in developing and executing the acquisition strategy of \$116,469, an accrual of \$31,500 for the successful execution of the acquisitions, accrued paid time-off of \$16,500, non-cash share based compensation expense of \$132,372 and \$142,043 of salaries and benefits of acquired company employees for the period December 21, 2007 through December 31, 2007. The non-cash share based compensation expense of \$132,372 relates to the compensation earned related to a restricted stock award granted on the day of the Phase I Acquisitions and represents the vested portion of the restricted stock award based on the fair market value on the date of grant.

Selling, general and administrative expense of \$486,330 consists primarily of \$309,000 of expenses incurred in connection with the recapitalization, and \$85,245 of accounting and professional fees associated with the Company's September 30, 2007 year-end audit,

\$21,054 of amortization of intangible assets acquired in the business combinations and \$50,204 of administrative costs associated with the acquisitions for the period December 21, 2007 to December 31, 2007 and \$20,827 of other administrative expenses.

Interest expense of \$27,995 includes interest related to our Bridge Notes in addition to the notes payable issued in connection with our Phase I Acquisitions. Interest expense related to the accretion of the Bridge Notes to face value was \$6,839.

Contractual dividends on our Series A Preferred Stock of \$7,335 accrued during the period. A deemed dividend related to the beneficial conversion feature embedded in our Series A Preferred Stock of \$903,878 was recognized during the period.

Liquidity and Capital Resources

Net cash used in operating activities of \$484,730 consisted primarily of a net loss of (\$850,953) offset by increases in our accrued expenses and other current liabilities of approximately \$164,217 and impacted by non-cash share based payments of \$132,372.

Cash used in investing activities of (\$2,226,609) resulted primarily from proceeds of our Private Placement offering used to purchase the Phase I Acquisitions.

Cash provided by financing activities of \$2,855,900 was derived from \$2,433,900 raised in our Private Placement offering of Series A preferred stock and \$422,000 of proceeds from the issuance of convertible notes payable.

We incurred a net loss of \$850,953 for the three months ended December 31, 2007. At December 31, 2007, the Company's accumulated deficit amounted to \$1,895,546. The Company had cash of \$651,367 and a working capital deficiency of \$1,539,075 at December 31, 2007.

On June 14, 2007, we signed a non-exclusive engagement agreement with Laidlaw & Company (UK) Ltd. ("Laidlaw") in which Laidlaw agreed to provide us with certain corporate finance advisory services including (i) raising capital under the Private Placement transaction; (ii) structuring our Share Exchange Transaction; and (iii) assisting us with identifying the public company in the Share Exchange Transaction. These transactions were

completed on December 20, 2007. We raised \$4.0 million in the private placement in three separate closings on December 20, 2007, January 15, 2008, and February 12, 2008. The Company assumed approximately \$405,000 of debt obligations in which the sellers of one of the acquired businesses described in Note 4 triggered an acceleration of principal under certain change of ownership provisions that constitute an event of default under those agreements (Note 10). These obligations are classified as current liabilities in the accompanying condensed consolidated balance sheet as a result of the Company's commitment to repay or obtain letters of credit upon which the creditors can draw them pursuant to its merger agreement with Bell-Haun Systems Inc. as described in Note 4.

We received \$500,000 of gross proceeds (\$278,000 prior to September 30, 2007 and \$222,000 during the three months ended December 31, 2007) under a bridge financing facility furnished by two of our founding stockholders, who are also members of the Board of Directors. We also raised \$200,000 of additional capital through the issuance of bridge notes in a second bridge note transaction completed on November 15, 2007. In addition we have up to \$300,000 of additional equity financing available from two of our directors to allow us to draw as an additional source of funding if needed.

The Company is also in the process of raising up to an additional \$635,000 of equity financing under a proposed sale of Series A-1 Convertible Preferred stock in one of its subsidiaries. The terms of these preferred shares are intended to be substantially identical to the Company's Series A Convertible Preferred Stock other than the liquidation preference which will be subordinate to the Series A Convertible Preferred. Prospective investors in this transaction have deposited approximately \$635,000 of funds into an escrow account. The completion of this transaction is subject to completing certain administrative procedures including amending the subsidiary's certificate of incorporation to create a Series A-1 convertible preferred stock designation, circulating the final form of the private placement memorandum, executing subscription agreements and obtaining consents to amending certain escrow procedures.

We believe that the funds we have received in the Private Placement and bridge note transactions, funds we have available under the \$300,000 equity financing commitment, and funds we expect to generate from operations will enable us to sustain the business through at least January 1, 2009. If we are unable to raise additional capital, we will be required to take various measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing our business development activities, suspending the pursuit of our business plan, and controlling overhead expenses. We cannot provide any assurance that we will raise additional capital. We have not secured any commitments for new financing, other than the equity financing commitment discussed above, at this time, nor can we provide any assurance that new financing will be available to us on acceptable terms, if at all.

Off-Balance Sheet Arrangements

We have four operating lease commitments for real estate used for office space and production facilities.

Contractual Obligations as of December 31, 2007

The following is a summary of our contractual obligations as of December 31, 2007:

Payment Due by Period

<u>Contractual Obligations</u>	<u>Total</u>	<u>Year 1</u>	<u>Years 2-3</u>	<u>Years 4-5</u>	<u>Thereafter</u>
Long-term debt obligations	\$ 2,273,384	\$ 433,132	\$ 1,010,033	\$ 803,705	\$ 26,514
Interest obligations (1)	530,032	202,200	249,823	76,792	1,217
Operating lease obligations (2)	452,917	182,694	270,223		
	<u>\$ 3,256,333</u>	<u>\$ 818,026</u>	<u>\$ 1,530,079</u>	<u>\$ 880,497</u>	<u>\$ 27,731</u>

- (1) Interest obligations assume Prime Rate of 7.25% at December 31, 2007. Interest rate obligations are presented through the maturity dates of each component of long-term debt.
- (2) Operating lease obligations represent payment obligations under non-cancelable lease agreements classified as operating leases and disclosed pursuant to Statement of Financial Accounting Standards No. 13 "Accounting for Leases," as may be modified or supplemented. These amounts are not recorded as liabilities of the current balance sheet date.

Dividends on Series A Preferred Stock are payable quarterly at an annual rate of 10% in cash or the issuance of additional shares of Series A Preferred Stock, at our option. If we were to fund dividends accruing during the twelve months ended December 31, 2008 in cash, the total obligation would be \$243,390 based on the number of shares of Series A Preferred Stock outstanding as of December 31, 2007.

We currently anticipate the cash requirements for capital expenditures, operating lease commitments and working capital will likely be funded with our existing fund sources and cash provided from operating activities. In

the aggregate, total capital expenditures are not expected to exceed \$100,000 for the twelve months ended December 31, 2007.

Working Capital

As of December 31, 2007, our current liabilities exceed current assets by \$1,539,075. The bridge notes recorded in current liabilities are convertible into common stock and the note agreements provide for vesting of additional warrants to purchase shares of common should the holders continue to hold the debt and immediate vesting of the additional warrants upon conversion. We are in default of our line of credit obligation and a note payable that we assumed in the Phase I Acquisitions. We are currently negotiating with several banks to refinance our line of credit obligation and two notes assumed in the Phase I Acquisitions. In addition, certain vendors have agreed to defer payment or agreed to payment plans or to accept common stock in exchange for settlement of their outstanding balance. We can give no assurance that we will succeed in our efforts to refinance the debt we assumed in the Phase I Acquisitions or that our negotiations with our other vendors will succeed.

Client Base

Through the Phase I Acquisitions, Beacon acquired a client base that consisted of approximately 4,000 customers, which were predominantly MBEs with 25-2,500 end users each, as well as approximately 50 larger customers. We expect that most of our revenue will be derived from the MBE market.

Competitors

Beacon has numerous competitors in each one of its four service areas, many of which are substantially better capitalized, have more employees, have a longer operating history and are better known in the industry. However, management is not aware of any direct competitor in the middle-market service space that can provide all of these services without significant outsourcing or reselling, although IBM Global and others do present these services by relying upon outside consultants. Beacon believes that its integration of these services, particularly of its systems and software design and engineering capabilities, provides a distinct competitive advantage.

Technology & equipment procurement competitors include: AT&T, Qwest, Level 3, Broadwing, and Covad. Application development/support competitors include: Trigent, Inventa Technologies, and AAlpha. Competitors specific to the interconnect services include: BellSouth, Vonage, and Packet8. Competitors with respect to data/systems integration services include: Cisco, Datacomm Solutions, Dell, and Sun Microsystems.

Employees

Beacon currently employs approximately 80 persons as a result of the Phase I Acquisitions. In addition, Beacon has entered into an operating agreement with ADSnetcurve to employ a team of developers in India while Beacon acquires the necessary licensure to operate a business within India. None of Beacon's employees is subject to a collective bargaining agreement.

Facilities

Beacon currently maintains its offices at 124 N. First Street, Louisville, KY 40202 and our telephone number is (502) 379-4788.

On November 1, 2007, Beacon entered into an operating lease for its office space in Louisville, Kentucky. The lease term is for a period of four months commencing November 1, 2007 expiring February 28, 2008 for a base rent of \$1,675 per month. Beacon plans to

renew this lease on substantially similar terms for the remainder of fiscal year 2008. In addition, Beacon leases office space in Cincinnati, Ohio and Columbus, Ohio for amounts that are not deemed to be material.

Certain Relationships and Related Party Transactions

Bridge Financing

John D. Rhodes, III and affiliated entities of Sherman Henderson and Robert Clarkson hold Bridge Notes in the aggregate principal amount of \$600,000. Dr. Rhodes, Sherman Henderson and Robert Clarkson are all directors of Beacon, and Sherman Henderson and Robert Clarkson are 5% shareholders of Beacon.

Consulting Agreement

Beacon has a consulting arrangement with Mr. Rick Hughes, who is an immediate family member of the principal of Brook Street Enterprises, LLC, a stockholder of Beacon, for the provision of consulting services. Previously under this arrangement, Beacon was paying Mr. Hughes a monthly fee of \$12,500. The arrangement is currently being renegotiated.

Filing Status

Beacon Enterprise Solutions Group, Inc. has in the past filed reports with the SEC and will continue to do so as Beacon. You can read and copy any materials we file with the SEC at its Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission, including us.

ITEM 3. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported within the periods specified in the rules and forms of the SEC. This information is accumulated and communicated to our executive officers to allow timely decisions regarding required disclosure. As of December 31, 2007, our Chief Executive Officer, who acts in the capacity of principal executive officer and our Chief Accounting Officer who acts in the capacity of principal financial officer, have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2007, based on their evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 and 15d-15. See below with respect to actions taken to address these issues.

