

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

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FILED BY

FORTUNE CARTER M

CIK: 1121307
Type: SC 13D/A

Mailing Address
6402 CORPORATE DRIVE
INDIANAPOLIS IN 46278

SUBJECT COMPANY

FORTUNE INDUSTRIES, INC.

CIK: 851249 | IRS No.: 742504501 | State of Incorporation: DE | Fiscal Year End: 0630
Type: SC 13D/A | Act: 34 | File No.: 005-50301 | Film No.: 13552385
SIC: 4899 Communications services, nec

Mailing Address
ATTN: CARRIE FITZSIMONS
6402 CORPORATE DRIVE
INDIANAPOLIS IN 46268

Business Address
ATTN: CARRIE FITZSIMONS
6402 CORPORATE DRIVE
INDIANAPOLIS IN 46268
3175321374

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
SCHEDULE 13D/A
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 12)

Fortune Industries, Inc. (FFI)

(Name of Issuer)

Common Stock, par value \$0.10
(Title of Class of Securities)

34963X 20 0
(CUSIP Number)

Carolynn V. Hill, Esq.
Fortune Industries, Inc.
6402 Corporate Drive
Indianapolis, Indiana 46278
(317) 472-5660

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

March 26, 2012
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

CUSIP No. 34963X 20 0

SCHEDULE 13D

1. NAME OF REPORTING PERSONS

The Carter M. Fortune Living Trust as successor to Carter M. Fortune

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

Private Bank Loan

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

7,344,687

8. SHARED VOTING POWER

0

9. SOLE DISPOSITIVE POWER

7,344,687

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,344,687

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

60%

14. TYPE OF REPORTING PERSON

OO (Trust)

CUSIP No. 34963X 20 0

SCHEDULE 13D

1. NAME OF REPORTING PERSONS

Tena Mayberry

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

Stock Grant by Issuer

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

50,000

8. SHARED VOTING POWER

0

9. SOLE DISPOSITIVE POWER

50,000

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

50,000

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 34963X 20 0

SCHEDULE 13D

1. NAME OF REPORTING PERSONS

Randy Butler

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

Stock Grant by Issuer

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

30,000

8. SHARED VOTING POWER

0

9. SOLE DISPOSITIVE POWER

30,000

10. SHARED DISPOSITIVE POWER

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

30,000

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14. TYPE OF REPORTING PERSON

IN

Item 1. Security and Issuer.

This Amendment No. 12 amends the Statement on Schedule 13D dated August 7, 2000, as amended on September 1, 2000, July 9, 2001, July 13, 2001, August 27, 2001, August 15, 2002, July 25, 2003, October 10, 2003, April 21, 2005, September 22, 2005, January 12, 2007 and March 2, 2007 ("Schedule 13D"), originally filed by David B. McLane, John F. Fisbeck and Carter M. Fortune relating to shares of Common Stock, \$0.10 par value per share ("Common Stock"), of Fortune Industries, Inc., an Indiana corporation ("FFI") formerly known as WOW Entertainment, Inc., ("WOWI"), which was formerly known as American Gaming & Entertainment, Ltd. ("AGEL") The Company's principal offices are located at 6402 Corporate Drive, Indianapolis, Indiana 46278. The par value of the Company's Common Stock reflects the Reverse Stock Split of the Company's Common Stock that was implemented on June 2, 2005.

Item 2. Identity and Background.

(a) This Amendment 12 to Schedule 13D is being filed by The Carter M. Fortune Living Trust,Carolynn V. Hill, Trustee (the "Trust") as the successor to Carter M. Fortune, deceased and as sole member and controlling person of 14 West, LLC ("14 West"), Tena Mayberry (Ms. Mayberry) and Randy Butler ("Mr. Butler"). Ms. Mayberry and Mr. Butler have entered into agreements referenced in this filing through CEP, Inc., a Tennessee corporation, formed for the sole purpose of engaging in the leveraged buyout of FFI discussed herein.

(b) The business address of the Trust, Ms. Mayberry and Mr. Butler is 6402 Corporate Drive, Indianapolis, IN 46278.

