

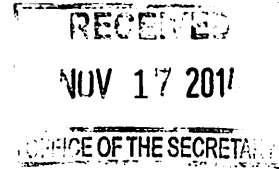
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

ADMINISTRATIVE PROCEEDING
File No. 3-16044

In the Matter of

QSGI INC.

RESPONDENT



AFFIDAVIT OF CARLOS A. SARDINIA
IN OPPOSITION TO MOTION FOR SUMMARY DISPOSITION

I, Carlos A. Sardinia, having been duly sworn, depose and state, under penalty of perjury under the laws of the United States of America, that the following is true and correct.

1. I am the President and Chief Operating Officer of QSGI, Inc. ("QSGI") and a member of its Board of Directors. I have personal knowledge of the facts set forth below and of matters before I joined QSGI in April of 2012 based upon my review of the corporation's records
2. QSGI emerged from bankruptcy in August of 2011 after having suffered serious business reversals aggravated by the business recession that began in the United States in 2008.
3. As part of its Bankruptcy Reorganization Plan, QSGI merged as of June 30, 2011 with KruseCom LLC, a company engaged in various business activities relating to data security. After merger, the combined companies had a total of 5 employees.
4. As of June 30, 2011, QSGI had cash on hand of approximately \$242,000 and total then current liabilities of \$881,399. QSGI secured operating funds over the next several years by

means of a bank line of credit and private loans.

5. In late September of 2011 QSGI entered into a business combination with The Gasket Guy, Inc., a Florida corporation that engaged in the business of manufacturing, selling and installing refrigerator gaskets. The transaction was financed through an assumption of debt, the giving of a promissory note and deferred earn-out payments over a five-year period based upon EBITDA and multiples payable in cash or stock. The reason for the acquisition was to diversify QSGI's operations and secure a line of business with a more predictable and steady monthly revenue stream.

6. Despite the best efforts of management, QSGI suffered net losses of approximately \$1,300,000 in 2011, of approximately \$262,000 in 2012 and of approximately \$188,000 in 2013.

7. After a difficult first quarter in 2014 in which QSGI suffered a net loss of approximately \$90,000 (QSGI's then largest customer ended its regular maintenance program resulting in a loss of approximately \$80,000 in per month revenue to QSGI), QSGI management's efforts to turn the company around in both of its lines of business began to show positive improvement. Monthly revenue beginning in April of 2014 was substantially improved and revenue has continued to improve from month to month. Gross revenue was approximately \$4.2 million in 2012, approximately \$4.3 million in 2013 and projects to be approximately \$4.8 million in 2014. Current orders and business projections suggest that QSGI's cash flow and revenue should continue modest but steady increases for the foreseeable future.

8. For the first time since exiting bankruptcy, QSGI has had funds and can project available funds to engage accounting, audit and legal professionals to do the work necessary to bring and keep current QSGI's SEC reporting obligations.

9. Upon receipt of the April 30, 2014 letter from the SEC detailing the necessity of bringing QSGI current in its filings, the company began to take steps to do so. QSGI filed a form 10Q for the period ending June 30, 2011, initiated a change in its accountants to find representation that would be a closer fit to its available resources and started to collate the financial data and other information needed for preparing subsequent filings. Unfortunately, a series of unforeseen events slowed QSGI's plan to come current with its filings within an approximate six month time period. On July 16, 2014, its Chief Financial Officer unexpectedly resigned to take a position with another company. Then, on July 31, 2014 D'Arelli Pruzansky, P.A., the accounting firm retained to replace QSGI's original accountants, abruptly resigned just hours after the issuance of an SEC Press Release announcing that an administrative proceeding had been brought against QSGI's Chief Executive Officer pertaining to pre-bankruptcy activities. Immediately after the resignations, QSGI sought new accounting and audit professionals to do the necessary and extensive work to bring it current with its SEC reporting obligations

10. On July 23, 2014 QSGI retained the accounting firm of Boisseau, Felicione & Associates, Inc. to perform all necessary work for the preparation of financial statements and SEC reports and to counsel QSGI on SEC compliance matters. A true and correct copy of the Letter Agreement specifying the services to be provided is attached to this Affidavit as Exhibit A. To date, QSGI has paid \$20,000 to the Boisseau firm for services provided and that firm has performed extensive work toward "Fresh Start Accounting" and a review of QSGI's financial records necessary for the filing of all reports that would bring QSGI current in its SEC reporting obligations.

