

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

**Anoteris, Inc.**

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Mailing Address  
2445 FIFTH AVENUE  
SUITE 440  
SAN DIEGO CA 92101

Business Address  
2445 FIFTH AVENUE  
SUITE 440  
SAN DIEGO CA 92101  
619-239-2900

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **July 21, 2011**

**ANOTEROS, INC.**

(Exact name of Company as specified in its charter)

**Nevada**  
(State or other jurisdiction  
of Incorporation)

**000-52561**  
(Commission File Number)

**88-0368849**  
(IRS Employer  
Identification Number)

**24328 Vermont Ave. #300**  
**Harbor City, CA 90710**  
(Address of principal executive offices)

**Phone: (310) 997-2482**  
(Company's Telephone Number)

Copy of all Communications to:  
Carrillo Huettel, LLP  
3033 Fifth Avenue, Suite 400  
San Diego, CA 92103  
Phone: 619.546.6100  
Fax: 619.546.6060

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**ANOTEROS, INC.**  
**Form 8-K**  
**Current Report**

**ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

***The Distribution Agreement***

On July 21, 2011, Anoterros, Inc., a Nevada Corporation (the “Company”), through its wholly-owned subsidiary, Antero Payment Solutions, Inc., a Nevada corporation (“Antero Payment”) entered into that certain distribution agreement (the “Distribution Agreement”) with TFG Card Solutions, Inc., an Oregon corporation (“TFG”). Pursuant to the terms and conditions of the Distribution Agreement, Antero Payment shall act as a non-exclusive distributor for a series of pre-encoded Stored Value or Bank Cards developed, manufactured and sold by TFG. The Distribution Agreement contains an initial three (3) year period and shall automatically renew until terminated by either party in accordance with the terms and conditions set forth therein.

The Distribution Agreement contains customary mutual confidentiality and indemnification provisions. The foregoing description of the Distribution Agreement is a summary and does not purport to be complete and is qualified in its entirety by reference to the full text thereof. A copy of the Distribution Agreement is attached hereto as Exhibit 10.1, and is incorporated herein by reference.

***The Sales Agreement***

On July 21, 2011, Antero Payment entered into that certain Independent Sales Representative Agreement (the “Sales Agreement”) with Veritec Financial Systems, Inc. a Delaware corporation (“Veritec”). Pursuant to the terms and conditions of the Sales Agreement, Antero Payment shall act as a non-exclusive independent sales representative for a series of debit-based products, developed, sold, and licensed by Veritec. The Distribution Agreement shall continue for an initial two year (2) year period, with one (1) year renewal periods subject to the mutual agreement of both parties.

The Sales Agreement contains customary mutual confidentiality and indemnification provisions. The foregoing description of the Sales Agreement is a summary and does not purport to be complete and is qualified in its entirety by reference to the full text thereof. A copy of the Sales Agreement is attached hereto as Exhibit 10.2, and is incorporated herein by reference.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits

- 10.1 Distribution Agreement between Antero Payment and TFG Card Solutions, Inc. dated July 21, 2011.
- 10.2 Sales Agreement between Antero Payment and Veritec Financial Systems, Inc. dated July 21, 2011.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ANOTEROS, INC.**

Date: July 26, 2011

By: /s/ Michael J. Sinnwell, Jr.  
Michael J. Sinnwell, Jr.  
President and Chief Executive Officer

**TFG CARD SOLUTIONS, Inc.**

This **DISTRIBUTION AGREEMENT** (this "Agreement") is made and entered into as of the 21 day of July, 2011 (the "Effective Date"), by and between **TFG Card Solutions**, an Oregon corporation (the "The Company") and Antero Payment Solutions, Inc. a Nevada corporation ("Distributor").

**RECITALS**

A. The Company is in the business of developing, marketing and selling a series of pre-encoded Stored Value Cards or Bank Cards (the "Cards"), to be used by "End-Users" for the purpose of each End-User accessing his/hers funds held in the card. (The "Services").

B. Distributor has the right to distribute the Cards throughout various business locations (collectively, the business locations where Distributor has or may have such business relationships are referred to as the "Employer") in the continental United States to then be purchased by End-Users.

C. The Company desires that Distributor market the Cards through distributor's relationship with the owners of the Employer and Distributor's Agents, and Distributor has agreed to market the Cards to the Employer and Distributor Agents on a non-exclusive basis.

D. In accordance with the terms and conditions of this Agreement, Distributor desires to purchase Cards from the Company from time to time and to market and sell such Cards to the Employer or Distributor's Agents (collectively, "Customers").

