

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-1/A

General form of registration statement for all companies including face-amount certificate companies [amend]

Filing Date: **2013-01-09**  
SEC Accession No. [0001144204-13-001372](#)

([HTML Version](#) on [secdatabase.com](#))

### FILER

#### FOCUS VENTURE PARTNERS, INC

CIK: [1548678](#) | IRS No.: **000000000** | State of Incorp.: **NV**  
Type: **S-1/A** | Act: **33** | File No.: [333-182814](#) | Film No.: **13519161**  
SIC: **4899** Communications services, nec

Mailing Address  
969 POSTAL ROAD  
SUITE 100  
ALLENTOWN PA 18109

Business Address  
969 POSTAL ROAD  
SUITE 100  
ALLENTOWN PA 18109  
877 633 2239

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 2 TO THE  
FORM S-1  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933



**FOCUS VENTURE PARTNERS, INC.**  
(Exact Name of Registrant as Specified in its Charter)

---

**Nevada**  
(State or Other Jurisdiction of  
Incorporation or Organization)

---

**4899**  
(Primary Standard Industrial  
Classification Code Number)

---

**45-4902303**  
(IRS Employer  
Identification No.)

Christopher Ferguson, CEO, President and Chairman  
4647 Saucon Creek Road, Suite 201  
Center Valley, Pennsylvania 18034  
1-877-633-2239

(Address, including zip code, and telephone number, including area code, of registrant's Principal Executive Offices)

Christopher Ferguson, CEO, President and Chairman  
4647 Saucon Creek Road, Suite 201  
Center Valley, Pennsylvania 18034  
1-877-633-2239

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send a copy of all communications to:

Stephen M. Fleming, Esq.  
Fleming PLLC  
49 Front Street, Suite 206  
Rockville Centre, New York 11570  
Phone: (516) 833-5034  
Fax: (516) 977-1209

Approximate date of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock, par value \$.0001 per share	437,500	\$ 0.08	\$ 35,000	\$ 4.01*

\* Previously paid.

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act. The offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(o). Our common stock is not traded on any national exchange and in accordance with Rule 457 the offering price was determined by the last sales price in a private offering under Rule 506 under Regulation D as promulgated under the Securities Act of 1933, as amended. The selling security holders may sell their shares at the fixed price of \$0.08 until our common stock is quoted on the OTC Bulletin Board at which time the shares may be sold at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with the FINRA, which operates the OTC Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. There is no assurance that an active trading market for our shares will develop, or, if developed, that it will be sustained. In the absence of a trading market or an active trading market, investors may be unable to liquidate their investment or make any profit from the investment.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the securities act of 1933 or until the registration statement shall become effective on such date as the commission, acting pursuant to said section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. The selling shareholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED JANUARY 8, 2013

437,500 Shares  
FOCUS VENTURE PARTNERS INC.  
Common Stock

This prospectus relates to the public offering of an aggregate of 437,500 shares of common stock which may be sold from time to time by the selling shareholders named in this prospectus. We will not receive any proceeds from the sale by the selling shareholders of their shares of common stock. We will pay the cost of the preparation of this prospectus, which is estimated at \$135,000.

Our common stock is presently not traded on any market or securities exchange. The 437,500 shares of our common stock may be sold by selling shareholders at a fixed price of \$0.08 per share until our shares are quoted on the OTC Bulletin Board and thereafter at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with The Financial Industry Regulatory Authority ("FINRA"), which operates the OTC Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. We have agreed to bear the expenses relating to the registration of the shares for the selling shareholders. There is no assurance that an active trading market for our shares will develop, or, if developed, that it will be sustained. In the absence of a trading market or an active trading market, investors may be unable to liquidate their investment or make any profit from the investment.

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least \$1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30th, or (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

**Investing in shares of our common stock involves a high degree of risk. You should purchase our common stock only if you can afford to lose your entire investment. See "Risk Factors," which begins on page 10.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The information in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

The selling shareholders have not engaged any underwriter in connection with the sale of their shares of common stock. The selling shareholders may sell their shares of common stock in the public market based on the market price at the time of sale or at negotiated prices. The selling shareholders may also sell their shares in transaction that are not in the public market in the manner set forth under "Plan of Distribution."

The date of this Prospectus is January 8, 2013

You should rely only on the information contained in this prospectus. We have not authorized any dealer, salesperson or other person to provide you with information concerning us, except for the information contained in this prospectus. The information contained in this prospectus is complete and accurate only as of the date on the front cover page of this prospectus, regardless when the time of delivery of this prospectus or the sale of any common stock. This prospectus is not an offer to sell, nor is it a solicitation of an offer to buy, our common stock in any jurisdiction in which the offer or sale is not permitted.

## TABLE OF CONTENTS

	Page
Prospectus Summary	6
Risk Factors	10
Forward-Looking Statements	18
Use of Proceeds	18
Determination of Offering Price	18
Dilution	18
Selling Stockholders	19
Plan of Distribution	20
Market for Common Stock and Shareholder Matters	21
Shares Available for Future Sale	22
Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Business	42
Management	48
Executive Compensation	49
Certain Relationships and Related Transactions	50
Security Ownership of Certain Beneficial Owners and Management	52
Description of Securities	52
Experts	53
Legal Matters	53
How to Get More Information	54
Financial Statements	F-1
Information Not Required in Prospectus	II-1
Exhibit Index	II-3

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this Prospectus and may not contain all of the information you should consider before investing in the shares. You are urged to read this Prospectus in its entirety, including the information under “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Financial Statements, before making an investment decision.*

### Summary

We are a holding company operating in the telecommunications industry which manages and develops our wholly-owned subsidiaries focused on the development of telecommunications networks, acting as a service and support provider and providing temporary and part-time staffing solutions. Through our wholly-owned subsidiary, Optos Capital Partners, LLC, a Delaware limited liability company (“Optos”), we operate the following wholly-owned entities:

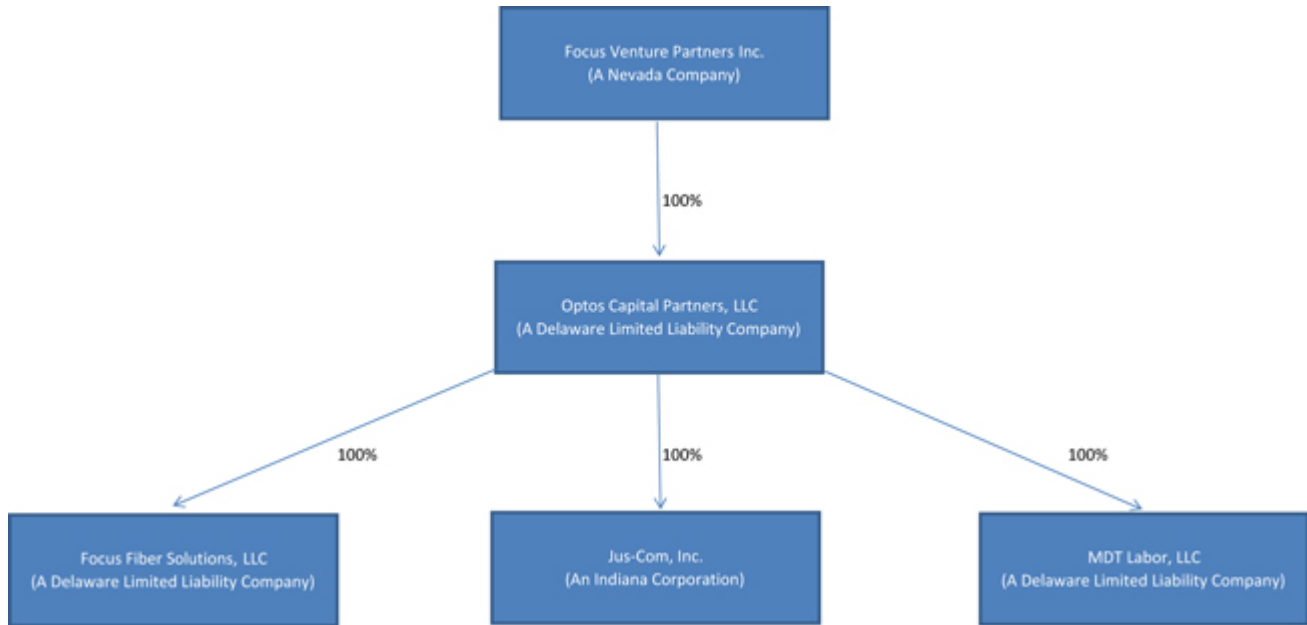
- Focus Fiber Solutions, LLC, a Delaware limited liability company (“Focus Fiber”), specializes in the design, engineering, installation, and maintenance of a telecommunications infrastructure network.
- Jus-Com, Inc., an Indiana corporation (“Jus-Com”), is a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation. Jus-Com also operates as a temporary and permanent staffing agency specializing in the telecommunications market.
- MDT Labor, LLC d/b/a MDT Technical, a Delaware limited liability company (“MDT”), operates as a workforce management company providing temporary and permanent staffing services under the MDT Technical brand and as a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation under its Beacon Solutions brand. On December 3, 2012, the Company acquired 100% membership interest in MDT through its wholly owned subsidiary, Optos.

### Acquisition Strategy

With respect to its acquisition strategy, Focus intends to pursue a clearly defined telecommunications niche but may, in its discretion, pursue acquisitions outside of this niche although this will not be our focus. We selectively pursue acquisitions when we believe doing so is operationally and financially beneficial to our existing operations, although we do not rely solely on acquisitions for growth. In particular, we pursue those acquisitions that we believe will provide us with incremental revenue and geographic diversification while complementing our existing operations. We generally target companies for acquisition that have defensible leadership positions in their market niches, EBITDA positive which meets or exceeds industry averages, proven operating histories, sound management, and certain clearly identifiable cost synergies.

### Our History

We are a Nevada corporation formed on March 26, 2012. On May 9, 2012, we entered into a Contribution Agreement with Optos, whereby we acquired 100% of the outstanding membership interests of Optos in consideration of 23,980,000 shares of common stock and 100,000 shares of Series A Preferred Stock. As we were only formed in March 2012 and we acquired Optos in May 2012, we have included the financial statement for Optos for the years ended December 31, 2011 and 2010 and the nine months ended September 30, 2012 and 2011. Optos was incorporated in the State of Delaware on April 15, 2008. Optos is the sole member of Focus Fiber. In addition, Optos held a majority interest in CMK until January 1, 2012, when it acquired the remaining interest in CMK. CMK was the sole member of Townsend. We dissolved CMK and Townsend on December 31, 2012 and transferred all assets to Jus-Com. Jus-Com was acquired by the common management and ownership on September 6, 2011. Subsequently, on January 1, 2012, Jus-Com was acquired by Optos. On December 3, 2012, through Optos, we acquired a 100% interest in MDT, which is a wholly-owned subsidiary of Optos. Our organization structure is summarized below:



### Other Pertinent Information

Our executive offices are located at 4647 Saucon Creek Rd, Suite 201, Center Valley, Pennsylvania 18034 and our telephone number is telephone 1-877-633-2239. Our subsidiaries lease two additional office/warehouse facilities, as well as two additional office locations throughout the United States. Our website is [www.focusventurepartners.com](http://www.focusventurepartners.com). Our subsidiaries each maintain separate websites including [www.focusfiber.com](http://www.focusfiber.com), [www.jus-com.com](http://www.jus-com.com), [www.mdttechnical.com](http://www.mdttechnical.com), [www.mdtpersonnel.com](http://www.mdtpersonnel.com) and [www.ilabornetwork.com](http://www.ilabornetwork.com). Jus-Com offices are located at 9250 Corporation Drive, Indianapolis, Indiana 46256 and at 600 West Germantown Pike, Suite 400, Plymouth Meeting, Pennsylvania 19462. MDT's offices are located at 2325 Paxton Church Road, Harrisburg, PA 17110.



## **The Offering**

Common Stock Offered:	The selling shareholders are offering a total of 437,500 shares of common stock.
Initial Offering Price:	The selling shareholders will sell our shares at \$0.08 per share until our shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. This price was determined arbitrarily by us.
Terms of Offering:	The selling shareholders will determine when and how they will sell the common stock offered in this prospectus.
Termination of the Offering:	The offering will conclude when all of the 437,500 shares of common stock have been sold or we, in our sole discretion, decide to terminate the registration of the shares. We may decide to terminate the registration if it is no longer necessary due to the operation of the resale provisions of Rule 144 promulgated under the Securities Act of 1933. We also may terminate the offering for no reason whatsoever at the discretion of our management team.
Outstanding Shares of Common Stock:	38,337,500 shares of common stock.
Use of Proceeds:	We will receive no proceeds from the sale of any shares by the selling shareholders.
Risk Factors:	The purchase of our common stock involves a high degree of risk. You should carefully review and consider "Risk Factors" beginning on page 10.

### Summary Financial Information

The information for the three and nine months ended September 30, 2012 and 2011 has been derived from our unaudited consolidated financial statements. The recent acquisition of MDT is not included in this table.

The information at December 31, 2011 and 2010 and for the years then ended has been derived from our audited combined financial statements. Our consolidated financial statements appear elsewhere in this prospectus.

#### Statement of Operations Information:

	Three Months Ended September 30,			
	2012		2011	
Revenues	\$ 11,897,060	100.0%	\$ 3,669,433	100.0%
Cost of revenues	8,744,685	73.5%	3,255,791	88.7%
Gross profit	3,152,375	26.5%	413,642	11.3%
Salary, wages and payroll taxes	821,856	6.9%	197,005	5.4%
Selling, general and administrative	450,439	3.8%	168,017	4.6%
Travel expense	303,538	2.6%	356,465	9.7%
Occupancy costs	196,688	1.7%	56,416	1.5%
Depreciation and amortization	104,534	0.9%	27,691	0.8%
Operating income (loss)	1,275,320	10.7%	(391,953)	-10.7%
Interest expense	398,410	3.3%	935	0.0%
Gain on sale of assets	-	-	-	-
Income (loss) before income taxes	876,910	7.4%	(392,888)	-10.7%
Provision for income taxes	303,321	2.5%	-	-
Income (loss) before non-controlling interest	573,589	4.8%	(392,888)	-10.7%
Less: net income (loss) attributable to non-controlling interests	-	-	4,715	0.1%
Net income (loss)	\$ 573,589	7.4%	\$ (397,603)	-10.8%

	Nine Months Ended September 30,			
	2012		2011	
Revenues	\$ 31,557,374	100.0%	\$ 10,646,447	100.0%
Cost of revenues	24,433,477	77.4%	8,694,463	81.7%
Gross profit	7,123,897	22.6%	1,951,984	18.3%
Salary, wages and payroll taxes	1,930,768	6.1%	285,358	2.7%
Selling, general and administrative	1,511,306	4.8%	563,064	5.3%
Travel expense	1,109,583	3.5%	766,725	7.2%
Occupancy costs	534,697	1.7%	161,129	1.5%
Depreciation and amortization	260,038	0.8%	33,224	0.3%
Operating income (loss)	1,777,505	5.6%	142,484	1.3%
Interest expense	910,875	2.9%	12,223	0.1%
Gain on sale of assets	-	-	(171,797)	-1.6%
Income (loss) before income taxes	866,630	2.7%	302,058	2.8%
Provision for income taxes	303,321	1.0%	-	-
Income (loss) before non-controlling interest	563,309	1.8%	302,058	-
Less: net income (loss) attributable to non-controlling interests	-	-	56,001	0.5%
Net income (loss)	\$ 563,309	1.8%	\$ 246,057	2.3%

	Year Ended December 31,			
	2011		2010	
Revenues	\$ 15,297,926	100.0%	\$ 6,119,571	100.0%
Cost of revenues	11,140,884	72.8%	5,522,651	90.2%
Gross profit	4,157,042	27.2%	596,920	9.8%
Salary, wages and payroll taxes	1,103,817	7.2%	147,127	2.4%
Selling, general and administrative	923,027	6.0%	557,062	9.1%
Travel expense	1,217,135	8.0%	129,801	2.1%
Occupancy costs	257,288	1.7%	99,787	1.6%
Depreciation and amortization	97,400	0.6%	-	0.0%
Operating income (loss)	558,376	3.7%	(336,857)	-5.5%
Interest expense	113,431	0.7%	18,284	0.3%
Gain on sale of assets	(171,797)	-1.1%	-	-
Income (loss) before non-controlling interest	616,742	4.0%	(355,141)	-5.8%
Less: net income (loss) attributable to non-controlling interests	(48,270)	-0.3%	33,184	0.5%
Net income (loss)	\$ 568,472	3.7%	\$ (321,957)	-5.3%

## RISK FACTORS

*An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision, and you should only consider an investment in our common stock if you can afford to sustain the loss of your entire investment. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.*

### ***We depend upon key personnel and need additional personnel.***

Our success depends on the continuing services of Christopher Ferguson, our Chief Executive Officer and our sole director. The loss of Mr. Ferguson could have a material and adverse effect on our business operations. Additionally, the success of the Company's operations will largely depend upon its ability to successfully attract and maintain competent and qualified key management personnel. As with any company with limited resources, there can be no guaranty that the Company will be able to attract such individuals or that the presence of such individuals will necessarily translate into profitability for the Company. Our inability to attract and retain key personnel may materially and adversely affect our business operations.