11. On August 6, 2014, QSGI retained the accounting firm of RBSM LLP to provide it with audit services relating to its financial reporting through 2014 that are a critical component of

SEC filings that QSGI will be making to bring its SEC reporting obligations current. A true and correct copy of the Letter Agreement specifying the audit services to be provided is attached to this Affidavit as Exhibit B. To date, QSGI has paid \$15,000 to RBSM for work performed and RBSM has conducted inventory inspections and reviews of both QSGI's gasket and data security lines of business and is currently engaged in the exchange of information with the Boisseau firm in order to complete the audit work that is essential for the filing of reports with the SEC. Both firms have advised QSGI that the audit process must be thorough and painstaking given that it involves transactions over a three year period.

12. QSGI has consulted with both the Boisseau and RBSM firms and they estimate that the work necessary for QSGI to bring its SEC filings current should be completed in approximately 90 days unless delayed by unforeseen circumstances.

13. QSGI believes that it can make a good faith representation to the SEC that the Company, once it is current with its SEC filings, can and will stay current in the future. Prior to its financial difficulties and bankruptcy, QSGI had been current in its filings. QSGI bases this good faith representation on the express intent of its management and its Board of Directors and projects that it will have the financial ability to stay current based upon the size and quality of its current customer base and contracts for products and services to be provided in the future that are currently in place. QSGI is on the verge of thriving as a business, a phoenix out of the ashes. From 5 employees when QSGI came out of bankruptcy, it now has 43 employees. It did not leave its more than 2,000 shareholders behind when it exited from bankruptcy but made sure that they had a stake in the new business. QSGI now has thousands of customers nationwide with a strong concentration in Florida, New York and New Jersey and recent expansion into Delaware, Maryland and Virginia.

Customers include leading national fast food franchises, hospitals, colleges and universities, public school districts, major restaurant chains, major insurance companies, major banks, major computer and business machine manufacturers, data centers, brokerage firms, major hotel chains, a national sporting goods chain, museums and hospitals.

14. QSGI believes that it also can make a good faith representation that its failure to keep current in its filings arose from having lost knowledgeable advisors by reason of its inability to pay for their services when it was suffering severe financial distress. Now, having ample resources and having retained knowledgeable and experienced advisors, QSGI will not repeat the mistake it made in failing to keep current in its reporting obligations and in failing to file Forms 12b-25s. In truth, management's focus was initially concentrated on the survival of QSGI and then upon its viability as a going concern. Moreover, management could not over the several years involved make any good faith representation as to when it could bring its filings current until it turned the economic corner this year.

15. In no way has QSGI ever "thumbed its nose" at the SEC. It recognizes its obligations and the importance of keeping the public informed. QSGI now has the funding ability to correct its past deficiency and meet its reporting obligations in the future and is dedicated to doing so.



Carlos Sardinia

Dated: November 14, 2014.

STATE OF FLORIDA

COUNTY OF PALM BEACH

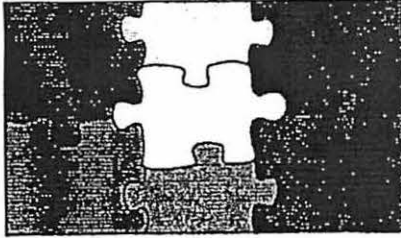
Before me, the undersigned authority, on November 14, 2014, personally appeared Carlos Sardinia known to me or who produced Florida Driver's License _____ to identify himself and subscribed to the aforesaid Affidavit.



Krista A. Heath

Notary Public

My Commission expires: 4/23/18



Boisseau, Felicione &
Associates, Inc.
13590 Jog Road, Suite C6
Delray Beach, Florida 33446
Phone: (561)495-5250
Fax: (561)495-5261

Mr. Marc Sherman
Mr. Carlos Sardinia
QSGI, Inc.
1721 Donna Road
West Palm Beach, Florida 33409

July 23, 2014

Dear Marc and Carlos,

We are pleased to provide you with a proposal to render accounting services to QSGI, Inc. and its subsidiaries (the "Company").