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein and intending to be legally bound by this Agreement, the Company and Distributor agree as follows:

1. **Relationship**

- (a) The Company hereby appoints Distributor as a non-exclusive distributor within the context of this agreement.
- (b) Distributor shall be an independent contractor for all purposes under this Agreement. This Agreement does not create an employment agreement, joint venture or partnership between the parties hereto, and neither party has any right nor any authority to act on behalf of the other beyond that expressly granted herein. Distributor shall conduct its business at its own initiative, responsibility and expense.
- (c) During the term of this Agreement and thereafter, the Company reserves the right, without obligation or liability to Distributor for payment of compensation or otherwise, to market and sell the Cards or the Services, whether through its own representatives, through other independent representative(s) or otherwise.

2. **Purchase of the Cards by Distributor; Sales Reports and Deposits; Security Interest**

- (a) During the term of this Agreement, each time Distributor desires to Cards from the Company, Distributor will submit a written or e-mail purchase order to the Company.
- (b) Provided that Distributor is otherwise in compliance with this Agreement, the Company will use its commercially reasonable efforts to deliver the Cards covered by a purchase order to end user within ten (10) business days after receipt of such purchase order.
- (c) Provided that Distributor is in compliance with its obligations hereunder, End-Users will be able to access their funds through the use of their Card and personal identification number ("PIN") to obtain cash from designated automated teller machines ("ATM[s]") and for point of sale transactions ("POS") and other locations, up to the amount of available funds in the End-User's applicable account.
- (d) In issuing a Card, Company will provide Customer the Card in a sealed package containing the card.
- (e) Company shall maintain in safekeeping all unissued pre-encoded Cards.

(f) Distributor shall notify Company upon being advised by an End-User that his/her encoded Card has been lost or stolen, his/her PIN number has become known to persons other than the End-User, or if any unauthorized transfer or discrepancies in the End-User's Account.

(g) All electronic transfers made through the National Automated Clearinghouse shall be made in accordance with the rules of the National Automated Clearinghouse Association, the rules and guidelines of the Federal Reserve System and any other governmental authority, and such other rules and regulations as may be issued by Company from time to time (The "Rules"). Company shall have the right to reject any and all electronic transfers not made in compliance with the Rules and Company shall have no liability by reason of the rejection or return of any such transfer.

(h) The governing document for end user card transactions and profit is Exhibit A in all cases. Exhibit A may only be modified as allowed in the body of this Agreement.

### 3. **Discounts; Pricing; Other Consideration**

(a) Distributor shall be entitled to purchase Cards on a per program basis as set forth in Exhibit A.

(b) Furthermore Distributor will be entitled to an ongoing "Residual Commission" on any Cards sold to a Consumer and activated by the Consumer for personal use.

Distributor will continue to receive Residual Commissions from a Card sold until the Card becomes expired or dormant. Residual Commissions will be paid by company on the 25<sup>th</sup> of the month for the previous months transaction. "Residual Commissions" will be calculated as set forth in Exhibit A. Residual Commission shall be paid for the life of the card irrespective of whether this agreement is in force or has been terminated.

(c) The pricing for the Services accessed through the Cards will be subject to change by the Company from time to time upon five (5) business days' prior notice to Distributor. In the event of a price increase or drop, Residual Income for the Distributor will remain proportionate as a percentage regardless of pricing per Exhibit A. Notice will be given to Distributor in the event that the price increase occurs as a result of additional government mandated taxes, tariffs, or any other additional fees imposed by any and all state, local or federal government, and shall be effective governmental increase becoming effective. Any price modification with respect to an application of Cards shall apply to all Cards of such application, including Cards that have been sold to End-Users.

### 4. **Term and Termination**

(a) This Agreement shall become effective as of the Effective Date, shall continue in effect for an initial term ending three (3) years from the Effective Date, and shall automatically renew for (1) years terms and continue in effect until terminated by either Party upon thirty (30) days' prior written notice of final term.

(b) Either Party may terminate this Agreement without the prior written notice

(i) if the other Party becomes insolvent, makes an assignment for the benefit of creditors or files a petition for reorganization under bankruptcy law;

(ii) if a petition in bankruptcy is filed by or against the other Party and not dismissed within sixty (60) days thereafter; or

(iii) if the other Party is in breach of a material term or provision of this Agreement and such material breach or default is not cured within ten (10) days after the other Party receives notice of such breach or default. Any such termination shall not affect or cancel any of companies' duties or obligations to provide service to the end users that had previously purchased cards prior to such termination, nor companies' obligation to continue paying residual compensation/commission to distributor for such end users cards, or obligations of the Parties hereto under this Agreement.

(c) On termination of this Agreement by either Party for any reason whatsoever, Distributor shall promptly cease marketing, distributing or selling any Cards purchased from the Company.



(d) Distributor further agrees that on termination of this Agreement by either Party for any reason whatsoever, Distributor shall discontinue the use of the Company's trade names, trademarks, labels, copyrights and other advertising media and shall remove all sign and displays relating thereto; and, in the event of failure to do so, the Company may itself remove such articles at Distributor's expense.

