

EXHIBIT B
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

BETWEEN

**LIQUID CAPITAL OF AMERICA CORP.
("FRANCHISOR")**

AND

("FRANCHISEE")

Form dated March 17, 2006
UFOC dated March 17, 2006

**LIQUID CAPITAL OF AMERICA CORP.
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

Article I.	DEFINITIONS AND CONVENTIONS.....	1
	Section 1.01 Definitions	1
	Section 1.02 Conventions	9
Article II.	GRANT OF FRANCHISE RIGHTS	10
	Section 2.01 Grant	10
	Section 2.02 Territorial Protection	10
	Section 2.03 Reserved Rights	11
	Section 2.04 Referral System	11
Article III.	TERM	11
	Section 3.01 Initial Term	11
	Section 3.02 Renewal	11
Article IV.	INITIAL FRANCHISE FEE AND ROYALTY	12
	Section 4.01 Initial Franchise Fee	12
	Section 4.02 Continuing Royalty	12
	Section 4.03 Other Fees and Expenses	13
	Section 4.04 Collection of Fees and Expenses; No Deductions	13
	Section 4.05 EFT Authorization	13
	Section 4.06 Overdue Amounts	13
	Section 4.07 Application of Payments; No Offset	13
	Section 4.08 Transfer of Funds	14
Article V.	MARKETING.....	14
	Section 5.01 Marketing Fund	14
	Section 5.02 Advertising by Franchisee	15
	Section 5.03 Internet, World Wide Web	16
Article VI.	OPERATION OF THE EXCHANGE; ACCOUNTING, RECORDS, REPORTS; AUDITS, AND INSPECTIONS.....	17
	Section 6.01 Relationship with Exchange	17
	Section 6.02 Reports and Financial Information	18
	Section 6.03 Inspection and Audit of Books and Records	19
	Section 6.04 Sharing of Information	19
	Section 6.05 Computer Systems; Electronic Access	19
Article VII.	TRAINING AND OPERATING ASSISTANCE.....	20
	Section 7.01 Basic Operational Training Course	20
	Section 7.02 Additional Training	21
	Section 7.03 Attendance at Annual Conferences	21
	Section 7.04 Back Office Support Services and Other Services	21

Article VIII.	OPERATION OF FRANCHISED BUSINESS	22
	Section 8.01 <i>Duties and Obligations of the Franchisee</i>	22
	Section 8.02 <i>Management of the Franchised Business; Guaranty of Performance</i>	23
	Section 8.03 <i>Sourcing</i>	23
	Section 8.04 <i>Liquid Capital System Modifications</i>	24
	Section 8.05 <i>New Developments</i>	24
Article IX.	MARKS	25
	Section 9.01 <i>No Permanent Interest</i>	25
	Section 9.02 <i>Franchisee's Obligations with Respect to Marks</i>	25
	Section 9.03 <i>Infringement of Marks</i>	26
	Section 9.04 <i>Change of Marks</i>	26
Article X.	MANUAL; CONFIDENTIALITY; RESTRICTIVE COVENANTS	27
	Section 10.01 <i>Compliance with Manual</i>	27
	Section 10.02 <i>Non-Disclosure of Confidential Information</i>	27
	Section 10.03 <i>Competition During Term of Agreement</i>	27
	Section 10.04 <i>Competition After Termination, Expiration or Transfer</i>	28
	Section 10.05 <i>Injunctive Relief</i>	28
Article XI.	INSURANCE.....	29
	Section 11.01 <i>Types of Insurance</i>	29
	Section 11.02 <i>Policies of Insurance</i>	29
	Section 11.03 <i>Evidence of Insurance Coverage</i>	29
	Section 11.04 <i>Placement of Insurance by the Franchisor</i>	29
Article XII.	INDEMNIFICATION.....	30
Article XIII.	TERMINATION; POST TERM RIGHTS AND OBLIGATIONS	30
	Section 13.01 <i>Termination by Franchisee</i>	30
	Section 13.02 <i>Termination by Franchisor on Notice</i>	30
	Section 13.03 <i>Termination by Franchisor Without Prior Notice</i>	32
	Section 13.04 <i>Obligations of Franchisee Upon Termination or Expiration</i>	33
	Section 13.05 <i>Franchisor's Post-Term Portfolio Purchase Obligation</i>	34
	Section 13.06 <i>Survival of Covenants</i>	34
Article XIV.	SALE, ASSIGNMENT, TRANSFER, AND ENCUMBRANCES	34
	Section 14.01. <i>Assignment by Franchisor</i>	34
	Section 14.02 <i>Assignment by Franchisee and Principals</i>	34
	Section 14.03 <i>Transfers Which Do Not Effect a Change of Control</i>	36
	Section 14.04 <i>Encumbrances</i>	36
	Section 14.05 <i>Evidence of Ownership Interests in Franchisee</i>	36
Article XV.	DEATH OR PERMANENT DISABILITY OF CONTROLLING PRINCIPAL.....	37
	Section 15.01 <i>Option on Death or Permanent Disability</i>	37
	Section 15.02 <i>Portfolio Purchase Price</i>	37
	Section 15.03 <i>Interim Operation by Franchisor</i>	38
Article XVI.	ACKNOWLEDGMENTS	38

Article XVII. DISPUTE RESOLUTION AND GOVERNING LAW.....	39
Section 17.01 Choice of Law	39
Section 17.02 Mediation	39
Section 17.03 Jurisdiction and Venue	40
Section 17.04 Jury Trial Waiver	40
Section 17.05 Damages Waiver	41
Section 17.06 Limitation of Claims	41
Article XVIII. GENERAL PROVISIONS	41
Section 18.01 No Waiver	41
Section 18.02 Legal Fees	42
Section 18.03 No Liability	42
Section 18.04 Legal Relationship	42
Section 18.05 Joint and Several Liability	42
Section 18.06 Severability	42
Section 18.07 Notices	42
Section 18.08 Approval or Consent	43
Section 18.09 Power of Attorney	43
Section 18.10 Further Assurances	44
Section 18.11 Entire Agreement	44
Section 18.12 Binding Effect	44
Section 18.13 When Agreement Binding on Franchisor	44
Section 18.14 Remedies Cumulative	44
Section 18.15 Time of the Essence	44
Section 18.16 Counterparts; Facsimile Signatures	44
Section 18.17 Third Party Beneficiary	45

EXHIBITS AND SCHEDULES

Exhibit A	Marks
Exhibit B	Minimum Business Volume
Exhibit C	Territory
Exhibit D	EFT Authorization
Exhibit E	Franchisee Ownership Structure
Exhibit F	Blanket UCC Financing Statement
Schedule 1	Initial Franchise Fee

**LIQUID CAPITAL
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("Agreement") is entered into as of the _____ day of 200__ by and among LIQUID CAPITAL OF AMERICA CORP., a corporation formed under the laws of the State of Delaware ("Franchisor"), and _____, a _____ formed under the laws of the State of _____ (hereinafter referred to as the "Franchisee").

RECITALS

WHEREAS, Franchisor has the right to use and license the use of the Liquid Capital System for the operation of businesses offering factoring and financial services; and

WHEREAS, the distinguishing features of the Liquid Capital System include, without limitation, proprietary methods and procedures, information technology systems, identification schemes, products, management programs, staffing, sales strategies, advertising programs, standards, specifications and trademarks, service marks and confidential and proprietary information; and

WHEREAS, businesses using the Liquid Capital System operate under various Marks, including the trade name and service mark "Liquid Capital"; and

WHEREAS, Franchisee desires to acquire from Franchisor a franchise for the right to operate a Liquid Capital Business upon and subject to the terms and conditions of this Agreement; and

WHEREAS, Franchisor desires to enter into this Agreement in reliance upon the representations, warranties and covenants, and the business skill, financial capacity and character, of Franchisee and its Principals;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree to be bound as follows:

Article I. DEFINITIONS AND CONVENTIONS

Section 1.01 *Definitions*

"Account" shall mean a right to payment of a monetary obligation, whether or not earned by performance, and shall include any "account" as defined in Article 9 of the UCC in effect on the Effective Date of this Agreement, provided that if any amendment to the definition of "account" contained in such Article 9 shall thereafter become effective and shall amend such definition so as to include any additional property not included in such definition prior to the effective date of such amendment, then, and in each such case, the definition of "Account" as used in this Agreement shall be deemed to be automatically amended, as of the effective date of such amendment, to include, in addition to any property theretofore included, all such additional property.

"Account Debtor" shall mean the obligor on a Factored Account.

"Additional Charges" shall mean the discount fee due for each additional day in excess of the base number of days (as provided in the Purchase and Sale Agreement) that a Receivable is outstanding.

"Advances" shall mean the principal amount of all advances, and other extensions of credit or other financial accommodations made to or on behalf of a Client pursuant to the Purchase and Sale Agreement, and all other amounts, including, without limitation, attorney's fees (other than interest or other compensation) chargeable to the Client pursuant thereto.

"Affiliate" shall mean any Person, directly or indirectly, controlling, controlled by or under common control with another Person.

"Anniversary Date" shall mean the same month and day of the Effective Date for each succeeding year thereafter, provided that if the Effective Date is February 29 of any year the Anniversary Date is March 1 for any year in which February 29 does not occur.

"Back Office Support Services" shall mean those administrative and other services more fully set forth in the Rules and Regulations as modified from time to time (provided, that no such modification shall alter a Franchisee's fundamental status and rights under this Agreement, any Participation Agreement or any Confirmation of Transaction) which support the relationships of Liquid Capital Franchisees with their respective Clients and the interests of Liquid Capital Franchisees under the Participation Agreements and Confirmations of Transaction. They include the verification, servicing, administration and collection of Client Accounts under the Purchase and Sale Agreements between Clients and the Exchange and the administration of and accounting for Advances, fee receipts, and payments under all Participation Agreements and Confirmations of Transaction.

"Back Office Services Fee" shall mean a processing fee paid by the Participants in a Funding Transaction in an amount equal to the greater of (i) a percentage (not to exceed 0.75%) of the Accounts represented by the invoices listed on a Schedule of Accounts or (ii) Five Dollars (\$5.00) multiplied by the number of such invoices. Each Participant shall pay its share of the Back Office Services Fee in proportion to its Participation Percentage.

"Back Offices Services Fee for Spot Factoring" shall mean a processing fee paid by the Participants in a Funding Transaction for Spot Factoring as follows: (i) for invoices which are less than Sixty Thousand Dollars (\$60,000), an amount equal to the greater of (a) 0.50% of the invoice amount or (b) One Hundred Dollars (\$100) per invoice and (ii) for invoices which are Sixty Thousand Dollars (\$60,000) or more, an amount equal to Three Hundred Dollars (\$300), plus 0.125% of the invoice amount.

"Basic Operational Training Course" shall have the meaning set forth in Section 7.01.

"Business Day" shall mean each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

"Change of Control" shall mean the acquisition of a Controlling Interest in Franchisee.

"Client" shall mean any Person who executes a Purchase and Sale Agreement or other agreement for the provision of factoring or related financial services with Exchange (or any other service provider recognized and approved by Franchisor, including Franchisor, an Affiliate of Franchisor, or any designee thereof) who is acknowledged as a client of Franchisee by Franchisor in writing pursuant to the Rules and Regulations. Reference to "Clients" shall be to the Clients of all Liquid Capital Franchisees.

"Client Obligations" shall mean the unpaid balance of Advances (referred to as "Net Cash Employed" in the Purchase and Sale Agreement), including accrued but unpaid fees and other charges thereon, together with any and all other obligations of Client under the Purchase and Sale Agreement.

"Collateral" shall mean all collateral and guarantees received by or granted to Exchange pursuant to a Purchase and Sale Agreement or otherwise securing all Client Obligations.

"Computer System" shall mean the computer hardware and software (including all upgrades, modifications and enhancements thereto) that Franchisor requires from time to time for the operation of the Liquid Capital Business.

"Confidential Information" shall mean Franchisor's confidential, proprietary information or trade secrets (including, but not limited to, the Rules and Regulations and other contents of the Manual).

"Confirmation of Transaction" means the form, as published in the Rules and Regulations, which is executed by Franchisees that wish to participate in Spot Factoring Arrangements and which sets out the terms under which Spot Participations are to be acquired.

"Control" (including the correlative meanings, the terms "controlling", "controlled by" and "under common control with") shall mean the possession by any Person, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract, proxy or otherwise.

"Controlling Interest" shall mean an ownership interest in Franchisee of more than forty-nine percent (49%) or such lesser percentage interest as may be determined by Franchisor to constitute "Control".

"Controlling Principal" shall mean any Principal who has been designated by Franchisee and approved by Franchisor as Franchisee's Controlling Principal.

"Controlling Principal's Designee" shall mean the individual designated by Franchisee and Franchisee's then-current Controlling Principal in writing to Franchisor to succeed to the interest of such then-current Controlling Principal upon his or her death or Permanent Disability, provided that such individual is acceptable to Franchisor and completes to Franchisor's sole satisfaction Franchisor's Basic Operational Training Course not later than ninety (90) days following the date of death or determination of Permanent Disability of the former Controlling Principal.

"CPI" shall mean the Consumer Price Index for all Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84 = 100.

"Default" shall mean an event or condition that constitutes, or with the lapse of any applicable grace or cure period or the giving of notice or both would constitute, an Event of Default and that has not been waived by Franchisor in writing.