INTERNAL CONTROLS

Internal controls are procedures which are designed with the objective of providing reasonable assurance that our transactions are properly authorized, recorded and reported and our assets are safeguarded against unauthorized or improper use, to permit the preparation of our financial statements in conformity with generally accepted accounting principles, including all applicable SEC regulations.

As of December 31, 2007, we had identified certain matters that constituted material weaknesses in our internal controls over financial reporting. Pursuant to the closing of the Phase I Acquisitions on December 20, 2007, we acquired four businesses with distinctly separate internal control structures. These internal control structures must be combined and streamlined to correct existing material weaknesses including lack of segregation of duties, inadequate internal accounting information systems and limited qualified accounting staff. Accordingly our systems and personnel are insufficient to support the complexity of our financial reporting requirements. Since December 31, 2007, we have taken certain steps to correct these material weaknesses that include hiring an additional Certified Public Accountant with public company reporting experience to assist in day to day accounting functions, executing plans to implement a single unified Accounting Information Technology Solution, engaging a regional CPA firm to assist with tax compliance and planning, engaging a regional CPA firm to assist in the implementation of a single, scalable internal control structure that meets the requirements of Sarbanes-Oxley, and engaging a firm to act as advisors in accounting for complex transactions. Although we believe that these steps will result in significant improvements to our internal controls and expect to correct our material weaknesses, additional time is still required to fully document our systems, implement control procedures and test their operating effectiveness.

We believe that our internal controls risks are partially mitigated by the fact that our Chief Executive Officer and Chief Accounting Officer review and approve substantially all of our major transactions and we have hired outside experts to assist us with implementing complex accounting principles. We believe that our weakness in internal control over financial reporting and our disclosure controls relate primarily to the fact that we are an emerging business with limited personnel. Our Chief Accounting Officer was our only employee with

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are currently not subject to any material legal proceedings.

ITEM 6. EXHIBITS

3.1 Amended and Restated Articles of Incorporation of Suncrest Global Energy Corp.

31.1 Principal Executive Officer Certification

31.2 Principal Financial Officer Certification

32.1 Section 1350 Certification

32.2 Section 1350 Certification

99.1 Employment Agreement — Thomas O. Bell

99.2 Employment Agreement — Christopher P. O'Bryan

99.3 Employment Agreement — Michael T. Haun

99.4 Employment Agreement — Kenneth E. Kerr

99.5 Employment Agreement — Robert R. Mohr

99.6 Employment Agreement — Richard C. Mills

99.7 Employment Agreement — Homer A. Wicke

99.8 Employment Agreement — Bruce Widener

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Beacon Enterprise Solutions Group, Inc.

Date: February 19, 2008

By: */s/ Bruce Widener*

Bruce Widener
Chief Executive Officer and
Chairman of the Board of Directors

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, Bruce Widener, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Beacon Enterprise Solutions Group, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report.
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

/s/ Bruce Widener

Date: February 19, 2008

Bruce Widener
Principal Executive Officer

PRINCIPAL FINANCIAL OFFICER CERTIFICATION

I, Robert R. Mohr, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Beacon Enterprise Solutions Group, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report.
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

/s/ Robert R. Mohr

Date: February 19, 2008

Robert R. Mohr
Principal Financial Officer

Beacon Enterprise Solutions Group, Inc.

CERTIFICATION OF PERIODIC REPORT

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
18 U.S.C. Section 1350

The undersigned executive officer of Beacon Enterprise Solutions Group, Inc. (the "Company") certifies pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- the quarterly report on Form 10-QSB of the Company for the quarter ended December 31, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bruce Widener

Bruce Widener
Principal Executive Officer

Date: February 19, 2008

Beacon Enterprise Solutions Group, Inc.

CERTIFICATION OF PERIODIC REPORT

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
18 U.S.C. Section 1350

The undersigned executive officer of Beacon Enterprise Solutions Group, Inc. (the "Company") certifies pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- the quarterly report on Form 10-QSB of the Company for the quarter ended December 31, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert R. Mohr

Date: February 19, 2008

Robert R. Mohr
Principal Financial Officer

EXHIBIT 3.1

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
SUNCREST GLOBAL ENERGY CORP.

Suncrest Global Energy Corp., a Nevada corporation (the "Corporation"), does hereby certify that:

First: The original articles of incorporation of the Corporation were filed with the Secretary of State of Nevada on May 22, 2000 (the "Original Articles of Incorporation").

Second: The Board of Directors of the Corporation by unanimous written consent dated as of January 8, 2008, adopted resolutions setting forth the proposed amendments to the Original Articles of Incorporation, recommended the adoption of the resolutions by the stockholders and called for the submission of such amendments to the stockholders of the Corporation for their consideration.

Third: Thereafter, pursuant to Section 78.320 of the Nevada Private Corporations Law (the "NPCL") written consents dated as of January 15, 2008 approving the amendments set forth below were signed by holders of outstanding voting stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting on such date at which all shares entitled to vote thereon were present and voted.

Fourth: The amendments were duly adopted by the stockholders in accordance with the NPCL.

Fifth: The Original Articles of Incorporation of the Corporation are hereby amended and restated to read as follows:

ARTICLE I
NAME OF CORPORATION

Effective as of the date of the filing of these Amended and Restated Articles of Incorporation, the Corporation's name shall be "Beacon Enterprise Solutions Group, Inc."

ARTICLE II
AUTHORIZED CAPITAL STOCK

A. Classes of Stock. The aggregate number of shares the Corporation shall have authority to issue shall be 70,000,000 shares of Common Stock, par value \$0.001 per share ("Common Stock"), and 4,500 shares of Preferred Stock, designated Series A Convertible Preferred Stock, par value \$0.01 per share ("Series A Preferred Stock"). The previously authorized but unissued Preferred Stock of the Corporation existing prior hereto, shall be cancelled and of no further force and effect.

B. Series A Preferred Stock.

1. Voting Rights.

a. The holders of the shares of Series A Preferred Stock and the holders of the Corporation's shares of Common Stock (the "Common Stock") shall be entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Corporation and shall be entitled to the number of votes equal to the number of shares of whole Common Stock into which such shares of Series A Preferred Stock are convertible pursuant to the provisions hereof, at the record date for the determination of stockholders entitled to vote on such matters or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. In each such case, except as otherwise required by law or expressly provided in Section 1(b) herein, the holders of shares of Series A Preferred Stock and Common Stock shall vote together and not as separate classes. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Common Stock into which shares of Series A Preferred Stock held by each holder could be converted) shall be rounded down to the nearest whole number.

b. So long as twenty-five (25%) percent of the shares of Series A Preferred Stock originally issued by the Corporation remains outstanding (as appropriately adjusted for any recapitalization, stock combinations, stock dividends, stock splits or similar events occurring after the original issuance date of any shares of Series A Preferred Stock, the Corporation will not, directly or indirectly, including without limitation through merger, consolidation or otherwise, without the affirmative vote or written consent of the holders of more than fifty percent (50%) of the then outstanding shares of Series A Preferred Stock, voting as a separate class, given in writing or by resolution adopted at a duly called meeting of the holders:

(i) Declare or pay any dividends on any shares of Common Stock, or other securities of the Corporation without first paying in full, in addition to the Series A Preferred Stock Dividend (as defined in Section 8 below) accrued and unpaid through and including such date, the amount which the holders of Series A Preferred Stock would have received had the Series A Preferred Stock been converted for shares of Common Stock at the then applicable Conversion Price (as defined in Section 3(c) below); or

(ii) Directly and/or indirectly, designate, issue, create or otherwise permit to exist, any additional share of preferred stock or other securities, including secured debt, of the Corporation which, as to the payment of dividends, distribution of assets, redemptions, voting, interest payments, liquidation payments and/or any other type of payment or right, including, without limitation, distributions to be made upon the liquidation, dissolution or winding up of the Corporation, or upon the merger, Change of Control, consolidation or sale of the assets thereof, is directly and/or indirectly senior to and/or pari passu with the Series A Preferred Stock.

(iii) Directly and/or indirectly create, incur or assume any liability or indebtedness for borrowed money (collectively, "New Debt"), unless, after the creation, incurrence or assumption of such New Debt, the Corporation shall have an EBITDA Debt Service Coverage Ratio, calculated on a pro forma trailing twelve (12) month basis that is

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greater than or equal to two (2). For the purpose of this Section 1(b)(iii), "EBITDA" means in any fiscal period, the Corporation's net income or net loss (other than extraordinary or non-recurring items of the Corporation for such period), plus (i) the amount of all interest expense, income tax expense, depreciation expense and amortization expense of the Corporation for such period, and plus or minus (as the case may be) (ii) any other non-cash charges which have been added or subtracted, as the case may be, in calculating the Corporation's net income for such period. If the Corporation's accounting is prepared on a consolidated basis, EBITDA shall be calculated on a consolidated basis. For the purpose of this Section 1(b)(iii), "Debt Service" means, as of the last day of each fiscal quarter of the Corporation, on a consolidated basis, principal due within twelve (12) months after such day, and interest on any indebtedness for the current fiscal quarter calculated on an annualized basis. For purposes of this Section 1(b)(iii) "EBITDA Debt Service Coverage Ratio" means EBITDA divided by Debt Service.

2. Value of Shares.

a. The stated value of each share of Series A Preferred Stock is equal to One Thousand Dollars (\$1,000).