(e) Notwithstanding any termination of this Agreement, the Company will continue to provide the Services set forth herein with respect to Cards that already have been sold by Distributor to customers and or unaffiliated third parties (define 'unaffiliated third party'). In such event, Distributor shall provide substantiation to the Company that such Cards have been sold to unaffiliated third parties Funds previously credited to an End-User's Account, and not previously accessed by the End-User shall continue to be available to the End-User.

(t) If the Company does not meet its obligations set forth in the contract, the Distributor has the ability to re-issue cards. The Distributor must give the Company 30 day written notice to correct the unsatisfied issues related to the card program.

5. **Distributor's Responsibilities:** Distributor agrees to:

(a) Use its best efforts to market the Cards throughout the continental United States and facilitate introductions of TFG personnel to Employers of End-Users.

(b) Use its reasonable efforts to promote the sale of Cards and to market the Cards to the Employer and Customers. Assist the Company in closing new business when the Distributor has an existing relationship with the Employer.

(c) Cooperate in the collection, compilation and maintenance of data required to be reported by the Company pursuant to any federal law, regulation or order.

(d) Support the Company's sales and marketing programs for Cards, and use promotional and marketing materials as may be provided by the Company from time to time.

(e) Operate its business in a reputable manner, in compliance with all applicable laws, and refrain from any conduct that would disparage the reputation of the Company or subject the Company to any liability to any third party.

(h) Comply with the rules of The National Automated Clearinghouse Association in connection with the carrying out of the automated clearinghouse transmissions.

(i) Cooperate in good faith with the Company in the resolution of any complaints relating to the Cards.

6. **Company's Liability & Responsibilities**

(a) The Company's sole liability under this Agreement shall be limited to the amount of damages actually incurred by Distributor or Distributor's End-Users directly resulting from the negligence or willful acts or omissions of the Company. The Company shall not be liable for any interruption caused by negligence or any act or omission by Distributor or any third party furnishing any portion of the Service.

(b) The Company will use reasonable effort to maintain its network quality in a manner consistent with other similar providers of Services and in accordance with sound business practices.

(c) The Company will prepare, in its discretion and from time to time, for use by Distributor, advertising and promotional materials regarding the Cards. All other printed material and other advertising and promotional materials relating to the Company or the Cards produced and used by Distributor that is not prepared by Company must, before release, be approved in writing by the Company, which will not unreasonably be withheld. The Company shall, at its discretion, use commercially reasonable efforts to market and promote the sale of Cards.

(d) The Company will cooperate in good faith with Distributor in the resolution of any complaints relating to the Cards.

(e) The Company will stay in compliance with the rules of The National Automated Clearinghouse Association in connection with the carrying out of the automated clearinghouse transmissions.





7. **Intellectual Property**

(i) Distributor hereby recognizes the exclusive ownership and right of the Company in and to all trademarks, service marks, trade names, brand names, copyrights, software proprietary systems, telecommunications networks and patents developed, owned and used by the Company (the "The Company Intellectual Property"), and further acknowledges that Distributor acquires no right, title or interest in or to such the Company Intellectual Property, or to any trademarks, service marks, proprietary images or other intellectual property of any third party depicted on the Cards or in any marketing or promotional materials, or otherwise made available to Distributor in connection with this Agreement (the "Third Party Intellectual Property"), except for the rights expressly granted by this Agreement.

(ii) Distributor's use of the Company Intellectual Property inures solely to the benefit of the Company and any and all right, title and interest in and to any rights deemed to have been acquired by Distributor in such the Company Intellectual Property are, by this Agreement and without further request by the Company, properly and completely conveyed to the Company.

(iii) Company hereby recognizes the exclusive ownership and right of Distributor in and to all trademarks, service marks, trade names, brand names, copyrights, software proprietary systems, telecommunications networks and patents developed, owned and used by Distributor (the "Distributor Intellectual Property"), and further acknowledges that Company acquires no right, title or interest in or to such Distributor Intellectual Property.

(iv) Distributor's use of Distributor Intellectual Property inures solely to the benefit of Distributor and any and all rights, title and interest in and to any rights deemed to have been acquired by Distributor in such Distributor Intellectual Property are, by this Agreement and without further request by Distributor, remain solely the property of Distributor and are not conveyed to the Company.

(b) Distributor agrees that upon termination of the Agreement by either Party for any reason whatsoever, Distributor shall immediately discontinue the use of any Third Party Intellectual Property and the Company Intellectual Property and any and all materials relating thereto, including, but not limited to, any printed matter, printing blocks, advertising materials, name plates, business card, catalogs, price lists, signs, displays and similar materials that bear the name of the Company or its logo; and, in the event of failure to do so, the Company may itself remove such articles at Distributor's expense.

