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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, WEST DISTRICT

FGPQ LLC, a Delaware limited liability company,

Plaintiff,

v.

PAYQWICK, INC., a Delaware corporation; KENNETH BERKE, an individual; KEITH MARKS, an individual; ALBERT ACEVEDO, an individual; and DOES 1 through 20, inclusive,

Defendants.

CASE NO. 18SMCV00284

COMPLAINT FOR:

(1) FRAUD

(2) CONCEALMENT

(3) BREACH OF CONTRACT

(4) NEGLIGENT MISREPRESENTATION

[JURY TRIAL DEMANDED]

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Plaintiff FGPQ LLC ("FGPQ") alleges against Defendants PayQwick, Inc. ("PayQwick"), Kenneth Berke ("Berke"), Keith Marks ("Marks"), Albert Acevedo ("Acevedo") and Does 1 through 20 ("Defendants"), as follows:

INTRODUCTION

1. Cannabis, while legal in some form or another in California and 30 other states, remains illegal at the federal level. As a result, businesses in the cannabis industry often confront difficulty in obtaining standard banking services, such as maintaining credit or debit accounts. These businesses generally operate exclusively in cash.

2. PayQwick, founded by Berke and Marks, set out to create a platform to provide financial services to these cash-based cannabis businesses, such as maintaining checking and savings accounts and the ability to process credit and debit card transactions for their customers. PayQwick planned to launch a platform that was both technically sound and could function in the challenging financial regulatory environment confronted by cannabis businesses.

3. In or around October 2017, FGPQ invested $1.35 million in PayQwick as the sole investor in a Series A fundraising round. To induce FGPQ to make this investment, PayQwick made numerous representations to FGPQ relating to PayQwick's readiness to offer services to its customers, especially as relates to providing them with credit and debit card processing services. According to PayQwick, credit and debit card processing services would be its main revenue driver going forward, as reflected by the projections PayQwick provided to FGPQ. PayQwick repeatedly represented that credit and debit card processing services would be ready to launch imminently, even though PayQwick knew it had no ability to offer these services.

4. In addition, PayQwick provided significant contractual rights to FGPQ, including agreeing to provide its financial information to FGPQ and the requirement for PayQwick to obtain FGPQ's consent prior to taking certain delineated actions—such as setting executive compensation, the hiring of executives, entering into certain types of contracts, and entering into certain kinds of capital transactions.

5. PayQwick has regularly breached its contractual obligations since the outset of the investment. It has routinely failed to provide required financial reporting to FGPQ and often

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concealed material information from FGPQ. PayQwick has also repeatedly taken actions that contractually required the consent of FGPQ, without obtaining FGPQ's prior consent, including:

- Giving Berke and Marks substantial raises;
- Hiring a Chief Financial Officer;
- Entering into a predatory contract with a third-party vendor; and
- Entering into certain capital transactions.

6. Making matters worse, the projections provided by PayQwick to FGPQ were wildly inaccurate. For example, to induce FGPQ to go forward with the Series A investment, PayQwick represented that credit and debit card merchant services would be available to PayQwick customers in the third quarter of 2017 and PayQwick would have revenue of $1 million from credit and debit card processing fees by January 2018. In fact, by the summer of 2018, PayQwick had no revenue from debit or credit card processing. It is now apparent that PayQwick knew these projections were unrealistic when it presented them to FGPQ.

7. Lastly, in October and November 2018, PayQwick asked FGPQ to consent to two new investments in the company, one of which would require FGPQ to subordinate its financial interest in PayQwick to a new investor. FGPQ had no interest in doing so. However, PayQwick made various representations relating to its partnership with a Colorado-based credit union (the "Credit Union"). PayQwick represented that it was prepared to provide financial services to PayQwick customers in partnership with the Credit Union. In particular, PayQwick represented that the Credit Union had approved the company to immediately roll out financial services to PayQwick's customers, which, if it happened, would result in an immediate and significant spike in revenue at PayQwick. In reliance on these representations, FGPQ agreed to subordinate its financial interest and permit the financing to go forward in exchange for warrants and other consideration.

8. However, as weeks passed, none of the expected revenue from the financial services rollout in conjunction with the Credit Union materialized. After FGPQ made numerous inquiries, which were initially met with obfuscation, PayQwick eventually reluctantly revealed that it had concealed the true status of its partnership with the Credit Union. The Credit Union

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required that any PayQwick client signing up for a PayQwick account would be required to provide documentation that (1) the client had a preexisting bank account, and (2) a letter from the client's bank confirming that the bank was aware that the client operated a cannabis related business. PayQwick's business model is to provide financial services to cannabis-related business that cannot obtain a traditional banking relationship because of the nature of their business. If these businesses already have access to traditional banking, then they would have no need to use PayQwick. Thus, the controls imposed by the Credit Union effectively severed its relationship with PayQwick. PayQwick fraudulently concealed this information when negotiating with FGPQ about its consent to two new investments in the company.

9. FGPQ has been greatly damaged due to Defendants' fraudulent conduct and regular breaches of the investment documents. Its damages are in excess of $1.35 million. Moreover, due to the egregiousness of Defendants' conduct, punitive damages are appropriate.

PARTIES

10. Plaintiff FGPQ LLC is a Delaware limited liability company with its principal place of business in Miami, Florida.

11. On information and belief, Defendant PayQwick, Inc. is a Delaware corporation with its principal place of business in Los Angeles County, California.

12. On information and belief, Defendant Kenneth Berke is an individual residing in Los Angeles County, California.

13. On information and belief, Defendant Keith Marks is an individual residing in Los Angeles County, California.

14. On information and belief, Defendant Albert Acevedo is an individual residing in California.

15. FGPQ is ignorant of the true names, capacities, relationships and extent of participation in the conduct herein alleged of the Defendants sued herein as Does 1 through 20, inclusive, but on information and belief alleges that said Defendants are legally responsible to it. FGPQ will amend this Complaint to allege the true names and capacities of the Doe Defendants when ascertained.

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16. Defendants, acting within the course and scope of their agency, employee, partner and/or joint venture relationships, participated in, approved, sanctioned, cooperated in, assisted in, consented to, acquiesced to, benefited from, or otherwise caused and/or failed to prevent the acts described herein.

JURISDICTION AND VENUE

17. The amount in controversy is within the jurisdiction of this Court.

18. Venue in Los Angeles Superior Court is proper in this case. Some Defendants reside in Los Angeles County. In addition, many of the acts and conduct that form the basis of Plaintiff's causes of action occurred in Los Angeles County.

FACTUAL ALLEGATIONS

A. PayQwick Is Formed To Provide Money Transmitter Services

19. PayQwick is an electronic payment processor that is engaged in providing financial services to industries that operate primarily on a cash basis, specifically the cannabis industry. PayQwick is run by Chief Executive Officer Marks, President Berke, and Chief Financial Officer Acevedo.

20. Cannabis is legal in some form in California and 30 other states. On November 8, 2016, California voters overwhelmingly approved Proposition 64 to legalize the sale, distribution, and use of recreational cannabis. At the federal level, however, cannabis remains illegal.

21. This conflict between state and federal law causes regulatory and logistical problems for owners of cannabis-related businesses in states where medical or recreational use of cannabis is legal.

22. Banks and other traditional financial institutions generally refuse to provide services to cannabis-related businesses. This creates issues for these business owners because there are risks to operating a cash only business. These include the increased risk of violent crime, such as robberies, and being forced to pay state and federal taxes, as well as employees, in cash.

23. PayQwick was created to solve this problem, and appeared to be an attractive investment opportunity to FGPQ as a result. PayQwick holds itself out as being able to process cannabis merchants' payment and receipt of bills electronically, allow them to obtain bank

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accounts at normal billing rates, and to accept credit and debit cards. PayQwick's business model is founded on having relationships with financial institutions that are willing to open accounts for merchants in the cannabis industry.

B. FGPQ Invests $1.35 Million In Series A

24. FGPQ is in the business of providing venture capital. FGPQ began discussions with PayQwick regarding a possible investment into the company in 2017. PayQwick informed FGPQ that it was seeking to raise funds in the company's Series A fundraising round, and described the nature of its business. FGPQ was intrigued by the company's business and asked PayQwick to provide the concrete numbers, projections and business plans so that FGPQ could evaluate whether to invest in the company.

25. PayQwick was already up and running and generating some revenue. This revenue was largely coming from facilitating cash pickups in Washington state for PayQwick customers and certain types of business to business transactions. The revenue was modest and did not on its own make PayQwick an attractive investment opportunity for FGPQ.

26. To pique FGPQ's interest, PayQwick made numerous representations designed to induce FGPQ to proceed with a substantial Series A investment in PayQwick. PayQwick informed FGPQ that it was about to launch credit and debit card processing services to its customers. According to PayQwick, the launch of these services would transform the business and would quickly become PayQwick's largest source of revenue. PayQwick's representations relating to the launch of credit and debit card processing included, but were not limited to:

a. That credit and debit card merchant services would be available to PayQwick customers in the third quarter of 2017;

b. That in the State of Washington alone, PayQwick would generate monthly revenue in excess of $1,000,000 in credit and debit card processing fees by January 2018;

c. That PayQwick would be integrated with point of sale providers in the third quarter of 2017; and

d. That the terms of the credit and debit processing deals between PayQwick and its credit and debit card processing partners were finalized and all that was left to do was

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implement the terms of their agreements with these partners.

27. In reliance on these representations, FGPQ invested $1.35 million in PayQwick as part of the company's Series A round of fundraising on October 6, 2017. FGPQ filled the entire fundraising round with its investment and has to this day invested more capital in PayQwick than any other investor.