"Effective Date" shall mean the date upon which this Agreement is executed by a duly authorized officer of Franchisor.

"Event of Default" shall mean an event or condition that constitutes an event of default as defined in Article XIII of this Agreement.

"Exchange" shall mean Liquid Capital Exchange Inc., a corporation formed under the laws of the State of Delaware and any successor thereto with which Franchisor has a relationship.

"Exchange Agreement" shall mean the exchange services agreement between Franchisor and Exchange for provision of an Exchange System and Back Office Support Services, as from time to time amended.

"Exchange Fee" shall mean a fee which is paid to Exchange in an amount equal to the percentage set out in the Rule and Regulations (currently, 0.4%) of the Accounts represented by the invoices subject to a Funding Transaction and processed through the Exchange. In Funding Transactions involving more than one Participant, Participants pay the Exchange Fee in proportion to their Participation Percentages.

"Exchange Services" shall mean the identification of Funding Participants and the processing of Advances funded by such Funding Participants.

"Exchange System" shall mean the exchange mechanism operated by Exchange under which Franchisees, as Participants, are permitted to participate in Factoring Arrangements and Spot Factoring Arrangements.

"Extraordinary Expenses" means (i) Advances made subsequent to Exchange's declaring the Factoring Arrangement to be in liquidation, so long as the making of such Advances is consistent with the exercise of such reasonable care and skill as a person would use in managing the affairs of its own clients; and (ii) attorneys' fees and disbursements, court costs and fees of any outside agency incurred subsequent to Exchange's declaring the Factoring Arrangement to be in liquidation, in connection with the enforcement of any of Exchange's rights and remedies under the Purchase and Sale Agreement. Extraordinary Expenses shall not include expenses of ordinary overhead or ordinary payments made to clerical personnel or executives of Exchange.

"Factoring Arrangement" shall mean the entire contractual relationship pursuant to which a Client's Accounts are factored and shall include, without limitation, the Purchase and Sale Agreement or Confirmation of Transaction (as applicable), the Client Obligations, the Collateral, and all other sources of repayment.

"Factored Account" shall mean an Account of a Client specifically assigned by Client to Exchange pursuant to a Purchase and Sale Agreement, the existence of which has been relied upon by Exchange in extending financial accommodations to that Client.

"Financing Estoppel Agreement" shall mean the agreement executed by lenders or investors in Franchisee pursuant to which they acknowledge that Franchisee is a franchise of Franchisor and agree to hold Franchisor, the Exchange, and the Service Provider harmless from detrimental reliance claims and similar claims.

"Fiscal Year" shall mean the period beginning at 12:00 Midnight January 1 of each year and ending at 11:59 p.m. December 31 of the immediately following year for the time zone in which Franchisee maintains its principal place of business.

"Franchised Business" shall mean the business to be operated by Franchisee under the "Liquid Capital" Mark and Liquid Capital System pursuant to the provisions of this Agreement.

“Funding Participant” – A Participant who elects to fund a Factoring Arrangement. Franchisees that are in Good Standing, Exchange, Franchisor, and other parties designated by Franchisor from time to time in the Rules and Regulations will have the opportunity to become Funding Participants.

“Funding Transaction” – The delivery of funds by the Participants pursuant to a Participation Agreement or Confirmation of Transaction, as applicable, for the purchase by Exchange of those Accounts that are the subject of the Funding Transaction. For Factoring Arrangements other than Spot Factoring Arrangements, the invoices underlying the Accounts shall be those listed on each Schedule of Accounts issued by the Client under the Purchase and Sale Agreement. In each Funding Transaction, Participants will provide funds for the purchase of the Accounts in an amount equal to their proportionate share of the total Advance, as determined by their Participation Percentages.

“GAAP” shall mean U.S. generally accepted accounting principals as then in effect, which shall include official interpretations thereof by the Financial Accounting Standards Board.

“Good Standing” shall mean that Franchisee (i) is current on all payments due to Franchisor, Franchisor’s Affiliates, Exchange, other Franchisees and Clients; (ii) has passed Franchisor’s most recent inspection or audit and is otherwise in compliance with Franchisor’s standards and procedures set forth in the Rules and Regulations; and (iii) is not in default of this Agreement (including, without limitation, the performance standards set forth herein), any Participation Agreement, or any other agreement between Franchisee and Franchisor or Franchisor’s Affiliates.

“Gross Revenue” shall mean the entire amount of all revenue earned (whether or not received) by Franchisee from any source (including, without limitation, each Funding Transaction, referral fees, and recharges) in connection with the Franchised Business in any form. There shall be no deductions allowed for uncollected or uncollectible Accounts and no allowances shall be made for bad debts; provided, that if on the termination of a Client Account, any Advance is uncollectible, then Franchisor will refund to Franchisee the royalties paid on such Advance in accordance with the procedures set forth in the Rules and Regulations.

“Guarantor” shall mean those Principals (including any Controlling Principal) designated by Franchisor to guaranty Franchisee’s performance and payment Obligations under this Franchise Agreement.

“Initial Franchise Fee” shall mean the sum of Forty-Two Thousand Five Hundred Dollars (\$42,500.00) for a single franchise. If this Agreement is executed pursuant to our multi-territory program, the initial franchise fee is One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) for the first 3 franchises (\$37,500 per franchise) and Thirty-five Thousand Dollars (\$35,000) for each additional franchise. The initial franchise fee will be entered on Schedule 1 to this Agreement before it is signed.

“LCRA” – A Liquid Capital Remittance Account established by Exchange in the name of Franchisee, the operation of which is further described in Section 6.01 E. of this Agreement.

“Liquid Capital Franchise” shall mean a business using the Liquid Capital System and operating pursuant to a currently effective franchise agreement with Franchisor.

“Liquid Capital Franchisee” shall mean any Person operating a Liquid Capital Franchise.

"Liquid Capital Business" shall mean any business operating under the Marks and the Liquid Capital System, whether or not franchised.

"Liquid Capital Network" shall mean the network of Liquid Capital Businesses.

"Liquid Capital System" shall mean a system for the establishment and operation of businesses for the operation of factoring and financial services using the Marks and operated under the name "Liquid Capital" in accordance with the Rules and Regulations and other standards, policies and procedures set forth in the Manual or otherwise in writing.

"Management Fee" shall mean the fee paid to the Managing Participant by the other Participants in an amount equal to the percentage set out in the Rules and Regulations (currently, 0.50%) of the Accounts represented by the invoices subject to a Funding Transaction.

"Managing Participant" shall mean any Participant (i) who is a Qualified Franchisee, the Exchange, the Franchisor, or any other party designated by Franchisor from time to time and approved by Exchange and (ii) who is designated in the Participation Agreement as responsible for managing the ongoing relationship with the Client whose Purchase and Sale Agreement is the subject of the Participation Agreement. A "Qualified Franchisee" is a Franchisee who has been certified by Franchisor in accordance with the Rules and Regulations as qualified to act as a Managing Participant and who is in Good Standing under the Franchise Agreement.

"Manual" shall mean, collectively, all books, pamphlets, discs, software, bulletins, memoranda, letters, notices or other publications or documents prepared by or on behalf of Franchisor, whether in printed or electronic format, for use by Liquid Capital Franchisees, setting forth information, advice, standards, requirements, operating procedures, instructions or policies, including the Rules and Regulations, relating to the operations of the Liquid Capital System, as same may be amended, modified or enhanced from time to time by Franchisor. The Manual may be provided electronically, including via CD-ROM or on a secure Internet webpage, or by any other method reasonably adopted by Franchisor.

"Marks" shall mean the trade-marks, trade names and other commercial symbols and related logos as set forth in Exhibit A hereto, including the trade names and service marks "Liquid Capital" and "Liquid Exchange", together with such other trade names, trade-marks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by Franchisor in writing from time to time as part of the Liquid Capital System, and not thereafter withdrawn.

"Minimum Business Volume" on an annual basis, the amount designated in Exhibit B to this Franchise Agreement, which amount shall be adjusted annually by the amount of any change in the CPI and shall be derived exclusively from Franchisee's Territory.

"Normal Business Hours" shall mean 8:00 A.M. to 5:00 P.M. (as determined by the time zone in effect in the Territory) of any Business Day.

"Obligations" shall mean all present and future obligations owing by Franchisee to Franchisor whether or not for the payment of money, whether or not evidenced by any note or other instrument, whether direct or indirect, absolute or contingent, due or to become due, joint or several, primary or secondary, liquidated or unliquidated, secured or unsecured, original or renewed or extended, whether arising before or after the commencement of any bankruptcy proceeding in which Franchisee is a debtor,

including without limitation any obligations arising pursuant to letters of credit or acceptance transactions or any other financial accommodations.

“Originating Franchisee” shall mean the Franchisee who, through the operation of the Franchised Business, identified and initially processed (in accordance with the procedures set forth in the Rules and Regulations) the Client that entered into the Purchase and Sale Agreement with Exchange.

“Originating Franchisee Fee” shall mean the fee in an amount equal to the percentage (currently 12%) set out in the Rules and Regulations of the gross revenue earned by the other Participants in a Funding Transaction and paid to the Originating Franchisee by such other Participants as a referral fee for identifying and initially processing the Client in accordance with the procedures set forth in the Rules and Regulations.

“Participant” shall mean any Franchisee or other person permitted by the Rules and Regulations to participate in a Factoring Arrangement under a Participation Agreement.

“Participation Agreement” shall mean that agreement, in the form provided in the Rules and Regulations, used to document the contractual relationship among the Participants in every Factoring Arrangement, which sets forth the Participants, their roles, and their respective percentage of ownership together the terms and conditions of such ownership.

“Participant’s Compensation” means each Participant’s pro rata share (determined in accordance with its Participation Percentage as set out in the applicable Participation Agreement) of all fees paid by a Client in a Factoring Arrangement.

“Participation Percentage” means a Participant’s applicable percentage of the total Factoring Arrangement to which the Participation Agreement relates, as set out in the Participation Agreement.

“Permanent Disability” shall mean any physical or mental condition that renders a Controlling Principal incapable of performing his or her normal duties, functions and responsibilities with respect to operating and managing the Franchised Business for a period of either (i) ninety (90) consecutive days or (ii) any combination of one hundred twenty (120) days during a span of one hundred eighty (180) consecutive days or earlier if such Controlling Principal is certified as permanently disabled by such Principal’s primary physician or by order of a court of competent jurisdiction.

“Person” shall mean any individual, partnership, limited liability company, corporation, trust or other legal entity.

“Portfolio” shall mean all rights, titles and interests of Franchisee’s Franchised Business, including, without limitation, Participation Percentages under Participation Agreements to which Franchisee is a party, and all books and records related thereto including, without limitation, all names, addresses, contact information and any other information related to any Franchisee Client and any lead or Prospective Client with whom Franchisee has had contact together with all pending transactions, Accounts, debts owing, outstanding invoices, collateral security and other financial instruments and proceeds therefrom owned or controlled by Franchisee. Notwithstanding the foregoing, Franchisee’s Portfolio shall not include any Participation Percentage held by Franchisee which is purchased by the other Participants in the subject Factoring Arrangement pursuant to Section 12.6 of the applicable Participation Agreement.

“Principal” shall mean all holders of an ownership interest in Franchisee and in any entity directly or indirectly controlling Franchisee; any other person or entity controlling, controlled by, or under common control with Franchisee; all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee’s Principals; and, if Franchisee is an individual, Franchisee’s spouse.

“Prospective Client” shall mean a potential client that has had contact with Franchisee, expressed an interest in services provided by the Franchised Business, and has been registered in accordance with the Rules and Regulations.

“Purchase and Sale Agreement” shall mean the purchase and sale agreement, security agreement and all documents related thereto between Exchange and a Client of a Liquid Capital Franchisee pursuant to which the Client’s Accounts are factored.

“Referral System” shall mean the procedures established by Franchisor under the Rules and Regulations for referring leads to Liquid Capital Franchisees. Such procedures shall permit Franchisor to consider a number of factors, including, without limitation, the proximity of the lead to the Liquid Capital Franchisee, the lead’s industry, the lead’s current and potential needs, the Liquid Capital Franchisee’s financial resources, expertise and availability, and the respective personalities of the lead and the Liquid Capital Franchisee.

“Reserve Fund” shall mean the difference between the amount of a Receivable and the amount of the Advance with respect to such Receivable.

“Rules and Regulations” shall mean all rules, regulations, directives, procedures, policies and similar matters prescribed by Franchisor for use by the Franchisee and all other Liquid Capital Franchisees in the operation of the Liquid Capital System, as amended or modified by Franchisor from time to time. The Rules and Regulations are included in the Manual.

“Schedule of Accounts” shall mean each list of invoices representing the Accounts to be purchased under the Purchase and Sale Agreement and that are the subject of a Funding Transaction, including all accompanying documentation required by the Purchase and Sale Agreement.

“Services Agreement” shall mean the agreement between Franchisor, the Exchange and Service Provider whereby Exchange shall provide Back Office Support Services for the benefit of Franchisee, directly or through the Service Provider.

“Service Provider” shall mean that Person with whom Franchisor and/or the Exchange contracts to provide some or all the Back Office Support Services.

“Small Business” shall, with respect to those industries identified in the Rules and Regulations, have the meaning set forth in the Small Business Act (PL 85-536, as amended April 5, 2004).