(c) Trust, no principle occupation. Ms. Mayberry is the President and Chief Operating Officer of FFI. Mr. Butler is the Chief Financial Officer of FFI.

(d)-(e) During the last five years, none of the Trust, Mr. Fortune, the Trustee, Ms. Mayberry nor Mr. Butler have: (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining further violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

(f) The Trust is organized under the laws of the state of Florida, United States of America. Ms. Mayberry and Mr. Butler are citizens of the United State of America.

Item 3. Source and Amount of Funds or Other Consideration.

No funds were required for the acquisition of the shares by the Trust, as Mr. Fortune contributed the shares to the Trust.

The proposed leveraged buyout of FFI discussed herein will be financed through a loan from Capstar Bank in the amount of \$7 million secured by a pledge of the stock acquired. In addition, a note will be issued to the Trust in the amount of \$6.3 million, which will be secured by a subordinated pledge of the shares.

Item 4. Purpose of the Transaction.

On January 15, 2010, Mr. Fortune entered into an agreement with John F. Fisbeck ("Mr. Fisbeck") wherein Mr. Fortune acquired 1,797,001 shares of Common Stock previously owned by Mr. Fisbeck, and Mr. Fisbeck acquired 1,450,000 shares of Common Stock previously owned by 14 West, LLC in connection with Mr. Fisbeck's resignation as Chief Executive Officer and director of FFI. Mr. Fisbeck has withdrawn from the Control Group as a result of the sale of his shares and resignation as Chief Executive Officer and director of FFI.

Additionally, on March 26, 2012 a new Control Group was formed pursuant to which it was intended that Mr. Fortune, Ms. Mayberry and Mr. Butler would inter into a transaction that would result in a leveraged buyout of FFI by CEP. Mr. Fortune, Ms. Mayberry and Mr. Butler signed an Agreement and Plan of Merger and a Shareholder Voting Agreement, attached as Annex A and C, respectively, to the Preliminary 14A filed on March 26, 2012 and incorporated herein by reference, and by their terms, the Agreement and Plan of Merger and Shareholder Voting Agreement are binding upon the Trust.

Once the transaction is completed, it is expected that FFI will no longer be an SEC reporting company and will be delisted from a national exchange.

Item 5. Interest in Securities of the Issuer.

(a)-(b) The Trust beneficially owns 7,344,687 shares of FFI common stock, representing approximately 60% of the outstanding common stock of FFI. The Trust has sole dispositive and voting power over the following shares of common stock: Carter M. Fortune, 354,342, the Carter M. Fortune Living Trust, 6,084,853 and 14 West, LLC, 1,259,834. Ms. Mayberry beneficially owns and has sole dispositive and voting power over 50,000 shares of FFI common stock, and Mr. Butler beneficially owns and has dispositive and voting power over 30,000 shares of FFI common stock.

(c) Except as described under Items 3, 4 and 6, to the best knowledge of the Trustee, there were no other transactions in the class of securities reported on that were effected during the past sixty days or since the most recent filing on Schedule 13D by the persons named in response to paragraph a.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as described under Items 3, 4 and 5 and as described in this Item 6, to the best knowledge of the Trustee, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between Mr. Fortune's estate, Mr. Butler, Ms. Mayberry or the Trust and any other person with respect to any securities of FFI, including but not limited to transfer or voting of any securities of FFI, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, or a pledge or contingency the occurrence of which would give another person voting power over the securities of FFI.

The Trust, Ms. Mayberry and Mr. Butler are affirming in this filing their membership in a "group" within the meaning of Rule 13d-5(b)(1). Although the Trust, Ms. Mayberry and Mr. Butler have taken ownership of the FFI stock in their individual names, the Trust, Ms. Mayberry and Mr. Butler may be considered to be acting together for the purpose of acquiring and holding the stock since Mr. Fortune, the Trust, 14 West, and CEP previously signed a Preferred Stock Purchase and Rollover Contribution Agreement whereby Mr. Fortune agreed to sell all of its preferred shares and the Trust and 14 West agreed to contribute all of their common shares to CEP. Mr. Fortune, the Trust, 14 West and CEP previously signed a Shareholder Voting Agreement whereby all of the parties agreed to vote in favor of the proposed leveraged buyout.