Scope of Work

We will initially assist the Company in the preparation of the consolidated financial statements of the Company as of September 30, 2011 and for the period then ended and for every quarterly period through June 30, 2014. This includes, but is not limited to preparing the financial statements of the Company, as well as any other acquired company and related footnotes, and the preparation of any interim or annual financials during that period and for subsequent periods. Our services may also include preparing the first draft of management discussion and analyses contained in the Company's registration statement, if applicable, annual (10-K), interim reports (10-Q), and current reports (8-K) submitted to the Securities Exchange Commission. In preparing the financial statements of the Company, we will gather financial information from management, including assumptions used in certain estimates. While assisting in the preparation of such financial statements will include a first draft and incorporating management's comments in such drafts, the Company's management is responsible for the content of such financial statements.

During the course of our work, the Company authorizes us to act as liaison with its auditors, to formulate communications with other professionals associated with certain financial aspects of its operations (e.g., attorneys), or assist the Companies in preparing other sections of SEC reports.

Unlike the auditors of the Company, we do not undertake to, and provide any opinion or form of assurance on the financial statements we assemble in connection with these services, and, accordingly, we do not undertake to make inquiries or perform other procedures to verify, corroborate, or review financial or other information provided by you.

Fees

Our standard fees are billed at rates ranging from \$95 to \$180 per hour. In the interest of keeping a fruitful long-term relationship, we will bill you at reduced rates ranging from \$85 to \$160 per hour. Our rates are revised annually on January 1. We will bill the Company on a monthly basis. The Company will reimburse us for administrative out-of-pocket expenses which will be billed at a standard rate of 3% of the fees. The Company will reimburse us for other reasonable out-of-pocket expenses (e.g., travel, lodging) incurred on its behalf. Our invoices are payable upon receipt. We request a retainer of \$10,000 (\$5,000 upon engagement and \$5,000 within two weeks) prior to commencement of engagement which will be applied against our monthly invoices.

Other

We treat all relationships as confidential and will not disclose your financial and tax information to anyone without your permission except as required by law or regulation. Your permission may be granted by identifying the parties to who disclosure is permitted. However, you give us the authority to discuss such information with the Companies' auditors and legal counsel.

This engagement may be terminated at will with the exception of the following indemnification and advancement provision, which survives the termination of this agreement.

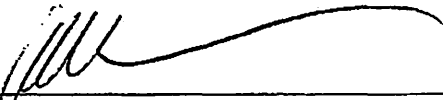
If we incur legal fees as a result of our reliance on any representation made by you, you agree to timely reimburse us for all our legal fees and related costs of defense. Additionally, you will reimburse us for all legal and related costs we incur in collecting our fees from you.

If you agree with the terms of this proposal, please sign your name at the end of this proposal and send your signed copy to us.

We appreciate being of service to the Company and are looking forward to maintaining a long and mutually fruitful relationship.

If you have any questions, you can reach me at (561) 495-5250 or at (561)706-3248

Sincerely,




Boisseau, Felicione & Associates, Inc.

Approved by:

Carlos Sardinia

Name in print



Signature

7/23/14

Date



Accountants & Advisors

805 Third Avenue
Suite 902
New York, NY 10022
212.838.5100
212.838.2676/ Fax
www.rbsmllp.com

August 1, 2014

PERSONAL AND CONFIDENTIAL

Board of Directors
QSGI INC.
1721 Donna Road
West Palm Beach, FL 33409

We are pleased to submit **QSGI INC.** (the "Company") our agreement to provide professional accounting and audit services for the years ended December 31, 2013, 2012, 2011 and 2010.

Services

We shall audit the balance sheets of the Company as of December 31, 2013, 2012, 2011 and 2010 and the related statements of operations, stockholders' equity, and cash flows for the years ended then ended. We will conduct our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States) with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, conforms with accounting principles generally accepted in the United States of America. These standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Company's management has responsibility for the financial statements and all the representations contained therein. Management also has the responsibility for the adoption of sound accounting policies and the implementation of record keeping and an internal control structure to maintain the reliability of the financial statements and to provide reasonable assurance against the possibility of errors and irregularities that are material to the financial statements.

Part of our audit will include the review and disclosure of material subsequent events for the period January, 2014 through and including the date of our report.