“Spot Factoring Arrangement” means the entire contractual relationship pursuant to which a single or “spot” invoice is factored, including, without limitation, the Confirmation of Transaction, Client Obligations, Collateral, and all other sources of repayment.

“Spot Participation” means a Participant’s percentage ownership interest in a Spot Factoring Arrangement, as it appears on the Confirmation of Transaction.

"Taxes" shall mean any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

"Territory" shall mean the geographic area described in Exhibit C to this Franchise Agreement.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of South Carolina; provided however that if by reason of any mandatory provisions of law any or all of the attachment, perfection or priority of a security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of South Carolina, then, and in each such case, the term "UCC" shall mean the Uniform Commercial Code as in effect from time to time in such other jurisdiction for the purposes of the attachment, perfection or priority of a security interest in such Collateral.

Section 1.02 *Conventions*

A. Unless otherwise stated, references to the First Paragraph, Recitals, Articles, Sections, Schedules and Exhibits are to the First Paragraph, Recitals, Articles, Sections, Schedules, and Exhibits of this Agreement and all such Recitals, Schedules and Exhibits are hereby incorporated herein by reference.

B. Words importing the singular include the plural and vice versa as the context may require. Words importing a gender include every gender as the context may require.

C. The headings to the Articles and Sections and the Article and Section numbers are for convenience only and have no legal effect.

D. The words "include," "included" and "including" shall be terms of enlargement and shall not imply any restriction or limitation unless the context clearly requires otherwise. The words "hereof", "herein", "hereunder" and similar expressions used in any Article or Section of this Agreement relate to the whole of this Agreement (including any Schedules or Exhibits attached hereto) and not to that Article or Section only, unless otherwise expressly provided for or the context clearly indicates to the contrary.

E. When this Agreement requires or permits Franchisor to take or refrain from taking an action, or to exercise discretion, or to change or modify anything, Franchisor may do so from time to time.

F. The words "Franchisee", "Principal", "Controlling Principal", and "Guarantor" whenever used in this Agreement shall be deemed and taken to mean each and every person or party mentioned as a Franchisee, Principal, Controlling Principal, or Guarantor herein, be the same one or more; and if there shall be more than one Franchisee, Principal, Controlling Principal, or Guarantor, any notice, consent, approval, statement, authorization, document or other communication required or permitted to be given by the terms or conditions of this Agreement may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof.

G. The use of the neuter or male or female pronoun to refer to any Person may be an individual (male or female), a partnership, a corporation or another entity or a group of two or more

individuals, partnerships, corporations or other entities. The necessary grammatical changes required to make the provisions of this Agreement apply in the plural sense, where there is more than one Person and to either individuals (male or female) partnerships, corporations or other entities, shall in all instances be assumed in each case.

Article II. GRANT OF FRANCHISE RIGHTS

Section 2.01 *Grant*

Subject to the provisions, and for the term, of this Agreement, Franchisor hereby grants to Franchisee the right and license, and Franchisee accepts the obligation, to establish and operate a Liquid Capital Business in the Territory in accordance with the Liquid Capital System and the terms and conditions set forth in this Agreement. Franchisee shall not solicit any business from any Person whose place of business is outside of the Territory or any Person not having a bona fide business office within the Territory. Notwithstanding the foregoing, Franchisee shall be permitted to transact business with any Person whose place of business is located outside of the Territory so long as such business transaction is the result of a bona fide referral, whether through the Referral System or otherwise. Should Franchisee receive an inquiry related to a proposed Factoring Arrangement from any Person located outside the Territory, other than a Bona Fide Referral (as further described in the Rules and Regulations), Franchisee shall promptly refer such Person to any other Liquid Capital Franchisee located in such other territory, or in the event that there is no other Liquid Capital Franchisee for such other territory, to Franchisor. No violation of this provision shall be deemed to have occurred where Franchisee's bona fide advertising and promotional materials are found to be present outside the Territory, provided that the presence of such material outside the Territory is an indirect consequence of Franchisee's advertising and promotion within the Territory. In the event of a dispute regarding the allocation of leads among Liquid Capital Franchisees, Franchisee agrees that a final and binding determination will be made by Franchisor or a committee constituted by Franchisor.

Section 2.02 *Territorial Protection*

A. During the term of this Agreement and provided that Franchisee is in Good Standing, neither Franchisor nor its Affiliates shall establish, or license any other Person to establish, a Liquid Capital Business within the Territory.

B. Annually at any time following any December 31 which is at least five (5) years after December 31 of the year in which the Effective Date of this Agreement occurs Franchisor may elect to adjust Franchisee's Minimum Business Volume (the "Revised Minimum Business Volume") if the number of Small Businesses in the Territory have increased by twenty percent (20%) (an "Increased Demographic"). If Franchisor and Franchisee fail to mutually agree on the Revised Minimum Business Volume, then Franchisor may modify Franchisee's Territory, in Franchisor's reasonable discretion, to accommodate the Increased Demographic.

Section 2.03 *Reserved Rights*

Franchisee understands and agrees that, except for the establishment of a Liquid Capital Business in the Territory in accordance with Section 2.02, Franchisor, directly and indirectly, has the right to establish and operate, and grant franchises for the establishment and operation of, Liquid Capital Businesses throughout the world. Franchisee further acknowledges that these other Liquid Capital Businesses may compete with Franchisee's Liquid Capital Business.

Section 2.04 *Referral System*

Franchisee agrees that it is Franchisee's primary responsibility to develop its own leads. However, Franchisor may refer leads to Franchisee in accordance with Franchisor's Referral System. Franchisor shall have absolute discretion in the operation of its Referral System to act in the best interests of the Liquid Capital Network as a whole. Franchisor shall keep records of the disposition of all leads it receives and shall make such records available to any Liquid Capital Franchisee.

Article III. TERM

Section 3.01 *Initial Term*

The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as provided herein, shall continue until 11:59 p.m. (eastern time zone) on the tenth (10th) anniversary of the Effective Date.

Section 3.02 *Renewal*

A. Subject to satisfaction of the conditions set forth in Section 3.02.B., Franchisee may renew the rights granted under this Agreement for additional successive periods of ten (10) years each following the expiration of the initial term set forth in Section 3.01.

B. Renewals of the rights granted under this Agreement are subject to the following conditions:

1. No Default by Franchisee under this Agreement or any other agreement with Franchisor or any Affiliate of Franchisor, or the Exchange shall exist as of the last day of the initial term set forth in Section 3.01 and Franchisee shall have substantially complied with such agreements throughout their respective terms.

2. Franchisee shall have given Franchisor written notice of its desire to renew this Agreement at least one hundred and eighty (180) days prior to the end of the initial term.

3. Franchisee shall do or cause to be done all such things as Franchisor may reasonably require to ensure that the Liquid Capital Business satisfies the then current image, standards, and specifications established by the Franchisor for new Liquid Capital Franchises whether or not such image, standards or specifications reflect a material change in the Liquid Capital System in effect during the initial term of this Agreement.

4. Franchisee shall reimburse Franchisor for all reasonable legal fees and other costs and expenses incurred by Franchisor incident to Franchisee's exercise of any renewal option.

5. Franchisee shall execute a general release in a form acceptable to Franchisor of all claims, if any, it has or believes it has against Franchisor, all Affiliates of Franchisor, the Exchange, the Service Provider and any of their respective owners, directors, officers, agents and employees; provided, however, that if any such claim arises after delivery of the notice required under Section 3.02.B.2. of this Agreement, Franchisee shall promptly notify Franchisor of the claim and the parties shall enter into good faith negotiations to attempt to resolve the claim for a period not to exceed thirty (30) days following Franchisee's notification of the claim. If Franchisor and Franchisee shall fail to resolve

the claim within the thirty (30) day negotiation period, then unless otherwise agreed by the parties, Franchisee may elect to forego its claim and execute the general release or to pursue its claim and, if Franchisee elects to pursue its claim, Franchisor shall have the right not to renew the rights granted under this Agreement.

6. Franchisee shall, at the option of Franchisor, execute a new Franchise Agreement for the renewal term in the form then being used by Franchisor (excluding any further renewal rights), which new Franchise Agreement may contain changes to the description of the Territory to account for an Increased Demographic and may provide for different royalty rates and marketing contributions than those contained in this Agreement, it being understood that the royalty rates and marketing contributions charged shall be no greater than the highest of such rates charged to any other Liquid Capital Franchisee at the time of renewal. The Franchisee also shall execute such other documents and agreements as are then customarily used by the Franchisor in the granting of Liquid Capital Franchise rights. If Franchisor shall elect not to require a new Franchise Agreement, all of the provisions contained in this Agreement in effect immediately prior to the commencement of such renewal term shall remain in force during such renewal term (except for any further rights of renewal and for changes to the description of the Territory to account for an Increased Demographic and other changes that have occurred during the initial term).

7. Franchisee shall pay Franchisor a fee equal to fifty percent (50%) of Franchisor's then-current Initial Franchise Fee provided, that such fee shall be waived if, during the initial term, Franchisee's Clients sell Accounts to the Exchange with an aggregate face value that equals or exceeds 10 times the minimum volume, which figure shall be adjusted annually in conformance with the CPI using 2004 as the base year.

Article IV. INITIAL FRANCHISE FEE AND ROYALTY

Section 4.01 *Initial Franchise Fee*

Franchisee shall pay to Franchisor upon the execution of this Agreement an initial, non-recurring, non-refundable Initial Franchise Fee. The Initial Franchise Fee shall be deemed to be fully earned by the Franchisor upon the execution of this Agreement in consideration of the grant by it to Franchisee of the opportunity to establish the Franchised Business as herein provided. Franchisee shall not be entitled to a refund of any part of the Initial Franchise Fee regardless of the date of or reason for the termination of this Agreement, except as specifically provided in Section 13.02.A. of this Agreement.

Section 4.02 *Continuing Royalty*

Franchisee shall pay to Franchisor, throughout the initial term of this Agreement, a royalty of eight percent (8%) of Gross Revenues. Such royalties shall be paid by the Franchisee to the Franchisor upon each Funding Transaction from the Participants' respective LCRAs. The royalty percentage during the renewal term may be adjusted as provided in Section 3.02.B.6. of this Agreement.

Section 4.03 *Other Fees and Expenses*

In addition to the fees described in Sections 4.01 and 4.02 above, Franchisee agrees to pay to Franchisor, its Affiliates, the Exchange, the Service Provider and any other third party suppliers or referral sources promptly when due all other fees, charges and reimbursable amounts payable under this Agreement or other agreements between them, including, without limitation, the Back Office Services Fee, Exchange Fee, Originating Franchisee Fee and Management Fee required by each Participation

Agreement as to which Franchisee is a party. Such payments shall be made at such times and in such manner as may be specified in this Agreement or such other agreements, as applicable.

Section 4.04 *Collection of Fees and Expenses; No Deductions*

A. Franchisee hereby authorizes Franchisor and any Affiliate of Franchisor to pay to Franchisor, its Affiliates, the Exchange, or Service Provider from any funds held by them for the account of Franchisee in the LCRA or otherwise any amounts owed to them (or any one of them) by Franchisee pursuant to this Agreement or any other agreement between them upon receipt of written notice setting forth the amount of the payment that is due and the date the payment is due. Franchisee expressly releases and holds harmless Franchisor and any Affiliate of Franchisor for payments made by them pursuant to the authorization set forth herein.

B. Each payment to be made to Franchisor or its Affiliates shall be made free and clear and without deduction for any Taxes.

Section 4.05 *EFT Authorization*

Franchisee hereby authorizes Franchisor to initiate electronic debit or credit entries against Franchisee's LCRA account and agrees to execute an authorization in the form of Exhibit D to this Agreement and all other documents necessary to effect the authorization given herein. Should any electronic debit not be honored for any reason, Franchisee agrees that it shall be responsible for that payment and any service charge. If any payments are not received when due, interest may be charged in accordance with Section 4.06. Upon written notice to Franchisee, Franchisor may designate another method of payment.

Section 4.06 *Overdue Amounts*

All amounts owing by Franchisee to Franchisor or Franchisor's Affiliates which are not paid when due shall bear interest after the due date until paid at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate allowed by applicable law. The acceptance of any interest payment shall not be construed as a waiver by the party to whom payment is due of its rights in respect of the Default giving rise to such payment and, as to Franchisor, shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such Default.

Section 4.07 *Application of Payments; No Offset*

Notwithstanding anything contained in this Agreement, upon Franchisee's failure to pay to Franchisor as and when due any amounts provided for herein, Franchisor shall have the right at its sole option, to deduct any and all such amounts remaining unpaid from any monies or credits held by Franchisor for the account of Franchisee. Franchisor shall have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its Affiliates under this Agreement or any other agreement between them, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any payment or in any letter accompanying any payment or elsewhere shall constitute or be considered as an accord or satisfaction. Franchisee shall have no right to withhold any payments due Franchisor or its Affiliates, on account of a breach or alleged breach of this Agreement or

any other agreement between them, and no right to offset any amount due against any obligation that Franchisor, its Affiliates, the Exchange, or Service Provider may owe to Franchisee.

Section 4.08 *Transfer of Funds*

Franchisee covenants and agrees to utilize only one bank account for each currency used in the operation of the Franchised Business and to co-operate fully and comply with any system implemented by Franchisor for the transfer of funds directly from any such bank account to the bank account of Franchisor, including the execution of any pre-authorized payment forms required by Franchisee's bankers.