28. FGPQ was also induced to move forward with this substantial investment in PayQwick as a result of PayQwick agreeing to provide significant and expansive contractual rights to FGPQ. Many of FGPQ's rights are reflected in the Investors Rights Agreement ("IRA") which was executed concurrently with the closing of Series A on October 6, 2017. A true and correct copy of the October 6, 2017 IRA is attached hereto as **Exhibit A.**

29. The IRA provides FGPQ with broad contractual rights, including requiring that FGPQ:

a. Shall receive audited financial statements relating to PayQwick within 90 days of the end of the fiscal year of the company (IRA Section 3.1(a));

b. Is entitled to information relating to PayQwick's financial condition, business prospects, or corporate affairs upon request (IRA Section 3.1(f));

c. Is entitled to full inspection rights of PayQwick's books and records (IRA Section 3.2);

d. Is entitled to a right of first refusal for any new securities offered by PayQwick (IRA Section 4.1);

e. Shall be provided with an Offer Notice that describes the number, price and terms of any offering of new securities (IRA Section 4.1(a));

f. Is entitled to written proof that PayQwick, Berke and Marks are maintaining "key-person" insurance in an amount of no less than $1 million per person within 90 days of the close of Series A, and such policies will not be cancelled without FGPQ's consent (IRA Section 5.1);

g. Is entitled to written proof that PayQwick, Berke and Marks are maintaining Directors and Officers liability insurance in an amount of at least $2 million within 90 days of the

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close of Series A, and provide written certification within 120 days of the end of each fiscal year that the Directors and Officers liability insurance remains in effect (IRA Section 5.1);

h. Has the right to approve of any indebtedness proposed to be incurred by PayQwick in excess of $100,000 (IRA Section 5.4(e));

i. Has the right to approve or disapprove of the hiring of any new executives (IRA Section 5.4(g));

j. Has the right to approve or disapprove of the change of compensation of any PayQwick executive (IRA Section 5.4(g)); and

k. Has the right to approve or disapprove of PayQwick entering into any corporate strategic relationship or contract with a value of greater than $100,000 if made outside the normal course of business (IRA Section 5.4(j)).

30. FGPQ only agreed to enter the transaction based on PayQwick's representations about the business and projections of the company, and because PayQwick agreed to provide and comply with the significant contractual protection provided to FGPQ in the IRA and other transactional closing documents.

C. PayQwick Immediately And Routinely Violates Its Contractual Obligations

31. The ink was barely dry on the Series A closing documents before PayQwick began to breach its contractual obligations. These breaches include:

1. Marks And Berke Unilaterally Give Themselves Lucrative Raises

32. On or about March 15, 2018, FGPQ discovered that Marks and Berke gave themselves significant raises. FGPQ immediately called Marks to demand an explanation. FGPQ informed Marks that the increases in executive compensation had not been approved by FGPQ, and had not been submitted to FGPQ for its consent.

33. On March 16, 2018, Marks emailed FGPQ to discuss the raises. Marks acknowledged that FGPQ's approval was required for any change to executive compensation, and requested *retroactive* approval of the increased compensation. FGPQ responded the following day with an unequivocal denial of the request.

34. This conduct, as admitted to by Marks, is in clear violation of IRA section 5.4(g).

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2. PayQwick Hires A CFO Without FGPQ's Consent

35. FGPQ's approval was required for any hiring of an executive officer. In early March 2018, a phone call between FGPQ and PayQwick revealed that PayQwick had hired Acevedo as the company's CFO without seeking approval from FGPQ. FGPQ immediately demanded to know Acevedo's qualifications and at the very least to see his resume so it could determine Acevedo's suitability for the position. On or about March 8, 2018, PayQwick provided FGPQ with Acevedo's resume, and sought *retroactive* approval of his hiring as CFO.

36. The unilateral hiring of Acevedo as CFO constituted a breach of FGPQ's rights under section 5.4(g) of the IRA.

3. PayQwick Enters Into A Contract With FTI Consulting And Hides That Fact From FGPQ

37. On or about April 3, 2018, Berke and Marks informed FGPQ that PayQwick was in the process of negotiating a contract with FTI Consulting ("FTI"). The aim of the contract would be for FTI to use its contacts and connections with California lobbyists, professionals and financial institutions to secure banking services for PayQwick's customers in the state.

38. On the evening of April 3, Berke and Marks sent an email to FGPQ to inform it of the status of negotiations. Berke's email recognized that the contract with FTI was of the type that required FGPQ's approval, and attached the purported proposed contract for FGPQ's review.

39. FGPQ promptly reviewed the contract and provided comments to Berke the following morning. FGPQ informed Berke that FGPQ could not accept the terms of the proposed contract without significant revisions. The primary, but by no means the only, issue with the contract was that it provided FTI with one percent of all California business whether it was involved in securing the revenue source or not. FGPQ required that the revised contract clearly restrict any percentages earned by FTI to come from banking or depository relationships that it sourced. The agreement also allowed FTI to charge an hourly rate on top of earning a percentage of revenue generated. FGPQ informed Berke that it believed that FTI was trying to take advantage of PayQwick by proposing those terms.

40. FGPQ asked Berke to send it a revised draft of the agreement that reflected these,

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and other, revisions to the proposed contract. After receiving FGPQ's edits, Berke responded by saying that PayQwick would send FTI a proposed "First Amendment" to the agreement. FGPQ was confused as to why a "First Amendment" would be necessary if the contract had not yet been executed. FGPQ emailed Berke and asked whether PayQwick had already entered into the agreement with FTI. Berke confirmed that the contract had already been executed—information that to that point had been withheld from FGPQ. Entering into this contract without providing notice or consent to FGPQ violated section 5.4(j) of the IRA.

4. PayQwick Fails To Maintain "Key-Person" Life Insurance

41. Section 5.1 of the IRA required PayQwick to obtain and maintain Directors and Officers liability insurance and "key-person" insurance on executives Berke and Marks, and provide FGPQ with proof that it had done so within 90 days of October 6, 2017.

42. PayQwick, Berke and Marks did not comply with this provision. PayQwick failed to obtain the insurance in a timely manner. Instead, on or about February 16, 2018, Marks asked FGPQ to waive performance of this provision because the modest increase in premiums would cripple the company. FGPQ refused to waive this provision.

5. PayQwick Seeks To Raise Funds Without FGPQ's Consent

43. On or about May 30, 2018, PayQwick sought to raise $650,000 through a sale of common stock to investors other than FGPQ. PayQwick subsequently informed FGPQ that it was in receipt of investor funds and demanded that FGPQ promptly provide consent to its fundraising transaction so that an additional $50,000 in funds could be released for use by PayQwick.

44. PayQwick's attempted rogue fundraising round constitutes a clear violation of FGPQ's rights under the IRA. Section 4.1 of the IRA provides FGPQ with a right of first refusal in the event that PayQwick offers new securities for sale. Section 4.1(a) requires PayQwick to provide FGPQ with an Offer Notice which states that (1) FGPQ intends to offer new securities for sale, (2) the number of new securities to be offered, and (3) the price and terms that the new securities are being offered for. PayQwick never provided FGPQ with such an Offer Notice.

45. PayQwick knew that the IRA required Offer Notices to be delivered to FGPQ in the event FGPQ decided to offer new securities for sale. In fact, shortly after PayQwick raised

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this money, PayQwick sent FGPQ an Offer Notice for another offering of new securities.

6. PayQwick Fails To Provide Necessary Financial Information

46. On or about June 12, 2018, after concerns arose about the financial condition of PayQwick and the management of Berke and Marks, FGPQ invoked its contractual rights under IRA section 3.1(f) to inspect information relating to the financial condition, business prospects, or corporate affairs of the Company. FGPQ requested that PayQwick provide the following information:

a. The 2017 audited financials that were supposed to have been provided within 90 days of year end (IRA Section 3.1(a));

b. A comparison of the audited 2017 financial results compared with the projected budget for 2017 (IRA Section 3.1(a));

c. PayQwick's quarterly financial reports (IRA Section 3.1(b)); and

d. PayQwick's quarterly certified cap tables (IRA Section 3.1(c)).

47. FGPQ also requested information as to how PayQwick intended to fund the next payroll cycle given that Marks represented that PayQwick was out of funds as of June 1, 2018, and information relating to whether PayQwick had its credit and debit card processing platform up and running. PayQwick had been representing since October 2017 that it was "weeks away" from having an active, working platform to offer credit and debit card processing, but the platform had yet to materialize as of June 2018.

48. Rather than provide FGPQ with the information that it was entitled to under the IRA, PayQwick refused to provide the requested information. Instead, PayQwick's executive team characterized the legitimate requests for information as "laughable," "ludicrous," and "insulting," and accused FGPQ of seeking to "arbitrarily and vexatiously harm and harass the company."

49. In response to PayQwick stonewalling FGPQ's contractual rights to the requested information, FGPQ was forced to retain litigation counsel to make a formal demand for the documents responsive to FGPQ's inquiry. This formal demand was sent to Marks, Berke and Acevedo on June 15, 2018.

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D. PayQwick's Business Flounders As It Constantly Misses Its Projections

50. When FGPQ and PayQwick were negotiating the terms of FGPQ's Series A investment, PayQwick represented that it would have its credit and debit card services available to its customers in November 2017, or December 2017 at the latest. These representations induced FGPQ to make its investment.

51. Yet PayQwick still had failed to launch any credit or debit services nearly six months after it had represented to FGPQ that it would occur. PayQwick was in dire straits, and its burn rate was out of control. Worse, PayQwick resisted austerity measures designed to keep the company viable and represented that there was nothing that the company could do to cut costs.

52. Despite PayQwick representing to FGPQ that it would be ready to launch its credit and debit card services in the third quarter of 2017, PayQwick said it needed even more funds to get its credit and debit card services up and running. PayQwick's performance has fallen woefully short of PayQwick's projections, which were unrealistic when made.