Shares owned by Mr. Fortune's Estate and the Trust are pledged to Old National Bank as collateral for indebtedness unrelated to the Company. Following the intended transaction, Old National Bank will no longer have any security interest in the FFI securities.

Item 7. Material to Be Filed as Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit A	Joint Filing Statement
Exhibit 7.1	Agreement and Plan of Merger dated March 26, 2012, attached as Annex A to the Preliminary 14A filed by the issuer on March 26, 2012 and incorporated herein by reference
Exhibit 7.2	First Amendment to Agreement and Plan of Merger dated May 16, 2012, attached as Annex A to the Preliminary 14A filed by the issuer on March 26, 2012 and incorporated herein by reference
Exhibit 7.3	Shareholder Voting Agreement dated March 26, 2012, attached as Annex C to the Preliminary 14A filed by the issuer on March 26, 2012 and incorporated herein by reference
Exhibit 7.4	Preferred Stock Purchase and Rollover Contribution Agreement, dated March 26, 2012, attached as Annex D-1 to the Preliminary 14A filed by the issuer on March 26, 2012 and incorporated herein by reference
Exhibit 7.5	First Amendment to Preferred Stock Purchase and Rollover Contribution Agreement, dated August 22, 2012
Exhibit 7.6	Rollover Contribution Agreement dated March 26, 2012, attached as Annex D-2 to the Preliminary 14A filed by the issuer on March 26, 2012 and incorporated herein by reference
Exhibit 7.7	Capstar Bank Term Sheet, dated January 14, 2013

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January ___, 2013

/s/Carolynn V. Hill
The Carter M. Fortune Living
Trust by Carolynn V. Hill,
Trustee

/s/Tena Mayberry
Tena Mayberry

/s/Randy Butler
Randy Butler

EXHIBIT A

Joint Filing Statement

We, the undersigned, hereby express our agreement that the attached Amendment No. 12 to Schedule 13D is filed on behalf of each of us.

/s/Carolynn V. Hill
The Carter M. Fortune Living
Trust by Carolynn V. Hill,
Trustee

/s/Tena Mayberry
Tena Mayberry

/s/Randy Butler
Randy Butler

**FIRST AMENDMENT
TO PREFERRED STOCK PURCHASE
AND ROLLOVER CONTRIBUTION AGREEMENT**

THIS FIRST AMENDMENT TO PREFERRED STOCK PURCHASE AND ROLLOVER CONTRIBUTION AGREEMENT (“Amendment”) dated and made effective as of August _____, 2012 (the “Amendment Effective Date”), is made and entered into on the terms and conditions hereinafter set forth, by and among—

(i) CARTER M. FORTUNE, a natural person and resident of the State of Florida; 14 WEST, LLC, an Indiana limited liability company; and CARTER M. FORTUNE LIVING TRUST u/t/a dated September 14, 2011, as amended from time to time, a trust formed under the laws of the State of Florida (collectively, and jointly and severally, the “Seller”); and

(ii) CEP, INC., a Tennessee corporation (“CEP”).

RECITALS:

A. CEP and Seller entered into that certain Preferred Stock Purchase and Rollover Contribution Agreement dated as of March 26, 2012 (together with all amendments thereto, including this First Amendment, the “Agreement”; capitalized terms used but not otherwise defined herein have the same meanings as in the Agreement).

B. Pursuant to the Agreement, Seller has agreed to sell to CEP the Preferred Stock and contribute to CEP the Rollover Common Stock in connection with (and as a condition to CEP closing) the Merger, subject to the terms, conditions, and contingencies set forth in the Agreement.

C. Pursuant to the Agreement, CEP agreed to issue to Seller (in such amounts and to such persons or entities as designated by Seller) the number of common shares of CEP equal to 21.9% of the total outstanding and issued shares of CEP at and as of the Closing Date.