3. Conversion of Shares. Shares of Series A Preferred Stock shall be convertible into Common Stock on the terms and conditions set forth in this Section 3. The term "Conversion Shares" shall mean the shares of Common Stock issuable upon conversion of the shares of Series A Preferred Stock. The Corporation shall not issue any fractional shares of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fractional Common Stock. If, after the aforementioned aggregation, the issuance would result in the issuance of a fractional share of Common Stock, the Corporation shall, in lieu of issuing such fractional share, issue one whole share of Common Stock to the holder thereof. The Corporation shall pay any and all taxes that may be payable with respect to

the issuance and delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock unless such taxes result from the issuance of shares of Common Stock upon conversion to a person other than the holder.

a. **Optional Conversion.** With respect to each share of Series A Preferred Stock, at any time or times on or after the date of issuance of such shares of Series A Preferred Stock, any holder shall be entitled to convert all or a portion of such holder's shares of Series A Preferred Stock into fully paid and non-assessable shares of Common Stock (each an "Optional Conversion"), in accordance with this Section 3(a), Section 3(c) and Section 3(d).

b. **Mandatory Conversion.** Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price (the "Mandatory Conversion"), in accordance with this Section 3(b), Section 3(c) and Section 3(d), upon the earlier of:

(i) the closing of an underwritten, firm commitment public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offer and sale of shares of Common

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Stock for the account of the Corporation resulting in gross proceeds to the Corporation of not less than \$20,000,000 (a "Qualified Secondary Offering"); provided that the shares of Common Stock issuable upon the conversion of the shares of Series A Preferred Stock (the "Conversion Shares") are (I) trading or are quoted (as the case may be), on the Bulletin Board, NASDAQ, AMEX or the NYSE (any of which shall hereinafter be referred to as an "Eligible Trading Medium"), and (II) registered under the Securities Act for resale without any selling limitations and/or restrictions longer than 180 days following the closing date of the Qualifying Secondary Offering; or

(ii) the date upon which the shares of Common Stock have for 20 consecutive trading days (A) closed at a price equal to not less than 250% the then Conversion Price, (B) averaged (I) not less than 200,000 shares per day in volume and (II) there is an effective resale registration statement covering the resale of the Conversion Shares and the Conversion Shares have no direct and/or indirect selling limitations and/or restrictions, and (III) the Conversion Shares are traded and/or quoted on an Eligible Trading Medium; (the "Mandatory Conversion Date").

c. **Conversion Price.** Subject to anti-dilution adjustment as provided in Section 3(e), upon an Optional Conversion pursuant to Section 3(a) or a Mandatory Conversion pursuant to Section 3(b), the conversion price (the "Conversion Price") of each share of Series A Preferred Stock shall equal \$0.75. Upon a conversion pursuant to Section 3(a) or Section 3(b), all accrued and unpaid dividends on the shares of Series A Preferred Stock through the date of conversion shall be paid in additional shares of Common Stock as if such dividends had been paid in additional shares of Series A Preferred Stock rounded up to the nearest whole number, and then automatically converted into additional shares of Common Stock in accordance with and pursuant to the terms set forth herein. Each share of Series A Preferred Stock will convert into that number of shares of Common Stock determined by dividing the Stated Value by the Conversion Price, as adjusted at the time of conversion.

d. **Mechanics of Conversion.**

(i) To convert shares of Series A Preferred Stock into Conversion Shares pursuant to Section 3(a) on any date, the holder thereof shall (i) transmit by facsimile (or otherwise deliver), for receipt on or prior to 11:59 p.m. Eastern Time on such date, a copy of an executed notice of conversion (the "Optional Conversion Notice") to the Corporation, and (ii) surrender to a common carrier for delivery to the Corporation within three (3) business days of such date the Series A Preferred Stock Certificates (as hereinafter defined) representing the shares of Series A Preferred Stock being converted (or an indemnification undertaking with respect to such shares in the case of their loss, theft or destruction). The term "Series A Preferred Stock Certificates" shall mean the original certificates representing the shares of Series A Preferred Stock.

(ii) Shares of Series A Preferred Stock converted

pursuant to Section 3(b) shall be deemed to be converted as of the Mandatory Conversion Date notwithstanding the date on which the Series A Preferred Stock Certificates representing the shares of Series A Preferred Stock being converted (or an indemnification undertaking with respect to such shares in the case of their loss, theft or destruction), are submitted to the

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Corporation in connection with such conversion, and such Series A Preferred Stock Certificates shall be deemed to represent the right to receive Conversion Shares. To receive Conversion Shares subsequent to a Mandatory Conversion, each holder shall (i) transmit by facsimile (or otherwise deliver) a copy of an executed notice of conversion (the "Mandatory Conversion Notice") to the Corporation, and (ii) surrender to a common carrier for delivery to the Corporation within three (3) business days of such facsimile transmission or delivery such holder's shares of Series A Preferred Stock Certificates.

(iii) On or before the third (3rd) Business Day following the date of receipt of a fully executed and completed Optional Conversion Notice or Mandatory Conversion Notice (each a "Conversion Notice"), the Corporation shall (x) issue and deliver to the address as specified in the Conversion Notice, a certificate, registered in the name of the holder or its designee, for the number of shares of Common Stock to which the holder shall be entitled, or (y) provided that the Conversion Shares have been registered under the Securities Act, upon the request of a holder, credit such aggregate number of shares of Common Stock to which the holder shall be entitled to such holder's or its designee's balance account with the Depository Trust Corporation through its Deposit Withdrawal Agent Commission system. If the number of shares of Series A Preferred Stock represented by the Series A Preferred Stock Certificate(s) submitted for conversion pursuant to Section 3(d)(i) is greater than the number of shares of Series A Preferred Stock being converted, then the Corporation shall, as soon as practicable and in no event later than three (3) business days after receipt of the Series A Preferred Stock Certificate(s) and at its own expense, issue and deliver to the holder thereof a new Series A Preferred Stock certificate representing the number of shares of Series A Preferred Stock not converted. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion of shares of Series A Preferred Stock shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the applicable conversion date.

e. Anti-Dilution Provisions. The Conversion Price in effect at any time and the number and kind of securities issuable upon conversion of the shares of Series A Preferred Stock shall be subject to adjustment from time to time upon the happening of certain events as follows:

(i) Adjustment for Stock Splits and Combinations. If the Corporation at any time or from time to time on or after the Original Issuance Date effects a subdivision of the outstanding shares of Common Stock, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased, and conversely, if the Corporation at any time or from time to time on or after the Original Issuance Date combines the outstanding shares of Common Stock into a smaller number of shares, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 3(e)(i) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(ii) Adjustment for Certain Dividends and Distributions. If the Corporation at any time or from time to time on or after the Original Issuance Date makes or fixes a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and

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in each such event the Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction (1) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date and (2) the denominator of

which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section 3(e)(ii) as of the time of actual payment of such dividends or distributions.

(iii) Adjustments for Other Dividends and Distributions.

In the event the Corporation at any time or from time to time on or after the Original Issuance Date makes, or fixes a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then and in each such event provision shall be made so that the holders of shares of Series A Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation which they would have received had their shares of Series A Preferred Stock been converted into shares of Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 3(e) with respect to the rights of the holders of the shares of Series A Preferred Stock.

(iv) Adjustment for Reclassification, Exchange and

Substitution. In the event that at any time or from time to time on or after the Original Issuance Date, the shares of Common Stock issuable upon the conversion of the shares of Series A Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets, provided for elsewhere in this Section 3(e)), then and in any such event each holder of shares of Series A Preferred Stock shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change, by holders of the maximum number of shares of Common Stock into which such shares of Series A Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein.

(v) Reorganizations, Mergers, Consolidations or Sales of

Assets. If at any time or from time to time on or after the Original Issuance Date there is a capital reorganization of the shares of Common Stock (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 3(e)) or a merger or consolidation of the Corporation with or into another corporation, or the sale of all

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or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the shares of Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the shares of Series A Preferred Stock the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3(e) with respect to the rights of the holders of the shares of Series A Preferred Stock after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 3(e) (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the shares of Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as is practicable.

(vi) Sale of Shares Below Conversion Price.

(A) If at any time or from time to time following the Original Issuance Date but prior to an event triggering a Mandatory Conversion pursuant to Section 3(b) hereof, the Corporation issues or sells, or is deemed by the express provisions of this Section 3(e)(vi) to have issued or sold, shares of Additional Common Stock (as hereinafter defined), other than as a dividend or other distribution on any class of stock and other than upon a subdivision or combination of shares of Common Stock, in either case as provided in Section 3(e)(i) above, for an Effective Price (as hereinafter defined) less than the then existing Conversion Price, then and in each such case the then existing Conversion Price shall be reduced, as of the opening of business on the date of such issue or sale, to a price equal to the Effective Price for such shares of Additional Common Stock.

(B) For the purpose of making any adjustment required under Section 3(e)(vi), the consideration received by the Corporation for any issue or sale of securities shall (I) to the extent it consists of cash be computed at the amount of cash received by the Corporation, (II) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board, (III) if shares of Additional Common Stock, Convertible Securities (as hereinafter defined) or rights or options to purchase either shares of Additional Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Corporation for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such shares of Additional Common Stock, Convertible Securities or rights or options, and (IV) be computed after reduction for all expenses payable by the Corporation in connection with such issue or sale.

(C) For the purpose of the adjustment required under Section 3(e)(vi), if the Corporation issues or sells any rights, warrants or options for the purchase of, or shares or other securities convertible into or exchangeable for, shares of Additional Common Stock (such convertible or exchangeable shares or securities being hereinafter referred to as "Convertible Securities") and if the Effective Price of such shares of Additional Common Stock is less than the Conversion Price then in effect, then in each case the Corporation shall be deemed to have issued at the time of the issuance of such rights, warrants, options or Convertible Securities the maximum number of shares of Additional Common Stock issuable upon exercise,

conversion or exchange thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Corporation for the issuance of such rights, warrants, options or Convertible Securities, plus, in the case of such rights, warrants or options, the minimum amounts of consideration, if any, payable to the Corporation upon the exercise of such rights, warrants or options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion or exchange thereof. No further adjustment of the Conversion Price, adjusted upon the issuance of such rights, warrants, options or Convertible Securities, shall be made as a result of the actual issuance of shares of Additional Common Stock on the exercise of any such rights, warrants or options or the conversion or exchange of any such Convertible Securities. If any such rights or options or the conversion or exchange privilege represented by any such Convertible Securities shall expire without having been exercised, the Conversion Price adjusted upon the issuance of such rights, warrants, options or Convertible Securities shall be readjusted to the Conversion Price which would have been in effect had an adjustment been made on the basis that the only shares of Additional Common Stock so issued were the shares of Additional Common Stock, if any, actually issued or sold on the exercise of such rights, warrants, or options or rights of conversion or exchange of such Convertible Securities, and such shares of Additional Common Stock, if any, were issued or sold for the consideration actually received by the Corporation upon such exercise, plus the consideration, if any, actually received by the Corporation for the granting of all such rights, warrants, or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted or exchanged, plus the consideration, if any, actually received by the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion or

exchange of such Convertible Securities.