### ***The adjustable feature and the put rights of our common stock purchase warrant issued to Atalaya Special Opportunities Fund IV (Tranche B) could require us to issue a substantially greater number of shares, which will cause dilution to our existing stockholders and may restrict our ability to raise equity capital in the future.***

On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent ("Atalaya"). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant ("Warrant") to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001 and the holder is entitled to exercise the Warrant on a cashless basis. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In the event the anti-dilution feature in the Warrant is triggered, shareholders may incur significant dilution. Further, potential equity investors may not elect to not pursue such investment in our company as a result of Atalaya's anti-dilution rights.

In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO or (b) the expiration of the Warrant, Atalaya may put the Warrant on 60 days' notice and the Company is obligated to repurchase the Warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company. In the event that we are required to repurchase the Warrant for cash, our financial condition may be negatively impacted, which could limit our ability to pursue our business plan.

***We possess a significant amount of accounts receivable and if we are unable to collect account receivables in a timely manner or at all our cash flow and profitability will be negative impacted, which such risk is heightened during unstable economic periods.***

We extend credit to our customers as a result of performing work under contract prior to billing our customers for that work. These customers include telephone companies, cable television multiple system operators and others. We had accounts receivable of approximately \$ 4.0 million at December 31, 2011 and \$11.0 million for the nine months then ended September 30, 2012. We periodically assess the credit risk of our customers and continuously monitor the timeliness of payments. Slowdowns in the industries we serve may impair the financial condition of one or more of our customers and hinder their ability to pay us on a timely basis or at all. Further bankruptcies or financial difficulties within the telecommunications sector could hinder the ability of our customers to pay us on a timely basis or at all, reducing our cash flows and adversely impacting our liquidity and profitability. Additionally, we could incur losses in excess of current bad debt allowances.

***We must effectively manage the growth of our operations and effectively integrate acquisitions, or our company will suffer.***

To manage our growth and effectively integrate acquisitions, we believe we must continue to implement and improve our operations. We may not have adequately evaluated the costs and risks associated with this expansion, and our systems, procedures, and controls may not be adequate to support our operations. In addition, our management may not be able to achieve the rapid execution necessary to successfully offer our products and services and implement our business plan on a profitable basis. The success of our future operating activities will also depend upon our ability to expand our support system to meet the demands of our growing business. Any failure by our management to effectively anticipate, implement, and manage changes required to sustain our growth would have a material adverse effect on our business, financial condition, and results of operations.

***We derive a significant portion of our revenues from a limited number of customers, and the loss of one or more of these customers could adversely impact our revenues and profitability.***

Our customer base is highly concentrated. For the year ended December 31, 2011, one customer represented approximately 73.7% of revenues or 72.2% of outstanding receivables. For the year ended December 31, 2010, five customers represented approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. For the nine months ended September 30, 2012, two customers represented approximately 87.4% of revenues or 95.6% of the outstanding receivable balance. Our revenue may significantly decline if we were to lose one or more of our significant customers. In addition, revenues under our contracts with significant customers may vary from period-to-period depending on the timing and volume of work which those customers order or perform with their in-house service organizations. Additionally, consolidations, mergers and acquisitions in the telecommunications and staffing industries have occurred in the past and may occur in the future. The consolidation, merger or acquisition of an existing customer may result in a change in procurement strategies by the surviving entity. Reduced demand for our services or a change in procurement strategy of a significant customer could adversely affect our results of operations, cash flows and liquidity.

***There is competition for those private companies suitable for a merger transaction of the type contemplated by management.***

We are in a highly competitive market for a small number of telecommunications business opportunities which could reduce the likelihood of implementing our acquisition strategy. We are and will continue to be an insignificant participant in the business of seeking acquisitions in the telecommunications space. A large number of established and well-financed entities, including small public companies and venture capital firms, are active in mergers and acquisitions of companies that may be desirable target candidates for us. Nearly all these entities have significantly greater financial resources, technical expertise and managerial capabilities than we do; consequently, we will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. These competitive factors may reduce the likelihood of implementing our business strategy.

***Failure to integrate future acquisitions successfully could adversely affect our business and results of operations.***

As part of our growth strategy, we may acquire companies that expand, complement, or diversify our business. We regularly review various opportunities and periodically engage in discussions regarding possible acquisitions. Future acquisitions may expose us to operational challenges and risks, including the diversion of management's attention from our existing business, the failure to retain key personnel or customers of an acquired business, the assumption of unknown liabilities of the acquired business for which there are inadequate reserves and the potential impairment of acquired intangible assets. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to successfully integrate any businesses acquired.

***We may not have access in the future to sufficient funding to finance desired growth.***

Using cash for acquisitions may limit our financial flexibility and make us more likely to seek additional capital through future debt or equity financings. On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent ("Atalaya"). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The commitments under the Credit Agreement are restricted by the borrowing base defined as 100% of the net collectible amount of acceptable accounts due to the Company less reserves and allowances which Atalaya deems necessary in its reasonable discretion. In the addition, the Credit Agreement is subject to various financial covenants including fixed charge coverage ratio, tangible net worth, restrictions on capital expenditures, minimum EBITDA ratio and maximum leverage ratio. On December 3, 2012, the Company made an initial notice of borrowing/disbursement request. As a result, Atalaya disbursed the entire proceeds of the \$8,000,000 term loan commitment (less an agreed-upon \$330,000 original discount to Atalaya for making the term loan) and disbursed \$3,000,000 of the revolving loan commitment. Of the \$8 million disbursed approximately \$3 million, was used in order to acquire 100% membership interests in MDT and an additional \$3.8 million to satisfy certain encumbrances of MDT, see Management Discussion and Analysis of Financial Condition and Results of Operations on page 25. The Credit Agreement is secured by all of the assets and personal property of the Company. Our existing debt agreement with Atalaya contains significant restrictions on our operational and financial flexibility, including our ability to incur additional debt, and if we seek more debt we may be required to agree to additional covenants that limit our operational and financial flexibility. If we seek additional debt or equity financings, we cannot be certain that additional debt or equity will be available to us on terms acceptable to us or at all.

***There are limitations on director/officer liability.***

As permitted by Nevada law, our certificate of incorporation limits the liability of its directors for monetary damages for breach of a director's fiduciary duty except for liability in certain instances. As a result of our charter provision and Nevada law, stockholders may have limited rights to recover against directors for breach of fiduciary duty.

***We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act,
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least \$1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30th, or (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

## **Risks Relating to the Telecommunications Industry**

### ***Service level agreements in our customer agreements could subject us to liability or the loss of revenue.***

Our contracts with customers typically contain service guarantees and service delivery date targets, which if not met by us, enable customers to claim credits against their payments to us and, under certain conditions, terminate their agreements. Our inability to meet our service level guarantees could adversely affect our revenue and cash flow. While we typically have carve-outs for force majeure events, many events, such as fiber cuts, equipment failure and third-party vendors being unable to meet their underlying commitments or service level agreements with us, could impact our ability to meet our service level agreements and are potentially out of our control.

### ***Our backlog is subject to reduction and/or cancellation.***

Our backlog consists of the uncompleted portion of services to be performed under job-specific contracts and the estimated value of future services that we expect to provide under master service agreements and other long-term requirements contracts. Many of our contracts are multi-year agreements, and we include in our backlog the amount of services projected to be performed over the terms of the contracts based on our historical experience with customers and, more generally our experience in procurements of this type. In many instances, our customers are not contractually committed to procure specific volumes of services under a contract. Our estimates of a customer's requirements during a particular future period may not prove to be accurate, particularly in light of the current economic conditions and the uncertainty that imposes on changes in our customer's requirements for our services. If our estimated backlog is significantly inaccurate or does not result in future profits, this could adversely affect our future growth and the price of our common stock.

### ***Any failure of our physical infrastructure or services could lead to significant costs and disruptions that could reduce our revenues, harm our business reputation, and have a material adverse effect on our financial results.***

Our business depends on providing customers with highly reliable service. The services we provide are subject to failure resulting from numerous factors, including:

- human error;
- power loss;
- physical or electronic security breaches;
- fire, earthquake, hurricane, flood, and other natural disasters;
- water damage;
- the effect of war, terrorism, and any related conflicts or similar events worldwide; and
- sabotage and vandalism.

Problems within our network, whether or not within our control, could result in service interruptions or equipment damage. In the past we have at times experienced instability in our equipment attributed to equipment failure and power outages. Although such disruptions have been remedied and the network has been stabilized, there can be no assurance that similar disruptions will not occur in the future. We have service level commitment obligations with substantially all of our customers. As a result, service interruptions or equipment damage could result in credits for service interruptions to these customers. We have at times in the past given credits to our customers as a result of service interruptions due to equipment failures. We cannot assume that our customers will accept these credits as compensation in the future. Also, service interruptions and equipment failures may expose us to additional legal liability.

### ***The failure of certain key suppliers to provide us with components could have a severe and negative impact upon our business.***

We rely on a small group of suppliers to provide us with components for our products and services. If these suppliers become unwilling or unable to provide components, there are a limited number of alternative suppliers who could provide them. Changes in business conditions, wars, governmental changes, and other factors beyond our control or which we do not presently anticipate could affect our ability to receive components from our suppliers. Further, it could be difficult to find replacement components if our current suppliers fail

to provide the parts needed for these products and services. A failure by our major suppliers to provide these components could severely restrict our ability to provide our services and prevent us from fulfilling customer orders in a timely fashion.

***The telecommunications industry is highly competitive, and contains competitors that have significantly greater resources and a more diversified base of existing customers than we do.***

Many of our competitors within the telecommunications industry have greater financial, managerial, sales and marketing and research and development resources than we do and are able to promote their brands with significantly larger budgets. Many of these competitors have the added advantage of a larger, more diversified customer base. If we fail to develop and maintain brand recognition through sales and marketing efforts and a reputation for high-quality service, we may be unable to attract new customers and risk losing existing customers to competitors with better known brands.



In addition, significant new competition could arise as a result of:

- The growth of installation departments within fiber option companies;
- consolidation in the contractor industry, leading to larger competitors with more expansive networks; and
- further technological advances rendering fiber optic broadband and other installation services outdated.

If we are unable to compete successfully, our business will be significantly affected.

***If we do not adapt to swift changes in the telecommunications industry, we could lose customers or market share.***

The telecommunications industry is characterized by rapidly changing technology, evolving industry standards, frequent new service introductions, shifting distribution channels, and changing customer demands. We may not be able to adequately adapt our services or acquire new services that can compete successfully. Our failure to obtain and integrate new technologies and applications could impact the breadth of our service portfolio resulting in service gaps, a less differentiated service suite and a less compelling offering to customers. We risk losing customers to our competitors if we are unable to adapt to this rapidly evolving marketplace.

In addition, the introduction of new services or technologies, as well as the further development of existing services and technologies, may reduce the cost or increase the supply of certain services similar to those that we provide. As a result, our most significant competitors in the future may be new entrants to the telecommunications industry. These new entrants may not be burdened by an installed base of outdated equipment or obsolete technology. Our future success depends, in part, on our ability to anticipate and adapt in a timely manner to technological changes. Failure to do so could have a material adverse effect on our business.

***We are subject to significant regulation that could change or otherwise impact us in an adverse manner.***

Our operations are subject to various federal, state and local laws and regulations. Further, the telecommunications component of MDT's operations operates in Belgium, Switzerland, France, Germany, Hungary, Ireland, Italy, Lebanon, Netherlands, Poland, Serbia, Spain, Sweden, Austria, Portugal, UAE as well as the UK; and, we may be subject to certain laws and regulations in each of these countries. These laws and regulations include but are not limited to:

- licensing, permitting and inspection requirements applicable to contractors, electricians and engineers;
- regulations relating to worker safety and environmental protection;
- permitting and inspection requirements applicable to construction projects;
- wage and hour regulations;
- regulations relating to transportation of equipment and materials, including licensing and permitting requirements; and
- building and electrical codes.

We believe that we have all the licenses required to conduct our operations and that we are in substantial compliance with applicable regulatory requirements. Our failure to comply with applicable regulations could result in substantial fines or revocation of our operating licenses, as well as give rise to termination or cancellation rights under our contracts or disqualify us from future bidding opportunities.

***Legislative actions and initiatives relating to telecommunications may not result in an increase in demand for our services.***

The American Recovery and Reinvestment Act of 2009 ("ARRA") originally allocated \$7.2 billion in funding to accelerate broadband deployment in rural areas of the country that have been without high-speed infrastructure. However, we cannot predict the actual benefits to us from the implementation of ARRA programs. For example, significant additional contracts resulting from investments for rural broadband deployment under the ARRA may not be awarded to us.

### **Risks Relating to the Staffing Industry**

***Our business is significantly affected by fluctuations in general economic conditions.***

The demand for our staffing services is highly dependent upon the state of the economy and upon staffing needs of our customers. Any variation in the economic condition or unemployment levels of the United States or in the economic condition of any region or

telecommunications industry in which we have a significant presence may severely reduce the demand for our services and thereby significantly decrease our revenues and profits.

***Our business is subject to extensive government regulation and a failure to comply with regulations could materially harm our business.***

Our business is subject to extensive regulation. The cost to comply, and any inability to comply, with government regulation could materially harm our business. Increased government regulation of the workplace or of the employer-employee relationship, or judicial or administrative proceedings related to such regulation, could materially harm our business.