(c) Distributor shall immediately report to the Company any infringement by third parties of such Third Party Intellectual Property and the Company Intellectual Property whenever any such infringement shall become known to Distributor and shall cooperate fully with the Company in any claim relating to or arising from such infringement. Distributor agrees that it will not obliterate, remove, conceal or modify any proprietary mark of the Company or any third party appearing on the Cards nor will it append any additional marks thereto without the prior written consent of the Company.

8. **Confidential Information**

(a) The Parties understand and agree that the terms and conditions of this Agreement, all documents referenced herein, and communications between the Parties regarding this Agreement or the Services described herein and End-User and account information (collectively "Confidential Information") are confidential as between Distributor and the Company.

(b) A Party shall not disclose Confidential Information unless subject to discovery or disclosure pursuant to a law, rule, regulation or legal process, or to any other party other than the directors, officers and employees of a Party, including their respective investment bankers, lenders, lawyers, accountants, insurance carriers or prospective purchasers who have agreed not to disclose such Confidential Information. Violation by a Party of the foregoing provisions shall entitle the non-disclosing Party, at its option, to obtain injunctive relief without a showing of irreparable harm or injury and without bond.

(c) The Parties further agree that any press release, advertisement or publication generated by a Party regarding this Agreement, Cards or the Services or in which a Party desires to mention the name of the other Party or the other Party's parent or affiliated Company(ies), will be submitted to the non-publishing Party for its written approval prior to publication, which will not unreasonably be withheld.



(d) The provisions of this Section 9 shall be effective as of the Effective Date and shall remain in full force and effect during the period of this Agreement and for a period of one (1) year after termination of this Agreement.

(e) After the expiration of this Agreement or the termination of this Agreement by either Party for any reason, upon request of a Party, the other Party shall return to the requesting Party any physical or written records containing Confidential Information of the requesting Party then in its possession.

9. **Indemnification**

(a) Distributor hereby indemnifies and holds Company harmless from any claim, loss, liability, action, cause of action, cost expense, including but not limited to reasonable attorneys' fees and payments pursuant to settlements, arising out of, resulting from, or relating to any breach of this Agreement by Distributor or failure to comply with the terms hereof, any claim for unpaid Funds or underpayment of Funds or stop payment of Funds or any dispute between Distributor and an End-User or any third party regarding same and including, but not limited to, any governmental agency having enforcement power with respect to the Funds, and any act or omission to act of Distributor or any employee or agent of the Distributor that results, directly or indirectly, in the payment or distribution of Funds to any person, real or fictitious, not entitled to all, or any part of such Funds or that result in an inaccurate, incorrect, untimely, improper or failed automatic clearing house fund transfer in connection with the Funds.

(b) Distributor agrees to indemnify and hold the Company harmless from any and all claims, actions, damages, expenses and other liabilities, including reasonable attorneys' fees and costs of litigation, resulting from: (i) Distributor's (or its employees', agents' or independent contractors') acts, omissions or misrepresentations in violation of this Agreement; and (ii) claims by third parties that any Cards or PINs, whether or not activated, have been lost, stolen or fraudulently issued or uses.

(c) Company hereby indemnifies and holds Distributor harmless from any claim, loss, liability, action, cause of action, cost expense, including but not limited to reasonable attorneys' fees and payments pursuant to settlements, arising out of, resulting from, or relating to any breach of this Agreement by Company or failure to comply with the terms hereof, any claim for unpaid Funds or underpayment of Funds or stop payment of Funds or any dispute between Company, the Networks, an End-User or any third party regarding same and including, but not limited to, any governmental agency having enforcement power with respect to the Funds, and any act or omission to act of Company or any employee or agent of the Company that results, directly or indirectly, in the payment or distribution of Funds to any person, real or fictitious, not entitled to all, or any part of such Funds or that result in an inaccurate, incorrect, untimely, improper or failed automatic clearing house fund transfer in connection with the Funds.

(d) The Company agrees to indemnify and hold Distributor harmless from any and all claim, loss, liability, action, cause of action, cost expense, including but not limited to reasonable attorneys' fees and payments pursuant to settlements, arising out of, resulting from, or relating to any third-party infringement claims with respect to Distributor's use of The Company Intellectual Property and/or Third Party Intellectual Property, pursuant to the terms of this Agreement.

10. **Minimum Volume Commitment** Distributor agrees to meet the minimum volume commitments as outlined in Exhibit "A" of this agreement.

11. **Risk of Loss**. Loss due to theft, fraud or destruction of property of Distributor or its representatives, employees or agents is hereby assumed by Distributor.

12. **General Provisions**

(a) **Assignment**. Distributor may not assign this Agreement in whole or in part without the prior written consent of the Company, which may not unreasonably be withheld; provided that Distributor may enter into agreements to market and sell the Cards.

(b) **Amendment**. This Agreement can be modified only by a written amendment signed by Distributor and the Company and shall not be modified or supplemented by any course of dealing or trade usage.