E. PayQwick Receives A California Money Transmitter License And Purports To Move Forward With The Credit Union

53. On or about August 22, 2018, PayQwick was granted a California Money Transmitter License from the California Department of Business Oversight. The completion of this process opened the door to PayQwick being able to conduct business and generate revenues in California.

54. Around this time, PayQwick informed FGPQ that it was in further discussions with the Credit Union and that it had launched a program to connect cannabis-related businesses to participating financial institutions. On or about August 27, 2018, Marks represented to FGPQ that the Credit Union wanted to test two of PayQwick's clients for participation in this program, with a broader rollout planned for September.

55. On or about Thursday, September 18, 2018, Marks represented to FGPQ that he expected the Credit Union's underwriting to be completed by the end of the week for the first two test customers. FGPQ followed up the next day, eager to know the results of the Credit Union's underwriting. However, Marks informed FGPQ that the Credit Union was not yet able to

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complete the underwriting.

56. The following week, on or about September 25, 2018, Marks informed FGPQ that only a few of PayQwick's clients would need to be strictly approved of by the Credit Union, while the rest of PayQwick's customers would be subject to a streamlined approval process. This was a material representation because it indicated that PayQwick would soon be able to provide financial services to a large swath of cannabis-related businesses in California.

57. Marks informed FGPQ that the Credit Union had approved PayQwick's first California client and scheduled a cash pickup from the client for late October. PayQwick's first cash pickup in California occurred on October 31, 2018. The cash pickup was for approximately $250,000 and the revenue generated from the pickup represented PayQwick's first revenue in the state.

F. PayQwick Requests That FGPQ Subordinate Its Investment

58. On October 10, 2018, PayQwick circulated a convertible debt proposal made by Robert I. Sax ("Sax") for an investment into PayQwick. Sax is CEO of eDeposit Corporation.

59. Sax proposed a $250,000 investment in the form of a convertible note that would be senior to virtually all other investments and debt of the company, including senior to FGPQ's investment. Additionally, Sax required that PayQwick reserve the States of Massachusetts, Pennsylvania, New Jersey and Maryland for eDeposit or an eDeposit affiliated company to exclusively sell PayQwick's services in those states. Sax also asked for the option to invest an additional $100,000.

60. On or about November 6, 2018, Marks informed FGPQ that the members of PayQwick's Michigan affiliate ("PQMI") desired to invest $200,000 into PayQwick. FGPQ was informed that the terms of this investment would be $100,000 upon closing and another $100,000 on December 15th.

61. Both of these transactions required FGPQ's consent under the IRA.

62. FGPQ had negotiated for itself a senior position in the company as part of the Series A financing. FGPQ was reluctant to relinquish this senior position to a new investor—particularly in light of PayQwick's track record of flouting contractual obligations and missing

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performance targets—and it had concerns about the PQMI investment as well.

63. To induce FGPQ to consent to these investments, PayQwick made representations to FGPQ regarding the growth potential of the company given its newly acquired California money transmitter license and its relationship with the Credit Union. PayQwick represented that, through its relationship with the Credit Union, it would be able to immediately provide a broad suite of financial services to its customers in California, which would result in immediate and significant revenue to the company.

64. PayQwick knew that the only way that FGPQ would provide its consent would be through convincing FGPQ that the Credit Union relationship was healthy, and that there would be no barrier to entry for merchants to use PayQwick's services. Based on these representations, and those described above, FGPQ provided conditional consent to the Sax transaction on November 9, 2018. The consent required that PQMI fund $200,000 through the purchase of common shares, and that PayQwick issue to FGPQ warrants to acquire 549,616 Series A Preferred Shares. PayQwick agreed to these terms.

65. PayQwick failed to fulfill the conditions set forth in the initial consent. PayQwick provided FGPQ with an amended consent form, reflecting new terms and conditions, on November 15, 2018. At the time it was submitted to FGPQ, PayQwick had *already completed the transaction on the new terms*, in contravention of FGPQ's contractual rights pursuant to the IRA.

66. FGPQ immediately informed PayQwick that its actions were in breach of the IRA, and that it would not be providing its consent to the renegotiated deals. First, the condition of a $200,000 investment made by PQMI was not satisfied, rendering the consent to the Sax transaction ineffective. Moreover, FGPQ had never approved the PQMI transaction that contemplated a lower upfront investment.

67. PayQwick tried once again to secure FGPQ's consent. PayQwick represented that the financial outlook in California, thanks to the Credit Union's partnership with PayQwick, was sunny. PayQwick repeated its representations that the Credit Union relationship was strong, and that there would be no barriers to entry to customers using PayQwick's broad suite of financial services as a result.

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68. In reliance on these representations, and those made previously regarding the same subject matter, FGPQ provided its conditional consent to the new terms on November 16, 2018. FGPQ's consent to the Sax transaction was conditioned on PQMI investing an aggregate of $250,000 into PayQwick, in addition to PayQwick agreeing to grant options to FGPQ on Berke's shares in the company and providing FGPQ with warrants.

G. PayQwick's Fraud Is Revealed

69. On November 20, 2018, PayQwick held a Board of Directors meeting. FGPQ had noticed that the promised revenue from California had not materialized. FGPQ therefore asked questions in the board meeting about PayQwick's California expansion plans and its relationship with the Credit Union. PayQwick had represented that it was ready to launch a broad range of financial services in partnership with the Credit Union, but PayQwick was still not bringing in any revenue from these services.

70. PayQwick repeatedly dodged questions relating to the state of the business in California and PayQwick's relationship with the Credit Union, which raised FGPQ's suspicions.

71. Finally, at the conclusion of the meeting, and after already being rebuffed repeatedly on this issue, FGPQ once again asked what was happening in California and with the Credit Union. FGPQ demanded that PayQwick immediately answer its inquiry and stated that it would not accept PayQwick's dancing around these questions.

72. PayQwick revealed that its partnership with the Credit Union was no partnership at all. To provide its support to PayQwick's services, the Credit Union required that all PayQwick customers have a preexisting bank account and provide a letter from their bank indicating that the bank knew that the customer was operating a cannabis-related business.

73. This revelation was shocking. The entire business model of PayQwick is designed around servicing members of an industry *that do not have access to or cannot be approved to have a bank account.* If cannabis-based businesses required a bank to use the PayQwick platform, they would have no need to use PayQwick in the first place. PayQwick had no new customers because the Credit Union had effectively shut it down—information that PayQwick decided to conceal from FGPQ.

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74. PayQwick knew this information about the Credit Union's requirements prior to soliciting FGPQ's consent to the two new investments and concealed this information. PayQwick knew that without the backing of the Credit Union it was nowhere close to being ready to launch its services in California, and therefore nowhere close to generating any significant revenue for the company. Had FGPQ known that the Credit Union required PayQwick customers to have bank accounts and letters from their banks indicating that they were aware that the customer was in the business of cannabis, it would not have provided its conditional consents. Defendants knew this, which is why they concealed this information and made false representations to FGPQ about the relationship with the Credit Union.

75. Based on PayQwick's affirmative misrepresentations and concealment, FGPQ's substantial investment in PayQwick is now subordinate to a significant amount of new money that has been invested into the company. Moreover, FGPQ has not even been provided with the options and warrants that it was promised in connection with its approval of the Sax and PQMI financing consents.

FIRST CAUSE OF ACTION

Fraud

(Against PayQwick, Berke, Marks, Acevedo and Does 1 through 20)

76. FGPQ incorporates herein by reference the preceding paragraphs of this Complaint.

77. As alleged herein, Defendants made numerous false representations of material fact, and material omissions, to FGPQ to induce it to make its Series A investment. These misrepresentations include:

a. That credit and debit card merchant services would be available to PayQwick customers in the third quarter of 2017;

b. That it had relationships and partnerships with debit and credit card processing partners finalized, which would allow PayQwick to begin offering these services in the third quarter of 2017;

c. That in the State of Washington alone, PayQwick would generate monthly revenue in excess of $1,000,000 in credit card processing fees by January 2018;

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d. That PayQwick would be integrated with point of sale providers in the third quarter of 2017; and

e. Presenting FGPQ with materially false and unrealistic projections for PayQwick that were based on unrealistic assumptions that Defendants knew were unattainable.

78. Defendants further made misrepresentations to FGPQ with respect to negotiating consent to the Sax and PQMI fundraising:

a. Representing that its relationship with the Credit Union was finalized;

b. Representing that PayQwick would be imminently rolling out a broad suite of services in California to begin generating substantial revenue for the company; and

c. Actively concealing from FGPQ, despite having a duty to disclose the information by virtue of making partial representations of fact, the fact that the Credit Union would not sign PayQwick clients up for its services unless the client had a bank account or could get approved for a bank account.

79. Defendants knew these representations and omissions were false and/or acted with utter disregard and recklessness for their truth.

80. Defendants knew and understood that FGPQ would act in reliance on the alleged false representations and/or omissions of material fact by agreeing to enter into the October 6, 2017 Series A transaction. In addition, Defendants knew and understood that FGPQ would act in reliance on the alleged false representations and/or omissions of material fact by agreeing to provide its consent to the Sax and PQMI fundraising.

81. FGPQ's reliance on these false representations was foreseeable, reasonable and justified.

82. FGPQ's reliance on these false representations and omissions directly and proximately caused injury and pecuniary loss to FGPQ, for which it is entitled to an award of compensatory damages in an amount to be proven at trial.

83. Given that FGPQ's entering into the October 6, 2017 Series A financing with PayQwick and the November 2018 Consents were obtained by fraud, FGPQ is also entitled to rescission of these contracts, including return of its $1.35 million investment.

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84. The conduct of Defendants was committed with the intent of depriving FGPQ of its rights and causing injury to it. The conduct was despicable and subjected FGPQ to unjust hardship. The conduct was malicious, fraudulent, oppressive, and was committed with a conscious disregard for FGPQ's rights. Accordingly, FGPQ is entitled to an award of punitive or exemplary damages in an amount sufficient to punish Defendants and to make an example of them.