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the “Health Care Reform Laws”) include various health-related provisions to take effect through 2014, including requiring most individuals to have health insurance and establishing new regulations on health plans. Although the Health Care Reform Laws do not mandate that employers offer health insurance, beginning in 2014 penalties will be assessed on large employers who do not offer health insurance that meets certain affordability or benefit requirements. Unless modified by regulations or subsequent legislation, providing such additional health insurance benefits to our temporary workers, or the payment of penalties if such coverage is not provided, would increase our costs. If we are unable to raise the rates we charge our customers to cover these costs, such increases in costs could materially harm our business.

***We may incur employment related and other claims that could materially harm our business.***

We employ individuals on a temporary basis and place them in our customers' workplaces. We have minimal control over our customers' workplace environments. As the employer of record of our temporary workers we incur a risk of liability for various workplace events, including claims for personal injury, wage and hour requirements, discrimination or harassment, and other actions or inactions of our temporary workers. In addition, some or all of these claims may give rise to litigation including class action litigation. Although we currently believe resolving all of these matters, individually or in the aggregate, will not have a material adverse impact on our financial statements, the litigation and other claims are subject to inherent uncertainties and our view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and can be reasonably estimated.

We cannot be certain that our insurance will be sufficient in amount or scope to cover all claims that may be asserted against us. Should the ultimate judgments or settlements exceed our insurance coverage, they could have a material effect on our business. We cannot be certain we will be able to obtain appropriate types or levels of insurance in the future, that adequate replacement policies will be available on acceptable terms, if at all, or that the companies from which we have obtained insurance will be able to pay claims we make under such policies.

***We are dependent on workers' compensation insurance coverage at commercially reasonable terms.***

We provide workers' compensation insurance for our temporary workers. Our workers' compensation insurance policies are renewed annually. We cannot be certain we will be able to obtain appropriate types or levels of insurance in the future or that adequate replacement policies will be available on acceptable terms, if at all. The loss of our workers' compensation insurance coverage would prevent us from doing business in the majority of our markets. Further, we cannot be certain that our current and former insurance carriers will be able to pay claims we make under such policies. These additional sources of capital may not be available on commercially reasonable terms, or at all.

***We operate in a highly competitive business and may be unable to retain customers or market share.***

The staffing services business is highly competitive and the barriers to entry are low. There are new competitors entering the market which may increase pricing pressures. In addition, long-term contracts form only a small portion of our revenue. Therefore, there can be no assurance that we will be able to retain customers or market share in the future. Nor can there be any assurance that we will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain our current profit margins.

***Our results of operations could materially deteriorate if we fail to attract, develop and retain qualified employees.***

Our performance is dependent on attracting and retaining qualified employees who are able to meet the needs of our customers. We believe our competitive advantage is providing unique solutions for each individual customer, which requires us to have highly trained and engaged employees. Our success depends upon our ability to attract, develop and retain a sufficient number of qualified employees, including management, sales, recruiting, service and administrative personnel. The turnover rate in the staffing industry is high, and qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply. Our inability to recruit a sufficient number of qualified individuals may delay or affect the speed of our planned growth or strategy change. Delayed expansion,

significant increases in employee turnover rates or significant increases in labor costs could have a material adverse effect on our business, financial condition and results of operations.

***We may be unable to attract and retain sufficient qualified temporary workers.***

We compete with other temporary staffing companies to meet our customer needs and we must continually attract qualified temporary workers to fill positions. We have in the past experienced worker shortages and we may experience such shortages in the future. Further, if there is a shortage of temporary workers, the cost to employ these individuals could increase. If we are unable to pass those costs through to our customers, it could materially and adversely affect our business.

### **Risks Relating to this Offering**

***One shareholder owns approximately 65.2% of our common stock providing the shareholder with the complete ability to direct the affairs of our company.***

TBK 327 Partners LLC, which is owned by Christopher Ferguson and his wife, owns approximately 65.2 % of our common stock. Under our Articles of Incorporation and Nevada law, the vote of a majority of the shares outstanding is generally required to approve most shareholder action. As a result, TBK 327 Partners LLC will be able to direct the outcome of shareholder votes for the foreseeable future, including votes concerning the election of directors, amendments to our Articles of Incorporation or proposed mergers or other significant corporate transactions.

***The Offering Price of the shares is arbitrary.***

The Offering Price of the shares has been determined arbitrarily by us and bears no relationship to the Company's assets, book value, potential earnings or any other recognized criteria of value.

***The offering price of the shares was determined based upon the price sold in our offering and should not be used as an indicator of the future market price of the securities. Therefore, the offering price bears no relationship to the actual value of the Company and may make our shares difficult to sell.***

Since our shares are not listed or quoted on any exchange or quotation system, the offering price of \$0.08 for the shares of common stock was determined by the price shares were sold to our shareholders in a private placement memorandum and is a fixed price at which the selling security holders may sell their shares until our common stock is quoted on the OTC Bulletin Board at which time the shares may be sold at prevailing market prices or privately negotiated prices. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market. The offering price bears no relationship to the book value, assets or earnings of our company or any other recognized criteria of value. The offering price should not be regarded as an indicator of the future market price of the securities.

***We may, in the future, issue additional common shares, which would reduce investors' percent of ownership and may dilute our share value.***

Our Articles of Incorporation authorizes the issuance of 100,000,000 shares of common stock, \$0.0001 par value, of which 38,337,500 shares are issued and outstanding and 10,000,000 shares of preferred stock, \$0.0001 par value, of which 100,000 shares of Series A Preferred Stock are issued and outstanding. Further, the Series A Preferred Stock are convertible into 13,750,000 shares of common stock. The future issuance of common stock may result in substantial dilution in the percentage of our common stock held by our then existing shareholders. We may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors, and might have an adverse effect on any trading market for our common stock.

***The Board of Directors, in its sole discretion, may issue preferred shares which could carry superior rights and preferences and, in turn, limiting the influence common shareholders may have on the direction of our company.***

We have authorized 10,000,000 shares of blank check preferred stock of which 100,000 shares of Series A Preferred Stock is currently outstanding. Upon issuance of any additional preferred stock in the future, the rights attached to the preferred shares could affect our ability to operate, which could force us to seek other financing. The Board of Directors may issue preferred stock without obtaining shareholder approval. Such financing may not be available on commercially reasonable terms or at all and could cause substantial dilution to existing stockholders.



***Currently, there is no public market for our securities, and we cannot assure you that any public market will ever develop and it is likely to be subject to significant price fluctuations.***

Currently, there is no public market for our stock and our stock may never be traded on any exchange, or, if traded, a public market may not materialize. Even if we are successful in developing a public market, there may not be enough liquidity in such market to enable shareholders to sell their stock.

Our common stock is unlikely to be followed by any market analysts, and there may be few or no institutions acting as market makers for the common stock. Either of these factors could adversely affect the liquidity and trading price of our common stock. Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these Risk Factors, investor perception of the Company, and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

***As our current estimated stock price is \$0.08, our Common Stock will be subject to “penny stock” rules which may be detrimental to investors.***

The SEC has adopted regulations which generally define “penny stock” to be any equity security that has a market price (as defined) of less than \$5.00 per share or an exercise price of less than \$5.00 per share. Such securities are subject to rules that impose additional sales practice requirements on broker-dealers who sell them as our current estimated stock price is \$0.08. For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchaser of such securities and have received the purchaser’s written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the transaction, of a disclosure schedule prepared by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer’s presumed control over the market. Finally, among other requirements, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. As the Shares immediately following this Offering will likely be subject to such penny stock rules, purchasers in this Offering will in all likelihood find it more difficult to sell their Shares in the secondary market.

***We have never paid a dividend on our common stock and we do not anticipate paying any in the foreseeable future.***

We have not paid a cash dividend on our common stock to date, and we do not intend to pay cash dividends in the foreseeable future. Our ability to pay dividends will depend on our ability to successfully develop one or more properties and generate revenue from operations. Notwithstanding, we will likely elect to retain earnings, if any, to finance our growth. Future dividends may also be limited by bank loan agreements or other financing instruments that we may enter into in the future. The declaration and payment of dividends will be at the discretion of our Board of Directors.

***We have not voluntarily implemented various corporate governance measures, in the absence of which, shareholders may have more limited protections against interested director transactions, conflicts of interest and similar matters.***

Recent U. S. legislation, including the Sarbanes-Oxley Act of 2002 and the Dodd Frank Wall Street Reform and Protection Act, have resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or The NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges and NASDAQ are those that address board of directors’ independence, audit committee oversight and the adoption of a code of ethics. We have not yet adopted any of these corporate governance measures and, since our securities are not listed on a national securities exchange or NASDAQ, we are not required to do so. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that may increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources.

It is possible that if we were to adopt some or all of these corporate governance measures, shareholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at

least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions. If we do adopt various corporate governance measures, our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives.



***The potential sale of 437,500 shares pursuant to this prospectus may have a depressive effect on the price and market for our common stock.***

The potential sale of 437,500 shares of common stock pursuant to this prospectus may have a depressive effect on our stock price and make it more difficult for us to raise any significant funds in the equity market if our business requires additional funding.

### **FORWARD-LOOKING STATEMENTS**

Statements in this prospectus may be “forward-looking statements.” Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this prospectus, including the risks described under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus. In addition, such statements could be affected by risks and uncertainties related to the healthcare industry as a whole, changes in regulation on the state or federal level, delays in payments from third party payors, our ability to raise any financing which we may require for our operations, our ability to make acquisitions and successfully integrate those acquisitions with our business, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this prospectus.

### **USE OF PROCEEDS**

We will not receive any proceeds from the sale by the selling shareholders of their common stock.

### **DETERMINATION OF OFFERING PRICE**

The selling shareholders will sell the shares at \$0.08 per share until our shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. The offering price was determined by the conversion price of our convertible promissory notes sold in a private offering under Rule 506 under Regulation D as promulgated under the Securities Act of 1933, as amended. There is no assurance of when, if ever, our stock will be approved for trading on the OTC Bulletin Board.

The offering price of the shares of our common stock has been determined arbitrarily by us and does not necessarily bear any relationship to our book value, assets, past operating results, financial condition or any other established criteria of value. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market. Although our common stock is not listed on a public exchange, we will be filing to obtain a listing on the OTC Bulletin Board concurrently with the filing of this prospectus. In order to be quoted on the OTC Bulletin Board, a market maker must file an application on our behalf in order to make a market for our common stock. There can be no assurance that a market maker will agree to file the necessary documents with FINRA, which operates the OTC Bulletin Board, nor can there be any assurance that such an application for quotation will be approved. In addition, there is no assurance that our common stock will trade at market prices in excess of the initial public offering price as prices for the common stock in any public market which may develop will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity.

### **DILUTION**

The common stock to be sold by the selling shareholders in this Offering is common stock that is currently issued. Accordingly, there will be no dilution to our existing shareholders.

## SELLING STOCKHOLDERS

The table below sets forth information concerning the resale of the shares of common stock by the selling stockholders. We will not receive any proceeds from the resale of the common stock by the selling stockholders.

The following table also sets forth the name of each person who is offering the resale of shares of common stock by this prospectus, the number of shares of common stock beneficially owned by each person, the number of shares of common stock that may be sold in this offering and the number of shares of common stock each person will own after the offering, assuming they sell all of the shares offered.

Name of Selling Stockholder	Common Shares Owned by the selling stockholder	Total Common Shares Registered Pursuant to this Offering	Percentage of Issued and Outstanding Shares before Offering	Number of Shares Owned by Selling Stockholder After Offering and Percent of Total Issued and Outstanding	
	(1)			# of Shares	% of Class
Leonard Banner	12,500	12,500	*	—	—
Michael Furey	12,500	12,500	*	—	—
Joseph Furey	12,500	12,500	*	—	—
Jenny LaSala	12,500	12,500	*	—	—
James LaSala	12,500	12,500	*	—	—
Allison LaSala	12,500	12,500	*	—	—
Daniel Marcote	12,500	12,500	*	—	—
Stephanie LaSala	12,500	12,500	*	—	—
Front Street Capital Inc.	12,500	12,500	*	—	—
Anthony Cairo Jr.	12,500	12,500	*	—	—
Michael Duffy	12,500	12,500	*	—	—
Amy Pittman	12,500	12,500	*	—	—
Evelyn LaGala	12,500	12,500	*	—	—
Alex Romano	12,500	12,500	*	—	—
Michael Weaver	12,500	12,500	*	—	—
Lillie Melone	12,500	12,500	*	—	—
Rebecca Helman	12,500	12,500	*	—	—
Charles Vulcano	12,500	12,500	*	—	—
Michael Vulcano	12,500	12,500	*	—	—
Mariann Vulcano	12,500	12,500	*	—	—
Michael Etra	12,500	12,500	*	—	—
Ken Etra	12,500	12,500	*	—	—
Richard Etra	12,500	12,500	*	—	—
LRY Consultants	12,500	12,500	*	—	—
Carlin Glyptis	12,500	12,500	*	—	—
Austin Berkelhammer	12,500	12,500	*	—	—
Geoffrey Byruch	12,500	12,500	*	—	—
Jonah Engler-Silberman	12,500	12,500	*	—	—
Jessica Cuculick	12,500	12,500	*	—	—
Peter Doheny	12,500	12,500	*	—	—
Daniel & Kimberly Steinberg	12,500	12,500	*	—	—
James Costaldo	12,500	12,500	*	—	—
Howard A. Hoffman	12,500	12,500	*	—	—
Nema Semnani	12,500	12,500	*	—	—
Marc Helman	12,500	12,500	*	—	—
		437,500			

(1) The number and percentage of shares beneficially owned is based on 38,337,500 shares of common stock outstanding and is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares as to which the selling stockholders

has sole or shared voting power or investment power and also any shares, which the selling stockholders has the right to acquire within 60 days.

(2) Assumes that all securities registered will be sold.

## Issuance of Shares of Common Stock to Selling Stockholders

On May 25, 2012, we sold 437,500 shares of common stock to 35 accredited investors for aggregate consideration of \$35,000 or \$0.08 per share. The issuance of the foregoing securities in this transaction described above was made in reliance upon the exemption from the registration provisions of the Securities Act set forth in Section 4(2) thereof as a transaction by an issuer not involving any public offering and/or Rule 506 under Regulation D as promulgated under the Securities Act. The respective transaction documents contain representations to support our reasonable belief that each investor is an “accredited investor” as defined in Rule 501 under the Securities Act, and that such investor is acquiring such securities for investment and not with a view to the distribution thereof. At the time of their issuance, the securities described above were deemed to be restricted securities for purposes of the Securities Act and such securities bear legends to that effect

## PLAN OF DISTRIBUTION

The selling shareholders and any of their pledgees, donees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions or by gift. These sales may be made at fixed or negotiated prices. The selling shareholders cannot predict the extent to which a market will develop or, if a market develops, what the price of our common stock will be. If a public market develops for the common stock, the selling shareholders may sell their shares of common stock in the public market based on the market price at the time of sale or at negotiated prices. Subject to the foregoing, the selling shareholders may use any one or more of the following methods when selling or otherwise transferring shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which a broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- sales to a broker-dealer as principal and the resale by the broker-dealer of the shares for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions, including gifts;
- covering short sales made after the date of this prospectus;
- pursuant to an arrangement or agreement with a broker-dealer to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method of sale permitted pursuant to applicable law.

The selling shareholders may also sell shares pursuant to Rule 144 or Rule 144A under the Securities Act, if available, rather than pursuant to this prospectus.

Broker-dealers engaged by the selling shareholders may arrange for other brokers dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. None of the other selling shareholders are affiliates of broker-dealers.