(c) Force Majeure. Neither party shall be liable for any delay or failure in performance of any part of this Agreement because of circumstances beyond its control such as acts of God, acts of civil or military authorities, cable cuts, embargoes, epidemics, war, terrorist acts, riots, insurrections, fire, explosions, earthquakes, nuclear accidents, floods, or other major environmental disturbances, power blackouts, strikes, or from any other cause of whatsoever kind arising without its actual fault; provided, however, that nothing in this Section 12(c) shall be construed to excuse a Party from failure to pay on time any monies due and owing hereunder.

(d) Choice of Law; Forum Selection. This Agreement is governed by the laws of the State of Oregon without regard to choice of law principles. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY ONLY BE BROUGHT IN THE COURTS OF THE STATE OF OREGON IN AND FOR THE COUNTY OF WASHINGTON.

(e) Agency Orders. All obligations under this Agreement shall be subject to legislation and to valid and applicable government agency orders, regulations, tariff provisions, and decisions and orders of courts of competent jurisdiction.

(f) Severability. Both Parties agree that it is not the intention of either Party to violate public policy, state or federal statutory or common laws, and that if any sentence, paragraph, clause or combination thereof in this Agreement is in violation of the same, such paragraph, clause or sentence, or combination of the same shall be inoperative, and the remainder of this Agreement shall remain binding upon the Parties hereto.

(g) Authority. Each Party represents and warrants that it has the requisite corporate power and authority to enter into this Agreement and undertake its obligations hereunder, and that this Agreement has been executed and delivered by its duly authorized officer, and is the binding obligation of such Party enforceable in accordance with its terms.

(h) Notice. All notices, requests, or other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered (i) in person; or (ii) five days after being deposited in the United States Mail, certified or registered, return receipt requested; or (iii) nationally recognized overnight mail service or (iv) by facsimile.

To the Company: **TFG Card Solutions, Inc.**

4875 SW Griffith Dr., #200  
Beaverton, Oregon 97005

**Distributor:** Antero Payment Solutions, Inc.  
**Company:** Antero Payment Solutions, Inc.  
**Address:** 24328 Vermont Ave #300  
Harbor City, Ca. 90710  
**Contact No:** (310) 997-2482 ext. 503

**13. Entire Agreement.** This Agreement, including Exhibits A attached hereto, constitutes the complete statement of the understandings between the Parties regarding the subject matter hereof and supersedes all proposals and prior agreements (oral or written) between the Parties relating thereto.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date first set forth above.

TFG Card Solutions, Inc.

**Distributor**

By: /s/ Thomas J. Secor  
Name: Thomas J. Secor  
Title: President

By: /s/ Michael J. Sinnwell, Jr.  
Name: Michael j Sinnwell Jr  
Title: President

Exhibit 10.2

INDEPENDENT SALES REPRESENTATIVE AGREEMENT  
FOR  
VERITEC DEBIT CARD PROGRAM

THIS AGREEMENT is entered into as of the 21 day of July, 2011 (the “**Effective Date**”) by and between **Veritec Financial Systems, Inc.**, a Delaware corporation with its principal place of business at 2445 Winnetka Ave. N., Golden Valley, MN 55427 U.S.A. (“**Veritec**” or “**Company**”), and Antero Payment Solutions, Inc., a Nevada Corporation, with a principal place of business at 24328 Vermont Ave #300 Harbor City, Ca. 90710 (“**REP**”).

**Recitals**

WHEREAS, Company is in the business, among other things, of developing, promoting, licensing and supporting its MTC™ (mobile toggle debit card), blinx On-Off™ and other debit based products (the “**Licensed Program**”, as further defined herein);

WHEREAS, REP is in the business of, among other things, serving as an independent sales representative for companies selling or licensing products and services in the credit, debit, prepaid, and/or gift card markets; and

WHEREAS, Company and REP mutually desire that Company engage REP on a non-exclusive basis to promote the Licensed Program to Accountholders.

NOW, THEREFORE, in consideration of the mutual promises herein contained, Company and REP (each a “**party**”; together, the “**parties**”) agree as follows:

**1. Definitions.**

In addition to those capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“**Account**” shall mean a debit account issued by a Bank (defined herein).

“**Accountholder**” shall mean an individual, business, or organization authorized by the Bank to receive an Account.

“**Agreement**” shall mean this Agreement between Company and REP and any attachments, exhibits, schedules, addenda, and amendments thereto.

“**Bank**” shall mean those banking institutions identified by Company to REP that have an established contractual relationship with Company for the sales and processing of debit cards for the Licensed Program.

“**Licensed Program**” shall further mean the Company’s MTC™ (mobile toggle debit card), BLINX ON-OFF™ and services identified by Company in its Licensed Program literature provided to REP. As of the Effective Date, current sample artwork for the MTC card is contained in **Schedule A** to this Agreement.