(D) For the purpose of the adjustment required under Section 3(e)(vi), if the Corporation issues or sells, or is deemed by the express provisions of this Section 3(e) to have issued or sold, any rights or options for the purchase of Convertible Securities and if the Effective Price of the shares of Additional Common Stock underlying such Convertible Securities is less than the Conversion Price then in effect, then in each such case the Corporation shall be deemed to have issued at the time of the issuance of such rights or options the maximum number of shares of Additional Common Stock issuable upon conversion or exchange of the total amount of Convertible Securities covered by such rights or options and to have received as consideration for the issuance of such shares of Additional Common Stock an amount equal to the amount of consideration, if any, received by the Corporation for the issuance of such rights, warrants or options, plus the minimum amounts of consideration, if any, payable to the Corporation upon the exercise of such rights, warrants or options, plus the minimum amount of consideration, if any, payable to the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion or exchange of such Convertible Securities. No further adjustment of the Conversion Price, adjusted upon the issuance of such rights, warrants or options, shall be made as a result of the actual issuance of the Convertible Securities upon the exercise of such rights, warrants or options or upon the actual issuance of shares of Additional Common Stock upon the conversion or exchange of such Convertible Securities. The provisions of paragraph (C) above for the readjustment of the Conversion Price upon the expiration of rights, warrants or options or the

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rights of conversion or exchange of Convertible Securities shall apply mutatis mutandis to the rights, warrants options and Convertible Securities referred to in this paragraph (D).

(E) "Additional Common Stock" shall mean all shares of Common Stock issued by the Corporation on or after the Original Issuance Date, whether or not subsequently reacquired or retired by the Corporation, other than (I) the Conversion Shares, (II) shares of Common Stock issuable upon exercise of warrants ("Warrants") issued in connection with the sale of the shares of Series A Preferred Stock, (III) shares of Common Stock issuable upon exercise of warrants, options and convertible securities outstanding as of the Original Issuance Date (provided that the terms of such warrants, options and convertible securities are not modified after the Original Issuance Date to adjust the exercise price other than pursuant to anti-dilution provisions), (IV) shares of Common Stock issued to employees of the Corporation or any Subsidiary pursuant to stock option plans or other arrangements approved by the Board or pursuant to guidelines approved by the Board or upon exercise of options or warrants granted to such parties pursuant to any such plan or arrangement, (V) shares of Common Stock issued in connection with acquisitions (including, but not limited to, the Phase I Acquisitions as defined in the Private Placement Memorandum dated October 19, 2007), mergers, joint ventures and other similar transactions approved by the Board, (VI) shares of Common Stock issued pursuant to any event for which adjustment is made to the Conversion Price under Section 3(e) hereof or to the exercise price under the anti-dilution provisions of any warrants outstanding as of the Original Issuance Date or the Warrants, (VII) shares of Common Stock issued or issuable to customers, suppliers or other strategic partners provided that such issuance is approved by the Board, (VIII) shares of Common Stock issued or issuable to banks, equipment lessors or other financial institutions pursuant to a commercial leasing or debt financing transaction approved by the Board, (IX) any other issuance of securities approved by an affirmative vote or written consent of the holders of more than fifty percent (50%) of the then outstanding shares of Series A Preferred Stock. The "Effective Price" of shares of Additional Common Stock shall mean the quotient determined by dividing the total number of shares of Additional Common Stock issued or sold, or deemed to have been issued or sold by the Corporation under this Section 3(e)(vi), into the aggregate consideration received, or deemed to have been received, by the Corporation for such issue under this Section 3(e)(vi), for such shares of Additional Common Stock. "Fair Market Value" shall mean as of any date (i) if the shares of Common Stock are listed on a national securities exchange, the average of the closing prices as reported for composite transactions during the twenty (20) consecutive trading days preceding the trading day immediately prior to such date or, if no

sale occurred on a trading day, then the mean between the closing bid and asked prices on such exchange on such trading day; (ii) if shares of Common Stock are not so listed but are traded on the NASDAQ, the average of the closing prices as reported on the NASDAQ during the twenty (20) consecutive trading days preceding the trading day immediately prior to such date or, if no sale occurred on a trading day, then the mean between the highest bid and lowest asked prices as of the close of business on such trading day, as reported on the NASDAQ; or if not then included for quotation on the NASDAQ, the average of the highest reported bid and lowest reported asked prices as reported by the OTC Bulletin Board, as the case may be, or (iii) if the shares of Common Stock are not then publicly traded, the fair market price, not less than book value thereof, of the shares of Common Stock as determined in good faith by the Board.

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(F) Other than a reduction pursuant to its applicable anti-dilution provisions, any reduction in the Conversion Price of any Convertible Securities, whether outstanding on the Original Issuance Date or thereafter, or the price of any option, warrant or right to purchase shares of Common Stock or any Convertible Security (whether such option, warrant or right is outstanding on the Original Issuance Date or thereafter), to an Effective Price less than the current Conversion Price, shall be deemed to be an issuance of such Convertible Security and all such options, warrants or rights at such Effective Price, and the provisions of Sections 3(e)(vi)(C), (D) and (E) shall apply thereto *mutatis mutandis*.

(G) Any time an adjustment is made to the Conversion Price pursuant to Section 3(e), a corresponding proportionate change shall be made to the number of shares of Common Stock issuable upon conversion of each share of Series A Preferred Stock.

f. No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the shares of Series A Preferred Stock against impairment.

g. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 3, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of shares of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of shares of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the shares of Series A Preferred Stock.

h. Status of Converted Shares. In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 3 hereof, the shares of Series A Preferred Stock so converted shall be canceled and shall not be reissued as shares of Series A Preferred Stock.

i. Stock Purchase Rights. If at any time or from time to time, the Corporation grants or issues to the record holders of the shares of Common Stock any options, warrants or rights (collectively, "Stock Purchase Rights") entitling any holder of shares of Common Stock to purchase shares of Common Stock or any security convertible into or exchangeable for shares of Common Stock or to purchase any other stock or securities of the Corporation, the holders of shares of Series A Preferred Stock shall be entitled to acquire, upon the terms applicable to such Stock Purchase Rights, the aggregate Stock Purchase Rights which

such holders of shares of Series A Preferred Stock could have acquired if they had been the record holder of the maximum number of shares of Common Stock issuable upon conversion of their shares of Series A Preferred Stock on both (x) the record date for such grant or issuance of such Stock Purchase Rights, and (y) the date of the grant or issuance of such Stock Purchase Rights.

4. Assumption and Provision Upon Organic Change. Prior to the consummation of any Organic Change (as defined below), the Corporation shall make appropriate provision to ensure that each of the holders of the shares of Series A Preferred Stock will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's shares of Series A Preferred Stock such shares of stock, securities or assets that would have been issued or payable in such Organic Change with respect to or in exchange for the number of shares of Common Stock which would have been acquirable and receivable upon the conversion of such holder's shares of Series A Preferred Stock into shares of Common Stock immediately prior to such Organic Change. The following shall constitute an "Organic Change:" any recapitalization, reorganization, reclassification, consolidation or merger, sale of all or substantially all of the Corporation's assets to another Person or other transaction which is effected in such a way that holders of shares of Common Stock are entitled to receive (either directly or upon subsequent liquidation) shares, securities or assets with respect to or in exchange for shares of Common Stock.

5. Reservation of Authorized Shares. The Corporation shall, so long as any of the shares of Series A Preferred Stock are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock, 100% of such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all of the shares of Series A Preferred Stock then outstanding.

6. Liquidation, Dissolution, Winding-Up. In the event of any Liquidation (as defined below) of the Corporation, the holders of the shares of Series A Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution therefrom (the "Liquidation Funds") on a pro rata basis, before any amount shall be paid to the holders of any of the capital stock of the Corporation of any class junior in rank to the shares of Series A Preferred Stock in respect of the preferences as to the distributions and payments on a Liquidation of the Corporation, an amount per share of Series A Preferred Stock equal to the product of (i) 125% and (ii) the sum of (a) the Stated Value of all shares of Series A Preferred Stock then outstanding and (b) all dividends, if any, which have accrued or are payable under Section 8 hereof, but have not been paid and received by the holders of the shares of Series A Preferred Stock, up to and including the date full payment is tendered to the holder of such share of Series A Preferred Stock with respect to such Liquidation (collectively, the "Non Change of Control Liquidation Preference"); provided, however, that notwithstanding anything to the contrary provided herein or elsewhere, in the event that a Liquidation is caused as a result of a Change of Control (as defined below), each holder of shares of Series A Preferred Stock shall be entitled to receive in addition to the Non Change of Control Liquidation Preference, such additional amounts that each such holder would have received in the Liquidation, had it converted its shares of Series A Preferred Stock into shares of Common Stock immediately prior

to the Liquidation. If, upon any Liquidation, the Liquidation Funds are insufficient to pay, issue or deliver the full amount due to the holders of shares of Series A Preferred Stock, then each holder of shares of Series A Preferred Stock shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such holder as a liquidation preference, as a percentage of the full amount of Liquidation Funds payable to all holders of shares of Series A Preferred Stock. No holder of shares of Series A Preferred Stock shall be entitled to receive any amounts with respect thereto upon any Liquidation other than the amounts provided for herein; provided that a holder of shares of Series A Preferred Stock shall be entitled to all amounts previously accrued with respect to amounts owed hereunder. The form of consideration in which the Liquidation Preference is to be paid to the holders of the shares of Series A Preferred Stock as provided in this Section (6) shall

be the form of consideration received by the Corporation or the other holders of the Corporation's capital stock, as the case may be.

"Liquidation" means any of the following: (i) any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, (ii) filing for bankruptcy pursuant to applicable federal and/or state laws, (iii) any actions that directly and/or indirectly are construed as steps in taking the Corporation private, including, but not limited to, failure to file SEC Reports in a timely fashion, the Corporation, any affiliate of the Corporation and/or any person at the direct and/or indirect request of the Corporation buying shares of issued and outstanding Corporation Stock, of the filing of a Form 15, the shares of Common Stock no longer are eligible for quotation on the NASD Bulletin Board, the Corporation's Board of Directors and/or shareholders meeting and/or through resolutions, adopts or calls a meeting authorizing the Corporation to undertake any of the above such actions ("Going Private Actions"), or (iv) any Change of Control.

"Change of Control" means (i) a change in the voting control of the Corporation such that any one person, entity or "group" (as contemplated by Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended) acquires from the Corporation in one or more, including a series of, transactions the right to cast greater than 50% of votes eligible to be cast by all holders of capital stock of the Corporation in the election of directors of the Corporation, provided that such transaction is approved by the Board or (ii) any merger or consolidation of the Corporation with or into another entity or any sale of all or substantially all of the assets of the Corporation.

7. Preferred Rank. All shares of Common Stock shall be of junior rank to all shares of Series A Preferred Stock in all respects as to the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Corporation. The rights of the shares of Common Stock shall be subject to the preferences and relative rights of the shares of Series A Preferred Stock. For so long as any shares of Series A Preferred Stock remain outstanding, the Corporation shall not, without the express written consent of holders owning no less than a majority of the aggregate Stated Value of the then issued and outstanding shares of Series A Preferred Stock (a) create or authorize any other class or series of capital stock, ranking pari passu and/or senior in any respect to the shares of Series A Preferred Stock, or (b) issue any indebtedness ranking pari passu and/or senior in respect to the shares of Series A Preferred Stock.