A selling shareholder may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if the selling shareholder defaults in the performance of the secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus.

In connection with the sale of our common stock or interests therein, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions which may in turn engage in short sales of our common stock in the course of hedging the positions they assume. The selling shareholders may, after the date of this prospectus, also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge their common stock to broker-dealers that in turn may sell these securities. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling shareholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus. In the event of a transfer by a selling shareholder other than a transfer pursuant to this prospectus or Rule 144 of the SEC, we may be required to amend or supplement this prospectus in order to name the transferee as a selling shareholder.

The selling shareholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. The selling shareholders have informed us that they do not have any agreement or understanding, directly or indirectly, with any person to distribute the common stock.

Because the selling shareholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act. Federal securities laws, including Regulation M, may restrict the timing of purchases and sales of our common stock by the selling shareholders and any other persons who are involved in the distribution of the shares of common stock pursuant to this prospectus.

We may be required to amend or supplement this prospectus in the event that (a) a selling shareholder transfers securities under conditions which require the purchaser or transferee to be named in the prospectus as a selling shareholder, in which case we will be required to amend or supplement this prospectus to name the selling shareholder, or (b) any one or more selling shareholders sells stock to an underwriter, in which case we will be required to amend or supplement this prospectus to name the underwriter and the method of sale.

We are required to pay all fees and expenses incident to the registration of the shares.

## **MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

### **Market for Securities**

There is presently no public market for our common stock and there has never been a market for our common stock. We anticipate applying for quotation of our common stock on the OTC Bulletin Board upon the effectiveness of the registration statement of which this prospectus forms a part. However, we cannot assure you that our shares will be quoted on the OTC Bulletin Board or, if quoted, that a public market will materialize.

A market maker sponsoring a company's securities is required to obtain a quotation of the securities on any of the public trading markets, including the OTC Bulletin Board. If we are unable to obtain a market maker for our securities, we will be unable to develop a trading market for our common stock. We may be unable to locate a market maker that will agree to sponsor our securities. Even if we do locate a market maker, there is no assurance that our securities will be able to meet the requirements for a quotation or that the securities will be accepted for quotation on the OTC Bulletin Board.

We intend to apply for quotation of the securities on the OTC Bulletin Board, but there can be no assurance that we will be able to obtain this listing. The OTC Bulletin Board securities are not quoted and traded on the floor of an organized national or regional stock exchange. Instead, OTC Bulletin Board securities transactions are conducted through a telephone and computer network connecting dealers in stocks. OTC Bulletin Board stocks are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

As of January 4, 2013, we had 38,337,500 shares of common stock issued and outstanding and approximately 38 stockholders of record of our common stock.

### **Dividend Policy**

The payment by us of dividends, if any, in the future rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and financial condition, as well as other relevant factors. We have not paid any dividends since our inception and we do not intend to pay any cash dividends in the foreseeable future, but intend to retain all earnings, if any, for use in our business.

## Equity Compensation Plan Information

As of January 4, 2013, we have not adopted an equity compensation plan under which our common stock is authorized for issuance.

## SHARES AVAILABLE FOR FUTURE SALE

As of January 4, 2013, we had 38,337,500 shares of common stock outstanding. The 437,500 shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act.

The outstanding shares of our common stock not included in this prospectus will be available for sale in the public market as follows:

### Public Float

Of our outstanding shares, 24,980,000 shares are beneficially owned by TBK327 Partners, LLC, which is owned by Christopher Ferguson, an executive officer and director, and his wife. Further, 12,490,000 shares of common stock are owned by Michael D. Traina, the former owner of MDT. The 437,500 shares, upon registration, will constitute our public float.

### Rule 144

In general, under Rule 144, as currently in effect, a person, other than an affiliate, who has beneficially owned securities for at least six months, including the holding period of prior owners is entitled to sell his or her shares without any volume limitations; an affiliate, however, can sell such number of shares within any three-month period as does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, or
- the average weekly trading volume of common stock on the OTC Bulletin Board during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 are also subject to manner-of-sale provisions, notice requirements and the availability of current public information about an issuer. In order to effect a Rule 144 sale of common stock, the transfer agent requires an opinion from legal counsel. Further, the six month holding period is applicable only to issuers who have been subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 for at least 90 days. As of January 4, 2012, no shares of our common stock are available for sale under Rule 144.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward Looking Statements

Some of the statements contained in this prospectus that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this prospectus, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

- Our ability to attract and retain management;
- Our ability to raise capital when needed and on acceptable terms and conditions;
- The intensity of competition; and
- General economic conditions.

All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

### Overview

We were incorporated in the state of Nevada on March 26, 2012. On May 31, 2012, Company issued 95.9% of its total outstanding common stock and 100% of its total outstanding preferred stock in exchange for 100% of the members' interest in Optos. Optos is a limited liability company, which was incorporated in the State of Delaware on April 15, 2008. Optos is the sole member of Focus Fiber, a limited liability company, incorporated in the State of Delaware on October 15, 2010. On January 1, 2012, Optos acquired the remaining 50% interest in CMK, a limited liability company, incorporated in the State of Delaware on December 1, 2008. CMK is the sole member of Townsend a limited liability company, incorporated in the State of Maryland on May 22, 2007. We dissolved CMK and Townsend on December 31, 2012 and transferred all assets to Jus-Com, Inc.

We are a holding company operating in the telecommunications industry which manages and develops our wholly-owned subsidiaries focused on the development of telecommunications networks, acting as a service and support provider and providing temporary and part-time staffing solutions. Through our wholly-owned subsidiary, Optos Capital Partners, LLC, a Delaware limited liability company ("Optos"), we operate the following wholly-owned entities:

- Focus Fiber formed on October 15, 2010, specializes in the design, engineering, installation, and maintenance of a telecommunications infrastructure network.

Jus-Com, Inc., an Indiana corporation ("Jus-Com"), is a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation. Jus-Com also operates as a temporary and permanent staffing agency specializing in the telecommunications market.

- MDT Labor, LLC d/b/a MDT Technical, a Delaware limited liability company ("MDT"), operates as a workforce management company providing temporary and permanent staffing services under the MDT Technical brand and as a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation under its Beacon Solutions brand.



On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent (“Atalaya”). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The commitments under the Credit Agreement are restricted by the borrowing base defined as 100% of the net collectible amount of acceptable accounts due to the Company less reserves and allowances which Atalaya deems necessary in its reasonable discretion. In the addition, the Credit Agreement is subject to various financial covenants including fixed charge coverage ratio, tangible net worth, restrictions on capital expenditures, minimum EBITDA ratio and maximum leverage ratio.

The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant ("Warrant") to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO (b) the expiration of the warrant, Atalaya may put the warrant on 60 days' notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

The Company agreed to pay Red Ridge Finance Group, LLC ("Red Ridge") in consideration for arranging and administering the credit facilities provided under the Credit Agreement a fee of \$330,000 and to reimburse Red Ridge \$44,375 for due diligence and background checks. In addition a quarterly collateral management fee of \$20,000 is due to Red Ridge.

Legal fees of \$152,500 were incurred by the Company to arrange the Credit Agreement.

On December 3, 2012, the Company made an initial notice of borrowing/disbursement request. As a result, Atalaya disbursed the entire proceeds of the \$8,000,000 term loan commitment (less an agreed-upon \$330,000 original discount to Atalaya for making the term loan) and disbursed \$3,000,000 of the revolving loan commitment.

The cash proceeds for this request were disbursed by Atalaya on behalf of the Company as follows:

- a) \$3,000,000 in connection with the acquisition of all of the issued outstanding membership interests of MDT.
- b) \$3,139,943 in connection with a Buyout Letter Agreement with Sterling National Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT.
- c) \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company.
- d) \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company.
- e) \$697,230 in connection with a Payout Statement with Metro Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT
- f) \$340,979 payment to settle all obligations due to Franklin Capital Holdings, LLC.
- g) \$154,377 payment to settle all obligations due to AGR Funding, Inc.
- h) \$152,500 payment for legal fees for the Credit Agreement.
- i) \$20,000 payment for quarterly administration fees to Atalaya.
- j) \$2,285,600 payment to the Company.

As of December 3, 2012, the revolving and term loans carry an interest rate at the greater (a) the LIBOR rate plus 12.75%. (b) 0.75% per annum plus 12.75%. The actual interest rate on the revolving and term loans at December 3, 2012 is 13.50%. The Company is required to pay a commitment fee of 0.25% per annum on the amount the revolving loan commitment exceeds the outstanding revolving loan. Interest is payable monthly in cash on term and revolving loans.

In addition, the Company is required to pay a quarterly administration fee of \$20,000 to Atalaya.

Principal on the revolving loans is due on December 3, 2014, the termination date. Principal on the term loans is due in monthly installments of \$135,000 commencing on January 1, 2013 and in full on December 3, 2014, the maturity date.

The Credit Agreement is secured by all of the assets and personal property of the Company.

The Company anticipates the Credit Agreement will be accounted for in accordance with *ASC-20 Debt with Conversion and Other Options*, *ASC 815-20 Derivatives and Hedging, Contracts in Equity's Own Equity* and *ASC 835 Interest*.

## Acquisition Strategy

With respect to its acquisition strategy, Focus intends to pursue a clearly defined telecommunications niche but may, in its discretion, pursue acquisitions outside of this niche. We selectively pursue acquisitions when we believe doing so is operationally and financially beneficial, although we do not rely solely on acquisitions for growth. In particular, we pursue those acquisitions that we believe will provide us with incremental revenue and geographic diversification while complementing our existing operations. We generally target companies for acquisition that have defensible leadership positions in their market niches, EBITDA positive which meets or exceeds industry averages, proven operating histories, sound management, and certain clearly identifiable cost synergies.

On December 3, 2012, the Company acquired all of the issued outstanding membership interests of MDT Labor, LLC, doing business as MDT Technical ("MDT"). MDT operates a services business that provides labor and human resource solutions, including temporary staffing services in the United States market. Pursuant to the Interest Purchase Agreement, a cash payment of \$3,000,000 was made by Atalaya on behalf of the Company, delivered a Promissory Term Note ("MDT Note") for \$4,000,000 and issued 12,490,000 shares of common stock of the Company valued at \$999,200 for all of the outstanding membership interests for MDT. Common stock is valued at \$0.08 per share based on the last issuance of common stock by the Company for cash. The MDT Note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the Company may pay \$1,500,000 in principal. The Company may further pay monthly scheduled principal payments of \$100,000 the following month if the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The MDT Note is secured by all fixtures and personal property of every kind and nature. The MDT Note security interest is subordinated to the security interests held by Atalaya. The Company anticipates the Business Combination will be accounted for using the acquisition method in accordance with *ASC 805, Business Combinations*.

## Results of Operations

Our revenues and results of operations can be subject to seasonal and other variations. These variations are influenced by weather, customer spending patterns, bidding seasons, project timing and schedules, and holidays.

Additionally, the telecommunication and staffing industries can be highly cyclical. As a result, our volume of business may be adversely affected by declines or delays in new projects in various geographic regions in the United States. Project schedules, particularly in connection with larger, longer-term projects, can also create fluctuations in the services provided, which may adversely affect us in a given period. The financial condition of our customers as well as their access to capital, variations in the margins of projects performed during any particular period, regional and national economic and market conditions, provided timing of acquisitions, the timing and magnitude of acquisition and integration costs associated with acquisitions and interest rate fluctuations are examples of items that may also materially affect quarterly results. Accordingly, our operating results in any particular period may not be indicative of the results that can be expected for any other period.

Gross profit is derived from subtracting costs of service from revenue. Various factors impact our margins on a quarterly or annual basis. The timing and geographical characteristics of projects, as to when they begin and when they are completed can impact margins. The mix of business conducted in different areas of the country may impact margins as certain geographical areas offer higher profit margins due to physical characteristics of where the work is performed. The mix of revenues impacts margins, as revenue derived from underground work has a lower profit margin than revenue derived from aerial construction projects.

Our customer base is highly concentrated. For the year ended December 31, 2011, one customer represented approximately 73.7% of revenues or 72.2% of outstanding receivables. For the year ended December 31, 2010, five customers represented approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. For the nine months ended September 30, 2012, two customers represented approximately 87.4% of revenues or 95.6% of the outstanding receivable balance. Our revenue may significantly decline if we were to lose one or more of our significant customers. In addition, revenues under our contracts with significant customers may vary from period-to-period depending on the timing and volume of work which those customers order or perform with their in-house service organizations. Additionally, consolidations, mergers and acquisitions in the telecommunications and staffing industries have occurred in the past and may occur in the future. The consolidation, merger or acquisition of an existing customer may result in a change in procurement strategies by the surviving entity. Reduced demand for our services or a change in procurement strategy of a significant customer could adversely affect our results of operations, cash flows and liquidity.

We and our customers continue to operate in a challenging business environment, with increasing regulatory and environmental requirements, stringent permitting processes and only gradual recovery in the economy from recessionary levels. We are closely monitoring our customers and the effect that changes in economic and market conditions have had or may have on them. Please read "Risk Factors" for additional information which may affect our financial condition, results of operations and cash flows.

## For the Three Months Ended September 30, 2012 Compared to the Three Months Ended September 30, 2011

### Consolidated Results

The following table sets forth selected unaudited statements of operations data and such data as a percentage of revenues for the three month periods as indicated:

	Three Months Ended September 30,			
	2012		2011	
Revenues	\$ 11,897,060	100.0%	\$ 3,669,433	100.0%
Cost of revenues	8,744,685	73.5%	3,255,791	88.7%
Gross profit	3,152,375	26.5%	413,642	11.3%
Salary, wages and payroll taxes	821,856	6.9%	197,005	5.4%
Selling, general and administrative	450,439	3.8%	168,017	4.6%
Travel expense	303,538	2.6%	356,465	9.7%
Occupancy costs	196,688	1.7%	56,416	1.5%
Depreciation and amortization	104,534	0.9%	27,691	0.8%
Operating income (loss)	1,275,320	10.7%	(391,952)	-10.7%
Interest expense	398,410	3.3%	935	0.0%
Gain on sale of assets	-	0.0%	-	-
Income (loss) before income taxes	876,910	7.4%	(392,887)	-10.7%
Provision for income taxes	303,321	2.5%	-	-
Income (loss) before non-controlling interest	573,589	4.8%	(392,887)	-10.7%
Less: net income (loss) attributable to non-controlling interests	-	-	4,715	0.1%
Net income (loss)	\$ 573,589	4.8%	\$ (397,602)	-10.8%

**Revenues** . Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, which once completed; the revenue for the segment is recognized and no further obligation exists. The company's construction contracts or segments of contracts typically can range from several days to two to four months. Staffing revenue is recognized as the services are performed. For the three months ended September 30, 2012, revenues increased \$8.2 million, or 224%, to \$11.9 million, primarily as a result of the number and size of projects, as compared to the three months ended September 30, 2011. In September of 2011 the Company acquired Jus-Com Inc., which contributed revenues of \$202,000 and \$88,000 for the three months ended September 30, 2012 and September 30, 2011, respectively. Revenue derived from design and permit, underground construction and materials contributed 35.6%, 29.5% and 13.5%, respectively, of the increase, from the same period of the prior year.