“**General Brand Name Card**” shall mean the Company MTC™ and blinx On-Off™ card

“**Territory**” shall mean the United States of America.

“**Tracking Number**” shall mean a registered number issued by Company to REP for the purpose of tracking REP’s sales and active Accountholder status.

**2. Scope of Agreement / Appointment.**

Veritec hereby appoints REP as a non-exclusive independent contractor sales representative to promote the Licensed Program to Accountholders in the Territory in accordance with the terms and conditions set forth in this Agreement.

**3. REP’s Responsibilities.**

In addition to those responsibilities stated elsewhere in this Agreement, REP shall:

- A. Undergo any Licensor required Licensed Program sales training and continuously maintain a full time staff of at least one (1) trained sales and marketing professional;
-

- B. Actively and continuously promote the Licensed Program in the Territory, conduct promotional activities, and advertise and distribute only Company approved promotional material as may be provided by Company to REP from time to time;
- C. Direct all Accountholders to purchase the MTC and BLINX ON-OFF™ card directly from Company's website and refrain from entering into agreements directly with Accountholders;
- D. If REP has a website and provides a link to Company's website, REP shall ensure that REP's website at all times complies [with] all applicable laws and that the REP's website shall not contain any gambling, adult entertainment, obscene, fraudulent or any other unlawful material or content or links to any websites containing same;
- E. **REP shall require all prospective Accountholders to specifically identify REP by name in their written and on-line applications to Company for the MTC and blinx On-Off™ card, or any other Licensed Program services, so that Company may assign REP's Tracking Number to such Accounts and be able to fully account for and pay commission fees to REP for such Accounts. REP acknowledges and agrees that it is REP's sole responsibility and risk that an Accountholder specifically identifies REP, and that an Accountholder's failure to identify REP on its application form will result in Company being unable to connect such Accountholder to REP and pay REP commissions for the Accountholder's Account.** REP hereby releases Company from any obligation to pay REP commissions under such circumstances;
- F. Only provide pricing information to prospective Accountholders that has been provided by Company to REP;
- G. **Not present itself as, or appear to be, a member or representative of Visa, not use any Visa-owned mark on marketing materials such as business cards, letterhead or stationery, and not knowingly enable Visa debit cards to be sold through multi-level marketing, or used for gambling, adult entertainment, or fraudulent activity;** and
- H. Not accept money from Accountholders.

#### 4. Company's Rights / Responsibilities.

In addition to those rights and responsibilities stated elsewhere in this Agreement, Company shall have the following rights and responsibilities:

- A. Company reserves the right, in its absolute discretion, at any time upon written notice to REP, without incurring any liability to REP or otherwise, whether in contract or tort, to change, reduce or expand the scope of the Licensed Program, including any products or services therein and the prices charged for Licensed Program transactions. Company reserves the right to discontinue the sale of the Licensed Program and sale or license of all products thereunder, at any time or from time-to-time without notice to REP; provided, however, that Company will endeavor to provide REP with as much advance written notice as possible under the circumstances.
- B. All applications and orders for the Licensed Program, if sent to REP, shall be immediately forwarded by REP to Company. Company reserves the right in its sole discretion to accept or reject any such application or order without any liabilities whatsoever to REP.
- C. Company will assign REP's Tracking Number to those Accounts where the Accountholders' applications specifically identified REP by name in their written and on-line applications to Company for the MTC and BLINX On-Off™ card or other Licensed Program services. Company shall have no duty investigate and assign tracking numbers to any Accountholder applications that do not specifically identify REP.

#### 5. Commission Payments / Payment Terms.

If the Company receives Licensed Program revenue from those Accountholders that purchased the Licensed Program from Company during the term of this Agreement as the sole and direct result of REP's sales efforts, then subject to the terms and conditions of this Agreement, Company shall pay REP sales commission fees in the following amounts and under the following terms:





- A. REP shall receive sales commissions in the amount specified in **Schedule B** to this Agreement (**General Brand Name Cards**). REP's exclusive compensation from Company shall be the commission payments described in this Section 5, less all applicable taxes.
- B. Payment terms are net thirty (30) days from the last day of each month during the term of this Agreement; provided, however, that the Company may withhold remitting payment to REP until such time as the total amount due REP exceeds the sum of \$100.00.
- C. Company shall continue to make commission payments to REP during the period that the Account remains active (that is, until expiration or cancellation), unless: (i) this Agreement is terminated according to the terms herein by reason of REP's uncured material breach of this Agreement, (ii) this Agreement is terminated by Company pursuant to Section 9.E. of this Agreement, or (iii) the Account issuing Bank ceases making payments to Company for such Account for any reason whatsoever.
- D. If any sales giving rise to Company's payments to REP are reversed for any reason, the sales commissions shall not be payable to REP and if Company has already paid REP the commission for a sale that is reversed, REP shall repay Company the commission within ten (10) days after Company's notification to REP. If Company determines in its reasonable judgment that it should provide the Bank a credit or discount with respect to any sale for which a commission is payable to REP, Company shall have the right to charge a proportional amount of the credit or discount to REP's commission and to deduct or set-off such proportion from the amount otherwise payable to REP. If REP has not paid Company the commission for a reversed sale, Company may deduct the commission for the reversed sale from any other amount Company owes to REP.