Article V. **MARKETING**

Section 5.01 *Marketing Fund*

A. Recognizing the value of uniform advertising, marketing and promotion to the goodwill and public image of the Liquid Capital System, Franchisee agrees that Franchisor may maintain and administer a general marketing fund (the "Fund") as the Franchisor may deem necessary or appropriate in its sole discretion. Franchisor shall direct all marketing and advertising programs in its sole discretion with respect to the creative concepts, materials, endorsements, and media used therein, and the placement and allocation thereof. Franchisee agrees that the Fund may be used to pay the costs of preparing, producing and placing video, audio and written advertising, marketing and promotional materials and employing advertising, promotion and marketing agencies to assist therewith; the cost of developing and maintaining an internet website; and the cost of supporting public relations and market research. Franchisee further agrees that Franchisor shall have the right to allocate up to fifteen percent (15%) of the Fund for the payment of administrative costs.

B. Franchisee shall contribute to the Fund each month during the first year of this Agreement the amount of Five Hundred Dollars (\$500.00) which amount may be increased on or after the first Anniversary Date and each succeeding Anniversary Date of this Agreement by no more than ten percent (10%) of the amount charged during the year immediately preceding such Anniversary Date, as determined by Franchisor in its sole discretion. Any such increase shall be consistently applied to all similarly situated Liquid Capital Franchisees. Any amount payable to the Fund shall be paid on the first (1st) day of each month. Franchisee agrees that upon renewal of this Agreement, the Fund contribution may be increased to the amount charged the then most recent Liquid Capital Franchisee. Company-owned Liquid Capital Businesses will contribute to the Fund on the same basis as Liquid Capital Franchisees.

C Franchisee acknowledges that the Fund is intended to maximize recognition of the Marks and Liquid Capital System. Although Franchisor will endeavor to utilize the Fund to develop advertising, marketing and promotional materials that will benefit all Liquid Capital Businesses, Franchisor undertakes no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Liquid Capital Businesses operating in that geographic area or that any Liquid Capital Business will benefit directly or in proportion to its contribution to the Fund from the development of advertising, marketing and promotional materials.

D. The Fund will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as Franchisor may incur in activities related to the administration of the Fund, including, without limitation, conducting market research; preparing,

producing and placing advertising, promotion and marketing materials (including, without limitation, engaging in telemarketing and direct marketing activities); and collecting and accounting for contributions to the Fund. Franchisor may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contributions of all Liquid Capital Businesses to the Fund in that year, and the Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. Franchisor will prepare an annual statement of monies collected and costs incurred by the Fund and furnish the statement to Franchisee upon written request. Franchisor has the right to cause the Fund to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein.

E. Franchisor reserves the right to defer or reduce contributions and, upon thirty (30) days' prior written notice to Franchisee, to reduce or suspend contributions to and operations of the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund (and, if suspended, deferred or reduced, to reinstate such contributions). If the Fund is terminated, all unspent monies on the date of termination will be distributed to Liquid Capital Businesses in proportion to their respective contributions to the Fund during the preceding twelve (12) month period.

Section 5.02 *Advertising by Franchisee*

A. Franchisee shall not engage in any deceptive, misleading or unethical advertising which, in the sole opinion of Franchisor, might be injurious or detrimental to Franchisor, Franchisor's Affiliates, the Liquid Capital System, the Marks, other Liquid Capital Franchisees, the Exchange, the Service Provider, or the public. Franchisee shall submit all marketing and promotional materials developed by Franchisee to Franchisor for Franchisor's approval prior to use and shall not use any advertising or promotional material unless prior written approval from Franchisor has first been obtained. Notwithstanding the above, if Franchisee receives written notice from Franchisor that any advertising or promotional materials Franchisee is misusing the Marks or otherwise violate Franchisor's standards and specifications, then Franchisee agrees to promptly discontinue the use of such materials.

B. Franchisor has the right to designate any geographic area in which two (2) or more Liquid Capital Businesses are located as a region for purposes of conducting cooperative local or regional promotions required by Franchisor. Each Liquid Capital Business located in the region shall participate in such local or regional promotions on terms applicable to all Liquid Capital Business located in the region.

Section 5.03 *Internet, World Wide Web*

A. Without Franchisor's prior written approval, which approval may be given or withheld in Franchisor's sole discretion, Franchisee shall not develop, create, generate, own, franchise, lease or otherwise utilize any computer media and/or electronic media (including but not limited to the Internet, World Wide Web, bulletin boards and news groups) which is used in any manner in connection with the operation of the Franchised Business or which uses, displays or utilizes the Marks. If Franchisor grants its approval,

1. Franchisee acknowledges that the form, content and appearance of any Internet website used by Franchisee must comply with the standards set forth in the Manual and must be approved by Franchisor in writing before being used. Accordingly, Franchisee agrees that it has no authority to, and will not, establish any website that creates any association with the Marks or the Liquid Capital

System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the Liquid Capital System, without the express prior written consent of Franchisor. Without limitation of the foregoing, any Internet website created by or for Franchisee must contain a hypertext link to Franchisor's Internet website in the form Franchisor requires, and no other hypertext links to third party Internet websites unless previously approved in writing by Franchisor.

2. Franchisor and/or Franchisor's Affiliates shall be the owners of and/or control the materials posted by Franchisee, including any computerized or electronic media.

Notwithstanding Franchisor's approval of a website, Franchisor reserves the right to revoke such approval at any time that the website fails to continue to meet Franchisor's standards, and Franchisee agrees that upon such revocation, Franchisee will immediately discontinue use of such website.

B. Franchisee agrees that it has no authority to, and will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the Liquid Capital System without Franchisor's express prior written consent. Franchisee shall obtain Franchisor's prior written approval for Franchisee's domain name prior to use. Franchisee's domain name shall be registered in Franchisor's name and licensed to Franchisee by Franchisor. On termination or expiration of this Agreement, the license of the domain name to Franchisee will automatically terminate and Franchisee shall undertake all such actions as Franchisor requires to disassociate itself with the domain name.

C. Franchisor has the sole right (but no obligation) to develop an Intranet through which Franchisor and Liquid Capital Franchisees can communicate by e-mail or similar electronic means. Franchisee agrees to participate in and use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that are included in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

Article VI. OPERATION OF THE EXCHANGE; ACCOUNTING, RECORDS, REPORTS; AUDITS, AND INSPECTIONS

Section 6.01 *Relationship with Exchange*

A. So long as Franchisee is in Good Standing, Franchisee shall be eligible to participate in the Exchange System. If Franchisee is not in Good Standing, then Exchange shall suspend the provision of any new Exchange Services (but not the Back Office Support Services).

B. Unless otherwise permitted by the Rules and Regulations, all Purchase and Sale Agreements originated by Liquid Capital Franchisees shall be between the Clients of the Liquid Capital Franchisees and the Exchange. Franchisee's right, title and interest in any Purchase and Sale Agreement shall be evidenced by a Participation Agreement (or, for Spot Factoring Arrangements, a Confirmation of Transaction) in the form then-currently in use in the Liquid Capital System and included in the Rules and Regulations and Franchisor shall file the Blanket UCC Financing Form attached hereto as Exhibit F on Franchisee's behalf in order to protect Franchisee's right to compensation as a Participant pursuant to any Participation Agreement or Confirmation of Transaction to which Franchisee is a party. If Franchisee has not signed a Participation Agreement, Franchisee agrees as follows:

1. Exchange may declare the Factoring Arrangement to be in liquidation at any time that a default has occurred under the Purchase and Sale Agreement. After declaring the Factoring Arrangement to be in liquidation, Exchange shall assume responsibility for managing the ongoing relationship with the Client in accordance with the Rules and Regulations and shall be entitled to be compensated for its services as set forth in the Rules and Regulations.

2. After declaring the Factoring Arrangement to be in liquidation, Exchange shall pay to Franchisee 100% of all funds received by Exchange from the Client, Account Debtors, or from other sources (including Guarantors) on account of the Client Obligations or as proceeds of Collateral, less any costs of collection or reserves required by Exchange in its sole discretion until (a) Franchisee has received full payment of (i) the net outstanding amount of all contributions made by Franchisee to fund Advances to the Client and (ii) all fees paid by the Client after Net Expenses (i.e., gross expenses, net of recoveries) or (b) Collections have been exhausted. Franchisee shall pay to Exchange, on demand, and upon Franchisee's receipt of supporting documentation, all Extraordinary Expenses. Exchange will debit Franchisee's LCRA for such amounts.

C. Franchisee acknowledges and agrees that it is an essential requirement of the Franchised Business that all agreements and documents that set out the relationship with the Client, including without limitation those agreements and documents pursuant to which a security interest in the Collateral may be obtained, be in approved form and be generated and registered using approved methods, all as more particularly set out in the Manual. Franchisee agrees to use only those forms and methods established by the Manual. Franchisee further agrees to keep all original documents and agreements in Franchisee's possession until any invoice to which such document or agreement relates shall have been paid and to keep copies of all such documents and agreements until the expiration or termination of the related Purchase and Sale Agreement.

D. The training provided by Franchisor to Franchisee pursuant to Sections 7.01 and 7.02 below will include training as to Franchisee's obligations under the Participation Agreements. Among other things, Franchisor will train Franchisee in the functioning of the Exchange and will train and monitor Franchisee in the qualifications necessary for Franchisee to become a Managing Participant.

E. Exchange will establish a LCRA at a commercial banking institution selected by Exchange and internally account for each Franchisee, in Franchisee's name, the Franchisee's activity in the account. Funds deposited in Franchisee's LCRA shall be used to fund Franchisee's obligations under those Participation Agreements in which Franchisee has a Participation Percentage, Advances, and fees due to other Participants, Exchange, and Franchisor. The LCRA will be credited with all fee income due to Franchisee, Franchisee's Participant's Compensation, and receipts pursuant to Participation Percentages held by Franchisee. The LCRA will be debited or credited for all amounts due to or from, as the case may be, Franchisee, the Exchange, other Participants, other Franchisees and Franchisor, all as more particularly set forth in the Rules and Regulations. Exchange will have sole signing authority over the LCRA.

1. Franchisee shall have the obligation to monitor the LCRA and Franchisee's ongoing obligations to Clients and other Participants and to fulfill Franchisee's financial obligations pursuant to the Participation Interests Franchisee has acquired by depositing any required funds in the LCRA.

2. Exchange will advance funds on behalf of Franchisee to cure any shortfall in the LCRA as determined by Exchange (a "Short-Term Loan"). The Participation Interests acquired by Franchisee are subordinate to and security for any such Short-Term Loan made by Exchange. Short-Term Loans will bear per diem interest and transaction costs at the rates set out, as modified from time to time, in the Rules and Regulations. Franchisee shall repay Short-Term Loans by depositing the required funds to the LCRA by no later than 10:00 am (Eastern Time) on the next banking day following such Short-Term Loan by Exchange. Exchange may adjust the Participation Interests of any Franchisee, or take such other steps as it deems reasonable, in its sole discretion, to collect unpaid Short-Term Loans and accrued interest and costs.

Section 6.02 *Reports and Financial Information*

A. Franchisee shall furnish to Franchisor, from time to time, such financial and other reports, with such detail and breakdowns and in such forms as are prescribed by the Rules and Regulations and contained in the Manual, as such forms may be modified or amended from time to time, together with copies of all supporting records. For greater certainty, these reports shall include, without limitation, the following:

1. On or before the fifteenth (15th) day of each month during the term of this Agreement, a monthly report of Franchisee's Clients and Prospective Clients including details of Gross Revenues from all sources, calculation of royalty payments, and such other information relating thereto as Franchisor may from time to time require in accordance with the Rules and Regulations.

2. At Franchisor's request, copies of all returns required to be filed by the Franchisee with all applicable local, state and federal taxing authorities; and

3. By March 31 immediately following the close of each Fiscal Year of Franchisee during the term of this Agreement, financial statements of Franchisee (income statement, balance sheet, and statement of retained earnings or partnership account), reviewed by a certified public accountant acceptable to Franchisor, for Franchisee's most recent Fiscal Year.

All of Franchisee's accounting records and supporting documents shall be kept in accordance with GAAP and shall be preserved and retained for such period as is required by law, but not less than five (5) years.

Section 6.03 *Inspection and Audit of Books and Records*

A. Franchisor, or its representatives, shall have the right during Normal Business Hours and without prior notice to the Franchisee to inspect or audit, or cause to be inspected or audited all books, records, documents or other materials relating to the Franchised Business, including the right, without limitation, to have a Person examine and make copies of same and to use, without charge, Franchisee's photocopy machine and supplies and to access Franchisee's computers and any other computer and/or database wherever situated to obtain the financial and any other information about the operation of the Franchised Business. Any Person acting on Franchisor's behalf may remove any records, documents or materials from Franchisee's premises for the purpose of photocopying same provided that the originals or copies thereof shall be returned to Franchisee as soon as practical thereafter. Franchisee shall cooperate and shall cause its employees to cooperate with Franchisor and its representatives in the conduct of any such inspection or audit.