**Gross profit**. Cost of services, which is subtracted from revenues to obtain gross profit, consists primarily of all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, and certain employee job related lodging expenses. Gross profit increased \$2.7 million or 662% to \$3.2 million for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. As a percentage of sales gross profit was 26% for the quarter ended September 30, 2012, as compared to 11% as a percentage of sales for the quarter ended September 30, 2011. The increase is due to accounting for accrued costs in the current quarter, where revenue has been recognized and costs have not been billed. For the quarters ended September 30, 2012 and 2011 the Company had accrued cost of sales of \$5.6 million and \$0, respectively. Previously, the third quarter of 2011 absorbed the costs which were not accrued for during the first and second quarters of the prior year, which is reflected in the gross profit margin for the nine months ended September 30, 2011.

**Salary, Wages and Payroll Taxes** is compensation for the administrative staff and management and medical insurance and payroll taxes for all personnel. During the three months ended September 30, 2012, salary, wages and payroll taxes increased \$625,000 or 317%, to \$822,000, from the three months ended September 30, 2011. As a percentage of sales, salary, wages and payroll taxes was 7.0% and 5.0%, for the three months ended September 30, 2012 and 2011, respectively. The increase is due to establishment of corporate infrastructure correlating with the Company's growth.

**Selling, General and Administrative (SG&A)** expense includes auto, computer, communications, marketing, bank charges, insurance, professional fees, meals, office expense, supplies, and bad debt expense. For the three months ended September 30, 2012, SG&A

increased \$282,000 or 168%, to \$450,000, as compared to the three months ended September 30, 2011. General expenses and professional fees increased overall, in support of the Company's growth efforts.

*Travel* includes costs related to various methods of transportation, lodging, fuel, parking and tolls. Travel decreased \$53,000 or 15.0%, to \$304,000, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. As a percentage of sales, travel was 3.0% and 10.0%, respectively, for the three months ended September 30, 2012 and September 30, 2011. Due to the increasing volume of travel expenses relating to cost of services, the company has elected to categorize certain site related costs, as cost of services, which represented \$455,000 for the quarter ended September 30, 2012.

*Occupancy Costs* are represented by property related expenses, such as rent, utilities, security and general repairs and maintenance. Occupancy costs increased \$141,000 or 249%, to \$197,000, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. The increase is due to additional warehouse and office space relating to the acquisition of Jus-Com and to support its growth. As a percentage of sales, occupancy costs was 2.0% and 2.0%, respectively, for the three months ended September 30, 2012 and September 30, 2011.

*Depreciation and Amortization* increased \$77,000 for the three months ended September 30, 2012 to \$105,000 as compared to \$28,000 in the prior year. The increase is primarily attributable to an increase in capital expenditures to coincide with the Company's growth and the depreciation of the previously acquired assets for the quarter ended September 30, 2012, as compared to the three months ended September 30, 2011. Additionally, the Company amortized \$11,000 for expense related to the acquisition of Jus-Com.

*Operating income (loss)* increased \$1,667,000 or 425%, to an operating income of 1,275,000, for the three months ended September 30, 2012 as compared to loss of \$392,000 for the three months ended September 30, 2011. As a percentage of sales, operating income (loss) was 11.0 % and (11.0)%, respectively, for the three months ended September 30, 2012 and September 30, 2011. The growth of the Company's Network segment and increases in expenses to support the establishment of infrastructure is directly attributable to the increase.

*Interest Expense* increased \$397,000 to \$398,000, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. The increase is directly related to interest and fees associated with the Company's factoring lines of credit. As a percentage of sales, interest expense was 3.0% and 0.0%, respectively, for the three months ended September 30, 2012 and September 30, 2011.

*Net Income* increased \$971,000 or 244% to \$574,000, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. As a percentage of sales, net income was 5.0 % and (11.0) %, respectively, for the three months ended September 30, 2012 and September 30, 2011. The growth of the Company's network segment and fees associated with the factoring lines of credit contributed to the increase in net income.

## **Segmented Results**

The Company's operations include two reportable operating segments. These operating segments reflect the way the company manages its operations and makes business decisions. Design, engineering, installation, and maintenance of a telecommunications infrastructure network ("Network") and a temporary and permanent staffing agency specializing in the telecommunications market ("Staffing").



The following table sets forth revenues and operating income (loss) by segment for the periods indicated:

	Three Months Ended September 30, 2012		
	Network	Staffing	Combined
Net Sales	\$ 9,882,222	\$ 2,014,838	\$11,897,060
Cost of sales	6,812,425	1,932,260	8,744,685
Gross profit	3,069,797	82,578	3,152,375
Salary, wages and payroll taxes	785,988	35,868	821,856
Selling, general and administrative	436,401	14,038	450,439
Travel expenses	302,101	1,437	303,538
Occupancy costs	188,541	8,147	196,688
Depreciation and amortization	104,534	-	104,534
Net operating income	1,252,232	23,088	1,275,320
Interest (expense)	(387,291)	(11,119)	(398,410)
Income before income taxes	864,941	11,969	876,910
Provision for income taxes	303,321	-	303,321
Net income	\$ 561,620	\$ 11,969	\$ 573,589
Total assets	\$13,122,118	\$ 428,877	\$13,550,995

	Three Months Ended September 30, 2011		
	Network	Staffing	Combined
Net Sales	\$ 2,233,769	\$ 1,435,664	\$ 3,669,433
Cost of sales	1,956,311	1,299,480	3,255,791
Gross profit	277,458	136,184	413,642
Salary, wages and payroll taxes	139,912	57,093	197,005
Selling, general and administrative	147,276	20,741	168,017
Travel expenses	354,496	1,969	356,465
Occupancy costs	51,370	5,046	56,416
Depreciation and amortization	27,691	-	27,691
Net operating (loss) income	(443,287)	51,335	(391,952)
Interest (expense)	-	(935)	(935)
Gain on sale of asset	-	-	-
(Loss) income before income taxes	(443,287)	50,400	(392,887)
Income taxes	-	-	-
Net (loss) income	\$ (443,287)	\$ 50,400	\$ (392,887)
Total assets	\$ 3,274,264	\$ 588,178	\$ 3,862,442

### Network

**Revenues** . Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, which once completed; the revenue for the segment is recognized and no further obligation exists. The Company's construction contracts or segments of contracts typically can range from several days to two to four months. Network revenue increased \$7.6 million or 342%, to \$9.9 million, for the three months ended September 30, 2012, as compared to the three months ended September 30, 2011. The increase is attributable to the volume and size of the types of contracts as compared to the same quarter in the prior year, as well as the Company's acquisition of Jus-Com, Inc.

*Net Operating Income and Net Income.* For the three months ended September 30, 2012, net operating income increased \$1,696,000 or 382% to a net operating income of \$1,252,000 as compared to the three months ended September 30, 2011. Net income increased \$1,004,000 or 227%, to a net income of \$562,000. The increase in income is primarily due to the increase in revenue offset by the costs associated with the establishment of infrastructure to support the segments' growth and the interest costs relating to the Segment's factoring relationship.

### **Staffing**

*Revenues .* Staffing revenue is recognized as the services are performed. The Staffing segment increased \$579,000 or 40% to \$2,014,000, for the three months ended September 30, 2012, as compared to the three months ended September 30, 2011. The reduction in revenue is related to a customer's business closure.

*Net Operating (Loss) Income and Net (Loss) Income.* For the three months ended September 30, 2012, net operating income decreased \$28,000 or 55% to a net operating income of \$23,000 as compared net operating income of \$51,000 for the three months ended September 30, 2011. For the three months ended September 30, 2012 the Staffing segment had a net income of \$12,000 a decrease of \$38,000 or 76% as compared to the same quarter in the prior year. The decrease is attributable to a loss in revenue from the closure of a customer's business.

### **For the Nine Months Ended September 30, 2012 Compared to the Six Months Ended September 30, 2011 Consolidated Results**

The following table sets forth selected unaudited statements of operations data and such data as a percentage of revenues for the nine month periods as indicated:

	Nine Months Ended September 30,			
	2012		2011	
Revenues	\$31,557,374	100.0%	\$10,646,447	100.0%
Cost of revenues	24,433,477	77.4%	8,694,463	81.7%
Gross profit	7,123,897	22.6%	1,951,984	18.3%
Salary, wages and payroll taxes	1,930,768	6.1%	285,358	2.7%
Selling, general and administrative	1,511,306	4.8%	563,064	5.3%
Travel expense	1,109,583	3.5%	766,725	7.2%
Occupancy costs	534,697	1.7%	161,129	1.5%
Depreciation and amortization	260,038	0.8%	33,224	0.3%
Operating income (loss)	1,777,505	5.6%	142,484	1.3%
Interest expense	910,875	2.9%	12,223	0.1%
Gain on sale of assets	-	-	(171,797)	-1.6%
Income (loss) before income taxes	866,630	2.7%	302,058	2.8%
Provision for income taxes	303,321	1.0%	-	-
Income (loss) before non-controlling interest	563,309	1.8%	302,058	0
Less: net income (loss) attributable to non-controlling interests	-	-	56,001	0.5%
Net income (loss)	\$ 563,309	1.8%	\$ 246,057	2.3%

*Revenues .* Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, which once completed; the revenue for the segment is recognized and no further obligation exists. The company's construction contracts or segments of contracts typically can range from several days to two to four months. Staffing revenue is recognized as the services are performed. Staffing revenue is recognized as the services are performed. For the nine months ended September 30, 2012, revenues increased \$20.9 million, or 196%, to \$31.6 million, primarily as a result of the number and size of projects, as compared to the nine months ended September 30, 2011. Increases of materials from segments of contracts, underground construction and design and permitting represented 32.8%, 30.1% and 21.7%, respectively, of the increase from the same period of the prior year. The acquisition in September 2011 of Jus-Com, Inc., contributed revenues of 576,000 for the nine months ended September 30, 2012.



*Gross profit.* Cost of services, which is subtracted from revenues to obtain gross profit, consists primarily of all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, equipment rentals, equipment related expense, supplies, tools and repairs. Gross profit increased \$5.2 million or 265% to \$7.1 million for the nine months ended September 30, 2012 as compared \$1.5 million for the three months ended September 30, 2011. The increase in gross profit is attributable to the Company's growth and the number and size of active projects. As a percentage of sales, gross profit was 23% for the nine months ended September 30, 2012, as compared to 18% as a percentage of sales for the nine month period ending September 30, 2011. The increase is due to increases in revenue segments which earn a higher gross profit margin. For the nine months ended September 30, 2012 and 2011 the Company had accrued cost of sales of \$5.6 million and \$0, respectively.

*Salary, Wages and Payroll Taxes* is compensation for the administrative staff and management and medical insurance and payroll taxes for all personnel. During the nine months ended September 30, 2012, salary, wages and payroll taxes increased \$1.6 million or 577%, to \$1.9 million, from the nine months ended September 30, 2011. As a percentage of sales, salary, wages and payroll taxes was 6% and 3%, for the nine months ended September 30, 2012 and 2011, respectively. The increase is due to establishment of corporate infrastructure correlating with the Company's growth.

*Selling, General and Administrative (SG&A)* expense includes auto, computer, communications, marketing, bank charges, insurance, professional fees, meals, office expense, supplies, and bad debt expense. For the nine months ended September 30, 2012, SG&A increased \$948,000 or 168%, to \$1.5 million, as compared to the nine months ended September 30, 2011. Professional fees relating to the Company's initial audit, transactional related expenses and an overall increase in general expenses to support the Company's growth. As a percentage of sales, SG&A was 5% during the nine months ended September 30, 2012 as compared to 5% for the nine months ended September 30, 2011. The decrease as a percentage of sales is directly attributable to the Company's growth.

*Travel* includes costs related to various methods of transportation, lodging, fuel, parking and tolls. As the volume of construction contracts has increased certain previously categorized travel expenses such as employee on site lodging arrangements and fuel, the Company has elected for the nine months ended September 30, 2012, to categorize such expenses as cost of services, which represented \$725,000. Travel expenses as it relates to project management and administrative costs increased \$343,000 or 45%, to \$1,110,000, for the nine months ended September 30, 2012 as compared to \$767,000 for the nine months ended September 30, 2011. As a percentage of sales, travel was 4% and 7%, respectively, for the nine months ended September 30, 2012 and September 30, 2011. The Company's expansion geographically and its limited area of personnel to support such expansion, caused an increase in travel costs in supervising the additional projects.

*Occupancy Costs* are represented by property related expenses, such as rent, utilities, security and general repairs and maintenance. Occupancy costs increased \$374,000 or 232%, to \$535,000, for the nine months ended September 30, 2012 as compared to \$161,000 for the nine months ended September 30, 2011. The increase is due to additional warehouse and office space from its acquisition of Jus-Com and to support its growth. As a percentage of sales, occupancy costs was 2% and 2%, respectively, for the nine months ended September 30, 2012 and September 30, 2011.

*Depreciation and Amortization* increased \$227,000 for the nine months ended September 30, 2012 to \$260,000 as compared to \$33,000 the same period in the prior year. The increase is primarily attributable to an increase in capital expenditures to coincide with the Company's growth and the depreciation of the previously acquired assets for the nine months ended September 30, 2012, as compared to the nine months ended September 30, 2011.. Additionally, the Company had amortization of \$32,000 for expenses related to the acquisition of Jus-Com.

*Operating income* increased \$1,635,000 or 1,148%, to \$1,778,000, for the nine months ended September 30, 2012, as compared to \$142,000 for the nine months ended September 30, 2011. As a percentage of sales, operating income was 6% and 1%, respectively, for the nine months ended September 30, 2012 and September 30, 2011. The increase can be attributed to the additional expenses relating to the growth of the Network segment.

*Interest Expense* increased \$898,000 to \$911,000, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The increase is directly related to interest and fees associated with the Company's factoring lines of credit. As a percentage of sales, interest expense was 3% and 0%, respectively, for the nine months ended September 30, 2012 and September 30, 2011.

*Gain on sale of assets.* For the nine months ended September 30, 2012 and 2011, the Company realized a gain from the sale of certain customer lists and contracts of \$0 and \$172,000, respectively. During the nine months ended September 30, 2011, the gain on the sale of assets of \$172,000 was recorded in the staffing segment. The gain on the sale of assets is a result of the Company entering into an Asset

Sale and Purchase Agreement to sell customer lists and contracts on January 19, 2011. The assets sold comprise of customers lists and contacts for an employee staffing business. The Company received total proceeds of \$239,000 which comprise cash of \$16,000, accounts receivable of \$3,000 and forgiveness of account payable of \$219,000. As a result, the Company recorded a gain on sale of assets of \$172,000 in the consolidated statement of operations.

*Net Income* increased \$317,000 or 129%, to a net income of \$563,000, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. As a percentage of sales, net income was 2 % and 2%, respectively, for the nine months ended September 30, 2012 and September 30, 2011. The growth of the Company's network segment and fees associated with the factoring lines of credit contributed to the decrease in net income.

## Segmented Results

The Company's operations include two reportable operating segments. These operating segments reflect the way the company manages its operations and makes business decisions. Design, engineering, installation, and maintenance of a telecommunications infrastructure network ("Network") and a temporary and permanent staffing agency specializing in the telecommunications market ("Staffing").