**6. Warranty / Disclaimer / LIMITATION OF LIABILITY.**

REP warrants that the services it provides hereunder will be performed in a professional and workmanlike manner. EXCEPT FOR THOSE WARRANTIES PROVIDED IN THIS AGREEMENT, REP HEREBY DISCLAIMS ALL OTHER WARRANTIES. UNDER NO CIRCUMSTANCES WILL COMPANY BE LIABLE TO REP FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, EVEN IF A REPRESENTATIVE OF VERITEC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL THE AGGREGATE LIABILITY OR OBLIGATIONS OF COMPANY TO REP ARISING UNDER THIS AGREEMENT OR OTHERWISE EXCEED THE TOTAL AMOUNT THAT BECOMES DUE AND OWING TO REP UNDER SECTION 5 HEREIN.

**7. Confidential Information.**

Company or REP may find it necessary to provide to the other party certain confidential information that the disclosing party considers to be proprietary ("**Confidential Information**"). Such information shall be identified in writing as "Confidential", "Proprietary" or the like by the disclosing party before disclosure to the recipient. For a period of five (5) years from the date of disclosure, each party agrees to keep confidential all Confidential Information disclosed to it by the other party in accordance herewith, and to protect the confidentiality thereof in the same manner it protects the confidentiality of similar information and data of its own, at all times exercising at least a reasonable degree of care in the protection of Confidential Information. The term Confidential Information shall not include information that: (a) is already known to the recipient without restriction on use or disclosure prior to receipt of such information from discloser; (b) is or becomes part of the public domain other than by breach of this Agreement by the recipient; (c) is developed by the recipient independently of and without use of or reference to any of discloser's Confidential Information; or (d) is received by the recipient from a third party who is not under any obligation to the discloser to maintain the confidentiality of such information. Notwithstanding the above, nothing herein shall prevent a recipient from disclosing all or part of the Confidential Information that it is legally compelled to disclose (by oral deposition, interrogatories, request for information or documents, subpoena, civil investigative demand, or any other process); provided, however, that before any such disclosure the recipient shall notify the disclosing party in writing of any such order or request to disclose and cooperate with the disclosing party (at disclosing party's cost) with respect to any procedure to be pursued by the disclosing party in protecting against such disclosure. This section shall survive termination of this Agreement for any reason.

## **8. Intellectual Property.**

REP acknowledges that Company (or its licensors, as applicable) shall retain its entire right, title and interest in and to all trade secret, patent, copyright, trademark and other intellectual property rights contained in or related to the Licensed Program and products and services therein, and REP shall have no ownership or other right, including any intellectual property right, in or to any Licensed Program product or service. REP shall have no right to have or use any intellectual property owned or licensed by Company, except as expressly authorized in this Agreement. Nothing in this Agreement is intended to transfer from Company to REP any intellectual property or intellectual property right Company has in or related to any Licensed Program product or service.

## **9. Term and Termination.**

- A. This Agreement shall commence on the Effective Date and, unless otherwise terminated in accordance with its terms, shall remain in effect for a period of twenty-four (24) months, at which point it shall automatically terminate without further notice and without any further liability of Company of any kind whatsoever. The term of this Agreement may be extended for additional periods of one (1) year upon the written agreement of the parties.
- B. Either party may terminate this Agreement immediately upon written notice to the other if (i) the other party has breached any of its material obligations under this Agreement and has failed to cure such breach within thirty (30) days of receiving written notice of the breach from the other party, or (ii) has filed any petition in any court for receivership, reorganization, bankruptcy, arrangement or relief from or creditors, or has made any assignment for the benefit of creditors, or has any substantial part of its assets subjected to any involuntary lien, which is not cured or removed within thirty (30) days after notice thereof.
- C. Notwithstanding the foregoing in this Section 9, Company may terminate this Agreement with immediate effect if any of the following occur:
  - (i) REP participates or is alleged to have participated in any fraudulent activity, or any activity that causes the Bank or Company to violate the Visa U.S.A. Inc. Operating Regulations, or any other activities that may result in undue economic hardship or damage to the goodwill of the Bank or Visa system;
  - (ii) Bank is at any time unable to offer Accounts or support the Licensed Program due to federal, state, and/or Visa laws and regulations; or
  - (iii) REP makes any representation or warranty which shall prove to have been or become false or misleading in any material respect, or any unauthorized representation of the Bank, Visa, or the Licensed Program by REP.
- D. If this Agreement is terminated by either party under sub-parts B or C, above, then Company shall have no continued payment obligation to REP after the effective date of termination.
- E. Company shall have the right to hold a quarterly review with REP concerning the REP' s sales efforts and level of success in promoting and selling the Licensed Program to prospective Accountholders. If no new Accounts are issued by the Bank over a ninety (90) day period and, in Company' s sole opinion the REP is not making commercially reasonable efforts to promote and sell the Licensed Program, then the Company shall have the right to terminate this Agreement with immediate effect upon notice to REP.
- F. Upon receiving Company' s notice of termination, REP shall immediately cease all promotional efforts for Company and the Licensed Program, including any existing or potential Accountholder discussions about Company and the Licensed Program. REP shall immediately eliminate all links to Company' s website, remove all Company information and materials from REP' s website, and return all marketing and sales materials to Company.
- G. The following provisions shall survive expiration or termination of this Agreement for any reason: 5, 6, 7, 8, 9.D, 9.E., 9.F., 9.G., 10 through 16.