D. The parties desire to amend the Agreement on the terms and conditions set forth herein.

AGREEMENTS:

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

1. Amendments to Agreement.

(a) Section 2.2 of the Agreement is hereby amended and restated in its entirety as follows:

2.2 Consideration; Terms of Purchase

CEP agrees to purchase the Preferred Stock at a purchase price of \$44.9051252 per share for the aggregate purchase price amount of Thirteen Million Three Hundred Thousand and 00/100 Dollars (\$13,300,000.00) (“Purchase Price”). At the closing date of the Merger (“Closing”), CEP will, immediately prior to the closing and effectiveness of the Merger contemplated therein purchase the Preferred Stock by delivering (i) Six Million and No/100 Dollars (\$6,000,000.00) by wire transfer of immediately available funds to a bank account designated by Seller and (ii) a promissory note executed and delivered by CEP, payable to the order of Carter M. Fortune, individually, in the principal amount of Seven Million Three Hundred Thousand and No/100 Dollars (\$7,300,000.00), which promissory note shall be fully subordinated in right of payment and priority to CEP’s senior lender(s). Seller hereby agrees that the delivery of the subordinated promissory note payable to the order of Carter M. Fortune individually is to the direct benefit and interest of every Seller hereunder, and each Seller hereby consents thereto.

(b) Section 5.5 is hereby amended to eliminate Seller’s obligation to subscribe for shares of CEP’s common stock. Section 2.4(a)[v], with respect to the requirement of Seller to deliver the Shareholders Agreement executed by Seller, is hereby deleted. Notwithstanding the foregoing, and for avoidance of doubt, the joint and several obligation of each Seller party to deliver the certificates evidencing the Preferred Stock and the Rollover Common Stock to CEP at the Closing, pursuant to Sections 2.4(a)[i] and 2.4(a)[ii], remains in force and in effect and is not intended to be modified hereby.

(c) Section 2.4(b) of the Agreement is hereby amended such that CEP shall deliver to Seller at the Closing only the following: [i] the Purchase Price as described in Section 2.2 above, and [ii] a certificate executed by CEP as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing. Accordingly, Sections 2.4(b)[iii] and 2.4(b)[iv], with respect to CEP’s requirement to deliver to Seller both the signed Shareholders Agreement and the shares of common stock that were to be issuable to Seller by CEP, are both hereby deleted.

(d) For avoidance of doubt, and in consideration of the modifications to the Agreement effected by this Amendment, the parties hereto agree that, at and as of the Closing, Seller (i) will not be a shareholder of CEP; (ii) will not be issued any common stock or other equity of CEP; and (iii) will not be a party to the Shareholders Agreement, which was attached as Exhibit B to the Agreement. The corresponding obligations of CEP to issue any common stock or other equity of CEP to Seller are hereby eliminated, and the Agreement is deemed amended accordingly.

2. Continued Effectiveness. Except as otherwise expressly provided herein, the Agreement is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, all references in the Agreement to “this Agreement,” “hereto,” “hereof,” “hereunder,” or words of like import referring to the Agreement shall mean the Agreement as amended by this Amendment. Reference to this Amendment need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, and the parties acknowledge and agree that any reference in any of such items to the Agreement shall be sufficient to refer to the Agreement as amended hereby. Furthermore, the parties hereto acknowledge, agree, and affirm that the parties’ respective obligations to perform the Agreement, as amended hereby, is conditioned on the closing and effectiveness of the Merger and, thus, is subject indirectly to those certain closing conditions as set forth in the Merger Agreement. Furthermore, Seller represents and warrants that each party identified as Seller in the preamble above presently constitutes and will constitute at the Closing, collectively, all of the record and beneficial holders of the Preferred Stock and the Rollover Common Stock.

3. Counterparts; Delivery by Facsimile Transmission. This Amendment may be executed by each party upon a separate copy or separate signature pages, and any combination of separate copies executed by all parties or including signature pages so executed will constitute a single counterpart of this Amendment. This Amendment may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument. It will not be necessary, in proving this Amendment in any proceeding, to produce or account for more than one counterpart of this Amendment.