The following table sets forth revenues and operating income (loss) by segment for the periods indicated:

	Nine Months Ended September 30, 2012		
	Network	Staffing	Combined
Net Sales	\$26,177,685	\$ 5,379,689	\$31,557,374
Cost of sales	19,287,636	5,145,841	24,433,477
Gross profit	6,890,049	233,848	7,123,897
Salary, wages and payroll taxes	1,806,060	124,708	1,930,768
Selling, general and administrative	1,453,763	57,543	1,511,306
Travel expenses	1,102,927	6,656	1,109,583
Occupancy costs	514,181	20,516	534,697
Depreciation and amortization	260,038	-	260,038
Net operating income	1,753,080	24,425	1,777,505
Interest (expense)	(870,590)	(40,285)	(910,875)
Income (loss) before income taxes	882,490	(15,860)	866,630
Provision for income taxes	303,321	-	303,321
Net income (loss)	\$ 579,169	\$ (15,860)	\$ 563,309

Total assets	\$13,122,118	\$ 428,877	\$13,550,995
--------------	--------------	------------	--------------

	Nine Months Ended September 30, 2011		
	Network	Staffing	Combined
Net Sales	\$ 7,032,623	\$ 3,613,824	\$10,646,447
Cost of sales	5,420,488	3,273,975	8,694,463
Gross profit	1,612,135	339,849	1,951,984
Salary, wages and payroll taxes	214,896	70,462	285,358
Selling, general and administrative	452,926	110,138	563,064
Travel expenses	759,284	7,441	766,725
Occupancy costs	147,108	14,021	161,129
Depreciation and amortization	33,224	-	33,224
Net operating income	4,697	137,787	142,484
Interest (expense)	(9,007)	(3,216)	(12,223)
Gain on sale of asset	171,797	-	171,797
Income before income taxes	167,487	134,571	302,058
Income taxes	-	-	-
Net income	\$ 167,487	\$ 134,571	\$ 302,058
Total assets	\$ 3,274,263	\$ 588,178	\$ 3,862,441

## Network

**Revenues** . Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. Network revenue increased \$19.1 million or 272.0%, to \$26.2 million, for the nine months ended September 30, 2012, as compared to the nine months ended September 30, 2011. The increase is attributable to the volume and size of the types of contracts as compared to the same period in the prior year. Increases of underground construction represented 33% and revenue derived from an increase in materials for segments or contracts, represented 36% of the increase from the same period of the prior year. The acquisition in September 2011 of Jus-Com, Inc., contributed revenues of \$576,000 for the nine months ended September 30, 2012.

**Net Operating Income and Net Income**. For the nine months ended September 30, 2012, net operating income increased \$1,748 to \$1,753,000 as compared to the nine months ended September 30, 2011. Net income increased \$411,000 or 246%, to \$167,000. The growth of the Company's network segment offset from the fees associated with the factoring lines of credit contributed to the increase in net income.

## Staffing

**Revenues** . Staffing revenue is recognized as the services are performed. The Staffing segment increased \$1,766,000 or 49% to \$5.4 million, for the nine months ended September 30, 2012, as compared to the nine months ended September 30, 2011. The increase is attributable to changing mixture of the Staffing segment's customer base.

**Net Operating (Loss) Income and Net (Loss) Income**. For the nine months ended September 30, 2012, net operating income decreased \$113,000 or 82% to a net operating income of \$24,000 as compared net operating income of \$138,000 for the nine months ended September 30, 2011. For the nine months ended September 30, 2012, the Staffing segment had a net loss of \$16,000 a decrease of \$150,000 or 112% as compared to the same period in the prior year. The decrease is attributable to the gain from the sale of customer lists and contracts for the nine months ended September 30, 2011. During the nine months ended September 30, 2011, the gain on the sale of assets of \$172,000 was recorded in the staffing segment. The gain on the sale of assets is a result of the Staffing segment entering into an Asset Sale and Purchase Agreement to sell customer lists and contracts on January 19, 2011. The assets sold comprised of customer's lists and contacts for an employee staffing business. The Company received total proceeds of \$239,000 which comprise cash of \$16,000, accounts receivable of \$3,000 and forgiveness of account payable of \$219,000. As a result, the Company recorded a gain on sale of assets of \$172,000 in the consolidated statement of operations for the nine month's ended September 30, 2011.

## Fiscal Year Ended December 31, 2011 Compared to Fiscal Year Ended December 31, 2010

### Consolidated Results

The following table sets forth selected statements of operations data and such data as a percentage of revenues for the years indicated:

	Year Ended December 31,			
	2011		2010	
Revenues	\$ 15,297,926	100.0%	\$ 6,119,571	100.0%
Cost of revenues	11,140,884	72.8	5,522,651	90.2
Gross profit	4,157,043	27.2	596,920	9.8
Salary and wages	1,103,817	7.2	147,127	2.4
Selling, general and administrative	923,027	6.0	557,062	9.1
Travel expense	1,217,135	8.0	129,801	2.1
Occupancy costs	257,288	1.7	99,787	1.6
Depreciation and amortization	97,400	0.6	-	0.0
Operating income (loss)	558,376	3.7	(336,857)	(5.5)
Interest expense	113,431	0.7	18,284	0.3
Gain on sale of assets	(171,797)	(1.1)	—	(4.8)
Net income (loss) before non-controlling interest	616,742	4.0	(355,141)	(5.8)
Less: net income attributable to non-controlling interest	(48,270)	(0.3)	33,184	0.5
Net income	\$ 568,472	3.7	\$ (321,957)	(5.3)

*Revenues.* Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. Staffing revenue is recognized as the services are performed. For the year ended December 31, 2011, revenues increased \$9.2 million, or 150.0%, to \$15.3 million, primarily as a result of the additional revenue derived from the Network segment, as compared to the year ended December 31, 2010.



*Gross profit.* Cost of services, which is subtracted from revenues to obtain gross profit, consists primarily of all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, equipment rentals, equipment related expense, supplies, tools and repairs. Gross profit increased \$3.6 million or 596.4% to \$4.2 million for the year ended December 31, 2011 as compared to the year ended December 31, 2010. As a percentage of sales, gross profit was 27.2% for the year ended December 31, 2011, as compared to 9.8% as a percentage of sales, for the year ended December 31, 2010. The increase is due to the increase in the number of contracts awarded in the Network segment, which has a higher profit margin, as compared to the year ended December 31, 2010.

*Salary, Wages and Payroll Taxes* consists of compensation for the administrative staff and management, and medical insurance and payroll taxes for all personnel. During the year ended December 31, 2011, salary, wages and payroll taxes increased \$957,000 or 650.2%, to \$1.1 million, from the year ended December 31, 2010. As a percentage of sales, salary, wages and payroll taxes was 7.2% and 2.4%, for the year ended December 31, 2010. The increase is due to additional employees and related payroll taxes and benefits to support the Company's growth of its Network segment.

*Selling, General and Administrative (SG&A)* expense includes auto, computer, communications, marketing, bank charges, insurance, professional fees, meals, office expense, supplies, and bad debt expense. For the year ended December 31, 2011, SG&A increased \$366,000 or 65.7%, to \$923,000, as compared to the year ended December 31, 2010. As a percentage of sales, SG&A was 6.0% during the year ended December 31, 2011 and 9.1% for the year ended December 31, 2010. The increase in SG&A is a result of the additional expenses related to the growth and expansion of the Network segment.

*Travel* includes costs related to various methods of transportation, lodging, fuel, parking and tolls. Travel increased \$1.1 million or 837.7%, to \$1.2 million, for the year ended December 31, 2011 as compared to the year ended December 31, 2010. As a percentage of sales, travel was 8.0% and 2.1%, respectively, for the year ended December 31, 2011 and December 31, 2010. The increase in travel is directly related to the increase in fuel and associated costs used as a result of the increase in revenue.

*Occupancy Costs* are represented by property related expenses, such as rent, utilities, security and general repairs and maintenance. Occupancy costs increased \$158,000 or 157.8%, to \$257,000, for the year ended December 31, 2011 as compared to the year ended December 31, 2010. As a percentage of sales, occupancy costs was 1.7% and 1.6%, respectively, for the year ended December 31, 2011 and December 31, 2010. The acquisition of Jus-Com and expansion of the Network segment increased occupancy costs by adding additional warehouse and office space.

*Depreciation and Amortization* increased \$97,000, for the year ended December 31, 2011 as compared to \$0 for the year ended December 31, 2010. The Company added \$1.3 million in capital expenditures, of which \$86,000 was depreciation expense and \$11,000 was amortization of intangible asset related to the acquisition of Jus-Com.

*Operating income (loss)* increased \$895,000 or 265.8%%, to \$558,000, for the year ended December 31, 2011 as compared to a net operating loss of \$337,000, for the year ended December 31, 2010. The increase in operating income is a result of the increase in the number and size of contracts awarded in the Network segment. As a percentage of sales, operating income (loss) was 3.7% and (5.5)%, respectively, for the year ended December 31, 2011 and December 31, 2010.

*Interest Expense* increased \$95,000 or 520.4%, to \$113,000, for the year ended December 31, 2011 as compared to the year ended December 31, 2010. The increase is due to the addition of factoring lines of credit in 2011 and its related fees. As a percentage of sales, interest expense was 0.7% and 0.3%, respectively, for the year ended December 31, 2011 and December 31, 2010.

*Gain on Sale of Assets.* For the year ended December 31, 2011, the Company realized a gain from the sale of certain customer lists and contracts of \$172,000.

*Net Income (Loss)* increased \$890,000 or 276.6%, to \$568,000, for the year ended December 31, 2011 as compared to a net loss of \$322,000, for the year ended December 31, 2010. The increase in net income is primarily a result of the additional revenue derived from the Network segment. As a percentage of sales, net income was 3.7% and 5.3%, respectively, for the year ended December 31, 2011 and December 31, 2010.

## **Segmented Results**

The Company's operations include two reportable operating segments. These operating segments reflect the way the company manages its operations and makes business decisions. Design, engineering, installation, and maintenance of a telecommunications infrastructure network ("Network") and a temporary and permanent staffing agency specializing in the telecommunications market ("Staffing").

The following table sets forth revenues and operating income (loss) by segment for the periods indicated:

	For the Year Ended December 31, 2011				
	Network		Staffing		Consolidated
Revenues	\$12,508,683	100.0%	\$ 2,789,243	100.0%	\$ 15,297,926
Cost of revenues	8,775,122	70.2	2,365,762	84.8	11,140,884
Gross profit	3,733,561	29.8	423,482	15.2	4,157,043
Salary, wages and payroll taxes	985,523	7.9	118,293	4.2	1,103,817
Selling, general and administrative	727,310	5.8	195,717	7.0	923,027
Travel expense	1,202,839	9.6	14,296	0.5	1,217,135
Occupancy costs	239,113	1.9	18,174	0.7	257,288
Depreciation and amortization	97,400	0.8	—	-	97,400
Operating income	481,376	3.8	77,001	2.8	558,377
Interest (expense)	(79,699)	(0.6)	(33,732)	(1.2)	(113,431)
Gain on sale of assets	-	-	171,797	6.2	171,797
Net income	\$ 401,677	3.2%	\$ 215,065	7.7%	\$ 616,742

	For the Year Ended December 31, 2010				
	Network		Staffing		Consolidated
Revenues	\$ 1,714,506	100.0%	\$ 4,405,065	100.0%	\$ 6,119,571
Cost of revenues	1,680,645	98.0	3,842,006	87.2	5,522,651
Gross profit	33,861	2.0	563,059	12.8	596,920
Salary, wages and payroll taxes	9,966	0.6	137,162	3.1	147,127
Selling, general and administrative	113,878	6.6	443,184	10.1	557,062
Travel expense	73,848	4.3	55,953	1.3	129,801
Occupancy costs	17,566	1.0	82,221	1.9	99,787
Operating loss	(181,397)	(10.6)	(155,461)	(3.5)	(336,857)
Interest (expense)	-	-	(18,284)	(0.4)	(18,284)
Net loss	\$ (181,397)	(10.6)%	\$ (173,744)	(3.9)%	\$ (355,141)

### Network

**Revenues.** Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. Staffing revenue is recognized as the services are performed. Network revenue increased \$10.8 million or 629.6%, to \$12.5 million, for the year ended December 31, 2011, as compared to the year ended December 31, 2010. The increase is attributable to annualized revenue in 2011, as compared to the initial three months of operations from October thru December 2010 for the Network segment.

**Net Operating Income and Net Income.** For the year ended December 31, 2011, net operating income increased \$663,000 to \$481,000 as compared to a net operating loss of \$181,000 for the year ended December 31, 2010. Net income increased \$583,000 or 321.4%, to \$402,000, as compared to a net loss of \$181,000 for the year ended December 31, 2010. The increase in net operating and net income is due to results of a full year as compared to results of three months for the year ended December 31, 2010.

### Staffing

**Revenues .** Staffing revenue is recognized as the services are performed. The Staffing segment decreased \$1.6 million or 36.5% to \$2.8 million, for the year ended December 31, 2011, as compared to the year ended December 31, 2010. The reduction in revenue is related to the sale of certain contracts and customer lists.

**Net Operating (Loss) Income and Net (Loss) Income.** For the year ended December 31, 2011, net operating income increased \$232,000 to \$77,000 as compared net operating loss of \$155,000 for the year ended December 31, 2010. For the year ended December 31, 2011 the Staffing segment had net income of \$215,000 an increase of \$389,000 or 223.8% as compared to the year ended December 31, 2010. The increase is attributable to the gain from the sales of customer lists and contracts for an employee staffing business for the year ended December 31, 2011. The Company received total proceeds of \$239,000 which comprise cash of \$16,000, accounts receivable of

\$3,000 and forgiveness of account payable of \$219,000. As a result, the Company recorded a gain on sale of assets of \$172,000 in the consolidated statement of operations.

## Liquidity And Capital Resources

### *Operating Activities*

Cash flow from operations is primarily influenced by demand for our services, operating margins and the type of services we provide, but can also be influenced by working capital needs, in particular on larger projects, due to the timing of collection of receivables.

Net cash provided by operating activities was \$2.7 million, during the nine months ended September 30, 2012 as compared to \$8,000 net cash provided, during the nine months ended September 30, 2011. The difference was attributable to an increase in accounts receivable of \$7.0 million, offset by an increase in accrued costs of 5.6 million, increase in deferred revenue of \$1.3 million and by an increase in accounts payable of \$1.4 million, for the nine months of 2012 as compared to the first nine months of 2011. Since we possess a significant amount of accounts receivable and if we are unable to collect account receivables in a timely manner or at all our cash flow and profitability will be negatively impacted. The increase in revenue as a result of the Company's growth efforts, contributed to the increase in net cash provided by operating activities.

We used net cash in operating activities of \$1.6 million for the year ended December 31, 2011, as compared to net cash provided of \$194,000, for the year ended December 31, 2010. The increase is comprised of \$2.6 million in accounts receivable and \$245,000 for security deposits, offset by an increase net income of \$568,000.

### *Investing Activities*

During the nine months ended September 30, 2012, we used net cash in investing activities of \$633,000 as compared to \$327,000 in the nine months ended September 30, 2011. The increase in net cash used in investing activities is due to the purchase of machinery, equipment and vehicles used in its telecommunication network.

For the year ended December 31, 2011, we used \$472,000 in net cash for investing activities, as compared to \$0, for the year ended December 31, 2010. Investing activities in the year ended 2011, included \$380,000 used for capital expenditures, partially offset by \$22,000 of proceeds from the sale of customer lists and the acquisition of Jus-Com Inc. Additionally, investing activities included \$114,000 used in a distribution to a former shareholder connected with the Jus-Com acquisition.