**10. Indemnification.**

REP shall defend, indemnify and hold Company harmless from and against any and all costs, liabilities, losses and expenses including, but not limited to, reasonable attorneys' fees, resulting from the negligent and other unlawful acts or omissions of REP as well as every claim against Company arising from any representation or warranty REP makes to Accountholders beyond those representations and warranties that Company provides in its own agreements and documentation that accompany the Licensed Program.

**11. Independent Contractors.**

REP and Company are independent contractors and neither party has the authority to bind the other party to any third person. Nothing in this Agreement shall be construed to constitute REP as a partner or joint venturer of or with Company. REP agrees to defend, indemnify and hold Company, its owners, officers, and employees harmless against any claim by any government agency for any taxes or other payments owed by REP to such government agency as a result of this Agreement. REP also agrees that it is not a representative of Bank. REP also agrees that any compensation it is due will come only from Company, and it will not pursue, nor does it have a right to pursue compensation from Bank or any other party under any circumstance whatsoever.

**12. Entire Agreement.**

This Agreement constitutes the entire agreement between REP and Company concerning the subject matter herein and supersedes all prior or contemporaneous agreements, written or oral, between the parties. This Agreement may not be modified except by a written document signed by an authorized representative of both parties.

**13. Notices.**

All notices required or provided for in this Agreement shall be in writing and delivered in person, by delivery service, certified or registered mail. Notice shall be deemed given on actual receipt. Notices shall be addressed as follows:

If to Company:

Veritec Financial Systems, Inc.  
2445 Winnetka Ave. N.  
Golden Valley, MN 55427

If to REP:

Antero Payment Solutions, Inc.  
24328 Vermont Ave #300  
Harbor City, Ca. 90710

**14. Waiver.**

Neither party may waive any term or excuse any breach of this Agreement unless such waiver or excuse is in writing and signed by the party to be bound by such waiver.

**15. No Assignment.**

REP shall not assign any of its rights or delegate any of its duties under this Agreement, by operation of law or otherwise, without the prior express written consent of Company.

**16. Governing Law / Arbitration.**

A. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota, U.S.A., without regard to its conflict of laws provisions.

- B. All disputes arising in connection with this Agreement, which disputes have not been settled by mutual and amicable agreement, shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in effect as of the date first above written (the "AAA Commercial Rules"). Any such arbitration shall take place exclusively in the English language in the county of Hennepin, Minnesota U.S.A. The arbitration panel will consist of one arbitrator, appointed upon the mutual agreement of the parties, acting reasonably. Each party shall bear its own expenses and shall share equally in arbitrator's fees and related expenses, provided that once an arbitration judgment is entered, the prevailing party shall be entitled to recover reasonable attorneys' and/or expert fees and related costs as damages. The arbitrator will be empowered to, at either party's request, grant injunctive relief. An award granted by the arbitrator will be the exclusive remedy of the parties for all claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator. Judgment upon the arbitral award may be entered in any court that has jurisdiction thereof. Any additional costs, fees or expenses incurred in enforcing the arbitral award will be charged against the party that unsuccessfully resists its enforcement. The arbitrator shall apply the substantive law of Minnesota, without regard to its conflict of laws provisions.
- C. Nothing in this Section will prevent either party from seeking interim injunctive relief or filing an action against the other party in the courts having jurisdiction over it in order to enforce an arbitral award granted pursuant to a proceeding under this Section.

WHEREFORE, the parties have signed this Agreement by their duly authorized representatives.

**Antero Payment Solutions, Inc.**

**VERITEC**

By: /s/ Michael J. Sinnwell, Jr.

Name: Michael J Sinnwell Jr

Title: President

Date: 07/20/2011

By: /s/ Van Thuy Tran

Name: Van Thuy Tran

Title: President and Chief Executive Officer

Date: 07/21/2011