B. If an inspection reveals that the Gross Revenues reported by Franchisee to Franchisor are less than the Gross Revenues generated by Franchisee, then Franchisee shall immediately pay to Franchisor any amounts owing to Franchisor based upon the corrected Gross Revenues. All inspections and audits shall be at the expense of Franchisor, provided however, if an inspection or audit results from the Franchisee's failure to prepare, deliver or preserve statements or records required by this Agreement, or results in the discovery of a discrepancy in the Gross Revenues reported by Franchisee of three percent (3%) or more, Franchisee shall pay or reimburse Franchisor for any and all expenses incurred in connection with the inspection or audit including, without limitation, reasonable accounting and legal fees. Such payments will be without prejudice to any other remedies Franchisor may have under this Agreement or at law, including the right to terminate this Agreement.

Section 6.04 *Sharing of Information*

Franchisee hereby authorizes Franchisor, Franchisor's Affiliates, the Exchange, and the Service Provider to share between them any information known to them related to the Franchised Business, its Principal(s) and/or Guarantor(s) without liability to any Person. Franchisee further authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Liquid Capital Business which Franchisor may request. Franchisee authorizes Franchisor to disclose data from Franchisee's reports if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

Section 6.05 *Computer Systems; Electronic Access*

A. Franchisee agrees to acquire, install and use all Computer Systems that Franchisor specifies from time to time for use in the operation of the Liquid Capital Business. Following installation of the Computer Systems, each transaction of the Liquid Capital Business will be processed on the Computer System in the manner prescribed by Franchisor from time to time. At Franchisor's request, Franchisee agrees to transmit to Franchisor or its designee or to permit Franchisor or its designee to collect electronically information from the Computer Systems. Franchisor will have, at all times (including on a daily basis), the right to access and retrieve all information relating to the Liquid Capital Business from the Computer Systems and Franchisee agrees to take such action as may be necessary to provide such access to Franchisor. Franchisee shall co-operate in that regard by ensuring that its computers are left on and available to such polling and that its modem is engaged to receive calls from the Franchisor at all times.

B. Franchisee acknowledges that Franchisor may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, Franchisor may require Franchisee to obtain specified computer hardware and/or software, including, without limitation, a franchise to use proprietary software developed by Franchisor or others, and to enter into data processing and service and support arrangements. Modification of the specifications for the Computer System may require Franchisee to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to Franchisee of obtaining the Computer System (including any software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, Franchisee agrees to incur such

costs. Within sixty (60) days after Franchisee receives notice from Franchisor, Franchisee agrees to obtain the components of the Computer System that Franchisor designates and requires. Franchisee further acknowledges and agrees that Franchisor has the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for Franchisor that are franchised to Franchisee and other maintenance and support services that Franchisor or Franchisor's Affiliate furnishes to Franchisee related to the Computer System.

C. Franchisee shall use the Computer System only for the express purpose of operating the Franchised Business and for absolutely no other purpose unless approved by Franchisor. Franchisee shall not use any computer hardware or software which is not approved by Franchisor without the previous written consent of Franchisor;

Article VII. TRAINING AND OPERATING ASSISTANCE

Section 7.01 *Basic Operational Training Course*

A. Franchisor shall provide a Basic Operational Training Course for Franchisee's Controlling Principal and such other employees as may be designated by Franchisee and approved by Franchisor to attend training, provided that each trainee executes such confidentiality and non-competition agreements as required by Franchisor. Attendance and completion of the Basic Operational Training Course by the Controlling Principal to the satisfaction of Franchisor is required as a precondition to the commencement of operation of the Franchised Business. The course shall be conducted in McKinney, Texas or other suitable location selected by Franchisor and shall be of such duration as Franchisor may deem necessary given the experience of Franchisee's Controlling Principal and other relevant considerations. The course will cover the operation of the Liquid Capital Business, in accordance with Franchisor's established methods of operation. The course will be provided by Franchisor for three (3) Persons (or five (5) Persons if this Agreement is signed pursuant to our multi-territory program) (including Franchisee's Controlling Principal) at no additional charge to Franchisee (other than the Initial Franchise Fee) provided that all Persons attend the same session of the course. Franchisor reserves the right to charge a reasonable training fee for any additional Persons attending the course. Franchisee shall be responsible for all travel and living expenses and all wages payable to those of its personnel who attend the Basic Operational Training Course, and without limitation of the foregoing, no wages shall be payable by Franchisor to the Franchisee or any trainee for any service rendered at Franchisor's premises or selected location during the course of such training.

B. Any original attendee of the Basic Operational Training Course may attend any subsequent sessions of such course which will be offered at Franchisor's sole discretion on a space available only basis without payment of any additional fee to Franchisor. If, after the initial Basic Operational Training Course provided by Franchisor pursuant to Section 7.01 A. above, Franchisee desires or is required by this Agreement to have Persons other than the original attendees attend such course, Franchisee shall pay Franchisor a fee for each such Person in such amount as is set forth from time to time in the Rules and Regulations. Franchisee also shall be responsible for all travel and living expenses of and compensation payable to all of Franchisee's personnel attending any additional Basic Operational Training Course.

Section 7.02 *Additional Training*

Franchisor may from time to time develop and offer, directly or indirectly through a designated representative, certain supplemental training and/or certification courses. Franchisor may charge a fee for

the course and/or may require Franchisee to pay or otherwise reimburse Franchisor for its out-of-pocket costs and expenses related to the course including costs of instruction, textbooks, workbooks, audio and video recordings, and follow up support for a period of at least three (3) months following a course. Franchisee's Controlling Principal (and such other personnel as Franchisor may designate or as Franchisee may designate and Franchisor approves) may be required to attend additional mandatory training courses from time to time during the term of this Agreement. Before Franchisee may qualify as a Managing Participant, Franchisee shall attend an additional training program and pass an exam at the end of such program with a score of at least sixty-five percent (65%). Franchisee shall be responsible for all travel and living expenses of and compensation payable to all of Franchisee's personnel attending any such optional or mandatory training or certification courses.

Section 7.03 Attendance at Annual Conferences

Franchisee's Controlling Principal (or another employee of Franchisee approved by Franchisor) shall be required to attend the Liquid Capital Annual Conference on at least a biannual basis. All expenses related to attending such conferences shall be the sole responsibility of Franchisee.

Section 7.04 Back Office Support Services and Other Services

Franchisor will provide or cause its designee to provide Back Office Support Services to Franchisee in consideration for the payment by Franchisee to Franchisor or to Franchisor's designee of the Back Office Services Fee and the Back Office Services Fee for Spot Factoring, as applicable. In addition, Franchisor will provide or cause its designee to provide the following services to Franchisee:

- A. Training and certification courses in accordance with Sections 7.01 and 7.02.
- B. On loan for the term of this Agreement, access to the Manual (including the Rules and Regulations) and such other operating documentation and guidance as Franchisor may deem necessary.
- C. Such continuing advice and guidance as may from time to time be deemed reasonably necessary by Franchisor, in its sole judgment, with respect to the opening and operation of the Franchised Business, in person or by telephone, mail, e-mail, facsimile or other such form of communication as Franchisor shall determine to be appropriate.
- D. Such marketing and advertising assistance as deemed appropriate by the Franchisor, including, as determined by the Franchisor (i) the development of advertising and promotional programs, and (ii) at Franchisee's request, reasonable marketing and sales support to assist with Prospective Clients; provided, that with respect to marketing and sales support for Prospective Clients requested by Franchisee under this subsection D.(ii), Franchisee shall reimburse Franchisor or its designee for all related expenses and any additional compensation agreed upon in advance of the provision of the services.
- E. Such improvements to the Liquid Capital System as may be developed from time to time.

Article VIII.

OPERATION OF FRANCHISED BUSINESS

Section 8.01 *Duties and Obligations of the Franchisee*

- A. Franchisee agrees to begin operating the Franchised Business within thirty (30) days after completing Franchisor's Basic Operational Training Course and to operate the Franchised Business strictly in accordance with the Liquid Capital System, as set forth in the Manual (including the Rules and Regulations) or as otherwise required by Franchisor in writing.
- B. Franchisee shall operate the Franchised Business with diligence and efficiency and in a manner consistent with the then-current standards of the Liquid Capital System.
- C. Franchisee shall ensure that prompt, courteous, knowledgeable and efficient service is accorded to Franchisee's Clients at all times. In all dealings with Franchisee's Clients, other Liquid Capital Franchisees and the public, Franchisee shall act in a reputable manner and shall adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.
- D. Franchisee shall comply with all local, state and federal laws and regulations and shall obtain and at all times maintain any and all permits, certificates or licenses necessary for the proper conduct of the Franchised Business pursuant to the terms of this Agreement.
- E. Franchisee shall offer factoring services in a manner consistent with and in accordance with the Liquid Capital System, including those procedures set out in this Agreement, the Rules and Regulations, and any other direction in writing from Franchisor.
- F. Franchisee shall discount invoices only within certain percentage ranges, the specifics of which will be provided to the Franchisee from time to time in writing by the Franchisor.
- G. Franchisee shall charge only those types of service fees as set out by the Franchisor and shall charge and collect fees only in accordance with the Rules and Regulations and any other directives set out in writing by the Franchisor;
- H. Franchisee shall register with the Franchisor all applications of Prospective Clients taken by the Franchisee.
- I. Franchisee shall cause all Franchisee's Clients to enter into Purchase and Sale Agreements pursuant to which all factored Accounts shall be submitted to the Exchange or the Service Provider for processing in accordance with the Purchase and Sale Agreement and the rules and regulations of the Exchange.
- J. Franchisee shall not in any way attempt to solicit or do business with any Franchisee Client or Prospective Client who has had an application taken by another Liquid Capital Franchisee, as specifically defined in the Rules and Regulations.
- K. Franchisee shall not deal with lenders, re-factors or investors for the financing of the Franchised Business or the funding of transactions with Franchisee Clients until Franchisee has first obtained from them an executed copy of a Financing Estoppel Certificate.

L. Franchisee shall offer only those services as are specifically approved in writing by Franchisor.

M. Franchisee shall locate the premises of the Franchised Business within or outside (but in reasonable proximity to) the Territory. Franchisee shall obtain Franchisor's consent to the location of the Franchised Business and Franchisor's prior written consent if Franchisee wishes to operate another business at the premises of the Franchised Business. You must also obtain our consent before you relocate the Franchised Business.

Section 8.02 *Management of the Franchised Business; Guaranty of Performance*

A. Franchisee shall at all times maintain a Controlling Principal, with an ownership interest in Franchisee and whom Franchisor approves to devote full time and best efforts to the fulfillment of Franchisee's obligations under this Agreement effectively and in accordance with the standards of the Liquid Capital System. The Controlling Principal shall not engage in any other business or activity that may conflict with Franchisee's obligations under this Agreement. If Franchisee's relationship with the Controlling Principal terminates or materially changes, Franchisee shall promptly notify Franchisor and designate a qualified replacement within not more than thirty (30) days.

B. Each Guarantor shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Guaranty attached to this Agreement, and shall otherwise bind themselves to the terms of this Agreement as stated therein.

Section 8.03 *Sourcing*

A. In establishing and operating the Franchised Business, Franchisee agrees to use only the products, services, supplies, inventory, equipment, contracts and related forms, computer hardware and software, fixtures, furnishings, and signs that Franchisor has approved as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisor reserves the right to periodically designate or approve suppliers of any such items and if Franchisor requires, Franchisee agrees to purchase or otherwise acquire all such items only from suppliers Franchisor designates or approves, which may include or be limited to Franchisor and/or Franchisor's Affiliates. Franchisor will provide Franchisee with a list of approved or designated suppliers and will from time to time issue revisions to the list. Franchisee agrees that Franchisor and/or Franchisor's Affiliates may derive revenue based on Franchisee's required purchases (including, without limitation, from charging Franchisee for items Franchisor or Franchisor's Affiliates provide to Franchisee and from payments made to Franchisor or its Affiliates by suppliers that Franchisor designates or approves).

B. If Franchisee wishes to acquire an item from a supplier that is not currently approved by Franchisor, Franchisee must notify Franchisor in writing of Franchisee's desire to do so and submit to Franchisor (or to its designee) specifications, photographs, samples and/or other information Franchisor requests. Franchisor may also inspect the supplier's facilities. Within a reasonable time, Franchisor will determine whether such items or supplier meet Franchisor's specifications and standards and will notify Franchisee whether Franchisee is authorized to use such item or purchase from such supplier. Franchisor also has the right to revoke the approval of any item or supplier that fails to continue to meet its standards. At Franchisor's request, Franchisee agrees to pay or reimburse Franchisor for its reasonable expenses incurred in the supplier approval process (whether or not approval of the supplier is granted.)

Section 8.04 *Liquid Capital System Modifications*

Franchisee acknowledges that compliance with the Liquid Capital System is important to Franchisee, Franchisor, and other Liquid Capital Franchisees in order to maintain high quality and uniform operating standards and to protect the goodwill associated with the Marks and the Liquid Capital System. Franchisee agrees that Franchisor may periodically add to, change, amend, modify, delete, enhance, combine, replace, substitute, and/or discontinue all or any portion of the Liquid Capital System as may be necessary in its sole judgment to maintain or enhance the reputation, efficiency, competitiveness and/or quality of the Liquid Capital System, or to adapt to new conditions, materials or technology, or to better serve the public, including, without limitation, the provision of new financial services, and the adoption of use of new or modified Marks, equipment and techniques in connection therewith. Franchisee agrees to fully comply with all such additions, changes amendments, modifications, deletions, enhancements, combinations, replacements, substitutions, and/or discontinuations, within the time period Franchisor reasonably specifies, even though certain of such modifications may obligate Franchisee to invest additional capital in the Franchised Business and/or incur higher operating costs. No such modification will alter Franchisee's fundamental status and rights as a franchisee of a factoring business under this Agreement.