SECOND CAUSE OF ACTION

Concealment

(Against PayQwick, Berke, Marks, Acevedo and Does 1 through 20)

85. FGPQ incorporates herein by reference the preceding paragraphs of this Complaint.

86. Defendants concealed, or made partial misrepresentations, with respect to material facts during the Series A negotiations, including:

a. That credit and debit card merchant services would be available to PayQwick customers in the third quarter of 2017;

b. That in the State of Washington alone, PayQwick would be operational and generate monthly revenue in excess of $1,000,000 in credit card processing fees by January 2018;

c. That PayQwick would be integrated with point of sale providers in the third quarter of 2017 when it knew this milestone was unattainable; and

d. Presenting to FGPQ materially false and unrealistic projections for PayQwick that were based on unrealistic assumptions that Defendants knew were unattainable.

87. Defendants further concealed and made partial misrepresentations to FGPQ with respect to negotiating FGPQ's consent to the Sax and PQMI fundraising:

a. Representing that PayQwick's relationship with the Credit Union was finalized;

b. Representing that PayQwick would be imminently rolling out its services in California to begin generating substantial revenue for the company;

c. Actively concealing from FGPQ, despite having a duty to disclose the information by virtue of making partial representations of fact, the fact that the Credit Union

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would not sign PayQwick clients up for its services unless the client had a bank account or could get approved for a bank account; and

d. Misrepresenting and concealing the impact that the Credit Union's bank account requirement was having on PayQwick's business.

88. Defendants intended to induce FGPQ to make its Series A investment and to approve the Sax and PQMI transactions by concealing these facts.

89. FGPQ's reliance on these false representations and omissions directly and proximately caused injury and pecuniary loss to FGPQ, for which it is entitled to an award of compensatory damages in an amount to be proven at trial.

90. Given that FGPQ's entering into the October 6, 2017 Series A financing with PayQwick and the November 2018 Consents was obtained by concealment, FGPQ is also entitled to rescission of these contracts, including the return of its $1.35 million investment.

91. The conduct of Defendants was committed with the intent of depriving FGPQ of its rights and causing injury to it. The conduct was despicable and subjected FGPQ to unjust hardship. The conduct was malicious, fraudulent, oppressive, and was committed with a conscious disregard for FGPQ's rights. Accordingly, FGPQ is entitled to an award of punitive or exemplary damages in an amount sufficient to punish Defendants and to make an example of them.

THIRD CAUSE OF ACTION

Breach of Contract

(Against PayQwick)

92. FGPQ incorporates herein by reference the preceding paragraphs of this Complaint.

93. On October 6, 2017, PayQwick entered into a Series A Preferred Stock Financing. The documents signed at or prior to the closing that comprise this financing include an Investor Right Agreement, among others. These contracts are legally binding, properly executed, valid and enforceable.

94. Additionally, FGPQ entered into a November 16, 2018 Consent by which it agreed to permit PayQwick to receive investments from Sax and PQMI. To the extent FGPQ's consent to

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this Consent was not found to have been procured by fraud, this contract is legally binding, properly executed, valid and enforceable. Under the November 16, 2018 Consent, FGPQ was promised certain options and warrants in PayQwick in exchange for agreeing to permit the fundraising round to proceed.

95. FGPQ performed all of its obligations under these contracts, except for those excused by PayQwick's material breaches (and/or other misconduct), through the actions of Berke, Marks and Acevedo, set forth in this Complaint.

96. PayQwick breached its obligations under these contracts by, among other things:

a. Unilaterally increasing the salary of Berke and Marks without FGPQ's consent in violation of IRA section 5.4(g);

b. Failing to provide proof of "key-person insurance" and Directors and Officers Insurance within the time specified by contract in violation of IRA section 5.1;

c. Hiring a CFO without FGPQ's consent in violation of IRA section 5.4(g);

d. Entering into contracts with third parties without seeking FGPQ's approval first in violation of IRA sections 5.4(e) and 5.4(j);

e. Not providing Offer Notices to FGPQ prior to seeking to raise additional funds for the company through the sale of common stock in violation of IRA section 4.1(a);

f. Entering into financing agreements with Sax and PQMI without FGPQ's consent in violation of IRA section 5.4(e); and

g. Not providing the options and warrants FGPQ is entitled to pursuant to the Consent agreement in violation of FGPQ's November 16 Consent.

97. As a direct and proximate result of PayQwick's multiple material breaches of its duties and obligations under these contracts, through the actions of Berke, Marks and Acevedo, FGPQ has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial.

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FOURTH CAUSE OF ACTION

Negligent Misrepresentation

(Against PayQwick, Berke, Marks, Acevedo and Does 1 through 20)

98. FGPQ incorporates herein by reference the preceding paragraphs of this Complaint.

99. As alleged herein, and in the alternative to Defendants fraudulently making various promises, Defendants made representations of past and existing material facts.

100. As to the negotiation of the Series A investment, these representations include:

a. That credit and debit card merchant services would be available to PayQwick customers in the third quarter of 2017;

b. That in the State of Washington alone, PayQwick would be operational and generate monthly revenue in excess of $1,000,000 in credit card processing fees by January 2018;

c. That PayQwick would be integrated with point of sale providers in the third quarter of 2017; and

d. Presenting to FGPQ materially false and unrealistic projections for PayQwick that were based on unrealistic assumptions.

101. Defendants further made representations to FGPQ with respect to negotiating FGPQ's consent to the Sax and PQMI fundraising:

a. Representing that PayQwick's partnership with the Credit Union was finalized;

b. Actively concealing from FGPQ the fact that the Credit Union would not sign PayQwick clients up for its services unless the client had a bank account or could get approved for a bank account; and

c. Misrepresenting and concealing the impact that the Credit Union's bank account requirement was having on PayQwick's business.

102. Defendants made these representations without reasonable grounds for believing them to be true.

103. Defendants made these representations with the intent to induce FGPQ to rely upon them.

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104. FGPQ's reliance on these false representations was foreseeable, reasonable and justified.

105. FGPQ's reliance on these false representations and omissions directly and proximately caused injury and pecuniary loss to FGPQ, for which it is entitled to an award of compensatory damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, FGPQ prays for judgment against Defendants and for relief as follows:

1. For general and consequential damages according to proof at trial;
2. For punitive damages;
3. For attorney's fees;
4. For costs;
5. For pre-judgment and post-judgment interest;
6. For rescission; and
7. For such other and further relief as the Court may deem just and proper.

DATED: December 3, 2018

Respectfully submitted,

MILLER BARONDESS, LLP

By: _____

CHRISTOPHER D. BEATTY
Attorneys for Plaintiff FGPQ LLC

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EXHIBIT A

INVESTORS' RIGHTS AGREEMENT

THIS INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of October 6, 2017, by and among PayQwick, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**" and any Additional Purchaser (as defined in the Purchase Agreement) that becomes a party to this Agreement in accordance with Section 6.9 hereof.

RECITALS

WHEREAS, the Company and the Investors are parties to the Series A Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce the Investors to invest funds in the Company pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

1.2 "**Common Stock**" means shares of the Company's common stock, par value $0.0001 per share.

1.3 "**Convertible Securities**" means any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

1.4 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the

Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.5 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.6 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.8 "**Exempted Securities**" means any or all of the following securities of the Company issued by the Company after the date of this Agreement:

(a) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(b) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up, recapitalization, combination or other distribution on shares of Common Stock that are covered by Subsection 4.5, 4.6, 4.7 or 4.8 of Article FOURTH, Section B of the Company's Certificate of Incorporation;

(c) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Company or any of its subsidiaries pursuant to the Company's 2016 Equity Incentive Plan, as amended to the date hereof and as amended thereafter as approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock (the "**Plan**") or any other plan, agreement or arrangement approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock;

(d) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities (including without limitation upon the conversion of shares of Series A Preferred Stock), in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(e) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock;

(f) shares of Common Stock, Options or Convertible Securities issued pursuant to mergers involving the Company (other than a Deemed Liquidation Event, as defined in the Company's Certificate of Incorporation, as amended) or the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets or other reorganization, provided that such issuances are approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock;

(g) shares of Common Stock issued in an IPO;

(h) shares of Common Stock, Options or Convertible Securities issued to vendors or customers, provided that such issuances are approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock;

(i) shares of Common Stock, Options or Convertible Securities issued in connection with strategic alliances, joint ventures or other similar agreements, provided that such issuances are approved by the Board of Directors of the Company, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock; or

(j) shares of Common Stock, Options or Convertible Securities on terms approved by the holders of at least a majority of the then-outstanding shares of Series A Preferred Stock.

1.9 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.10 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.11 "**GAAP**" means generally accepted accounting principles in the United States.

1.12 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.13 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.14 "**Information Request**" means a written notice delivered by the Company to an Investor requesting Investor Information.

1.15 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.16 "**Investor Information**" means, with respect to each Investor, information regarding such Investor and/or its owner(s) and/or its or their Affiliates that the applicable statute or regulation of any U.S. state requires that the Company include in any application submitted after the date of this Agreement by the Company to such state's Regulatory Authority for the express and limited purpose of the Company's obtaining a money transmitter license or an exception thereto and/or an exemption and/or waiver therefrom.

1.17 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.18 "**Key Employee" means** any executive-level employee (including division director and vice president-level positions, including without limitation Keith Marks, Kenneth Berke and Mauricio Braun (whether or not classified as an employee or independent contractor)) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property\(as defined in the Purchase Agreement).

1.19 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities; provided, however, that "**New Securities**" shall exclude Exempted Securities.

1.20 "**Option**" means rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

1.21 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.22 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Series A Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof; and (iii) any Common Stock

issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.23 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.24 "**Regulatory Authority**" of any U.S. state means such state's governmental agency that regulates money transmittal licensing and/or exceptions thereto and/or exemptions and/or waivers therefrom for such state.