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In accordance with standards established by the American Institute of Certified Public Accountants, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning the matters that are subject to the representations.

At the conclusion of our audit we will submit to the Company a report containing our opinion on the financial statements. If during the course of our work it appears for any reason that we will not be in a position to render a unqualified opinion on the Company's financial statements, or that our report will require an explanatory paragraph relating to uncertainties or changes in accounting principles, we will discuss this with you and the Company's Board of Directors and Audit Committee.

Our audit will be directed to the expression of an opinion on the above financial statements taken as a whole. You should understand that our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of the Company's transactions for the period. Accordingly, an audit is not a guarantee of the accuracy of the financial statements and there is a risk material errors of fraud may exist and not be detected by us. Should any such errors or irregularities come to our attention, we will report them to you.

The Private Securities Litigation Reform Act of 1995 (the Act) has imposed additional responsibilities on SEC registrants, their management, audit committees and board of directors, as well as independent auditors regarding the reporting of illegal acts that have or may have occurred. During the course of our audit, we will ask you for specific representations about this. To fulfill our responsibilities under the Act, we may need to consult with your legal counsel, or counsel of our choosing, about any such illegal acts that we become aware of. Additional fees, including legal fees, if any, will be billed to you. You agree to cooperate fully with any procedures that we may deem necessary to perform.

The inclusion by you of our report in documents containing information in addition to the financial statements and our reports thereon (for example, annual reports to shareholders, private placement memorandum and regulatory filings) may require us to perform additional procedures to fulfill our professional or legal responsibilities. Accordingly, our reports should be not be used for any such purposes without our permission. In addition, to avoid unnecessary delay or misunderstanding, it is important that you give us timely notice of your intention to issue any such document. Also, our reports should not be included in the SEC's EDGAR electronic filing system until you have received a manually signed report from us.

The financial statements and supporting schedules are subject to review and comment by the staff of the Securities and Exchange Commission and their interpretation of the applicable rules and regulations. This may involve discussions and communications with them, and or the submission of supplemental data in connection with their review. We will inform each other of any such discussion, communication or submission, which may have a bearing on the Company's financial statements, schedules and other financial data in the filing and furnish each other with copies or related written communications. These services will be billed outside the scope of this engagement at our standard hourly rates.

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Should the Company wish to include their financial statements in a registration statement proposed to be filed under the Securities Act of 1933 at some future date, we would consider our consent to their inclusion in such registration statement at that time.

If the Company plans any reproduction or publication of our report, or any portion thereof, copies of master's or printers' proofs of the entire document should be submitted to us in sufficient time for our review.

While we are not being engaged to report on the Company's internal control structure we will furnish to you and the Company's Audit Committee any recommendations about the Company's internal control structure that we note during the audit which appears to be of significance under the circumstances.

Review of Interim Financial Statements

Beginning with the quarter ended September 30, 2011, we shall review the Company's interim unaudited financial statements to be included in the Company's Securities and Exchange Commission Form 10-Q as required. Those interim financial statements are the responsibility of the Company's management.

Our review will be performed in accordance with the procedures specified by Statement on Auditing Standards No. 100, *Interim Financial Information*, issued by the American Institute of Certified Public Accountants. These procedures are substantially less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. A review does not contemplate (a) tests of the accounting records through inspection, observation, or confirmation (b) obtaining corroborating evidential matter in response to inquiries, or (c) the application of certain other procedures ordinarily performed during an audit. The objective of the review is to provide us with the basis for reporting whether we have become aware of any material modifications that should be made for the interim financial statements to conform with accounting principles generally accepted in the United States of America. A review may bring to our attention significant matters affecting the interim financial information, but does not provide assurance that we will become aware of all significant matters that would be disclosed in an audit.

At the completion of each review we will not issue to the Audit Committee or Board of Directors a report on our review.

Pre-Approval of all Audit and Non-Audit Services

In accordance with Section 202 of the Sarbanes-Oxley Act of 2002, the Company's Board of Directors or Audit Committee (if formed) requires that Audit Committees pre-approve the services-both audit and permitted non-audit- we render on behalf of the Company and its subsidiaries. Prior to undertaking of the services, the engagement must be either approved by the Company's Board of Directors or Audit Committee (if formed); or entered into pursuant to pre-approval policies and procedures established by the Company's Board of Directors or Audit Committee, provided the policies and procedures are detailed as to the particular service, the

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Audit Committee is informed of each service, and such policies and procedures do not include delegation of the Audit Committee's responsibilities to management.