Section 8.05 *New Developments*

If Franchisee, its employees, or Principals develop any new concept, process or improvement in the operation or promotion of the Franchised Business (including, without limitation, any advertising created or developed by or on behalf of Franchisee), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Franchisee and its Principals hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and its Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. Franchisee and its Principals hereby irrevocably designate and appoint Franchisor as their agent and attorney in fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 8.05. are found to be invalid or otherwise unenforceable, Franchisee and its Principals hereby grant to Franchisor a worldwide, perpetual, non exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

Article IX.

MARKS

Section 9.01 *No Permanent Interest*

Franchisee acknowledges that, as between Franchisee and Franchisor, Franchisor or Franchisor's Affiliate is the owner of all right, title and interest in and to the Marks and the goodwill associated with the Marks. Neither this Agreement nor the operation of the Franchised Business shall in any way give or be deemed to give to Franchisee any interest in the Marks except for the right to use the Marks in accordance with the terms and conditions of this Agreement. Franchisee shall not use the Marks in any manner so as to represent that it is the owner of the Marks. At no time during the term of this Agreement or after the expiration or termination hereof shall Franchisee, either directly or indirectly, dispute or contest the validity or enforceability of the Marks, attempt any registration thereof, or attempt to dilute the value of any goodwill attaching to the Marks. Any goodwill associated with the Marks shall inure exclusively to the benefit of Franchisor and Franchisor's Affiliates.

Section 9.02 *Franchisee's Obligations with Respect to Marks*

Without in any way restricting or limiting Section 9.01 hereof, Franchisee covenants and agrees as follows:

- A. Franchisee shall conduct the Franchised Business under the Marks without any accompanying words or symbols of any nature except those which have received the prior written approval of the Franchisor. Franchisee shall follow Franchisor's instructions regarding proper use and display of the Marks.
- B. Promptly upon any request by Franchisor, Franchisee will execute such applications, agreements or other instruments, in such form and with such parties as Franchisor, in its sole discretion shall specify, protecting the interests and rights of the Franchisor in the Marks, or complying with any applicable certification mark, trade name, trade-mark or other similar legislation.
- C. Franchisee will not use the Marks or any variations thereof as any part of its corporate or other legal name and shall file and maintain all trade name or fictitious or assumed name registrations as required by applicable laws.
- D. Franchisee will not use the Marks for any purpose other than those expressly authorized by this Agreement.
- E. Promptly upon the expiration or termination of this Agreement, for any reason whatsoever, Franchisee shall cease all use of the Marks (including any colorable imitations thereof) for any purposes whatsoever and Franchisee shall not make known, either directly or indirectly, following such expiration or termination, that Franchisee previously conducted business under the Marks;
- F. Franchisee will not use any other trademarks, trade names, service marks or other identifying characteristics, which are similar to or confusing with the Marks.
- G. Franchisee will not use the Marks in connection with any statement or material which may, in the sole judgment of Franchisor, be in bad taste or inconsistent with the Franchisor's public image or tend to depreciate the value of the Marks or the goodwill attached thereto.

H. Franchisee shall not register or use any Internet domain name, website address or URL (Uniform Resource Locator) in any class, category or top level domain that (i) contains any of the Marks, in whole or in part, (ii) contains any words similar to any of the Marks, (iii) contains any abbreviation, acronym, phonetic variation or visual variation of any of the foregoing, or (iv) otherwise creates any association with the Marks or the Liquid Capital System; and

I. Upon the request of Franchisor, Franchisee will affix on any markings, notices, letterhead, invoices, purchase orders, advertising displays and other materials, a notice in the form approved by Franchisor that Franchisee is using the Marks under franchise from Franchisor.

Section 9.03 *Infringement of Marks*

Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee's use of any of the Marks and Franchisor shall have the sole discretion to take such action as it deems appropriate. Franchisee hereby agrees to cooperate with Franchisor in the conduct of any actions, litigation or other proceedings involving the Marks.

Section 9.04 *Change of Marks*

If it becomes advisable at any time in the sole discretion of Franchisor for Franchisee to modify or discontinue the use of any of the Marks or use one or more additional or substitute marks, trade names, trademarks or service marks, Franchisee agrees to do so at its sole cost and expense.

Article X. **MANUAL; CONFIDENTIALITY; RESTRICTIVE COVENANTS**

Section 10.01 *Compliance with Manual*

A. Franchisee shall conduct the Franchised Business strictly in accordance with the provisions set out in the Manual, as same may be amended from time to time, including (without limitation) the Rules and Regulations. Without limitation of the foregoing, Franchisee and its Principals agree that (i) the Rules and Regulations, which are a part of the Manual, form a material part of this Agreement; and (ii) they will abide by such Rules and Regulations, and (iii) any breach of such Rules and Regulations, whether specifically provided for in this Agreement or otherwise, shall constitute a material breach of this Agreement.

B. Franchisee and its Principals acknowledge and agree that the Manual is loaned to Franchisee by Franchisor for the term of this Agreement and it shall at all times remain the sole and exclusive property of Franchisor. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall promptly deliver the Manual to Franchisor, together with all copies thereof.

C. Only Franchisor shall print or make any copies of the Manual (including the Rules and Regulations). Any request by Franchisee for such copies shall be given to Franchisor in writing in accordance with the Rules and Regulations. Any unauthorized printing or copying of the Manual, access by unauthorized Persons to the Manual, or unauthorized use of the Manual, whether in whole or in part, shall be deemed to be a fundamental breach of this Agreement.

Section 10.02 *Non-Disclosure of Confidential Information*

Franchisee and its Principals acknowledge the confidential and proprietary nature of the Liquid Capital System. Franchisee and its Principals further acknowledge that they have had no part in the creation or development of nor do they have any property or other rights or claims of any kind in or to any element of the Liquid Capital System, the Marks or any matters dealt with in the Manual and that all disclosures made to Franchisee relating to the Liquid Capital System including, without limitation, the specifications, standards, procedures and the entire contents of the Manual, are communicated to Franchisee solely on a confidential basis and as trade secrets, in which Franchisor has a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, Franchisee and its Principals agree to maintain the confidentiality of all such information during and at all times following the expiration or termination of this Agreement and shall not disclose any of the Franchisor's Confidential Information to any Person (including Franchisee's employees) except those who need to know such information in order to enable Franchisee to conduct its Liquid Capital Business and then only with Franchisor's prior written consent and, if Franchisor requires, following the execution of a written agreement containing non-disclosure and non-competition provisions substantially similar to those contained in this Agreement. Franchisee and its Principals further agree not to use any such information in any other business or in any manner not specifically approved in writing by the Franchisor. This Section 10.02 shall survive the expiration or termination of this Agreement for any reason whatsoever.

Section 10.03 *Competition During Term of Agreement*

During the term of this Agreement Franchisee and its Principals shall not, either directly or indirectly, individually or in conjunction with any other Person, as principal, agent, officer, director, shareholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit their names or any part thereof to be used or employed in any business operating in competition with or similar to the Liquid Capital Businesses, nor shall Franchisee or its Principals refer Clients to any provider of factoring, funding, or financial services except Exchange except as otherwise designated in writing by Franchisor.

Section 10.04 *Competition After Termination, Expiration or Transfer*

A. For a period of two (2) years after the termination, expiration, or transfer of this Agreement (or, with respect to a Principal, of his or her interest herein) for any reason whatsoever Franchisee and its Principals shall not, without the prior written consent of Franchisor, directly or indirectly, either individually or in conjunction with any Person, as principal, agent, officer, director, shareholder, employee or in any other manner whatsoever carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed by any Person engaged in or concerned with or interested in any business competitive with or similar to the Liquid Capital Businesses in the United States of America or Canada.

B. Without Franchisor's prior written consent, during the two (2) year period set forth in Section 10.04 A., Franchisee and its Principals shall refrain in any manner whatsoever from:

1. Diverting or attempting to divert or soliciting, either directly or indirectly, any business of the Franchised Business or that of any other Liquid Capital Business; or

2. Employing or seeking to employ or inducing, either directly or indirectly, any Person employed by Franchisee, any other Liquid Capital Franchisee, Franchisor, a Franchisor Affiliate, the Exchange, or the Service Provider within such two (2) year period or within the one (1) year immediately prior thereto.

Section 10.05 *Injunctive Relief*

Franchisee and its Principals agree that any failure to comply with the requirements of this Article X shall constitute a material event of default under this Agreement and further acknowledges that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and its Principals accordingly consent to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Article X., without the requirement that Franchisor post a bond. Franchisee agrees to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Article X., including all costs and expenses for obtaining specific performance, or an injunction against the violation of the requirements of such Section, or any part thereof.

Article XI. INSURANCE

Section 11.01 *Types of Insurance*

Prior to the opening of the Franchised Business Franchisee shall obtain and shall keep in full force and effect throughout the term of this Agreement such types and amounts of insurance coverage (including reasonable deductibles) as the Franchisor may from time to time reasonably require and specify in the Rules and Regulations, including, without limitation, errors and omissions insurance, fidelity bond coverage, insurance on equipment, business interruption insurance, worker's compensation insurance and public liability and indemnity insurance. All costs in connection with the placing and maintaining of such insurance shall be borne solely by Franchisee.

Section 11.02 *Policies of Insurance*

All policies of insurance obtained pursuant to this Article XI shall:

- A. Be placed only with insurers reasonably acceptable to Franchisor;
- B. Be in such form as is acceptable to Franchisor and contain, at Franchisor's request, a waiver of subrogation in favor of Franchisor and its Affiliates;
- C. Contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving to Franchisor at least thirty (30) days prior written notice; and
- D. Except for workers' compensation insurance policies, name Franchisor and Franchisor's Affiliates as an additional named insureds. Such policies shall also expressly provide that the interests of the additional named insureds will not be affected by Franchisee's breach of any policy provisions or by reason of Franchisee's negligence or that of Franchisee's servants, agents or employees.

Section 11.03 *Evidence of Insurance Coverage*

Copies of all policies or certificates of insurance and any renewals thereof, shall be delivered promptly to Franchisor by Franchisee at Franchisor's request from time to time throughout term of this Agreement.

Section 11.04 *Placement of Insurance by the Franchisor*

If Franchisee fails to obtain or keep in force any insurance referred to in Section 11.01 or should any such insurance not be as provided in Section 11.02, and should Franchisee not rectify such failure within forty eight (48) hours after written notice by Franchisor, Franchisor has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost of Franchisee and all payments made by Franchisor shall be immediately repaid by Franchisee to Franchisor on the first day of the next month following such payment by Franchisor without prejudice to any other rights and remedies of Franchisor under this Agreement. Franchisor shall not in any way be liable to the Franchisee or any other Person for any deficiency in such insurance.

Article XII. INDEMNIFICATION

A. Excluding liability, claims, or damages resulting from the gross negligence or willful misconduct of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisee), Franchisee hereby agrees, to indemnify and save Franchisor, Franchisor's Affiliates, the Exchange, the Service Provider, and their respective owners, directors, officers, employees, agents and subcontractors ("Franchisor Indemnitees") harmless from any and all liabilities, losses, suits, claims, demands, costs, fines, losses (including legal fees and costs) and actions of any kind or nature whatsoever to which they shall or may become liable for or suffer (i) by reason of any breach, violation or non-performance on the part of Franchisee or any of its owners, directors, officers, employees and agents of any term or condition of this Agreement and any other agreement between Franchisee and the Franchisor Indemnitees (or any one of them), or (ii) arising out of, related to or in connection with the operation of the Franchised Business. Franchisee agrees to give Franchisor prompt notice of any claim of which Franchisee is aware for which indemnification is required, and Franchisor may elect to assume (but is under no circumstance obligated to undertake) the defense and/or settlement of the claim, provided that Franchisor will seek Franchisee's advice and counsel. Franchisor's assumption of the defense does not modify Franchisee's indemnification obligation.

B. Excluding liability, claims, or damages resulting from the gross negligence or willful misconduct of Franchisee or its Principals (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisor), Franchisor hereby agrees, to indemnify and save Franchisee and its owners, directors, officers, employees, agents and subcontractors ("Franchisee Indemnitees") harmless from any and all liabilities, losses, suits, claims, demands, costs, fines, losses (including legal fees and costs) and actions of any kind or nature whatsoever to which they shall or may become liable for or suffer by reason of any breach, violation or non-performance on the part of Franchisor or any of its directors, officers, employees and agents of any term or condition of this Agreement and any other agreement between Franchisor and the Franchisee Indemnitees (or any one of them).

C. This Article XII. shall survive the expiration or termination of this Agreement.

Article XIII. TERMINATION; POST TERM RIGHTS AND OBLIGATIONS

Section 13.01 Termination by Franchisee

Franchisee shall have the right to terminate this Agreement, with or without cause, upon ninety (90) days' prior written notice to Franchisor.