1.25 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.26 "**SEC**" means the Securities and Exchange Commission.

1.27 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.28 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.29 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.30 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.31 "**Series A Director**" means any director of the Company that the holders of record of the Series A Preferred Stock are entitled to elect pursuant to the Company's Certificate of Incorporation.

1.32 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock, par value $0.0001 per share.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of twenty-five percent (25%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to the Registrable Securities then outstanding if the anticipated aggregate offering price, net of Selling Expenses, would exceed $10 million), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least twenty-five percent (25%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than sixty (60) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any

securities for its own account or that of any other stockholder during such sixty (60) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected one registration pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d), unless the withdrawal was caused by a material change in the Company's business, finances or results of operations arising after the date of registration, in which case such withdrawn registration statement will not be counted as "effected" under this Section 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the

Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below twenty percent (20%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters

make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to an additional ninety (90) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the

Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $25,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such

indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act

and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that (i) would allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO, or ninety (90) days in the case of any registration other than the IPO, or in each case, such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of

the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers, directors and stockholders individually owning more than one percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Series A Preferred Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Series A Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Series A Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Series A Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

> THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.
>
> THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT

BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation;

(b) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the one (1) year anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Investor:

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Subsection 3.1(e)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of nationally or regionally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(e) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors and prepared on a monthly basis, including

balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Investor, at such Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights. As long as FGPQ LLC ("**Series A Investor**") (together with its Affiliates) has purchased at least 820,323 shares of the Series A Preferred Stock from the Company and continues to hold at least 545,515 shares of Series A Preferred Stock (subject to appropriate adjustments in the event of any stock dividend, stock split, combination or similar recapitalization with respect to the Series A Preferred Stock), the Company shall invite a representative of Series A Investor to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; provided, further, that if the Series A Director has been elected, then

the Company reserves the right to withhold any information and to exclude such Series A Investor representative from any meeting or portion thereof if access to such information or attendance at such meeting would reasonably be expected to (a) adversely affect the attorney-client privilege between the Company and its counsel, (b) be determined by the Board of Directors, reasonably in good faith, to result in disclosure of highly confidential information or trade secrets (unless covered by an enforceable confidentiality agreement between the Company and such Series A Investor representative and/or its Affiliates, as applicable), or (c) result in disclosure that would breach an obligation of confidentiality owed by the Company pursuant to a written agreement with a third party by which the Company is bound; and provided, further, that if the Series A Director has not been elected, then the Company reserves the right to withhold any information and to exclude such Series A Investor representative from any meeting or portion thereof if access to such information or attendance at such meeting would adversely affect the attorney-client privilege between the Company and its counsel.

3.4 Termination of Information and Observer Rights. The covenants set forth in Subsection 3.1, Subsection 3.2, and Subsection 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

3.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.5 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.5; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New

Securities, the Company shall first offer such New Securities to each Investor. An Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner agrees to enter into this Agreement and each of the Voting Agreement and Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement.

(a) The Company shall give notice (the "**Offer Notice**") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Derivative Securities then held by such Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Series A Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Investors were entitled to subscribe but that were not subscribed for by the Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Series A Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of one hundred twenty (120) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the

New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to the issuance of shares of Series A Preferred Stock to Additional Purchasers pursuant to Subsection 1.3 of the Purchase Agreement.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to obtain, within ninety (90) days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance and term "key-person" insurance on Kenneth Berke and Keith Marks, each in an amount of at least $1 million per person and on terms and conditions satisfactory to the Board of Directors (and, in any event, commercially reasonable and customary for similarly-situated businesses) and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors (including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock, each which consent shall not be unreasonably withheld, conditioned or delayed) determines that such insurance should be discontinued or such covered amounts reduced. The key-person policy shall name the Company as loss payee, and neither policy shall be cancelable by the Company without prior approval by the Board of Directors, including the approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock. Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as a Series A Director (as defined in the Company's Certificate of Incorporation) is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount of at least $2 million unless approved by such Series A Director, and the Company shall annually, within one hundred twenty (120) days after the end of each fiscal year of the Company, deliver to the Series A Director a certification that such a Directors and Officers liability insurance policy remains in effect.

5.2 Employee Agreements. The Company will (i) cause each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement; and (ii) use commercially reasonable efforts to cause each Key Employee to enter into a two (2) year noncompetition agreement where legally permissible and a two (2) year nonsolicitation agreement, in each case substantially in the form attached hereto as Exhibit A, as may be

amended with the approval of the Board of Directors, including the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Investors holding at least fifty percent (50%) of the outstanding Series A Preferred Stock, such approval not to be unreasonably withheld, conditioned or delayed.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, including, with respect only to clauses (ii) and (iii) below, the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, (ii) forfeiture of all shares, including vested shares, for no consideration paid to the employee or consultant, in the event of a termination for cause, and (iii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, including the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Matters Requiring Investor Director Approval. So long as the holders of Series A Preferred Stock are entitled to elect a Series A Director, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of the Series A Director or, if the Series A Director seat is then-vacant, then which approval must include the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock:

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy approved by the Board of Directors;

(e) incur any aggregate indebtedness in excess of $100,000 that is not already included in a budget approved by the Board of Directors, including approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock, other than trade credit incurred in the ordinary course of business;

(f) otherwise enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person (each, an "**Insider**"), including without limitation any "management bonus" or similar plan providing payments to employees in connection with a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, except for transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair and reasonable terms that are approved by a majority of the Board of Directors; provided, however, that, notwithstanding anything in this clause (f) to the contrary, any expenditure or transaction expressly identified as a transaction with an Insider in the 2017 budget attached hereto as Exhibit B shall be deemed to have been approved by the Investors for all purposes of this clause (f) and deemed to be made in the ordinary course of business for such purposes;

(g) hire, terminate, or change the compensation of the executive officers, including approving any option grants or stock awards to executive officers, that are not contained in a budget or business plan already approved by the Board of Directors, including approval of the Series A Director or, if the Series A Director seat is then-vacant, then with the approval of the holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock;

(h) change the principal business of the Company, enter new lines of business, or exit the current line of business;

(i) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

(j) enter into any corporate strategic relationship or the payment, contribution, or assignment by the Company or to the Company of money or assets greater than $100,000 and outside the normal course of business.

5.5 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least monthly in accordance with an agreed-upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors. The Company shall cause to be established, as soon as practicable after such request, and will maintain, an audit and compensation committee, each of which shall consist solely of non-management directors. The

Series A Director shall be entitled in such person's discretion to be a member of any Board committee.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

5.7 Expenses of Counsel. In the event of a transaction which is a Sale of the Company (as defined in the Voting Agreement of even date herewith among the Investors and the Company), the reasonable fees and disbursements, not to exceed $25,000, of one counsel for Series A Investor and its Affiliates ("**Investor Counsel**"), in their capacities as stockholders, shall be borne and paid by the Company. At the outset of considering a transaction which, if consummated would constitute a Sale of the Company, the Company shall obtain the ability to share with the Investor Counsel (and such counsel's clients) and shall share the confidential information (including, without limitation, the initial and all subsequent drafts of memoranda of understanding, letters of intent and other transaction documents and related noncompete, employment, consulting and other compensation agreements and plans) pertaining to and memorializing any of the transactions which, individually or when aggregated with others would constitute the Sale of the Company. The Company shall be obligated to share (and cause the Company's counsel and investment bankers to share) such materials when distributed to the Company's executives and/or any one or more of the other parties to such transaction(s). In the event that Investor Counsel deems it appropriate, in its reasonable discretion, to enter into a joint defense agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, the Company shall, and shall direct its counsel to, execute and deliver to Investor Counsel and its clients such an agreement in form and substance reasonably acceptable to Investor Counsel. In the event that one or more of the other party or parties to such transactions require the clients of Investor Counsel to enter into a confidentiality agreement and/or joint defense agreement in order to receive such information, then the Company shall share whatever information can be shared without entry into such agreement and shall, at the same time, in good faith work expeditiously to enable Investor Counsel and its clients to negotiate and enter into the appropriate agreement(s) without undue burden to the clients of Investor Counsel.

5.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance

the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.9 Right to Conduct Activities. The Company hereby agrees and acknowledges that Series A Investor (together with its Affiliates) is a professional investment fund, and as such invests in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, neither Series A Investor nor its Affiliates shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by Series A Investor or its Affiliates in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of Series A Investor or its Affiliates to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.10 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive

information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its commercially reasonable efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.11 Investor Information. Each Investor covenants and agrees that, to the extent that the Company delivers an Information Request to an Investor, such Investor shall provide to the Company the information so requested by the Company, to the extent that it constitutes Investor Information, as soon as practicable after the delivery of such Information Request, and in any event within ten (10) Business Days therefrom. If the Investor fails to provide such Investor Information to the Company within such ten (10) Business Days, such failure shall be deemed a breach of this Section 5.11 only if the Purchaser delivers a second notice to such Investor on or after such tenth Business Day (but in no event more than five (5) Business Days after such tenth Business Day), providing the Investor with an opportunity to cure such failure within five (5) Business Days after such second notice (the "**Final Deadline Date**"), and such Investor fails to so cure on or before such Final Deadline Date.