### *Financing Activities*

During the nine months ended September 30, 2012, cash used in financing activities was \$1.7 million as compared to net cash provided by financing activities of \$93,000 for the nine months ended September 30, 2011. Financing activities in the first nine months of 2012 included net advances on the factoring credit facilities of \$484,000 and \$36,000 for issuance of stock for cash, offset by payments for capital leases for machinery and equipment of \$247,000, payments of notes payable of \$60,000 and payments on notes payable related party of \$947,000.

Net Cash provided by financing activities for the year ended December 31, 2011 was \$1.9 million, compared to \$56,000 for the year ended December 31, 2010. The increase in net cash provided for financing activities is attributable to net advances on the factoring credit facilities of \$2.3 million, advances from notes payable related party of \$136,000 offset by payments on capital lease obligations of \$148,000, payments of notes payable of \$22,000 and draws by members of \$292,000.

### *Debt Instruments*

#### Factoring Lines of Credit

On July 7, 2011, the Company entered into an agreement with a factoring corporation, AGR Funding, Inc. ("AGR"). Under the terms of the agreement, the Company receives up to 85% of the purchase price up front, at the discretion of AGR, to a maximum aggregate amount of \$1,000,000. The term of the agreement is two years from the initial purchase date of July 26, 2011.

An initial fee is payable to AGR based on the dollar volume of weekly purchases as follows: (i) 1.40% - Up to \$49,999 (ii) 1.20% - \$50,000 to \$99,999 (iii) 1.10% - \$100,000 and above.

In addition, in the event that any receivable purchased by AGR is not paid within 30 days after the payment of the initial advance amount, the Company is required to pay AGR a daily percentage finance charge equal to the percentage, set forth below opposite the initial fee

which applied to the receivable, subject to adjustment from time to time by AGR (i) Daily percentage - 0.0467%, Initial fee -1.40% (ii) Daily percentage - 0.0400%, Initial fee -1.20% (iii) Daily percentage - 0.0367%, Initial fee -1.10%.

Advances to the Company are with recourse and are secured by all assets of the Company and a priority interest in all purchased receivables.

The factoring line of credit has been treated as a secured financing arrangement. As of December 31, 2011 under the agreement with AGR, the Company had factored receivables in the amount of \$350,000 and recorded a liability of \$296,000 and a receivable for collected receivables due the Company of \$15,000. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying consolidated statements of operations as interest expense. For the nine months ended September 30, 2012, the Company recorded a liability of \$223,000, factored receivables of \$178,000 and interest expense of \$14,000, relating to the factoring arrangement. For the years ended December 31, 2011 and 2010, interest expense related to the factoring arrangement was \$23,000 and \$0, respectively.

On October 18, 2011, the Company entered into an agreement with a factoring corporation, Franklin Capital Holdings, LLC ("FCH"). Under the terms of the agreement, the Company receives up to 80% of the purchase price up front, at the discretion of FCH, to a maximum aggregate amount of \$2,000,000. The term of the agreement is two years and is renewable for 2 years, unless terminated by the Company. The Company must give FCH not less than 90 days written notice prior to the expiration of the initial period or renewal period. The notice becomes effective on the expiration of the initial period or renewal period which means the 90 day period shall not commence to run until the expiration date.

A discount fee of 1.5% is payable for the gross amount of accounts purchased in a 30 day period, plus 0.05% for each additional day, provided that the minimum invoice fee is \$25. For the 3 months of the initial period or subsequent 3 month periods, as applicable, the minimum discount fee paid by the Company is the greater of (i) \$30,000 (ii) 1.5% of the Company gross sales of invoices to FCH for the preceding 3 months or (iii) 1.5% of the Company average gross quarterly sales of invoices to FCH for the preceding 12 months.

In addition, an advance payment fee is charged to the Company for the number of days that advances are made prior to the payment date and for the number of days invoices are outstanding, calculated at a floating nominal rate equal to prime rate plus 1.5%, compounded monthly.

Advances to the Company are with recourse and shareholders have provided a personal guarantee.

The factoring line of credit has been treated as a secured financing arrangement. For the nine months ended September 30, 2012, the Company recorded a liability of \$2,877,000, factored receivables of \$5.1 million and interest expense of \$198,000, relating to the factoring arrangement. As of December 31, 2011 under the agreement with FCH, the Company had factored receivables in the amount of \$2,850,000 and recorded a liability of \$1,900,000. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying consolidated statements of operations as interest expense. For the years ended December 31, 2011 and 2010, interest expense related to the factoring arrangement was \$36,000 and \$0, respectively.

On December 3, 2012, the Company under the terms of its credit agreement with Atalaya Administrative, LLC (see Credit Agreement below) arranged to pay off all the outstanding obligations; including all principal, accrued and unpaid interest, fees, costs and prepayment penalties of \$340,977 and \$154,377 with FCH and AGR, respectively.

#### Credit Agreement

On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent ("Atalaya"). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The commitments under the Credit Agreement are restricted by the borrowing base defined as 100% of the net collectible amount of acceptable accounts due to the Company less reserves and allowances which Atalaya deems necessary in its reasonable discretion. In the addition, the Credit Agreement is subject to various financial covenants including fixed charge coverage ratio, tangible net worth, restrictions on capital expenditures, minimum EBITDA ratio and maximum leverage ratio.

The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant ("Warrant") to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO (b) the expiration of the warrant, Atalaya may put the warrant on 60 days' notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity

Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

On December 3, 2012, the Company made an initial notice of borrowing/disbursement request. As a result, Atalaya disbursed the entire proceeds of the \$8,000,000 term loan commitment (less an agreed-upon \$330,000 original discount to Atalaya for making the term loan) and disbursed \$3,000,000 of the revolving loan commitment.

The cash proceeds for this request were disbursed by Atalaya on behalf of the Company as follows:

- a) \$3,000,000 in connection with the acquisition of all of the issued outstanding membership interests of MDT.

- b) \$3,139,943 Buyout Letter Agreement with Sterling National Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT.
- c) \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company.
- d) \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company.
- e) \$697,230 Payout Statement with Metro Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT.
- f) \$340,979 payment to settle all obligations due to Franklin Capital Holdings, LLC.
- g) \$154,377 payment to settle all obligations due to AGR Funding, Inc.
- h) \$152,500 payment for legal fees for the Credit Agreement.
- i) \$20,000 payment for quarterly administration fees to Atalaya.
- j) \$2,285,600 payment to the Company.

As of December 3, 2012, the revolving and term loans carry an interest rate at the greater (a) the LIBOR rate plus 12.75%. (b) 0.75% per annum plus 12.75%. The actual interest rate on the revolving and term loans at December 3, 2012 is 13.50%. The Company is required to pay a commitment fee of 0.25% per annum on the amount the revolving loan commitment exceeds the outstanding revolving loan. Interest is payable monthly in cash on term and revolving loans.

Principal on the revolving loans is due on December 3, 2014, the termination date. Principal on the term loans is due in monthly installments of \$135,000 commencing on January 1, 2013 and in full on December 3, 2014, the maturity date.

The Credit Agreement is secured by all of the assets and personal property of the Company.

#### *Future Liquidity*

We anticipate that our cash on hand, existing availability under our new Credit Agreement entered into by the Company on December 3, 2012 and our future cash flows from operations will provide sufficient funds to enable us to meet our future operating needs and facilitate our ability to grow in the foreseeable future.

Our cash flow is significantly impacted by our overall profitability and our ability to collect our customers' accounts receivable on a timely basis. To the extent that our business with a small group of customers represents a significant portion of our revenue, a delay in receiving payment could materially adversely affect the availability of cash to fund operations, thereby increasing our reliance on borrowings.

Our new Credit Agreement provides the Company with an \$8,500,000 revolving loan which terminates in December 2014 and a \$8,000,000 term loan which matures in December 2014. Our ability to borrow under the revolving loan depends on the amount of eligible accounts receivable from our customers and there are limitations on the concentration of these accounts with a single customer. In addition, Atalaya retain certain reserves against otherwise available borrowing capacity. Our Credit Agreement require us to comply with certain financial and other covenants, including limitations on our ability to make capital expenditures, incur additional indebtedness, repurchase outstanding common shares, create liens, acquire, sell or dispose of certain assets, engage in certain mergers and acquisitions, pay dividends and make certain restricted payments. These limitations may affect our liquidity and limit our ability to make capital expenditures. In addition, our failure to adhere to the financial and other covenants could give rise to a default under our Credit Agreement. There can be no assurances that we will be able to meet the financial and other covenants in our Credit Agreement or, in the event of non-compliance, that we will be able to obtain waivers or amendments from Atalaya.

To the extent that our existing capital resources are insufficient to meet our capital requirements, we would have to raise additional funds. There can be no assurance that additional funding, if necessary, would be available on favorable terms, if at all.

#### *Off-Balance Sheet Transactions*

The Company does not have any off-balance sheet transactions.

#### *Contractual Obligations*



Capital Lease Obligations. The Company leases certain heavy equipment and vehicles that are classified as capital leases. The cost of heavy equipment and vehicles under capital lease is included in the consolidated and combined balance sheets as property and equipment and is recorded at \$165,000 and \$0 at September 30, 2012 and 2011, respectively and \$706,000 and \$0 at December 31, 2011 and 2010, respectively. Accumulated depreciation of the leased equipment is recorded at \$32,000 and \$0 at September 30, 2012 and 2011, respectively and \$46,000 and \$0 at December 31, 2011 and 2010, respectively.

As of September 30, 2012, our future capital lease obligations are as follows:

Year Ending	September 30,	December 31,
2012	\$ 67,420	\$ 624,864
2013	—	36,252
2014	—	—
2015	—	—
Total minimum lease payments	67,420	661,116
Less: amount representing future interest	—	(103,160)
Present value of minimum lease payments	67,420	557,956
Less: current portion	(67,420)	(524,965)
Long-term capital lease obligations	\$ —	\$ 32,991

For the nine months ended September 30, 2012, capital lease obligations were \$67,420 and for the year ended December 31, 2011, \$560,000. The current portion of capital leases for the nine months ended September 30, 2012 was \$67,420 and for the year ended December 31, 2011, \$525,000. The Company recorded interest expense of \$48,600 and \$38,000, for the nine months ended September 30, 2012 and for the year ended December 31, 2011, respectively, related to capital lease obligations.

Property Lease Obligations. On January 25, 2011, the Company entered into a twelve month lease for its 16,800 square foot office space located in Allentown, Pennsylvania. The lease required a \$4,200 security deposit and provides for monthly payments of \$7,000, which is comprised of base rent of \$4,200, operating expense of \$1,600 and tax expense of \$1,400. The lease provides for a twelve month renewal period at the expiration to the lease period. On March 1, 2012, the Company amended the lease agreement for twelve months for monthly payments of \$7,900, which is comprised of base rent of \$4,900, operating expense of \$1,600 and tax expense of \$1,400.

For the nine months ended September 30, 2012, the Company leases several warehouses and office spaces at various locations:

Location:	Square Footage	Lease End Date	Monthly Obligation
Nazareth, PA	1,200	3/31/2013	\$ 1,750
Tempe, AZ	9,745	2/21/2014	5,125
Indianapolis, IN	29,000	8/31/2013	4,500
San Diego, CA	* 3,729	12/31/2012	3,355
Denver, CO	400	5/31/2013	2,390
Palmetto, GA	* 12,500	10/31/2012	3,000
Richmond, VA	13,600	5/1/2014	5,600
Anoka, MN	9,900	2/28/2013	5,000
Grand Prairie, TX	1,200	7/31/2013	650
Houston, TX	150	1/31/2013	742
Las Vegas, NV	5,371	9/30/2013	3,800
Naples, FL	2,800	10/31/2013	4,653
Dallas, TX	3,385	6/30/2013	2,500
Phoenix, AZ	43,560	3/31/2013	2,360
Rio Verde, AZ	1,723	1/31/2013	1,200
Springtown, PA	1,200	8/31/2013	\$ 1,550

\* Lease is on a month to month basis.

The remaining aggregate lease payments under the operating lease for the facilities as of September 30, 2012 are as follows:

2012	\$171,881
2013	363,520
2014	74,069
2015	40,040
2016	10,010
	<u>\$659,520</u>



Rental expense, resulting from property lease agreements, for the nine months ended September 30, 2012 was \$408,556. For the years ended December 31, 2011 and 2010 was \$197,000 and \$86,000, respectively.

#### *Concentration of Credit Risk*

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company places its cash with financial institutions with high-credit ratings. The Company is subject to risk of non-payment of its trade accounts receivable. For the nine months ended September 30, 2012, two customers represented 87.4% of the revenues or 95.6% of the outstanding receivable. For the year ended December 31, 2011, one customer represented approximately 73.7% of revenues or 74.2% of outstanding receivables. For the year ended December 31, 2010, five customers represent approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. Management continually monitors its credit terms with customers to reduce credit risk exposure.

Should we be unable to collect our account receivables in a timely manner or at all our cash flow and profitability will be negatively impacted, which such risk is heightened during unstable economic periods. We extend credit to our customers as a result of performing work under contract prior to billing our customers for that work. These customers include telephone companies, cable television multiple system operators and others. We had accounts receivable of approximately \$ 4.0 million at December 31, 2011 and \$8.8 million at September 30, 2012, of which 93.6% was representative of three customers. We periodically assess the credit risk of our customers and continuously monitor the timeliness of payments. Slowdowns in the industries we serve may impair the financial condition of one or more of our customers and hinder their ability to pay us on a timely basis or at all. Further bankruptcies or financial difficulties within the telecommunications sector could hinder the ability of our customers to pay us on a timely basis or at all, reducing our cash flows and adversely impacting our liquidity and profitability. Additionally, we could incur losses in excess of current bad debt allowances.

#### *Litigation and Claims*

The Company is involved in litigation claims arising in the ordinary course of business. Legal fees and other costs associated with such actions are expensed as incurred. In addition, the Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and contingencies. The Company reserves for costs relating to these matters when a loss is probable and the amount can be reasonably estimated. The Company believes that the ultimate disposition of these matters will not have a material effect on its financial position, results of operations or cash flows. However, the amount of future reserves required associated with these claims, if any, cannot be determined with certainty.

#### *Related Party Transactions*

In the normal course of business we enter into transactions from time to time with related parties. Some of the transactions take the form of equipment rental agreements and property lease agreements.

Certain payments have been made on behalf of related parties which are classified on the Company's balance sheet as current assets, Due from-related party. Mr. Ferguson, the Company's CEO, President and sole member of the Board, is a managing member of TBK327 Partners LLC, ("TBK"), which had outstanding receivables for the nine months, ended September 30, 2012 of \$225 and \$34,000 for the year ended December 31, 2011. Subsequently, the Company has received payment in full for its receivables on behalf of TBK.

Prior owner of a certain acquired company had a receivable of \$0 outstanding for the nine months ended September 30, 2012 and \$1,900 outstanding as of the year ended December 31, 2011. Total due from-related party for the nine months ended September 30, 2012 was \$0 and \$35,000 for the year ended December 31, 2011. Subsequently, the obligation has been applied as a reduction to the respective related party notes payable of \$100,000.

On January 1, 2012, the Company entered into a stock purchase agreement to acquire 100% of the outstanding stock of Jus-Com Inc. from TBK, of which Mr. Ferguson is a managing member, for approximately \$126,000. At the time of purchase, Jus-Com had an outstanding note payable to TBK, which was assumed as part of the agreement. On July 5, 2012, Optos paid the balance of the note payable of \$136,000 and accrued interest of \$11,000 for a total of \$147,000. For the nine months ended September 30, 2012 and the year ended December 31, 2011, the balance was \$0 and 136,000, respectively.