Section 13.02 Termination by Franchisor on Notice

Franchisor shall have the right to terminate this Agreement upon written notice to Franchisee without prejudice to the enforcement of any other legal right or remedy available to Franchisor upon the happening of any of the following Events of Default and Franchisee's failure to cure within the time periods specified below (or any longer period required by law), if applicable:

A. If in Franchisor's sole opinion the Controlling Principal's participation in the Franchisor's Basic Operational Training Course discloses the Controlling Principal's inability to adequately manage and operate the Franchised Business and Franchisee fails to designate a satisfactory replacement within thirty (30) days following written notice from Franchisor. In the event of a termination pursuant to this Section 13.02.A., Franchisor shall refund to the Franchisee, within ten (10) days after the effective date of termination, seventy-five percent (75%) of all money received by Franchisor from Franchisee, less the Franchisor's reasonable out of pocket costs and expenses including, without limitation, costs and expenses reasonably incurred by Franchisor in connection with the negotiation and execution of this Agreement and any other agreement with Franchisee.

B. If any amount payable to Franchisor or its Affiliates under this Agreement or any other agreement is not paid when due and shall remain unpaid for a period of ten (10) days (or such longer period as may be provided for in the applicable agreement) after written notice thereof has been given to Franchisee.

C. If Franchisee fails to submit any report required to be furnished to Franchisor pursuant to this Agreement within ten (10) days of the date such report is due and for a period of ten (10) days after written notice thereof has been given to Franchisee;

D. If Franchisee ceases or threatens to cease to carry on business, or takes or threatens to take any action to liquidate its assets, or stops making payments in the ordinary course of business and such payments remain unpaid for a period of three (3) days after written notice thereof has been given;

E. If Franchisee fails to make a payment to a Client to whom Franchisee is responsible;

F. If Franchisee or any Principal violates the restrictions on transfer set forth in Article XIV;

G. If Franchisee shall commit or suffer any Default under any contract of conditional sale or other security instrument and fails to cure such Default within any applicable cure period;

H. If Franchisee shall lose its right to do business by expiration, forfeiture or otherwise;

I. Subject to the provisions of Article XV of this Agreement, if any Controlling Principal shall die or otherwise suffer a Permanent Disability and, in the sole opinion of Franchisor, the Controlling Principals' Designee is not capable of managing and operating the Franchised Business;

J. If Franchisee has received from Franchisor during any consecutive twelve (12) month period three (3) or more notices of default, whether such notices relate to the same or different defaults and whether or not such defaults have been cured;

K. If the Franchisee understates Gross Revenue by more than three percent (3%) on any report, unless it is proven to the satisfaction of Franchisor that such understatement was not intentional;

L. If the Franchisee materially distorts any other material information pertaining to the Franchised Business, unless Franchisee proves to the satisfaction of Franchisor that it had no knowledge of such distortion, or fails to maintain its records in a manner which permits a determination of Gross Revenue and such failure continues for three (3) days after receipt of written notice thereof;

M. If Franchisee or any Principal is charged or convicted of (i) any felony or (ii) any misdemeanor involving fraud, breach of trust or moral turpitude; provided that for purposes of this Agreement, probation or deferred adjudication or other similar proceeding may be deemed a conviction by Franchisor;

N. If any copy of the Manual (including the Rules and Regulations) or any part thereof shall be copied by or otherwise made available to any Person not authorized in writing by Franchisor;

O. If Franchisee or any Principal fails to obtain a Financing Estoppel Certificate as required by this Agreement and does not produce a Financing Estoppel Certification within three (3) days after receiving written notice thereof;

P. If Franchisee or any Principal engages in any action that, in the sole judgment of Franchisor brings the Liquid Capital System into disrepute or diminishes the goodwill of the Liquid Capital System or the Marks;

Q. If Franchisee fails to achieve the Minimum Business Volume after the first two (2) years of operation; or

R. If Franchisee shall default in the performance or observance of any of the terms and conditions of any other agreement between Franchisee and Franchisor or Franchisor's Affiliates or the Exchange (including, any Participation Agreement) and shall fail to cure such default within the time period set forth in such other agreement. Notwithstanding the foregoing, in the event of a default by Franchisee under a Participation Agreement (and failure to cure such default within the applicable cure period) Franchisor may, without prejudice to its future right to terminate this Agreement, instead direct Exchange to suspend the provision of new Exchange Services to Participant for such period of time as Franchisor may designate. Any forbearance by Franchisor to terminate the Franchise Agreement is on a strictly without prejudice basis to Franchisor's right to terminate the Franchise Agreement in the event of a further breach by the Participant and such forbearance shall not be construed as a waiver of any of the terms of this Agreement.

Section 13.03 *Termination by Franchisor Without Prior Notice*

Franchisee shall be deemed to be in Default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or any Principal or Guarantor:

A. Shall become insolvent or make a general assignment for the benefit of creditors;

B. Files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due;

C. Is adjudicated as bankrupt or insolvent in proceedings filed against it under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state;

D. Has filed against it and consents to a bill in equity or other proceeding for the appointment of a receiver or other custodian for its business or assets;

E. Has appointed by any court of competent jurisdiction a receiver or other custodian (permanent or temporary) of all or any part of its assets or property;

F. Has instituted by or against it proceedings for a composition with creditors under any state or federal law;

G. Fails to satisfy a final judgment of record in excess of \$3,000 for thirty (30) days or longer (unless supersedeas bond is filed);

H. Is dissolved;

I. Has an execution levied against its business or property;

J. Has instituted against it any suit to foreclose any lien or mortgage which is not dismissed within thirty (30) days;

K. Has sold after levy by any sheriff, marshal or constable any of its real or personal property.

Section 13.04 *Obligations of Franchisee Upon Termination or Expiration*

Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall:

A. Promptly pay to Franchisor and its Affiliates all sums owing or accrued prior to such expiration or termination;

B. Immediately discontinue the operation of the Franchised Business and cease use of the Liquid Capital System and the Marks, as well as any other designations associating Franchisee with Franchisor or the Liquid Capital System. Without limitation of the foregoing, Franchisee shall immediately cease displaying and using all signs, stationery, letterhead, packaging, forms, marks, symbols, manuals, bulletins, instruction sheets, printed matter, advertising and other physical objects used from time to time in connection with the Franchised Business or bearing any of the Marks, and shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that it is or has been associated with Franchisor or the Liquid Capital System;

C. Immediately return to Franchisor all copies of the Manual (including the Rules and Regulations) and all plans, specifications, software, databases, forms and other materials containing

information relevant to the operation of the Franchised Business under the Liquid Capital System, whether or not prepared by Franchisor;

D. Continue to comply with the provisions of those covenants which survive the expiration or termination of this Agreement for the periods specified therein, as further set forth in Section 13.06 of this Agreement; and

E. Promptly execute such documents and take such actions as may be necessary (i) to cancel any assumed or fictitious business name filing containing any of the Marks, and (ii) to remove (at the next publication date) Franchisee's listing as a Liquid Capital Franchisee from all directories (whether electronic or printed) and all Internet websites, and (iii) to assign, at Franchisor's request, to Franchisor or any other Person designated by Franchisor all of Franchisee's telephone numbers and listings, Internet website addresses and E-mail addresses in connection with the Franchised Business. Franchisee acknowledges that the Franchisor has the sole right to all such numbers and listings and hereby acknowledges that a direction by Franchisor is conclusive evidence of the rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

Section 13.05 *Franchisor's Post-Term Portfolio Purchase Obligation*

Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisor shall by written notice delivered to Franchisee within thirty (30) days of the date of expiration or termination of this Agreement, purchase from Franchisee all of Franchisee's Portfolio for a purchase price calculated as described in Section A. and paid as provided in Section B. below (the "Purchase Price"):

F. The Purchase Price payable by Franchisor under this Section 13.05 shall be calculated on a client-by-client basis and aggregated to determine the total Purchase Price payable to Franchisee. The Purchase Price shall be ninety-five percent (95%) of all actual collections on the Portfolio for a period of one (1) year after expiration or termination.

G. The first payment due to Franchisee will be made ninety (90) days after the date of purchase of the Portfolio. Subsequent payments will be made monthly, on or before the twentieth (20th) day of the month following the month in which collections occur.

Section 13.06 *Survival of Covenants*

Notwithstanding the expiration or termination of this Agreement for any reason whatsoever, all covenants and agreements to be performed and/or observed by Franchisee, any Principal or any Guarantor under this Agreement or any other agreement related thereto which by their nature survive the expiration or termination of this Agreement, including without limitation, those set out in Articles X, XII, XV, XVII and Sections 13.04, 13.05 and 15.02 hereof shall survive any such expiration or termination.

Article XIV. SALE, ASSIGNMENT, TRANSFER, AND ENCUMBRANCES

Section 14.01. *Assignment by Franchisor*

Franchisor may transfer or assign this Agreement or any part of its rights or obligations under this Agreement to any Person. Franchisee agrees that Franchisor will have no liability after the effective date of such transfer or assignment for the performance of any obligations under this Agreement.

Section 14.02 *Assignment by Franchisee and Principals*

A. Franchisee acknowledges that, in granting this franchise and the rights and interests under this Agreement, Franchisor has relied upon, among other things, the character, background, qualifications and financial ability of the Franchisee and its Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assign of Franchisee or any Principal, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement or in the Franchised Business, or which results in a Change of Control in Franchisee (each, a "Transfer") without the prior written consent of Franchisor, such consent not to be unreasonably withheld. Any actual or purported assignment occurring by operation of law or otherwise (including pursuant to an order of a court under any applicable matrimonial property legislation relating to Franchisee or any Principal) without Franchisor's prior written consent shall be an Event of Default of this Agreement and shall be null and void.

B. In considering a request for its consent to a Transfer pursuant to Section 14.02.A., Franchisor may consider, among other things, the information set out in the application for Transfer, the qualifications, character, general business experience, apparent ability to manage and operate the Franchised Business and creditworthiness of the proposed transferee and its principals, directors and officers, as appropriate. In addition, Franchisor shall be entitled to require any or all of the following as conditions precedent to the granting of its consent:

1. As of the date of Franchisee's request for consent and as of the effective date of Transfer there shall be no default in the performance or observance of any of the Franchisee's obligations under this Agreement or any other agreement between Franchisee and Franchisor or its Affiliates or the Exchange, and Franchisee shall have substantially complied with all such agreements throughout their respective terms;

2. Franchisee shall have delivered to Franchisor a complete general release (in the form prescribed in the Rules and Regulations and set forth in the Manual) of any and all claims against Franchisor, its Affiliates, the Exchange, the Service Provider and their respective owners, directors, officers, employees and representatives, including, without limitation, claims arising under this Agreement and any other agreement between them (or any of them), and under federal, state or local laws, rules, and regulations or orders;

3. The proposed transferee shall have entered into a written assignment (in the form prescribed by the Manual) or, at the option of Franchisor, shall have executed a new franchise agreement in the form then being used by Franchisor, which may provide for a higher royalty and for greater expenditures for advertising and promotion than are provided hereunder, and shall have executed such other documents and agreements as are then customarily used by Franchisor in the granting of franchises;

4. The proposed transferee shall provide guarantees from any of its principals whom Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

5. The proposed transferee shall complete to the satisfaction of Franchisor, Franchisor's Basic Operational Training Course, at the proposed transferee's or Franchisee's sole expense;

6. Franchisee shall pay to Franchisor and its Affiliates all accrued but unpaid fees and/or expenses

7. Franchisee shall pay to Franchisor all fees and expenses which may be incurred by Franchisor in considering Franchisee's application for Transfer approval, whether or not such approval is given or the Transfer is completed, together with Franchisor's transfer fee, which shall be fifty percent (50%) of Franchisor's then-current Initial Franchise Fee; provided, that no transfer fee shall be charged if the transfer is to an "immediate family member" of Franchisee or one of Franchisee's owners. An "immediate family member" of a person includes that person's spouse and the natural and adoptive parents, natural and adopted siblings, and natural and adopted children of such person and their spouses.

8. The purchase price to be paid to the Franchisee by the proposed transferee shall be reasonable in the circumstances having regard to the debt and interest charges being acquired by the proposed transferee; and

9. The proposed transferee shall agree to do all such things as Franchisor may require to ensure that the Franchised Business satisfies the then current standards and specifications established by Franchisor for new Liquid Capital Franchisees. Without limiting the generality of the foregoing, the proposed transferee shall agree to make such capital expenditures as Franchisor shall determine as being required in connection with the foregoing for the modernization and refurbishing of Computer Systems and other equipment utilized in the Franchised Business.

10. In connection with an assignment of this Agreement, Franchisee shall also assign to the transferee all Participation Percentages held by Franchisee under any Participation Agreement.

H. The refusal of Franchisor to consent to a proposed Transfer based upon a failure to comply with any of the foregoing conditions shall not be deemed to be an unreasonable withholding of Franchisor's consent. Franchisor's consent to a Transfer shall not operate to release the Franchisee, its Principals or any Guarantor from any liability under this Agreement or any other agreement related hereto.

Section 14.03 *Transfers Which Do Not Effect a Change of Control*

If any Principal (other than a Principal who is also a Guarantor) proposes to transfer all or a part of its interest in Franchisee in one or a series of transactions which do not result in a Change of Control, then Franchisee shall promptly notify Franchisor of the proposed Transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to the Transfer. The transferee shall not be one of Franchisor's competitors and may be required to execute a confidentiality agreement and covenants not to compete in the form then required by Franchisor. Franchisor reserves the right to require such transferee to sign a Guaranty.