5.12 Confidentiality. The Company agrees that the Company will keep confidential and will not disclose or divulge for any purpose (x) that Series A Investor (or any of its Affiliates) is an Investor or stockholder of the Company, or that Series A Investor (or any of its Affiliates) has any business relationship with the Company, or that any agent or representative of Series A Investor (or any of its Affiliates) is a member of the Company's Board of Directors or holds any observer seat on the Company's Board of Directors (the "**Relationship Information**") or (y) any Investor Information or any other information that any Investor provides to the Company, any of its agents or directly to any Regulatory Authority in response to an Information Request (whether or not such information constitutes Investor Information) ("**Disclosed Information**"); provided, however, that the Company may disclose the Relationship Information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with operating the Company's business; (ii) to any prospective purchaser of the Company's securities or any prospective lender to the Company, if such prospective purchaser agrees to be bound by the provisions of this Subsection 5.12; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of the Company in the ordinary course of business, provided that the Company informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that, with respect to clauses (i), (ii), (iii) and (iv), the Company promptly notifies Series A Investor of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure; and provided, further, that the Company may disclose the Investor Information to the Regulatory Authority of the U.S. state described in the Information Request requesting such Investor Information. The Company shall treat all Disclosed Information with the same degree of care as the Company accords to the Company's own confidential information, but in no case shall the Company use less than reasonable care.

5.13 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.6, 5.7, 5.8, 5.9, 5.10 and 5.12, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO or (ii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate, partner, member, limited partner, retired partner, retired member or stockholder of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 100,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate, limited partner, retired partner, member, retired member or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement and any controversy arising out of or relating to this Agreement shall be governed and construed by and in accordance with the internal law of the State of Delaware, without regard to conflict of law principles.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes, and enforceable against the parties actually executing such counterparts.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on the signature page hereto or Schedule A hereto, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability

of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Series A Preferred Stock after the date hereof, any purchaser of such shares of Series A Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.11 Dispute Resolution. Any unresolved controversy or claim arising out of or relating to this Agreement, except as (i) otherwise provided in this Agreement, or (ii) any such controversies or claims arising out of either party's intellectual property rights for which a provisional remedy or equitable relief is sought, shall be submitted to arbitration by one arbitrator mutually agreed upon by the parties, and if no agreement can be reached within thirty (30) days after names of potential arbitrators have been proposed by the American Arbitration Association (the "**AAA**"), then by one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Agreement and who is chosen by the AAA. The arbitration shall take place in Los Angeles, California, in accordance with the AAA rules then in effect, and judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses, and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with the California Code of Civil Procedure, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. If any action at law or in equity (including, arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or

thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company. The Company further hereby agrees and acknowledges that the Investors (together with their Affiliates) are investment funds, and as such own and/or invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, the Investors and their Affiliates shall not be liable to the Company for any claim arising out of, or based upon, (i) the ownership or investment by any Investor or its Affiliates in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of any Investor or its Affiliates to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized use or disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

COMPANY:

PAYQWICK, INC.

By: _____
Keith Marks, CEO

Address:

23801 Calabasas Rd., Suite 1017
Calabasas, CA 91302
Email: kmarks@payqwick.com

with a copy (which shall not constitute notice) to:

Procopio, Cory, Hargreaves & Savitch, LLP
Attn: Roger C. Rappaport
12544 High Bluff Drive, Suite 300
San Diego, CA 92130
Email: roger.rappoport@procopio.com

INVESTORS:

FGPQ LLC

By: _____
Ian Sanders, Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

COMPANY:

PAYQWICK, INC.

By: _____
Keith Marks, CEO

Address:

23801 Calabasas Rd., Suite 1017
Calabasas, CA 91302
Email: kmarks@payqwick.com

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Attn: Roger C. Rappaport
12544 High Bluff Drive, Suite 300
San Diego, CA 92130
Email: roger.rappoport@procopio.com

INVESTORS:

FGPQ LLC

By: _____
Ian Sanders, Authorized Signatory

SCHEDULE A

Investors

FGPQ LLC
Attn: Ian Sanders
47 NE 36th Street
Second Floor
Miami, FL 33137

with a copy (which shall not constitute notice) to:

Strategic Law Partners, LLP
Attn: Bradley Schwartz
500 S. Grand Avenue, Suite 2050
Los Angeles, CA 90071

EXHIBIT A

Form of At-Will Employment, Proprietary Information, Invention Assignment, and Arbitration Agreement

PayQwick, Inc.

EMPLOYMENT, PROPRIETARY INFORMATION AND

INVENTION ASSIGNMENT AGREEMENT

As a condition of my, _____, employment with PayQwick, Inc., its subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of compensation now and hereafter paid to me by the Company, I agree to the following:

1. **At-Will Employment**. I acknowledge that my employment with the Company is for an unspecified duration and constitutes "at-will" employment. I acknowledge that my employment may be terminated at any time, without good cause or for any or no cause, at the option either of the Company or myself, with or without notice. I acknowledge that this "at-will" status shall not be amended or changed by any express or implied agreement, whether oral or by conduct, unless such agreement is in writing and signed by the President of the Company.

2. **Confidential Information**. I acknowledge that the Company operates in a competitive environment and that it enhances its opportunities to succeed by establishing certain policies, including those included in this Agreement. This Agreement is designed to make clear that (i) I will maintain the confidentiality of the Company's trade secrets; (ii) I will use those trade secrets for the exclusive benefit of the Company; (iii) inventions and work product that I create will be owned by the Company; (iv) my prior and continuing activities separate from the Company will not conflict with the Company's development of its proprietary rights; and (v) when and if my employment with the Company terminates, I will not use my prior position with the Company to the detriment of the Company.

   (a) **Company Information**. I agree at all times during the term of my employment and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm, or corporation without written authorization of an executive officer of the Company, any Confidential Information of the Company. I understand that "Confidential Information" means written, oral or observed material or information disclosed to me that contains information about the Company or any of its current or anticipated future products or services. The term "Confidential Information" includes all information about the Company's business, including without limitation the manner in which the Company does business or offers its products, future business prospects, know-how, software, technical and systems designs and specifications, customer lists and customers (including, but not limited to, customers of the Company on whom

Initials: _____

I called or with whom I became acquainted during the term of my employment), financial information, ownership, pricing, pricing methodologies, sourcing, formulas, techniques, sales and marketing information, analyses, processes, software code, hardware configuration, vendor lists, market share data, licenses, contract information, notes, compilations, financial information, financial forecasts, historical financial performance, budgets, and other documents or information prepared by or for the Company or its advisors on the basis of material that is otherwise confidential or proprietary to Company. I further understand that Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to such item.

(b) **Former Employer Information:** I agree that I will not, during my employment with the Company or thereafter, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that I will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(c) **Third Party Information**. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation or to use it except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party.

(d) **Defend Trade Secrets Act**. Notwithstanding the foregoing, the U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

Initials: _____

3. **Confidential Information/Inventions.**

(a) **Inventions Retained and Licensed.** I have attached, as Exhibit A, a list describing all Confidential Information, Inventions, developments, improvements, and trade secrets which were in my possession and control prior to my employment with the Company (collectively referred to as **"Prior Confidential Information or Invention"** which belong to me, which relate to the Company's proposed business, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Prior Confidential Information or Invention. If in the course of my employment with the Company, if I incorporate into a Company product any Prior Confidential Information or Invention owned by me or in which I have an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, and make use of such Prior Confidential Information or Invention.

(b) **Assignments of Inventions**. I agree to promptly make full written disclosure to the Company, to hold in trust for the sole right and benefit of the Company, and I hereby assign to the Company (or its designee) all my right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, processes, techniques, uses, equipment, designs, products, methods, improvements, Confidential Information, or trade secrets, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, while I am employed by the Company (collectively referred to as **"Inventions"**), except as otherwise provided in Section 3(d).

(c) **Patent and Copyright Registrations.** I agree to fully assist the Company (or its designee) at its expense, to secure the Company's rights in the inventions and any copyrights, patents, mask work rights or other related intellectual property rights in all countries, including the disclosure to the Company of all pertinent information and data with respect thereto. I further agree to execute all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary for it to obtain such rights and to assign and convey to the Company (or its designee) the sole and exclusive rights, title and interest in and to such inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute any such documents shall continue after the termination of my employment. If the Company is unable because of my mental or physical incapacity or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering inventions or original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other

Initials: _____

lawfully permitted acts to further the prosecution and issuance of letters, patent or copyright registrations thereon with the same legal force and effect as if executed by me.

(d) **Exception to Assignments.** Subject to the requirements of applicable state law, if any, I understand that the provisions of this Agreement requiring assignment of inventions to the Company do not apply to any invention which qualifies fully for exclusion under the provisions of applicable state law, if any. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and for a period of twelve (12) months immediately following the termination of the my employment with Company, of all Inventions solely or jointly conceived or developed or reduced to practice by me during such period.

4. **Conflicting Employment**. During the term of my employment with the Company, I will not engage or attempt to engage in or establish any other employment, occupation or consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of my employment, nor will I engage in any other activities that conflict with my obligations to the Company.

5. **Returning Company Documents.** At the time of leaving the employ of the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, business cards, correspondence, specifications, drawings, materials, equipment, other documents or property, or reproductions of any aforementioned items, developed or received by me pursuant to my employment with the Company or otherwise belonging to the Company. In the event of the termination of my employment, I agree to sign and deliver the "Termination Certification" attached as Exhibit B.

6. **Notification of New Employer**. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my rights and obligations under this Agreement.

7. **Solicitation of Employees, Clients, and Customers**. My employment with the Company requires my undivided attention and effort. Therefore, during my employment with the Company, I will not, without the Company's express written consent, engage in any employment or business other than for the Company, or invest in (other than a less that five percent (5%) equity interest in a publicly traded company) or assist (in any manner) any business competitive with the business or the future business plans of the Company. I agree that during my employment with the Company, and for two (2) years following its termination for any reason, I will not, without the Company's express written consent, contact or solicit employees of the Company for the purpose of hiring them, and I will not solicit the business of any client or customer of the Company.