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8. Dividends; Participation. Each share of Series A Preferred Stock shall accrue and be paid a dividend at the rate of ten (10%) percent per annum of the Stated Value, payable quarterly in arrears on January 1st, April 1st, July 1st and October 1st of each year and for such whole year (or portion thereof) that such share of Series A Preferred Stock is issued and outstanding (the "Series A Preferred Stock Dividend") beginning on the date each such share of Series A Preferred Stock is issued (including upon issuance as a stock dividend). The dividend payments shall be made in either cash or at the option of the Corporation through the issuance of additional shares of Series A Preferred Stock in such amount of shares of Series A Preferred Stock equal to the quotient of (i) the dividend amount payment then due, divided by (ii) the Stated Value of a share of Series A Preferred Stock

9. Vote to Issue, or Change the Terms of shares of Series A Preferred Stock. The affirmative vote of the holders owning not less than a majority of the aggregate Stated Value of the then issued and outstanding shares of Series A Preferred Stock at a meeting duly called for such purpose, or by the written consent without a meeting of the holders of not less than a majority of the then outstanding shares of Series A Preferred Stock shall be required for any direct and/or indirect (i) Going Private Actions, (ii) Liquidation, and/or (iii) any amendment to the Corporation's Articles of Incorporation or Bylaws which would directly and/or indirectly amend, alter, change, repeal or otherwise adversely affect any of the powers, designations, preferences and rights of the shares of Series A Preferred Stock.

10. Lost or Stolen Certificates. Upon receipt by the Corporation of evidence reasonably satisfactory to the Corporation of the loss, theft, destruction or mutilation of any shares of Series A Preferred Stock Certificates representing the shares of Series A Preferred Stock, and, in the case of loss,

theft or destruction, of any indemnification undertaking by the holder to the Corporation in customary form and, in the case of mutilation, upon surrender and cancellation of the shares of Series A Preferred Stock Certificate(s), the Corporation shall execute and deliver new preferred share certificate(s) of like tenor and date.

11. Notices. Whenever notice is required to be given hereunder, unless otherwise provided herein, such notice shall be given in writing and will be mailed by certified mail, return receipt requested, or delivered against receipt to the party to whom it is to be given (a) if to the Corporation, at the Corporation's executive offices or (b) if to a holder, at the address set forth on Corporation's books and records.

ARTICLE III REGISTERED OFFICERS; REGISTERED AGENT

The address of the registered office of the Corporation is 6100 Neil Road, Suite 500, Reno, Nevada and the name of its registered agent at such address is Corporation Trust Company of Nevada.

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ARTICLE IV DIRECTORS

The members of the governing board of the Corporation shall be known as directors, and the number of directors may from time to time be increased or decreased in such manner as shall be provided by the bylaws of the Corporation, provided that the number of directors shall not be reduced to less than one (1).

ARTICLE V INDEMNIFICATION

Each director and each officer of the Corporation may be indemnified by the corporation as follows:

A. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of the Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with the action, suit or proceeding, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding, by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent does not itself create a presumption that the person did not act in good faith and in a manner in which he reasonably believed to be in or not opposed to the best interests of the Corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was lawful.

B. The Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Corporation, to procure a judgment in its favor by reason of the fact that he was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer employee or agent of the corporation, partnership, joint venture, trust or other enterprise, against expenses including amounts paid in settlement and attorney's fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the Corporation or for amounts paid in settlement to the Corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view

of all the circumstances of the case the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

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C. To the extent that a director, officer or employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (A) and (B) of this Article VI, or in defense of any claim, issue or matter therein, he must be indemnified by the Corporation against expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense.

D. Any indemnification under subsection (A) and (B) unless ordered by a court or advanced pursuant to subsection (E), must be made by the Corporation only as authorized in the specific case upon determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

(i) By the stockholders;

(ii) By the Board of Directors by majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding;

(iii) If a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(iv) If a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

E. Expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation. The provision of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

F. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this subsection:

(i) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the certificate or Articles of Incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity while holding his office, except that indemnification, unless ordered by a court pursuant to subsection (b) or for the advancement of expenses made pursuant to subsection (e) may not be made to or on behalf of any director or officer if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause action.

(ii) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrator of such a person.

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ARTICLE VI GENERAL

A. The board of directors shall have the power and authority to make and alter, or amend, the bylaws, to fix the amount in cash or otherwise to be reserved as working capital, and to authorize and cause to be executed the mortgages and liens upon the property and franchises of the Corporation.

B. The board of directors shall, from time to time, determine whether, and to what extent, and at which times and places, and under what conditions and

regulations, the accounts and books of this Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have the right to inspect any account, book or document of this Corporation except as conferred by the Statutes of Nevada, or authorized by the directors or any resolution of the stockholders.

C. No sale, reconveyance, transfer, exchange or other disposition of all or substantially all of the property and assets of the Corporation shall be made unless approved by the vote or written consent of the stockholders entitled to exercise two-thirds (2/3) of the voting power of the Corporation.

D. The stockholders and directors shall have the power to hold their meetings, and keep the books, documents and papers of the Corporation outside of the State of Nevada, and at such place as may from time to time be designated by the bylaws or by resolution of the board of directors or stockholders, except as otherwise required by the laws of the State of Nevada.

SUNCREST GLOBAL ENERGY CORP.,
a Nevada corporation

By: /s/ Bruce Widener

Bruce Widener
Chief Executive Officer

Exhibit 99.1

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Thomas O. Bell ("Executive").

WHEREAS, pursuant to that certain Agreement and Plan of Merger dated as of October 15, 2007 (the "Purchase Agreement"), among the Company and the stockholders of Bell-Haun Systems, Inc., the Company acquired all of the capital stock of Bell-Haun Systems, Inc. through a wholly-owned subsidiary of the Company; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as the Regional Business Development Director of the Company with responsibility for business retention and community relations. Executive will render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Columbus, Ohio or its environs (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay to the Executive salary in the annual amount of \$100,000.00, payable at a rate equal to \$8,333 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will be eligible for an salary review by the Company and the Salary may be adjusted upward by the Company based on the achievement of performance goals.

EXECUTIVE EMPLOYMENT AGREEMENT

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will commence on the Closing Date (as defined in the Purchase Agreement) and continue until December 31, 2009, and may be further extended by the mutual consent of Executive and the Company, unless terminated by the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environment that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a

reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the one year period following the Termination Date (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued, but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation

time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment

relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner be connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere in Ohio; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but

without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

(b) Non-Solicitation. During his employment with the Company and for one year thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to

induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

(c) Consideration for Non-compete and Non-solicitation. Company agrees that it shall pay Executive for these covenants in the total amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) payable as follows: Twenty Five Thousand and 00/100 Dollars (\$25,000.00) at Closing and Twelve Thousand Five Hundred and 00/100 Dollars (\$12,500.00) in month nineteen of the Employment Period and Twelve Thousand Five Hundred and 00/100 Dollars (\$12,500.00) in month twenty-four of the Employment Period (i.e. the end of the Employment Period). Company agrees that the right to the payments identified in this Section are contingent upon the observance of the covenants set forth in Sections 7(a) and 7(b) hereof and are independent of, and unconnected in any way with any salary or severance payment that may be made by Company hereunder and the payments referred to in this Section shall be made by Company regardless of whether Executive is employed with Company. Company shall make such payments directly to Employee along with a 1099 (or similar) reporting format. The Executive shall remit all payments made under this Section 7(c) to the Company in the event of any breach or violation by Executive of the covenants set forth in Sections 7(a) and 7(b) during the Restricted Period.

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7

or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8

hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period for a period of eighteen (18) months. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a). "Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company,

partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Thomas O. Bell
6900 Stillwater Cove
Westerville, Ohio 43082

with a copy (which will not constitute notice to the Executive) to:

Taft Stettinius & Hollister
21 East State Street Suite 1200
Columbus, Ohio 43215
Attn: Diane D. Reynolds

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS
GROUP, INC.

By: _____
Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Thomas O. Bell

Signature Page to
Executive Employment Agreement

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Thomas O. Bell ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) intentionally deleted; (x) the Occupational Safety and Health Act, as amended; (xi) intentionally deleted; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under the Agreement and Plan of Merger, dated October 15, 2007, by and between the Company and inter alia, the shareholders of Bell-Haun Systems, Inc. (the "BHS Merger Agreement"), any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the BHS Merger Agreement, Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the BHS Merger Agreement, Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL

NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each

case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

Executed on this _____ day of _____, _____.

Name:

STATE OF OHIO)

COUNTY OF FRANKLIN)

BEFORE ME, the undersigned authority personally appeared Thomas O. Bell, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this _____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced: _____

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Christopher P. O'Bryan ("Executive").

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of October 15, 2007 (the "Purchase Agreement"), among the Company, Advance Data Systems, Inc. d/b/a ADSnetcurve ("ADS") and, inter alia, the Executive, the Company proposes to purchase substantially all of the assets of ADS; and

WHEREAS, to protect the business prospects and competitive position of the Company upon consummation of the transactions contemplated by the Purchase Agreement, the Company would not enter into the Purchase Agreement unless Executive entered into this Agreement; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as Director of IT Services of the Company, report to the Chief Operating Officer of the Company, and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Louisville, Kentucky (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary in the annual amount of \$110,000, payable at a rate equal

EXECUTIVE EMPLOYMENT AGREEMENT

to \$9,166 per month (as may be adjusted upward from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first six (6) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be increased from time to time as approved by the Board.

(b) Bonuses. During the Employment Period, Executive will participate in all cash and equity incentive bonus programs established or maintained for executive officers of the Company. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established and approved by

the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to five (5) weeks paid vacation per annum.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) material breach of any of Sections 6, 7 or 8 of this Agreement. For the

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purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environment that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities, (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer and (C) the Company remains obligated for any failure of any new direct employer to perform under this Agreement.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence,

Executive shall be entitled to receive (x) the prorated portion of the target bonus under any incentive plan that has accrued to the Executive for the year in which the Termination Date occurs, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all

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reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner connected with any Competing Business (in each case including on his own behalf

or on behalf of another Person, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. For purposes of this Agreement, "Competing Business" shall mean, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity which provides technical services or products to third parties for (i) Software planning, development, and implementation, (ii) Network Infrastructure design, implementation and support, (iii) Interconnect voice/data services, (iv) Systems integration, and (v) Enterprise planning, implementation and support. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space

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provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

(b) Non-Solicitation. During his employment with the Company and for two (2) years thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the

Employment Period. By initialing in the space provided below, Executive acknowledges that he

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has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Competing Business" has the meaning given in Section 7(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political

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subdivision thereof).