4. Miscellaneous. This Amendment shall be governed by and construed in accordance with the domestic laws of the State of Tennessee without giving effect to any choice or conflict of law provision or rule (whether of the State of Tennessee or any other jurisdiction) that would result in the application of the laws of any jurisdiction other than the State of Tennessee. The headings in this Amendment are for convenience of reference only and shall not be construed as amplifying, limiting or otherwise affecting the substantive provisions hereof. All provisions of the Agreement and this Amendment will bind and inure to the benefit of the parties to the Agreement and the Amendment and their respective heirs, personal representatives, successors and assigns, whether so expressed or not.

[Remainder of this page is intentionally blank. Signature pages follow.]

*[Signature Page No. 1 of 4 to
First Amendment to Preferred Stock Purchase Agreement
and Rollover Contribution Agreement]*

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

CEP, INC.

By: _____
Tena Mayberry, President

STATE OF TENNESSEE)
) :ss
COUNTY OF WILLIAMSON)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Tena Mayberry, the President of CEP, Inc., a Tennessee corporation, on behalf of the corporation.

Notary Public

My Commission expires: _____



January 14, 2013

Mr. Randy Butler
Fortune Industries, Inc.
278 Franklin Road, Suite 350
Brentwood, TN 37027

Dear Randy:

CapStar Bank is very excited to present this commitment letter to provide financing for the proposed transaction involving Fortune Industries, Inc. We believe that our two companies are a great fit and look forward to a lasting relationship as we grow our respective organizations. Feel free to call at any time to discuss.

- BORROWER:** A new Tennessee corporation (the "Parent") that will form an acquisition subsidiary (the "Merger Sub"). Merger Sub and Fortune Industries, Inc. will merge simultaneously with our closing, and Parent and the surviving corporation from the Merger ("Surviving Corporation") will be joint and several obligors. Immediately after the merger, the Parent will own approximately 91% of the outstanding stock of the Surviving Corporation (the "Subsidiary Stock")
- GUARANTOR:** Tena Mayberry limited to \$750,000
Randy Butler limited to \$750,000
- CREDIT FACILITIES:** A) \$7,000,000 term loan
B) \$1,800,000 letter of credit
- PURPOSE:** A) Purchase 100% of Carter Fortune's preferred stock in Fortune Industries, Inc., and pay transaction expenses
B) Financial support to back the Lumberman's workers compensation insurance plan
- MATURITY** A) Four years from closing
B) One year from issuance
- COLLATERAL:** A) First lien on all assets of the Borrower including a pledge of the stock of the Surviving Corporation owned by Parent
B) \$1,000,000 certificate of deposit held at CapStar Bank
C) Collateral assignment of a \$2,000,000 life insurance policy on Tena Mayberry
In addition, Guarantor's respective obligations will be secured by a pledge of all stock of Parent owned by such Guarantor
- All credit facilities will be cross collateralized and defaulted
- INTEREST RATE:** A) 6% fixed till maturity
B) 2.5% fee payable quarterly in advance plus an estimated 1% confirmation fee from BBVA
- ORIGINATION FEE:** \$52,500 (75 basis points of \$7,000,000)
- REPAYMENT:** A) Principal and interest monthly based on a 6 year mortgage style amortization
B) Balance due on demand if the letter of credit is funded

www.capstarbank.com | ph: 615.732.6400 fx: 615.732.6401

FINANCIAL COVENANTS:

If executed, the loan documents will include the following financial performance covenants with the first covenant test on June 30, 2013:

Minimum Fixed Charge Coverage

Borrower agrees to maintain a fixed charge coverage ratio of not less than 1.10:1. Fixed charge coverage ratio is defined as [EBITDA – unfinanced capital expenditures – shareholder distributions/dividends not deducted in the calculation of EBITDA] *divided by* [Current maturities of long term debt and capital leases paid during the period in which EBITDA was calculated + cash interest expense + cash taxes] tested quarterly on rolling four quarter basis.

Minimum EBITDA

Borrower agrees to maintain a minimum rolling four quarter EBITDA at all times of \$2,500,000 through 12/31/13, increasing to \$2,750,000 on 1/1/14 and increasing to \$3,000,000 1/1/15 and thereafter. This ratio will be tested quarterly with the first test on June 30, 2013.