Conflicts of Interest Resulting from Employment Relationships

In accordance with Section 206 of the Sarbanes-Oxley Act of 2002, the Company, including any subsidiaries, agrees not to employ RBSM LLP's lead partner, concurring partner, or any other member of our audit engagement team who provides more than ten hours of audit, review or attest services for the Company in a financial reporting oversight role within the one year period preceding the commencement of audit procedures for the year that included employment by the Company of the former member of our audit engagement team.

Fees

Our charges to your Company for the audit services described above will be based on our standard hourly billing rates and we estimate will range from between \$45,000 to \$65,000 plus out-of-pocket expenses. Our fee quote is based on anticipated cooperation from your personnel and the assumption that unanticipated facts and circumstances that may require additional time on our part will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee quote before we incur the additional costs. A retainer in the amount of \$10,000 is required upon execution of this engagement letter.

Upon commencement of the audit the Company agrees to make bi-weekly payments of between \$5,000 to \$7,500 until the engagement is completed. Upon completion, the Company will pay the final amount due, if any within 30 days.

Should we encounter matters during the course of our fieldwork that would cause us to exceed these estimates, we will promptly advise you and obtain your approval to the revised fees in writing.

Our invoices will be due upon presentation and we reserve the right to suspend work on the above referenced services should our invoices remain unpaid.

This engagement includes only those services specifically described in this letter. Costs and time spent on legal matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration or government regulatory inquiries under the Private Securities Litigation Reform Act of 1995, will be billed to you separately.

Auditor Independence

PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, requires that, prior to accepting an engagement to be your company's auditor, we disclose to you in writing all relationships between our firm and any affiliates and your company and its related entities or persons in financial reporting oversight roles at your company that may reasonably be thought to bear on independence.

The following is a description of such relationships as of December 13, 2013 of which we are aware that are relevant to the potential audits of the Company's financial statements for the year ending December 31, 2013.

No such relationships noted.

We confirm that we are independent of the Company in compliance with Rule 3520 within the meaning of the federal securities laws administered by the Securities and Exchange Commission.

As further required by PCAOB Rule 3526, we will be pleased to discuss the potential effects of such relationships on our independence with respect to the Company.

This information is intended solely for use by you and other members of the Board of Directors in your consideration of our independence and should not be used for any other purpose.

Dispute Resolution

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator which it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any shall be born by the parties.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement and cannot be resolved by facilitated negotiations (or the parties agree to waive that process) then such dispute, controversy or claim shall be settled by arbitration in accordance with the laws of the Commonwealth of Virginia and the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association ("AAA"), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel, and shall take place in the city in which the RBSM LLP office providing the relevant services exist unless the parties agree to a different locale.

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Such arbitration shall be conducted before a panel of three persons, one chosen by each party and the third selected be the two party-selected arbitrators. The arbitration panel shall have no authority to award nonmonetary or equitable relief, and any monetary award shall not include punitive damages. The confidentially provisions applicable to facilitated negotiation shall also apply to arbitration.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including but not limited to: (1) the costs including reasonable attorneys fees of the arbitration (2) the fees and expenses of the AAA and arbitrators, and (3) the costs, including reasonable attorneys' fees, necessary to confirm the award in court shall be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel.

We believe the foregoing correctly sets forth our understanding, but if you have any questions please do not hesitate in calling me. If the contents of this letter are acceptable to the Company, please sign and date in the space provided and return the enclosed copy to our offices.

We appreciate the opportunity to provide services to the Company.

Sincerely,

RBSM LLP

Manny
Tzagarakis

Digitally signed by Manny Tzagarakis
DN: cn=Manny Tzagarakis, o=RBSM LLP,
ou=RBSM LLP,
email=mtzagarakis@rbsmlp.com, c=US
Date: 2014.08.06 15:06:02 -04'00'

Manny Tzagarakis, CPA
Partner

AGREED AND ACCEPTED:

QSGI INC.

By: 

Name: Carlos Sardinia

Title: Pres

Date: 8/6/2014