"Pool" has the meaning given in Section 3(b).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such

Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Christopher P. O'Bryan
2017 Kenilworth Place
Louisville, KY 40205

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

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with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of

such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY

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SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____
Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Christopher P. O'Bryan

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Christopher P. O'Bryan ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

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Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under

this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

_____ ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this ____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced: _____

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Exhibit 99.3

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Michael T. Haun ("Executive").

WHEREAS, pursuant to that certain Agreement and Plan of Merger dated as of October 15, 2007 (the "Purchase Agreement"), among the Company and the stockholders of Bell-Haun Systems, Inc., the Company acquired all of the capital stock of Bell-Haun Systems, Inc. through a wholly-owned subsidiary of the Company; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as the Director of Systems Integration of the Company. Executive will render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Columbus, Ohio or its environs (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay to the Executive salary in the annual amount of \$100,000.00, payable at a rate equal to \$8,333 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will be eligible for an salary review by the Company and the Salary may be adjusted upward by the Company based on the achievement of performance goals.

EXECUTIVE EMPLOYMENT AGREEMENT

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide

Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will commence on the Closing Date (as defined in the Purchase Agreement) and continue until December 31, 2009, and may be further extended by the mutual consent of Executive and the Company, unless terminated by the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environment that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a

reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the one year period following the Termination Date (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued, but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses

incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment

relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner be connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere in Ohio; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities

exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a).
_____ [initial].

(b) Non-Solicitation. During his employment with the Company and for one year thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere

with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

(c) Consideration for Non-compete and Non-solicitation. Company agrees that it shall pay Executive for these covenants in the total amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) payable as follows: Twenty Five Thousand and 00/100 Dollars (\$25,000.00) at Closing and Twelve Thousand Five Hundred and 00/100 Dollars (\$12,500.00) in month nineteen of the Employment Period and Twelve Thousand Five Hundred and 00/100 Dollars (\$12,500.00) in month twenty-four of the Employment Period (i.e. the end of the Employment Period). Company agrees that the right to the payments identified in this Section are contingent upon the observance of the covenants set forth in Sections 7(a) and 7(b) hereof and are independent of, and unconnected in any way with any salary or severance payment that may be made by Company hereunder and the payments referred to in this Section shall be made by Company regardless of whether Executive is employed with Company. Company shall make such payments directly to Employee along with a 1099 (or similar) reporting format. The Executive shall remit all payments made under this Section 7(c) to the Company in the event of any breach or violation by Executive of the covenants set forth in Sections 7(a) and 7(b) during the Restricted Period.

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive

agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period for a period of eighteen (18) months. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a). "Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled,

directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Michael T. Haun
13670 Duncan Run Road
Galena, OH 43021

with a copy (which will not constitute notice to the Executive) to:

Taft Stettinius & Hollister
21 East State Street Suite 1200
Columbus, Ohio 43215
Attn: Diane D. Reynolds

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will

be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS
GROUP, INC.

By: _____

Name: Bruce Widener

Title: Chief Executive Officer

EXECUTIVE

Signature

Michael T. Haun

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Michael T. Haun ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) intentionally deleted; (x) the Occupational Safety and Health Act, as amended; (xi) intentionally deleted; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under the Agreement and Plan of Merger, dated October 15, 2007, by and between the Company and inter alia, the shareholders of Bell-Haun Systems, Inc. (the "BHS Merger Agreement"), any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the BHS Merger Agreement, Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the BHS Merger Agreement, Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL

NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any

arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

Executed on this _____ day of _____, _____.

Name:

STATE OF Ohio)

COUNTY OF Franklin)

BEFORE ME, the undersigned authority personally appeared Michael T. Haun, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this _____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced: _____

Exhibit 99.4

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Kenneth E. Kerr ("Executive").

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of October 15, 2007 (the "Purchase Agreement"), among the Company, CETCON Incorporated ("CETCON") and, inter alia, the Executive, the Company proposes to purchase substantially all of the assets of CETCON; and

WHEREAS, to protect the business prospects and competitive position of the Company upon consummation of the transactions contemplated by the Purchase Agreement, the Company would not enter into the Purchase Agreement unless Executive entered into this Agreement; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as Chief Operating Officer of the Company and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Cincinnati, Ohio (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary at a rate equal to \$12,500 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in

EXECUTIVE EMPLOYMENT AGREEMENT

regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be adjusted by the Company based on the achievement of performance goals.

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any

fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of

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this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environmental that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date or during the remaining period of the first twelve (12) months of the Employment Period, whichever is longer (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x)

any incentive payments earned and accrued but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all

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reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in

whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

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(b) Non-Solicitation. During his employment with the Company and for two years thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

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Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of

any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Kenneth E. Kerr
CETCON, Incorporated
2800 E. Kemper Road
Cincinnati, OH 45241

With a copy (which will not constitute notice to Executive) to:

Cuni, Ferguson & LeVay Co., LPA
10655 Springfield Pike
Cincinnati, Ohio 45215
Attn: Thomas L. Cuni

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

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with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or

more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE

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INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____
Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Kenneth E. Kerr

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Kenneth E. Kerr ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

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Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid

to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this _____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

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Exhibit 99.5

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Robert Mohr ("Executive").

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as Chief Accounting Officer of the Company and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Louisville, Kentucky (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary at a rate equal to \$12,500 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be adjusted by the Company based on the achievement of performance goals.

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. Specifically, you will be eligible for a performance based bonus of up to 25% of your Salary. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior

EXECUTIVE EMPLOYMENT AGREEMENT

management of the Company and the achievement of annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation

per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses. Specifically, you will be reimbursed for up to \$1,500 of annual membership dues to licensing and trade organizations of your designation.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environmental that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice

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shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date or during the remaining period of the first twelve (12) months of the Employment Period, whichever is longer (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit

described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related

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Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the

Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

(b) Non-Solicitation. During his employment with the Company and for one year thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity.

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By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the

Closing Date.

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(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will

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be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Robert Mohr

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among

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the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR

ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

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(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____

Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Robert Mohr

Signature Page to
Executive Employment Agreement

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Robert Mohr ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment

Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

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Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this ____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

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EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Richard C. Mills ("Executive").

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of October 15, 2007 (the "Strategic Purchase Agreement"), among the Company, Strategic Communications, LLC ("Strategic"), and the Asset Purchase Agreement dated as of October 15, 2007 (the "RFK Purchase Agreement") among the Company, RFK Communications, LLC ("RFK") and, inter alia, the Executive, the Company proposes to purchase substantially all of the assets of Strategic and RFK (the Strategic Purchase Agreement and the RFK Purchase Agreement are collectively referred to as the "Purchase Agreements"); and

WHEREAS, to protect the business prospects and competitive position of the Company upon consummation of the transactions contemplated by the Purchase Agreements, the Company would not enter into the Purchase Agreements unless Executive entered into this Agreement; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as President of the Company and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Louisville, Kentucky (other than typical travel that is required in the performance of such duties).

EXECUTIVE EMPLOYMENT AGREEMENT

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary at a rate equal to \$12,500 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be upwardly adjusted by the Company based on the achievement of performance goals.

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full

fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses (including, but not limited to, an automobile allowance in an amount not less than that afforded to other similarly situated officers and/or employees of the Company), subject to the Company's requirements with respect to reporting and documentation of such expenses.

(e) Restricted Stock Purchase Agreement. The Company and the Executive have entered into a restricted stock purchase agreement for the purchase of common shares of the Company, on the terms and conditions set forth therein.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of

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notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environmental that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as

Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

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(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, except as memorialized in the letter agreement between the parties of even date confirming certain agreed upon work which

Executive may conduct during his employment and thereafter for Strategic Communications, LLC and/or RFK Communications, LLC, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by,

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render services to, or in any manner connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

(b) Non-Solicitation. During his employment with the Company and for two years thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated

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period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the

event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a

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Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company,

partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

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Richard C. Mills
1961 Bishop Lane
Louisville, KY 40218

With a copy (which will not constitute notice to Executive) to:

Conliffe Sandmann & Sullivan
2000 Waterfront Plaza
325 West Main Street
Louisville, Kentucky 40202
Attn: Kenneth A. Bohnert and Edward L. Lasley

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to

the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

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(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____

Name: Bruce Widener

Title: Chief Executive Officer

EXECUTIVE

Signature

Richard C. Mills

Signature Page to
Executive Employment Agreement

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Richard C. Mills ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any

government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this ____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

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EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Homer A. Wicke ("Executive").

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of October 15, 2007 (the "Purchase Agreement"), among the Company, CETCON, Incorporated ("CETCON") and, inter alia, the Executive, the Company proposes to purchase substantially all of the assets of CETCON; and

WHEREAS, to protect the business prospects and competitive position of the Company upon consummation of the transactions contemplated by the Purchase Agreement, the Company would not enter into the Purchase Agreement unless Executive entered into this Agreement; and

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as Director of Engineering Sales of the Company and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Cincinnati, Ohio (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary at a rate equal to \$10,000 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in

EXECUTIVE EMPLOYMENT AGREEMENT

regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be adjusted by the Company based on the achievement of performance goals. In addition, the Company will pay commissions on the "Eligible Revenue" generated by the Executive, on the terms set forth on in the Commission Schedule made part of Schedule 1 attached hereto.

(b) Bonuses. During the Employment Period, the Company may establish a cash or equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Board taking into account the recommendations of senior management of the Company and the achievement of

annual goals and objectives as established and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its

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Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environment that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date or during the remaining period of the first twelve (12) months of the Employment Period, whichever is longer (the "Severance Term") equal to the Salary in effect at the Termination

Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all

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reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation,

financing, or control of, be employed by, render services to, or in any manner connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(a). _____ [initial].

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(b) Non-Solicitation. During his employment with the Company and for two years thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of

any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or

general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Homer A. Wicke
308 Willowood Drive
Springboro, Ohio 45066

With a copy (which will not constitute notice to Executive) to:

Cuni, Ferguson & LeVay Co., LPA
10655 Springfield Pike
Cincinnati, Ohio 45215
Attn: Thomas L. Cuni

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

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with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE

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INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____
Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Homer A. Wicke

Executive Employment Agreement

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Homer A. Wicke ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. **THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.**

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Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such

lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

(a) Employee has carefully read this Agreement;

(b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;

(c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this ____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

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Commissions and Commission Schedule

As consideration for the efforts of Executive, the Company shall pay to Executive a commission for each calendar quarter initially calculated at the rate of Eight Percent (8%) of Eligible Revenue in excess of One Million Five Hundred Thousand Dollars (\$1,500,000). No commissions shall be payable with respect to the first One Million Five Hundred Thousand Dollars (\$1,500,000) of Eligible Revenue.