8. **Covenant Not to Compete and Non-Solicit**. [Attached hereto is a "Non-Compete and Non-Solicitation Rider" containing a covenant not to compete with the Company during

Initials: _____

or after my employment terminates and covenants not to solicit or interfere with . Given the nature of my position with the Company, I may be asked to sign the Non-Compete Rider. Accordingly, I agree to execute and abide by the Non-Compete Rider if requested by the Company. In addition, if I become a shareholder, member or owner of any equity interest in the Company, and if I sell my ownership interest in the Company to the Company or to any third party at any time, either voluntarily or involuntarily, then the Non-Compete Rider shall immediately become fully enforceable without further action on my behalf and whether or not I ever actually sign it.] [I understand and agree that I will be subject to and bound by the "Non-Compete and Non-Solicitation Rider" attached hereto, which includes, without limitation, restrictions to my rights to compete with the Company or solicit or contract with employees, customers, or vendors of the Company. I have read and reviewed all applicable state disclosures and laws attached thereto.]

9. **Conflict of Interest Guideline**. I agree to diligently adhere to the Conflict of Interest Guidelines attached as Exhibit C.

10. **Representations**. I agree to execute any proper oath or verify any proper document required to carry out the terms of the Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment of the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith.

11. **Arbitration and Equitable Relief.**

(a) **Arbitration**. Except as provided in Section 11.b. below, I agree that any dispute or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in King County, Washington, in accordance with the rules then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Company and I shall each pay one-half of the costs and expenses of such arbitration, and each of us shall separately pay our counsel fees and expenses.

(b) **Equitable Remedies.** I agree that it would be impossible or inadequate to measure and calculate the Company's damages from any breach of the covenants set forth in Sections 2, 3, 5, 7 and 8 herein. Accordingly, I agree that if I breach any of such Sections, the Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to specific performance of any such provision of this Agreement. I further agree that no bond or other security shall be required in obtaining such equitable relief and I

Initials: _____

hereby consent to the issuance of such injunction and to the ordering of specific performance.

12. General Provisions.

(a) **Governing Law; Consent to Personal Jurisdiction**. This Agreement will be governed by the laws of the State of [_____]. I hereby expressly consent to the personal jurisdiction of the state and federal courts located in [_____] for any lawsuit filed there against me by the Company arising from or relating to this Agreement.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us and supersedes all prior agreements concerning the matters set forth herein. No representations, inducements, promises or agreements, orally or in writing, contrary to the at-will provisions of Section 1 have been made and no other agreement, statement or representation not set forth in this Agreement is valid or binding upon the Company. No modification of or amendment to Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged and any modification of Section 1 requires the signature of the President of the Company. Any subsequent change or change in my duties, salary or compensation will not affect the validity or scope of this Agreement.

(c) **Severability**. If one or more of the provisions in the Agreement are deemed void by law, then the remaining provisions will continue in full force and effect. In the event that any provision(s) of this Agreement is/are held unenforceable, a court of competent jurisdiction shall be authorized to revise said provision(s) to the minimum extent necessary to preserve the enforceability of this Agreement.

(d) **Successors and Assigns**. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successor, and its assigns.

(e) **Effective Date**. This Agreement shall become binding upon the Company and the undersigned, effective as of the date of my employment with the Company.

By signing this Agreement, I acknowledge that I (a) have read and understand this Agreement, (b) was given an opportunity to consult an attorney regarding this Agreement, and (c) was given the opportunity to negotiate with the Company for any changes thereto. With such knowledge, understanding and opportunity to seek independent counsel and negotiate, I agree to the terms of this Agreement.

_____

Signature

Initials: _____

Name: _____

_____
Date

_____
Witness

_____
Date

Initials: _____

EXHIBIT A

LIST OF CONFIDENTIAL INFORMATION

Title	Date	Identifying Number or Brief Description

_____ No Confidential Information or Inventions or Improvements

_____ Additional Sheets Attached

_____
Signature of Employee

Name: _____

_____
Date

Initials: _____

EXHIBIT B

PayQwick, Inc.

TERMINATION CERTIFICATION

This is to certify that, to the best of my knowledge, I do not have in my possession, custody, or control, directly or indirectly, nor have I failed to return to PayQwick, Inc., or its subsidiaries, affiliates, successors or assigns (collectively, the "Company"), any records, data, notes, reports, proposals, lists, correspondence, specifications, computer programs, files, tapes or disks, or any other writings, or any materials or property, or any reproductions of any of the aforementioned items, belonging to the Company.

I further certify that I have complied with and will continue to comply with all of the terms of the Employment, Proprietary Information and Invention Assignment Agreement (the "Agreement") previously signed by me.

I further agree that in compliance with the Agreement, I will preserve as confidential all trade secrets, confidential information, knowledge, data or other information relating to products, processes, know-how, pricing, customer lists or other subject matters pertaining to any business of the Company or any of its clients, customers or consultants

Dated: _____ _____

Signature

_____

Print Name of Employee

Initials: _____

EXHIBIT C

PayQwick, Inc.

CONFLICT OF INTEREST GUIDELINES

It is the policy of PayQwick, Inc., and its subsidiaries, affiliates, successors or assigns (collectively, the "Company") to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles or with the interests of the Company. The following are potentially compromising situations that must be avoided. Any exceptions must be reported to the President of the Company and written approval for continuation must be obtained.

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended.

2. Accepting or offering substantial gifts, excessive entertainment, favors or payments which may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.

3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.

4. Initiating or approving personnel actions affecting reward or punishment or employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.

5. Initiating or approving any form of personal, sexual or social harassment of employees.

6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.

7. Borrowing from or lending to employees, customers or suppliers.

8. Improperly using or disclosing to the Company any proprietary information or trade secrets of any former or concurrent employer or other person or entity with whom obligations or confidentiality exist.

9. Improperly disclosing or discussing prices, costs, customers, sales or markets with competing companies or their employees.

Initials: _____

10. Making any unlawful agreement with customers with respect to prices.

11. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

Initials: _____

NON-COMPETE AND NON-SOLICITATION RIDER

PayQwick, Inc.

1. Unfair Competition Prohibited.

   (a) Because of my employment by PayQwick, Inc., its subsidiaries, affiliates, successors or assigns (collectively, the "Company"), I will have access to trade secrets and confidential information about the Company, its products, its customers, and its methods of doing business. In consideration of my access to this information, and for other good and valuable consideration receipt of which is hereby acknowledged, I agree that for a period of two (2) years after termination of my employment, I will not, directly or indirectly, "Compete" (as hereinafter defined) with the Company in the Territory.

   (b) As used herein, the term "Compete" shall mean entering into, owning an interest in, becoming employed by or a partner in, or performing services for or with any company, partnership, corporation, person or other legal entity that competes with the Company or provides the same or similar products or services as provided by the Company as of the date of termination; provided, however, that the foregoing shall not prohibit me from owning less than a five percent (5%) equity interest in a publicly traded corporation that competes with the Company or provides the same or similar products or services as the Company. The term "Territory" shall mean any State in which the Company does or intends to do business as of the date of termination.

2. Solicitation of Employees, Customers, and Contractors Prohibited. During my employment by the Company and for a period of two (2) years after termination of that employment, I shall not directly or indirectly: (a) induce or attempt to induce any executive, employee, or independent contractor of the Company to discontinue representing or working for the Company for the purpose of representing or working for a competitor of the Company or otherwise interfere with Company's relationship with such executive, employee, or independent contractor; (b) solicit, contract with, or otherwise engage in business with any customer or vendor of the Company; or (c) induce or attempt to induce any customer or vendor of Company to terminate its relationship with Company or otherwise interfere with Company's relationship with such customer or vendor.

3. Reasonableness. I acknowledge that due to the nature of my position with the Company and the confidential nature of the information I have received and/or will receive, it is reasonable and appropriate for me to make the promises, covenants, and commitments contained I have made herein. I acknowledge and agree that the promises, covenants, and commitments contained herein are reasonable in scope and duration.

Initials: _____

4. Regulatory Disclosures. If I live in California, Kansa, Illinois, Minnesota, or Washington, I have reviewed and understood the applicable code section set forth on Exhibit 1 attached hereto.

5. Irreparable Harm; Right to Injunctive Relief. I expressly acknowledge and agree that the Company will or would suffer irreparable injury if I were to violate the promises, covenants or commitments made herein and that the Company would be by reason of such violation be entitled to injunctive relief in a court of competent jurisdiction. I hereby consent and stipulate to the entry of such injunctive relief in such a court prohibiting me from violating the promises, covenants, and commitments I have made herein.

6. Enforceability. In the event that any of the promises, covenants or commitments made herein is/are held unenforceable or invalid by a court of competent jurisdiction, said court is hereby authorized to revise/amend the said promises, covenant, and commitments to the minimum extent necessary to preserve their enforceability and validity

Dated: _____ _____

Signature

_____

Print Name of Employee

Initials: _____

EXHIBIT 1 TO NON-COMPETE RIDER

California

Section 2870 of the California Labor Code states:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Illinois

Chapter 765, Section 1060/2 of the Illinois Compiled Statutes states:

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this subsection.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this Section as a condition of employment or continuing employment. This Act shall not preempt existing common law applicable to any shop rights of employers with respect to employees who have not signed an employment agreement.

(3) If an employment agreement entered into after January 1, 1984, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

Kansas

Sections 44-130 of the Kansas Labor and Industries Code states:

(a) Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no

Initials: _____

equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

(1) The invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or

(2) the invention results from any work performed by the employee for the employer.

(b) Any provision in an employment agreement which purports to apply to an invention which it is prohibited from applying to under subsection (a), is to that extent against the public policy of this state and is to that extent void and unenforceable. No employer shall require a provision made void and unenforceable by this section as a condition of employment or continuing employment.

(c) If an employment agreement contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer shall provide, at the time the agreement is made, a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

(1) The invention relates directly to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or

(2) The invention results from any work performed by the employee for the employer.

(d) Even though the employee meets the burden of proving the conditions specified in this section, the employee shall disclose, at the time of employment or thereafter, all inventions being developed by the employee, for the purpose of determining employer and employee rights in an invention.