Section 14.04 *Encumbrances*

Subject to Franchisor's approval, which may be given or withheld in the sole discretion of Franchisor, all property and assets used by the Franchisee in connection with the Franchised Business shall be and remain free and clear of all liens, charges, security interests, mortgages and encumbrances whatsoever.

Section 14.05 *Evidence of Ownership Interests in Franchisee*

A. Franchisee's ownership structure as of the Effective Date of this Agreement is set forth in Exhibit E. Franchisee will, upon Franchisor's request from time to time, deliver to Franchisor a certificate signed by an authorized officer of Franchisee, certifying as to the then current owners, as the case may be of the Franchisee and of any non-individual owners of Franchisee;

B. Franchisee will cause the documents representing ownership interests in Franchisee to bear a legend stating that transfers of such interests are subject to this Agreement and that this Agreement contains restrictions on the transfer and encumbrance of such interests.

Article XV. DEATH OR PERMANENT DISABILITY OF CONTROLLING PRINCIPAL

Section 15.01 *Option on Death or Permanent Disability*

At the option of the Controlling Principal or his or her personal representative, as applicable, exercised by written notice to Franchisor within thirty (30) days following the date of death or determination of Permanent Disability of the Controlling Principal,

A. The Franchisor may be required to purchase the Franchisee's entire Portfolio for the Purchase Price as set out in Section 15.02 below; or

B. The Controlling Principal's Designee may succeed to the interest and assume the role of the Controlling Principal; provided, that if the Controlling Principal's Designee is unwilling or unable to do so, or does not complete Franchisor's Basic Operational Training Course to Franchisor's sole satisfaction no later than ninety (90) days following the Controlling Principal's date of death or determination of Permanent Disability, then Franchisor shall have the right, but not the obligation, to be exercised by written notice to the Controlling Principal or his/her personal representative within sixty (60) days thereof to purchase Franchisee's entire Portfolio for the Purchase Price as set out in Section 15.02 below.

Section 15.02 *Portfolio Purchase Price*

A. The Portfolio Purchase Price payable by Franchisor under this Section 15.02 shall be calculated on a client-by-client basis and aggregated to determine the total Purchase Price payable to Franchisee.

1. The Purchase Price shall be ninety-eight percent (98%) of the sum derived by subtracting the balance of a Client's Reserve Fund from the balance of outstanding Accounts purchased from such Franchisee Client pursuant to a Purchase and Sale Agreement which Accounts have not been charged back to such Franchisee Client less an allowance in an amount determined in Franchisor's sole

discretion to cover and provide for any Accounts the collection of which is uncertain and any other present or potential indebtedness of Franchisee Client to Franchisee or of Franchisee to Franchisor (the "Allowance").

2. The Purchase Price shall be adjusted by an amount equal to any amount advanced to a Franchisee Client in excess of the amount contracted for, less a takeover fee of two percent (2%) of the total of the Portfolio.

3. The Franchisee shall be given full credit if any of the items included in the Allowance are subsequently collected or if the client provides additional Portfolio items (net of applicable discount rates) to replace the Allowance amounts.

4. The Purchase Price shall be increased by unearned Additional Charges as of the date of closing, and an ongoing referral fee calculated at the rate set out in the Rules and Regulations for referrals between Liquid Capital Franchisees less any referral fee obligations payable to brokers.

B. Fifty percent (50%) of the Purchase Price (net of the Allowance) shall be paid on closing, with the balance and the Additional Charges as the Portfolio is collected, and the ongoing net referral fee as earned.

Section 15.03 *Interim Operation by Franchisor*

If in the sole opinion of Franchisor the Controlling Principal's Designee is incapable, unwilling or unable to operate and manage the Franchised Business during any period following the death, determination of Permanent Disability of the Controlling Principal, or any default under this Franchise Agreement or any Participation Agreement, Franchisor may immediately upon written notice to the Controlling Principal or his/her personal representative operate and manage the Franchised Business on behalf of Franchisee until the conclusion of the procedures set forth in Sections 15.01 and 15.02 above. Franchisee consents to the payment of a fee to Franchisor during such interim management period in an amount equal to eight percent (8%) of Franchisee's Gross Revenues earned plus any out of pocket costs and expenses incurred by Franchisor in connection with such operation and management services. This fee is in addition to any and all other fees owed by Franchisee under this Agreement. Franchisee agrees that neither Franchisor nor its officers, directors, employees or owners, shall be liable for any debts, losses, costs or expenses incurred in the operation of the Franchised Business during the interim management period nor for any other act or thing excluding liabilities arising as a result of the willful misconduct of Franchisor or its representatives.

Article XVI. ACKNOWLEDGMENTS

Franchisee and each Principal hereby acknowledge that:

A. They have conducted an independent investigation of Franchisor and the Franchised Business contemplated in this Agreement and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability and efforts of the Franchisee and its Principals as independent businesspersons. Franchisor expressly disclaims the making of and Franchisee and each Principal acknowledges that they have not received any warranty or guarantee, expressed or implied, as to the potential volume, profits or success of the Franchised Business.

B. They have received, have had ample time to read and have read this Agreement and any other agreements attendant hereto and fully understand their provisions. Franchisee and each Principal further acknowledge that they have had an adequate opportunity to be advised by legal counsel and accounting professionals of their own choosing regarding all pertinent aspects of this Agreement, the purchase of the Franchised Business and the franchise relationship and have either done so or knowingly and voluntarily waived the opportunity to do so.

C. That they received a complete copy of this Agreement and all related attachments and exhibits and Franchisor's Franchise Offering Circular within the time period required by applicable federal and state laws and that they did not rely on any promises, representations or agreements about the Liquid Capital System or the Franchised Business not expressly contained in this Agreement or Franchisor's Franchise Offering Circular in making the decision to sign this Agreement. Franchisee and each Principal further acknowledge that Franchisor and its representatives have not made any promises, representations or agreements, oral or written, except as expressly contained in this Agreement and the Franchise Offering Circular.

Article XVII. DISPUTE RESOLUTION AND GOVERNING LAW

Section 17.01 Choice of Law

This Agreement and all transactions contemplated hereunder and/or evidenced hereby shall be governed by, construed under and enforced in accordance with the internal laws of the State of Delaware without regard to the application of Delaware conflict of law rules.

Section 17.02 Mediation

EXCEPT FOR ACTIONS WHICH THE FRANCHISOR MAY BRING IN ANY COURT OF COMPETENT JURISDICTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR RELIEF RELATING TO THE MARKS OR THE CONFIDENTIAL INFORMATION, THE PARTIES (INCLUDING FRANCHISEE'S PRINCIPALS) AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF ITS AFFILIATES, THE EXCHANGE OR SERVICE PROVIDER (AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND FRANCHISEE (AND FRANCHISEE'S AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE OR THEIR RESPECTIVE AFFILIATES (B) FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE, (C) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE OR THEIR RESPECTIVE AFFILIATES, OR (D) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISES, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT WILMINGTON, DELAWARE OR AT FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS. THE COSTS AND EXPENSES OF

MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES AND COSTS INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION 17.03.

Section 17.03 *Jurisdiction and Venue*

FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, FRANCHISEE AND THE PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS FOR THE JURISDICTION IN WHICH WILMINGTON, DELAWARE IS LOCATED AND THOSE OF THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. FRANCHISEE AND THE PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH WILMINGTON, DELAWARE OR FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

Section 17.04 *Jury Trial Waiver*

IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL, THE PARTIES (INCLUDING THE PRINCIPALS) HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING HEREUNDER, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 17.05 *Damages Waiver*

FRANCHISOR AND FRANCHISEE AND FRANCHISEE'S PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST THE OTHER PARTY, THEIR RESPECTIVE AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, THEY SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

Section 17.06 *Limitation of Claims*

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY FRANCHISEE OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) THE OBLIGATION TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION AND THE MARKS, OR (iii) THE OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO ARTICLE XII., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

Article XVIII. GENERAL PROVISIONS

Section 18.01 *No Waiver*

No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon full compliance by Franchisee with its obligations hereunder, including without limitation, any mandatory specification, standard or operating procedure, shall constitute a waiver of any provision of this Agreement. The failure of Franchisor to exercise any rights or remedies to which it is entitled shall not be deemed to be a waiver of or otherwise affect, impair or prevent Franchisor from exercising any rights or remedies to which it may be entitled, arising either from the subject event, or as a result of the subsequent happening of the same or any other event or events provided for above. The acceptance by the Franchisor of any amount payable by or for the account of the Franchisee under this Agreement after the happening of any event, shall not be deemed to be a waiver by the Franchisor of any rights and remedies to which it may be entitled, regardless of Franchisor's knowledge of the happening of such preceding event at the time of acceptance

of such payment. No waiver of the happening of any event set forth above shall be deemed to be waived by the Franchisor unless such waiver shall be in writing.

Section 18.02 *Legal Fees*

The prevailing party in any litigation between Franchisee and Franchisor shall be entitled to recover reasonable attorneys' fees, costs and expenses of such litigation from the non-prevailing party. Further, if it is established that Franchisee has breached any of the terms and conditions of this Agreement, Franchisee hereby agrees to pay all costs and expenses including legal fees that may be incurred or paid by Franchisor in enforcing Franchisor's rights and remedies under this Agreement.

Section 18.03 *No Liability*

Franchisor shall not be responsible or otherwise liable for any claims, demands, suits, losses and liabilities arising out of damage to property or injury or death of Persons resulting from, suffered by, occasioned by or in connection with the acts or omissions of Franchisee or any of Franchisee's owners, directors, officers, employees, agents or subcontractors or the use of any motor vehicle or other equipment or property in connection therewith, and from and against all claims, demands, suits, losses and liabilities for costs, including legal fees, incurred in connection therewith.

Section 18.04 *Legal Relationship*

The parties hereto hereby acknowledge and agree that, except as expressly provided in this Agreement, each is an independent contractor, that no party shall be considered to be the agent, legal representative, employee, master or servant of any other party hereto for any purpose whatsoever, and that no party has any authority to enter into any contract, assume any obligations or to give any warranties or representations on behalf of any other party hereto. Nothing in this Agreement shall be construed to create a relationship of agency, partners, joint venturers, fiduciaries, or any other similar relationship among the parties.

Section 18.05 *Joint and Several Liability*

If two or more Persons shall sign or be subject to the terms and conditions of this Agreement as the Franchisee, the liability of each of them under this Agreement shall be deemed to be joint and several.

Section 18.06 *Severability*

If for any reason whatsoever, any term or condition of this Agreement or the application thereof to any party or circumstance shall, to any extent be invalid or unenforceable, all other terms and conditions of this Agreement and/or the application of such terms and conditions to parties or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

Section 18.07 *Notices*

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by prepaid facsimile or electronic mail (provided that the

sender confirms the facsimile or electronic mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within three (3) Business Days after transmission) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Liquid Capital of America Corp.
5734 Yonge Street, Suite 400
Toronto, Canada M2M 4E7
Attention: Brian Birnbaum, President
Facsimile: (416) 222-0166
E-mail: birnbaum@liquidcapitalcorp.com

with a copy to: Liquid Capital of America Corp.
1515 Heritage Drive, Suite 214
McKinney, TX 75069
Attention: James Penny, Vice President
Facsimile: (866) 562-8585
E-mail: penny@liquidcapitalcorp.com

Notices to Franchisee and Principals:

Attention: _____
Facsimile: _____
E-mail: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above).

Section 18.08 *Approval or Consent*

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request herefore, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

Section 18.09 *Power of Attorney*

Notwithstanding anything herein contained, Franchisee hereby irrevocably appoints Franchisor as Franchisee's lawful attorney with full power and authority to execute and deliver in the name of Franchisee any document or instruments and to do all things as may be required from time to time to comply with the provisions of this Agreement that require Franchisee to execute and deliver to Franchisor any documents or other instruments which it is so required to execute and deliver pursuant to this

Agreement within the time period or periods so specified herein, and Franchisee hereby agrees to ratify and confirm all such acts of Franchisor as its lawful attorney and to indemnify and save Franchisor harmless from all claims, losses, or damages in so doing. Franchisee hereby declares that the powers of attorney hereby granted may be exercised during any subsequent legal incapacity on its part.

Section 18.10 Further Assurances

Each of the parties hereto hereby covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

Section 18.11 Entire Agreement

This Agreement, the documents referred to herein, and the Exhibits hereto, constitute the entire, full and complete agreement between Franchisor, Franchisee and the Principals concerning the subject matter hereof and shall supersede all prior related agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. There are no representations, inducements, promises and/or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise.

Section 18.12 Binding Effect

Subject to the restrictions on assignment herein contained, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 18.13 When Agreement Binding on Franchisor

This Agreement is not effective until signed by a corporate officer of Franchisor. No field representative or salesperson is authorized to execute this Agreement on behalf of Franchisor.

Section 18.14 Remedies Cumulative

The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is otherwise entitled by law to enforce.

Section 18.15 Time of the Essence

Time shall be of the essence of this Agreement and every part thereof.

Section 18.16 Counterparts; Facsimile Signatures

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed

counterpart of the signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

Section 18.17 *Third Party Beneficiary*

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, or shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section XIV.), any rights or remedies under or as a result of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

FRANCHISOR:

LIQUID CAPITAL OF AMERICA CORP.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____