The commissions with respect to each Eligible Client shall be payable to Executive hereunder as follows: (i) 50% of the commissions due under the first paragraph above shall be payable to Executive by the 30th business day following the end of the quarter in the Eligible Client was billed; and (ii) 50% of the commissions due under the first paragraph above shall be payable to Executive by the 30th business day following the end of the quarter in which the Eligible Revenue was collected.

After the initial twelve month period of this Agreement, the Company may from time to time modify the terms of this Commission Schedule by email or other communication to Executive. At the election of the Company, any such modifications to the Commission Schedule shall be applicable to Eligible Clients at the time of such modification in addition to prospects who become Eligible Clients following such modification. This Commission Schedule shall apply to any clients of the Company acquired through the Purchase Agreement.

"Eligible Revenue" shall mean the gross receipts billed during the Employment Period and subsequently collected from all Eligible Clients, less (i) the direct cost to the Company of any strategic partner or service provider required in connection with performance of Services by the Company or the strategic partner to the Eligible Clients, and (ii) sales or finders commissions paid to other consultants or employees of the Company relating to the Eligible Clients or the services provided thereto.

"Eligible Client" shall mean any prospect who has been accepted by the Company as an Eligible Client prior to solicitation by Executive. Such confirmation shall be made pursuant to an email confirmation to Executive from an officer of the Company stating that the prospect has been approved as an Eligible Client of the Executive based upon the representations made by Executive.

No commissions shall be paid for any period following an event described in Section 4(c) of the Executive Employment Agreement.

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is made as of December __, 2007 by and between Beacon Enterprise Solutions Group, Inc., an Indiana corporation (the "Company"), and Bruce Widener ("Executive").

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the Closing Date (as defined in the Purchase Agreement) and ending as provided in Section 4 hereof (the "Employment Period").

Section 2. Position and Duties. During the Employment Period, Executive will serve as Chief Executive Officer of the Company and render such managerial, analytical, administrative, marketing, creative and other executive services to the Company and its Affiliates, as are from time to time necessary in connection with the management and affairs of the Company and its Affiliates, in each case subject to the authority of the Board (as defined below) of the Company to define and limit such executive services, including serving as an officer, manager, employee or in any other capacity for any Affiliate of the Company. Executive will devote his best efforts and all of his business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company and its Affiliates. Executive will perform his duties and responsibilities to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner. Executive will be permitted to reside and perform Executive's duties in Louisville, Kentucky (other than typical travel that is required in the performance of such duties).

Section 3. Salary and Benefits.

(a) Salary. During the first twelve (12) months of the Employment Period, the Company will pay Executive salary at a rate equal to \$15,000 per month (as may be adjusted from time to time, the "Salary") as compensation for services. The Salary will be payable in regular installments in accordance with the general payroll practices of the Company. After the first twelve (12) months of the Employment Period, Executive will also be eligible for an annual salary review by the Company and the Salary may be adjusted by the Company based on the achievement of performance goals.

(b) Bonuses. During the Employment Period, the Company will establish cash and equity incentive bonus programs representing additional incentive compensation for Executive. The bonus program shall be administered and distributed under the sole direction of the Compensation Committee of the Board, taking into account the recommendations of senior management of the Company and the achievement of annual goals and objectives as established

EXECUTIVE EMPLOYMENT AGREEMENT

and approved by the Board. If the Employment Period during any fiscal year is less than the full fiscal year, the bonus amount paid to Executive, if any, attributable to any fiscal year shall be prorated for the actual number of days of the Employment Period that elapse during such fiscal year.

(c) Benefits. During the Employment Period, the Company will provide Executive with family health, dental and major medical, vision and disability coverage, as well as participation under such plans as the Board may establish or maintain from time to time for executive officers of the Company (collectively, the "Benefits"). Executive will be entitled to such paid vacation per annum as the Company shall establish as Company policy for all management of the Company.

(d) Reimbursement of Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable out-of-pocket expenses incurred by him during the Employment Period in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

Section 4. Termination.

(a) The Employment Period will continue until the earlier of: (i) Executive's resignation (A) for Good Reason on 30 days' written notice, (B) for any other reason or no reason (a resignation described in this clause (i)(B) being a resignation by the Executive "Without Good Reason") or (C) as a result of Executive's death or Disability, which resignation shall be deemed automatically tendered upon Executive's death or Disability; or (ii) the giving of notice of termination by the Company (A) for Cause or (B) for any other reason or for no reason (a termination described in this clause (ii)(B) being a termination by the Company "Without Cause"). For purposes of this Agreement, "Cause" means (i) any willful or intentional act of Executive that has the effect of injuring the reputation or business of the Company or its Affiliates in any material respect, (ii) Executive's use of illegal drugs, (iii) that the Executive has materially failed to perform his duties hereunder and such failure continues uncured for 30 days after notice to Executive by the Company; provided, the foregoing notice shall only be required with respect to one material breach that occurs in any 12-month period, or (iv) Executive's indictment, conviction or a plea of guilty or no contest or similar plea with respect to, a felony, an act of fraud or embezzlement, a breach of fiduciary duty to the Company or any of its Subsidiaries, or a (v) breach of any of Sections 6, 7 or 8 of this Agreement. For the purposes of this Agreement, "Good Reason" means (i) any substantial diminution in the Executive's professional responsibilities, (ii) any intentional act which creates a workplace environmental that, by duress or otherwise, makes it impossible for Executive to continue his employment, (iii) a reduction in Salary or the overall level of other compensation and benefits to which Executive is entitled under this Agreement, or (iv) the failure by the Company to pay the Executive any portion of the Executive's current compensation when due and such failure continues for 7 days after notice to Company from Executive provided that the foregoing notice shall only be required with respect to one such failure in any 12-month period. For avoidance of doubt, Executive hereby acknowledges that the Board may from time to time reorganize the operations of the Company resulting in a change in Executive's title or direct employer, which

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change alone shall not constitute Good Reason so long as (A) any change in title or reporting responsibilities results in no substantial diminution in Executive's responsibilities and (B) any new direct employer agrees to be bound by the terms and conditions of this Agreement, without modification other than to reflect the change in title and employer.

(b) In the event the Employment Period is terminated by the Company Without Cause or the Executive resigns for Good Reason, then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to continue to receive an amount (the "Severance Amount") during the three (3) month period following the Termination Date or during the remaining period of the first twelve (12) months of the Employment Period, whichever is longer (the "Severance Term") equal to the Salary in effect at the Termination Date and payable in accordance with the Company's regular payment schedule in effect at the Termination Date. In addition, in connection with termination described in the preceding sentence, Executive shall be entitled to receive (x) any incentive payments earned and accrued but not yet paid to Executive prior to the Termination Date, (y) continued medical coverage during the Severance Term pursuant to COBRA at the Company's expense; and (z) all accrued and unpaid Salary and unused vacation time through the Termination Date and all unreimbursed business expenses incurred through the Termination Date; provided, as a condition to receiving the Severance Amount or any payment or benefit described in paragraphs 4(b)(x) and 4(b)(y), Executive shall be required to execute and deliver to the Company immediately prior to the payment of such first installment a release in the form of Exhibit A.

(c) In the event the Employment Period is terminated due to the

Executive's death, or resignation Without Good Reason or by the Company with Cause then, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in paragraphs 4(b)(x) and 4(b)(z) above.

(d) In the event the Employment Period is terminated by the Executive or the Company due to the Executive's Disability, then the Executive shall receive his monthly Salary and benefits through the end of the calendar month in which such termination occurs and, so long as Executive continues to comply with Sections 6, 7 and 8 hereof, Executive will be entitled to receive the items described in Sections 4(b)(x),(y) and (z) above.

Section 5. Resignation as Officer or Director. Upon the Termination Date, Executive will be deemed to have resigned from each position (if any) that he then holds as an officer or director of the Company and each of its Affiliates, and Executive will take any and all reasonable action that the Company may request in order to confirm or evidence such resignation.

Section 6. Confidential Information. Executive acknowledges that the information, observations and data that may be obtained by Executive during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries or Affiliates thereof (each of the Company, any of its Subsidiaries or Affiliates being a "Related Company" and, collectively, the "Related Companies"), prior to and after the date of this Agreement concerning the business or affairs of the Related Companies (collectively, "Confidential Information") are and will be the property of the Related Companies. Therefore,

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Executive agrees that he will not disclose to any unauthorized Person or use for the account of himself or any other Person any Confidential Information without the prior written consent of the Company (by the action of the Board), unless and to the extent that such Confidential Information has become generally known to and available for use by the public other than as a result of Executive's improper acts or omissions to act, or is required to be disclosed by law. Executive will deliver or cause to be delivered to the Company at, or within two days of, the Termination Date, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) containing or relating to Confidential Information or the business of any Related Company which Executive may then possess or have under his control.

Section 7. Non-Compete, Non-Solicitation.

(a) Non-Compete. Executive acknowledges that during his employment relationship with, or through his involvement as a consultant, contractor, representative, agent, officer, director, partner, member or stockholder of, the Company, any of its Subsidiaries, or any of their respective Affiliates or any predecessor thereof, Executive has and will become familiar with trade secrets and Confidential Information concerning such companies, and with investment opportunities relating to their respective businesses, and that Executive's services have been and will be of special, unique and extraordinary value to the foregoing entities. Therefore, Executive agrees that, during his employment with the Company and for one year after the Termination Date (the "Non-Compete Period"), he will not, directly or indirectly, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, render services to, or in any manner connected with any business (in each case including on his own behalf or on behalf of another Person), whose products, services or activities compete in whole or in part with the products, services or activities of the Company or its Affiliates, as they now exist or may exist during such one year period, anywhere within the United States; provided, however, that Executive may purchase or otherwise acquire up to (but not more than) 2% of any class of securities of any enterprise (but without otherwise directly or indirectly participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934. Executive agrees that this covenant is reasonable with respect to its duration, geographical area, and scope. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the

provisions of this Section 7(a). _____ [initial].