Minnesota

Section 181.78 of the Minnesota Labor, Industry Code states:

Subdivision 1. Inventions not related to employment. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

Subd. 2. Effect of subdivision 1. No employer shall require a provision made void and unenforceable by subdivision 1 as a condition of employment or continuing employment.

Subd. 3. Notice to employee. If an employment agreement entered into after August 1, 1977 contains a provision requiring the employee to assign or offer to assign any of the employee's rights in any invention to an employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer.

Initials: _____

Washington

RCW 49.44.140 of the Revised Code of Washington states:

(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or continuing employment.

(3) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

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EXHIBIT B

2017 Budget

2017 Budget

Expense Projections - WA Only
As of 9/26/2017

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
Fixed Expenses													
Overhead													
Rent - Washington	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Rent - Calabasas	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 90,000
Professional services / Lobbyist	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 80,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 190,000
Legal Fees / Audit	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 120,000
Travel	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 90,000
Insurance	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 400	$ 4,800
Utilities	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 3,000
Office Supplies and Equipment	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 9,000
Dues and subscriptions	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750	$ 9,000
Software & Cloud Subscriptions	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 12,000
Telephone and fax	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 15,000
Operational Expenses	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 1,250	$ 15,000
Miscellaneous	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Total Overhead	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 115,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 45,650**	**$ 617,800**
Digital Expenses													
Internet Connectivity - Server Platform	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 42,000
Digital Platform Upgrades	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 60,000
Total Digital Expenses	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 8,500**	**$ 102,000**
Total fixed Expenses	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 124,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 54,150**	**$ 719,800**
Variable Expenses													
Marketing & Promotion													
Web Marketing	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Marketing	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 215,000
Trade Show	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ -	$ 5,000	$ 10,000	$ 5,000	$ 60,000
Total Marketing & Promotion	**$ 22,500**	**$ 22,500**	**$ 22,500**	**$ 22,500**	**$ 22,500**	**$ 27,500**	**$ 27,500**	**$ 27,500**	**$ 22,500**	**$ 27,500**	**$ 32,500**	**$ 27,500**	**$ 305,000**
Payroll													
Wages	$ 101,717	$ 105,433	$ 102,183	$ 102,183	$ 102,183	$ 102,183	$ 95,883	$ 103,383	$ 103,384	$ 127,550	$ 165,767	$ 169,267	$ 1,381,117
Load	$ 9,555	$ 9,889	$ 10,172	$ 13,422	$ 13,422	$ 13,422	$ 12,530	$ 13,205	$ 13,205	$ 16,680	$ 21,419	$ 22,059	$ 168,976
Payroll Admin Expenses	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 3,000
Total Payroll	**$ 111,521**	**$ 115,572**	**$ 112,605**	**$ 115,855**	**$ 115,855**	**$ 115,855**	**$ 108,663**	**$ 116,838**	**$ 116,838**	**$ 144,480**	**$ 187,436**	**$ 191,576**	**$ 1,553,093**
Total Variable Expenses	**$ 134,021**	**$ 138,072**	**$ 135,105**	**$ 138,355**	**$ 138,355**	**$ 143,355**	**$ 136,163**	**$ 144,338**	**$ 139,338**	**$ 171,980**	**$ 219,936**	**$ 219,076**	**$ 1,858,093**
Total Expenses	**$ 188,171**	**$ 192,222**	**$ 189,255**	**$ 192,505**	**$ 192,505**	**$ 267,505**	**$ 190,313**	**$ 198,488**	**$ 193,488**	**$ 226,130**	**$ 274,086**	**$ 273,226**	**$ 2,577,893**

Payroll Expense - WA Only
As of 9/26/2017

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
CEO[1,2,3]	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 102,500
CFO[1,2,3]	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ -	$ -	$ -	$ 10,000	$ 10,000	$ 72,500
COO[1,2,3]	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 102,500
President[1,3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000
Chief Compliance Officer[3]	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 7,100	$ 85,200
Vice President of Sales (1/2)[3]	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 10,000	$ 10,000	$ 10,000	$ 102,000
Chief Technologist[3]	$ 7,500	$ 2,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,667	$ 14,667	$ 14,667	$ 14,667	$ 65,668
Software Director[3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,667	$ 11,667	$ 23,333
Software Engineer[3]	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ 11,667	$ -	$ -	$ -	$ -	$ 93,333
iOS/Android Developer[3]	$ -	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 6,667	$ 73,333
Testing/QA Engineer[3]	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 79,800
Technical Project Manager[3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,333	$ 8,333	$ 8,333	$ 25,000
Business Analyst[3]	$ 4,200	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 72,950
Compliance Staff (1/2)[3]	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 43,200
Sales / Marketing Staff (1/2)[3]	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 10,000	$ 10,000	$ 10,000	$ 75,000
Sales / Marketing Reps (1/2)[3]	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 8,000	$ 8,000	$ 52,000
Controller / HR[3]	$ 4,000	$ 4,000	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 3,250	$ 40,500
Customer Service Representative (1/2/3/4)[3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,500	$ 7,000	$ 10,500
IT Manager	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
payQwick Operations Staff (1/2/3)[3]	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 3,850	$ 9,000	$ 9,000	$ 56,500
Web / Social Media[3]	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 7,500	$ 7,500	$ 55,000
Assistant Office Staff[3]	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 45,000
In-House Counsel / Regulatory Coord.[3]	$ 6,300	$ 6,300	$ 6,300	$ 6,300	$ 6,300	$ 6,300	$ -	$ -	$ -	$ 5,833	$ 5,833	$ 5,833	$ 55,299
Gross Wages	**$ 101,717**	**$ 105,433**	**$ 102,183**	**$ 102,183**	**$ 102,183**	**$ 102,183**	**$ 95,883**	**$ 103,383**	**$ 103,384**	**$ 127,550**	**$ 165,767**	**$ 169,267**	**$ 1,381,117**
No. Employees	13	14	13	13	13	13	12	12	12	16	20	21	14
Employee Benefits	$ -	$ -	$ -	$ 3,250	$ 3,250	$ 3,250	$ 3,000	$ 3,000	$ 3,000	$ 4,000	$ 5,000	$ 5,250	$ 33,000
Worker's Compensation	$ 400	$ 400	$ 975	$ 975	$ 975	$ 975	$ 900	$ 900	$ 900	$ 1,200	$ 1,500	$ 1,575	$ 11,675
Employer tax contributions	$ 9,155	$ 9,489	$ 9,197	$ 9,197	$ 9,197	$ 9,197	$ 8,630	$ 9,305	$ 9,305	$ 11,480	$ 14,919	$ 15,234	$ 124,301
Payroll Admin Expenses	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 3,000
Total Payroll	**$ 111,521**	**$ 115,572**	**$ 112,605**	**$ 115,855**	**$ 115,855**	**$ 115,855**	**$ 108,663**	**$ 116,838**	**$ 116,838**	**$ 144,480**	**$ 187,436**	**$ 191,576**	**$ 1,553,093**

[1]Contract employees

[2]Includes accrued payments totaling $112,500

[3]Reflects payment to "Insiders" as defined in section 5.4 of the Investor Rights Agreement

Expense Projections - All Other States
As of 9/26/2017

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
FIXED EXPENSES													
Overhead[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,855	$ 1,855	$ 13,911	$ 13,911	$ 31,532
Digital Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 490	$ 490	$ 3,678	$ 3,678	$ 8,337
TOTAL FIXED EXPENSES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,345	$ 2,345	$ 17,589	$ 17,589	$ 39,868
VARIABLE EXPENSES													
Marketing & Promotion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,587	$ 1,587	$ 11,899	$ 11,899	$ 26,971
Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,090	$ 4,090	$ 30,672	$ 30,672	$ 69,523
TOTAL VARIABLE EXPENSES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,676	$ 5,676	$ 42,571	$ 42,571	$ 96,494
TOTAL EXPENSES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,021**	**$ 8,021**	**$ 60,160**	**$ 60,160**	**$ 136,362**

Expense Projection - Consolidated
As of 9/26/2017

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
FIXED EXPENSES													
Overhead	$ 45,650	$ 45,650	$ 45,650	$ 45,650	$ 45,650	$ 115,650	$ 45,650	$ 45,650	$ 47,505	$ 47,505	$ 59,561	$ 59,561	$ 649,332
Digital Expenses	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,990	$ 8,990	$ 12,178	$ 12,178	$ 110,337
TOTAL FIXED EXPENSES	$ 54,150	$ 54,150	$ 54,150	$ 54,150	$ 54,150	$ 124,150	$ 54,150	$ 54,150	$ 56,495	$ 56,495	$ 71,739	$ 71,739	$ 759,668
VARIABLE EXPENSES													
Marketing & Promotion	$ 22,500	$ 22,500	$ 22,500	$ 22,500	$ 22,500	$ 27,500	$ 27,500	$ 27,500	$ 24,087	$ 29,087	$ 44,399	$ 39,399	$ 331,971
Payroll	$ 111,521	$ 115,572	$ 112,605	$ 115,855	$ 115,855	$ 115,855	$ 108,663	$ 116,838	$ 120,928	$ 148,569	$ 218,108	$ 222,248	$ 1,622,616
TOTAL VARIABLE EXPENSES	$ 134,021	$ 138,072	$ 135,105	$ 138,355	$ 138,355	$ 143,355	$ 136,163	$ 144,338	$ 145,014	$ 177,656	$ 262,507	$ 261,647	$ 1,954,587
TOTAL EXPENSES	**$ 188,171**	**$ 192,222**	**$ 189,255**	**$ 192,505**	**$ 192,505**	**$ 267,505**	**$ 190,313**	**$ 198,488**	**$ 201,510**	**$ 234,151**	**$ 334,246**	**$ 333,386**	**$ 2,714,255**