If executed, the loan documents will include the following specific restrictions, as well as such other covenants as are customary:

- 1) Capital expenditure maximum of \$150,000 per year,
- 2) No additional debt other than the CapStar loan and the Mr. Fortune related \$6,300,000 loan without bank consent,
- 3) No distributions or dividends until the CapStar Bank term loan is paid off,
- 4) 75% excess cash flow recapture with the first recapture based on the audited June 30, 2014 financial statement. Excess cash flow recapture defined as [EBITDA – unfinanced capital expenditures – shareholder distributions/dividends not deducted in the calculation of EBITDA] *subtracted by* [Current maturities of long term debt and capital leases paid during the period in which EBITDA was calculated + cash interest expense + cash taxes]
- 5) Limitation on stock repurchases to not exceed \$250,000 in aggregate without bank consent

FINANCIAL REPORTING:

- Annual audited financial statement for the Borrower due within 120 days of year end.
- Quarterly management prepared financial statements for the Borrower within 45 days of each quarter end.
- Quarterly covenant compliance certificate within 45 days of quarter end.
- Annual personal financial statement on the guarantors including a copy of the guarantor's personal tax return within 15 days of filing

TREASURY MANAGEMENT:

Borrower to maintain its primary operating accounts at CapStar Bank

REIMBURSEMENT OF EXPENSES:

Borrower will reimburse CapStar for legal and recording expenses incurred by CapStar in connection with (i) delivery of this letter , (ii) the negotiation and preparation of documentation of the Credit Facilities (whether or not the Credit Facilities are closed and funded), (iii) closing of the Credit Facilities, and (iv) ongoing administration, enforcement and collection of the Credit Facilities.

INSURANCE: Borrower shall maintain and provide evidence of insurance as may be requested by CapStar from time to time in amounts and in form acceptable to CapStar

GOVERNING LAW: All aspects of this Credit Facility shall be governed by and construed in accordance with the laws of the State of Tennessee

CONDITIONS

PRECEDENT: As customary for facilities of this nature, including but not limited to:

- Review of Mr. Fortune's subordinated debt terms and conditions including covenants with the CapStar credit facilities cross defaulted to Mr. Fortune's credit facility
- Satisfactory subordination agreement between Mr. Fortune and CapStar
- Receipt of documentation confirming release of all relevant liens

Certain items enumerated above are a summary of the key provisions to be contained in the Loan Documents evidencing this transaction and do not include all provisions and requirements to be set forth in such documentation. It is understood that such loan documents, when executed by the Borrower and accepted by the Bank, shall constitute the final and complete agreement between the Bank and the Borrower regarding the Loan Facilities and shall supersede all of the provisions hereof. Nothing contained in this letter shall alter or modify such loan documents. This letter is intended for you only and may not be relied upon by any third party.

In addition to its right to terminate this Commitment for the Borrower's failure to satisfy the conditions of this Commitment, Bank may terminate this Commitment without notice if:

(a) Any of the items required to be delivered are not delivered within the time and in the form and manner required by this Commitment or there is any other default under any of the terms or provisions of the Commitment,

(b) Any representations made by or on behalf of the Borrower or Guarantor, whether in this Commitment or otherwise, prove untrue or misleading in any material respect,

(c) There shall be any condition, occurrence or circumstance which, if the loan documents had been delivered, would, with or without the giving of notice or lapse of time constitute an event of default under any of the loan documents, or

(d) There is any material adverse change in the condition (financial or otherwise), business, profits or prospects of Borrower, Guarantor, or any other entity whose condition, financial or otherwise, was a material consideration in Bank issuing this Commitment.

In return for extending the commitment letter till April 30, 2013, Borrower will pay a commitment letter fee of \$2,500 payable upon execution of the commitment letter. If the aforementioned conditions are acceptable, please sign below and return. Unless accepted by January 26, 2013, this commitment will be null and void. If this commitment is accepted, it will remain open until April 30, 2013 at which time it will be null and void if the loan is not closed. Randy, thank you again for this opportunity and please call with any questions.

Sincerely,

/s/ Brad Greer

Brad Greer
Senior Vice President

Accepted this _____ day of _____, 2013

Fortune Industries, Inc.

By: _____

Title: _____