(b) Non-Solicitation. During his employment with the Company and for two years thereafter, Executive will not directly or indirectly (i) induce or attempt to induce any employee or independent contractor of the Company or any Subsidiary, or their respective Affiliates to leave the employ or contracting relationship with such entity, or in any way interfere with the relationship between any such entity and any employee, or (ii) induce or attempt to induce any customer, supplier or other business relation of the Company or any Subsidiary, or their respective Affiliates, to cease doing business with such entity or in any way interfere with the relationship between any such customer, supplier or other business relation and such entity. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 7(b). _____ [initial].

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Section 8. Inventions and Patents. Executive acknowledges that all inventions, innovations, improvements, know how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which relate to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by Executive during Executive's past or future employment by the Company, or any Subsidiary, or any predecessor thereof ("Work Product") belong to the Company, or its Subsidiaries, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including without limitation, assignments, consents, powers of attorney and other instruments.)

Section 9. Enforcement. The Company and Executive agree that if, at the time of enforcement of Section 6, 7 or 8 hereof, a court holds that any restriction stated in any such Section is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Because Executive's services are unique and because Executive has access to information of the type described in Sections 6, 7 and 8 hereof, the Company and Executive agree that money damages would be an inadequate remedy for any breach of Section 6, 7 or 8 hereof. Therefore, in the event of a breach of Section 6, 7 or 8 hereof, the Company and any Subsidiary thereof may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions of Section 6, 7 or 8 hereof. The provisions of Sections 6, 7 and 8 hereof are intended to be for the benefit of the Company and any Subsidiary thereof and their respective successors and assigns. Sections 6, 7 and 8 hereof will survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period. By initialing in the space provided below, Executive acknowledges that he has read carefully and had the opportunity to consult with legal counsel regarding the provisions of this Section 9. _____ [initial].

Section 10. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

(a) Other Agreements. Executive is not a party to or bound by any employment, noncompete, nonsolicitation, nondisclosure, confidentiality or similar agreement with any other Person which would affect his performance under this Agreement other than Executive's agreement with his current employer which has previously been disclosed to Company and which shall be terminated as of the Closing Date.

(b) Authorization. This Agreement constitutes the valid and legally binding obligation of Executive, enforceable against Executive in accordance with its terms.

Section 11. Survival of Representations and Warranties. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

Section 12. Certain Definitions. When used herein, the following terms will have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more of its intermediaries, controls, is controlled by or is under common control with such Person.

"Board" means the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in the Commonwealth of Kentucky or in Louisville, Kentucky.

"Cause" has the meaning given in Section 4(a).

"Disability" means the failure by Executive (by reason of accident, illness, incapacity or other disability) to perform his duties or fulfill his obligations under this Agreement on a "full time" basis for a cumulative total of 180 days, whether or not consecutive, within any 12-month period. The Company's determination as to whether Executive has incurred a Disability shall be made in good faith by the Board based on the opinion of a licensed physician selected by the Company or its insurers.

"Good Reason" has the meaning given in Section 4(a).

"Non-Compete Period" has the meaning given in Section 7.

"Person" means an individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity (including any governmental entity or any department, agency or political subdivision thereof).

"Subsidiaries" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons will be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or will be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"Termination Date" means the date on which the Employment Period ends as determined by Section 4(a).

"Without Cause" has the meaning given in Section 4(a).

Section 13. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (i) on the date of personal delivery to the recipient or an officer of the recipient, or (ii) when sent by telecopy or facsimile machine to the number shown below on the date of such confirmed facsimile or telecopy transmission (provided that a confirming copy is sent via

overnight mail), or (iii) when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested. Such notices, demands and other communications will be sent to each party at the address indicated for such party below:

Notices to Executive, to:

Bruce Widener

Notices to the Company, to:

Beacon Enterprise Solutions Group, Inc.
124 N. First Street
Louisville, KY 40202
Attn: Bruce Widener

with a copy (which will not constitute notice to the Company) to:

Frost Brown Todd LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attn: William G. Strench

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

(b) Consent to Amendments. No modification, amendment or waiver of any provision of this Agreement will be effective against any party hereto unless such modification, amendment or waiver is approved in writing by such party. No other course of dealing among the Company and Executive or any delay in exercising any rights hereunder will operate as a waiver by any of the parties hereto of any rights hereunder.

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(c) Successors and Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(e) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(f) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The use of the word "including" in this Agreement will be by way of example rather than by limitation.

(g) Governing Law. ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES HERETO WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE COMMONWEALTH OF KENTUCKY OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE COMMONWEALTH OF KENTUCKY. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE COMMONWEALTH OF KENTUCKY WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT (AND ANY SCHEDULE HERETO), EVEN THOUGH UNDER KENTUCKY'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE

SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

(h) Jurisdiction. EACH OF THE PARTIES HERETO (I) CONSENTS TO SUBMIT ITSELF TO THE PERSONAL JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN JEFFERSON COUNTY, KENTUCKY IN THE EVENT ANY DISPUTE ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (II) AGREES THAT IT WILL NOT ATTEMPT TO DENY OR DEFEAT SUCH PERSONAL JURISDICTION BY MOTION OR OTHER REQUEST FOR LEAVE FROM ANY SUCH COURT AND (III) AGREES THAT IT WILL NOT BRING ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY COURT OTHER THAN A FEDERAL OR STATE COURT SITTING IN JEFFERSON COUNTY, KENTUCKY, AS APPLICABLE.

(i) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement embody the

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complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement, and supersede and preempt any prior understandings, agreements, or representations by or among the parties or their predecessors, written or oral, which may have related to the subject matter of this Agreement in any way.

(j) Attorney's Fees. In the event that Company or Executive should bring suit against the other in respect to any matters provided for in this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in connection with such suit.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the date first written above.

BEACON ENTERPRISE SOLUTIONS GROUP, INC.

By: _____
Name: Bruce Widener
Title: Chief Executive Officer

EXECUTIVE

Signature

Bruce Widener

Signature Page to
Executive Employment Agreement

EXHIBIT A

FORM OF RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain Executive Employment Agreement (the "Employment Agreement") dated as of December __, 2007, by and between Bruce Widener ("Employee") and Beacon Enterprise Solutions Group, Inc. (the "Company").

For good and valuable consideration, including the Company's provision of certain payments and benefits to Employee in accordance with Section 3 of the Employment Agreement, Employee hereby releases, discharges and forever acquits the Company, its Affiliates (as such term is defined in the Employment Agreement) and the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, in their personal and representative

capacities (collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, damages, or causes of action of any kind related to Employee's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement including without limitation any alleged violation through the date of this Agreement of: (i) the Age Discrimination in Employment Act of 1967, as amended; (ii) Title VII of the Civil Rights Act of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) Section 1981 through 1988 of Title 42 of the United States Code, as amended; (v) the Employee Retirement Income Security Act of 1974, as amended; (vi) the Immigration Reform Control Act, as amended; (vii) the Americans with Disabilities Act of 1990, as amended; (viii) the National Labor Relations Act, as amended; (ix) the Fair Labor Standards Act, as amended; (x) the Occupational Safety and Health Act, as amended; (xi) the Family and Medical Leave Act of 1993; (xii) any state anti-discrimination law; (xiii) any state wage and hour law; (xiv) any other local, state or federal law, regulation or ordinance; (xv) any public policy, contract, tort, or common law claim; (xvi) any allegation for costs, fees, or other expenses including attorneys' fees incurred in these matters; (xvii) any and all rights, benefits or claims Employee may have under any employment contract, incentive compensation plan or stock option plan with any Company Party or to any ownership interest in any Company Party except as expressly provided in the Employment Agreement and any incentive equity agreement between Employee and the Company or any Affiliate thereof and (xviii) any claim for compensation or benefits of any kind not expressly set forth in the Employment Agreement or any such incentive equity agreement (collectively, the "Released Claims"). This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Employee is simply agreeing that, in exchange for the consideration recited in the first sentence of this paragraph, any and all potential claims of this nature that Employee may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived. By signing this Agreement, Employee is bound by it. Anyone who succeeds to Employee's rights and responsibilities, such as heirs or the executor of Employee's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Employee may have a right or benefit. THIS RELEASE INCLUDES MATTERS ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF THE COMPANY PARTIES.

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Employee agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Employee represents that Employee has not brought or joined any lawsuit or filed any charge or claim against any of the Company Parties in any court or before any government agency and has made no assignment of any rights Employee has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims. If Employee brings or joins any lawsuit against any of the Company Parties in any court or before any arbitration tribunal (except as necessary to protect Employee's rights under this release or with respect to Employee's entry into this release) relating to any of the Released Claims, and Employee is the prevailing party in such lawsuit, Employee shall be obligated to return to the Company all amounts paid to Employee under this release, to the extent permitted under applicable law and ordered by the court or arbitration tribunal, as applicable. Further, if any Company Party is the prevailing party in any lawsuit Employee brings against such Company Party relating to Employee's employment or other matters that have been released or waived in this Agreement, to the extent permitted by applicable law (such as if Employee's claim are found to be brought in bad faith), in addition to all other remedies available at law or in equity, Employee agrees to pay all costs and expenses incurred by such person or entity, including reasonable attorneys' fees, in defending against such lawsuit.

By executing and delivering this Agreement, Employee acknowledges that:

- (a) Employee has carefully read this Agreement;
- (b) Employee has had at least 21 days to consider this Agreement before the execution and delivery hereof to the Company;
- (c) Employee has been and hereby is advised in writing that Employee may, at Employee's option, discuss this Agreement with an attorney of Employee's

choice and that Employee has had adequate opportunity to do so; and

(d) Employee fully understands the final and binding effect of this Agreement; the only promises made to Employee to sign this Agreement are those stated in the Employment Agreement and herein; and Employee is signing this Agreement voluntarily and of Employee's own free will, and that Employee understands and agrees to each of the terms of this Agreement.

Notwithstanding the initial effectiveness of this Agreement, Employee may revoke the delivery (and therefore the effectiveness) of this Agreement within the seven day period beginning on the date Employee delivers this Agreement to the Company (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Employee and must be delivered to the Company before 11:59 p.m., Louisville, Kentucky time, on the last day of the Release Revocation Period. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio. No consideration shall be paid if this Agreement is revoked by Employee in the foregoing manner.

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Executed on this _____ day of _____, _____.

Name:

STATE OF _____ ss.

ss.

COUNTY OF _____ ss.

BEFORE ME, the undersigned authority personally appeared _____, by me known or who produced valid identification as described below, who executed the foregoing instrument and acknowledged before me that he subscribed to such instrument on this _____ day of _____, _____.

NOTARY PUBLIC in and for the

State of _____

My Commission Expires: _____

Identification produced:

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