On January 1, 2012, the Company issued to the former Optos Members, a Promissory Note, in the principal amount of \$1,600,000, for contributions in excess of \$1 million and personal guarantees to secure approximately \$3 million in financing. Mr. Ferguson and his spouse, Lelainya Ferguson are the former Optos members. The note required an initial principal payment of \$700,000, due on or before June 1, 2012, which was subsequently paid on May 17, 2012. Monthly principal payments of \$30,000 for 30 months are due following

the initial payment in the 37<sup>th</sup> month; accrued interest calculated on the outstanding principal at 6% per annum is due in a balloon payment of \$101,750.

On December 3, 2012, the Company paid \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company.

On December 3, 2012, Atalaya disbursed on behalf of the Company \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company.

On December 3, 2012, the Company disbursed in cash \$93,069 to pay in full the outstanding principal and interest for a note payable to a related party, Oilmatic Services, previously a 50% owner of CMK Resources Group, LLC.

On December 3, 2012, the Company disbursed in cash \$72,660 to pay in full the outstanding principal and interest for a note payable to a related party, Brian Jennings, a brother of the principal of Oilmatic Services.

### **Emerging Growth Company**

The JOBS Act provides that, so long as a company qualifies as an “emerging growth company,” it will, among other things:

1. Be exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that its independent registered public accounting firm provide an attestation report on the effectiveness of its internal control over financial reporting;
2. Be exempt from the “say on pay” and “say on golden parachute” advisory vote requirements of the Dodd-Frank Wall Street Reform and Customer Protection Act (the “Dodd-Frank Act”), and certain disclosure requirements of the Dodd-Frank Act relating to compensation of its chief executive officer and be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Securities Exchange Act of 1934; and
3. Instead provide a reduced level of disclosure concerning executive compensation and be exempt from any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor’s report on the financial statements.

It should be noted that notwithstanding our status as an emerging growth company, we would be eligible for these exemptions as a result of our status as a “smaller reporting company” as defined by the Securities Exchange Act of 1934.

Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period for complying with new or revised accounting standards. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates.

### *Critical Accounting Policies*

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to customer incentives, bad debts, inventories, investments, estimated useful lives for depreciable and amortizable assets, valuation reserves and estimated cash flows in assessing the recoverability of long-lived assets, income taxes, contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, affects its more significant judgments and estimates used in the preparation of its consolidated financial statements:

Revenue and Cost of Goods Sold Recognition – Revenue is only recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the price to the buyer is fixed or determinable, and (4) collectability is reasonably assured.

a) Network - Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. The company's construction contracts or segments of contracts typically can range from several days to two to four months. Contract costs may be billed as incurred. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools and repairs. Selling, general and administrative costs are charged to expense as incurred. The Company begins recognizing revenue on a project when persuasive evidence of an arrangement exists, recoverability is reasonably assured, and project costs are incurred. Costs may be incurred before the Company has persuasive evidence of an arrangement. In those cases, if recoverability from that arrangement is probable, the project costs are deferred and revenue recognition is delayed.

Provisions for losses on uncompleted contracts are made in the period such losses are known. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions, changes in raw materials costs, and final contract settlements may result in revisions to revenue, costs and income and are recognized in the period in which the revisions are determined.

b) Staffing - Staffing revenue is recognized as the services are performed.

Business Acquisitions - The Company's consolidated financial statements include the operations of an acquired business after the completion of the acquisition. The Company accounts for acquired businesses using the acquisition method of accounting. The acquisition method of accounting for acquired businesses requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date, and that the fair value of acquired in-process research and development ("IPR&D") be recorded on the balance sheet. Also, transaction costs are expensed as incurred. Any excess of the purchase price over the assigned values of the net assets acquired is recorded as goodwill. Contingent consideration, if any, is included within the acquisition cost and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is re-measured to fair value at each reporting date until the contingency is resolved. Changes in fair value are recognized in earnings.

Income Taxes - The Company records income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards. Accounting standards regarding income taxes requires a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence; it is more likely than not those assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company's experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

The net income (loss) generated from Optos Capital Partners, LLC, Focus Fiber Solutions, LLC, CMK Resource Group, LLC, Townsend Careers, LLC and Jus-Com, Inc. is treated as partnership income for federal and state income tax purposes, accordingly, no provision for income tax is included in the consolidated financial statements for these entities. Management will reassess the realization of deferred tax assets based on the accounting standards for income taxes each reporting period.

Significant judgment is required in evaluating the Company's tax positions and determining its provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. Accounting standards regarding uncertainty in income taxes provides a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based solely on the technical merits, of being sustained on examinations. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

*Pro-forma Financial Data* .. The net income (loss) generated from Optos Capital Partners, LLC, Focus Fiber Solutions, LLC, CMK Resource Group, LLC, Townsend Careers, LLC and Jus-Com, Inc. is treated as partnership income for federal and state income tax purposes and does not incur income tax expense. Instead, income and losses are allocated to and reported on the individual returns of the member's tax returns. Accordingly, no provision for income tax is included in the consolidated financial statements for these entities for the years ended December 31, 2011 and 2010.

On January 1, 2012, Optos Capital Partners, LLC purchased 100% of the issued and outstanding shares of Jus-Com, Inc. In addition, on January 1, 2012, the Company purchased 50% of the members' equity and non-controlling interest in CMK Resource Group, LLC. CMK and Townsend were dissolved on December 31, 2012 and all assets were transferred to Jus-Com. On May 15, 2012, Optos Capital Partners, LLC ("Optos"), the members of Optos ("Optos Members") and Focus Venture Partners, Inc. ("FVP"), entered into a Contribution Agreement. FVP was incorporated in the State of Nevada on March 26, 2012. In consideration of the Optos Members contribution of all of the issued and outstanding membership interests in Optos to FVP, FVP agreed to issue 23,980,000 shares of common stock and 100,000 shares of Series A Preferred Stock to the Optos Members. As a result of the Optos Members will own 100% of the issued and outstanding shares of common stock and Series A Preferred Stock of FVP. As a result of these transactions the Company, after May 14, 2012, may not pass taxable income through to their individual members as partnership income for federal and state purposes.





Pro-forma as adjusted information gives effect to the Company not passing taxable income through to their individual members at an estimated effective tax rate of 35% as of January 1, 2011:

	As at September 30, 2012 and for the period end September 30, 2012	
	Actual	Pro forma, as adjusted
Working capital (deficiency)	\$ (736,859)	\$ (932,823)
Total assets	\$ 13,550,995	\$ 13,550,995
Total liabilities	\$ 13,519,628	\$ 13,718,593
Total equity	\$ 31,367	\$ (167,608)
Net income (loss) before income tax	\$ 866,631	\$ 876,910
Income taxes (recovery)	\$ 303,321	\$ 303,321
Net income (loss)	\$ 563,610	\$ 573,589
Basic and diluted income (loss) per common share	\$ 0.02	\$ 0.02
Basic and diluted weighted average common shares outstanding	25,052,390	25,052,390

	As at December 31, 2011 and for the year end December 31, 2011	
	Actual	Pro forma, as adjusted
Working capital (deficiency)	\$ 309,763	\$ 191,798
Total assets	\$ 5,900,227	\$ 5,900,227
Total liabilities	\$ 4,596,571	\$ 4,779,536
Total equity	\$ 1,303,656	\$ 1,104,691
Net income (loss) before income tax	\$ 568,472	\$ 568,472
Income taxes (recovery)	\$ -	\$ 198,965
Net income (loss)	\$ 568,472	\$ 369,507
Basic and diluted income (loss) per common share	\$ 0.02	\$ 0.02
Basic and diluted weighted average common shares outstanding	23,980,000	23,980,000

Recent Accounting Pronouncements – There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted fiscal 2011 or which are expected to impact future periods, which were not adopted and disclosed in prior periods.

## BUSINESS

### Our Business

We are a holding company operating in the telecommunications industry which manages and develops our wholly-owned subsidiaries focused on the development of telecommunications networks, acting as a service and support provider and providing temporary and part-time staffing solutions. Through our wholly-owned subsidiary, Optos Capital Partners, LLC, a Delaware limited liability company (“Optos”), we operate the following wholly-owned entities:

- Focus Fiber Solutions, LLC, a Delaware limited liability company (“Focus Fiber”), specializes in the design, engineering, installation, and maintenance of a telecommunications infrastructure network.
- Jus-Com, Inc., an Indiana corporation (“Jus-Com”), is a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation. Jus-Com also operates as a temporary and permanent staffing agency specializing in the telecommunications market.
- MDT Labor, LLC d/b/a MDT Technical, a Delaware limited liability company (“MDT”), operates as a workforce management company providing temporary and permanent staffing services under the MDT Technical brand and as a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation under its Beacon Solutions brand.

### Acquisition Strategy

With respect to its acquisition strategy, Focus intends to pursue a clearly defined telecommunications niche but may, in its discretion, pursue acquisitions outside of this niche. We selectively pursue acquisitions when we believe doing so is operationally and financially beneficial, although we do not rely solely on acquisitions for growth. In particular, we pursue those acquisitions that we believe will provide us with incremental revenue and geographic diversification while complementing our existing operations. We generally target companies for acquisition that have defensible leadership positions in their market niches, EBITDA positive which meets or exceeds industry averages, proven operating histories, sound management, and certain clearly identifiable cost synergies. Our expansion geographically and its limited area of personnel to support such expansion, caused an increase in travel costs in supervising the additional projects for the year ended December 31, 2011 although our travel expense has been reduced slightly when comparing the three and nine months ended September 30, 2012 to the three and nine months ended September 30, 2011.

On December 3, 2012, the Company acquired all of the issued outstanding membership interests of MDT Labor, LLC, doing business as MDT Technical (“MDT”). MDT operates a services business that provides labor and human resource solutions, including temporary staffing services in the United States market. Pursuant to the Interest Purchase Agreement, a cash payment of \$3,000,000 was made by Atalaya on behalf of the Company, delivered a Promissory Term Note (“MDT Note”) for \$4,000,000 and issued 12,490,000 shares of common stock of the Company for all of the outstanding membership interests for MDT. The MDT Note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the Company may pay \$1,500,000 in principal. The Company may further pay monthly scheduled principal payments of \$100,000 the following month if the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The MDT Note is secured by all fixtures and personal property of every kind and nature. The MDT Note security interest is subordinated to the security interests held by Atalaya. The Company anticipates the Business Combination will be accounted for using the acquisition method in accordance with *ASC 805, Business Combinations*.

### Our History

Focus is incorporated in the state of Nevada on March 26, 2012. On May 9, 2012, Focus entered into a Contribution Agreement with Optos Capital Partners LLC, a Delaware limited liability company (“Optos”), whereby we acquired 100% of the outstanding membership

interests of Optos in consideration of 23,980,000 shares of common stock and 100,000 shares of Series A Preferred Stock. On December 3, 2012, through Optos, we acquired a 100% interest in MDT, which is a wholly-owned subsidiary of Optos.

Our executive offices are located at 969 Postal Road, Suite 100, Allentown, Pennsylvania 18109 and our telephone number is telephone 1-877-633-2239. Our subsidiaries lease three additional office/warehouse facilities, as well as three additional office locations throughout the United States and one in Prague, Czech Republic. Our website is [www.focusventurepartners.com](http://www.focusventurepartners.com). Our subsidiaries each maintain separate websites including [www.focusfiber.com](http://www.focusfiber.com), [www.jus-com.com](http://www.jus-com.com), [www.mdttechnical.com](http://www.mdttechnical.com), [www.mdtpersonnel.com](http://www.mdtpersonnel.com) and [www.ilabornetwork.com](http://www.ilabornetwork.com). Jus-Com offices are located at 9250 Corporation Drive, Indianapolis, Indiana 46256 and at 600 West Germantown Pike, Suite 400, Plymouth Meeting, Pennsylvania 19462. MDT's officers are located at 2325 Paxton Church Road, Harrisburg, PA 17110.

## Telecommunications Infrastructure Services Segment

The Telecommunications Infrastructure Services segment provides comprehensive network solutions to customers in the wireline and wireless telecommunications industry, as well as the cable television industry. Services performed by the Telecommunications Infrastructure Services segment generally include the design, installation, repair and maintenance of fiber optic, copper and coaxial cable networks used for video, data and voice transmission, as well as the design, installation and upgrade of wireless communications networks, including towers, switching systems and backhaul links from wireless systems to voice, data and video networks. This segment also provides emergency restoration services, including the repair of telecommunications infrastructure damaged by inclement weather. We also provide premise wiring where we install, repair, and maintain the telecom structure within improved structures.

We believe that certain provisions of the ARRA will continue to create additional demand for our services in this segment into 2013. Specifically, the ARRA includes federal stimulus funding for the deployment of broadband services to underserved areas that lack sufficient bandwidth to adequately support economic development. We also expect many customers who received stimulus funds to continue to expand their networks even though stimulus funding may no longer be available.

The combination of a growing North American wireless subscriber base, greater use of wireless data for consumer and enterprise applications and services, and the development of innovative consumer wireless data products has led to a significant increase in the amount of wireless data traffic on wireless networks. As a result, the traditional backhaul infrastructure that has historically linked wireless cell sites to broader voice, data and video networks is reaching capacity. To handle current and future wireless data traffic demands and to improve wireless network quality and reliability, wireless carriers are implementing plans to replace their legacy backhaul networks based on T-1 lines and circuit switching applications with fiber optic networks, typically referred to as “fiber to the cell site” initiatives. We believe these initiatives will continue several more years before the backhaul system upgrade is completed, resulting in additional opportunities to assist our wireless customers in their fiber to the cell site initiatives.

We anticipate increased long-term opportunities arising from plans by a number of wireless companies to deploy and implement 4G and LTE (Long Term Evolution) technology and networks throughout North America. These technologies are being deployed in the United States using a new spectrum, which effectively requires an entirely new network to be built. As a result, we expect significant capital expenditures will be made over a relatively long period of time as wireless carriers build out their 4G and LTE networks and then augment and optimize their networks for reliability and network quality. We believe wireless carriers are in the very early stages of their 4G and LTE network deployment plans.

Although fiber to the premises (FTTP) and fiber to the node (FTTN) deployment has slowed significantly since 2008, we expect fiber optic network build-outs will continue over the long-term as more Americans look to next-generation networks for faster internet and more robust video services. We believe more active network investment in FTTP and FTTN initiatives are more economically driven. Therefore, we believe greater confidence in a recovering domestic economy may be required before companies resume investment in FTTP and FTTN network deployment. We believe that we are well-positioned to furnish infrastructure solutions for these initiatives throughout the United States.

All contract OSP operations are fulfilled with a combination of the Company’s fleet of aerial trucks, underground plows, directional drills, fiber placement crews, and fiber splicers. All equipment used on OSP projects is mobile, with dedicated logistics to service these projects as demands change. Focus Fiber Solutions can meet any scheduling requirement and accommodate changing demands by calling on its extensive network of strategic partners. Finally, Focus Fiber itself has a broad base of experienced operators and installers dedicated to each project, and the company is committed to providing the necessary personnel and equipment to meet the demands of every engagement.

Through Jus-Com, we can deliver top-tier premise wiring solutions for its clients in all of the following product and service categories:

- Cable rack/wiring build-outs
- UPS installation
- All low-voltage cable installation
- Infrastructure build-outs
- PDU installation
- Provisioning, test, turn-off of FTT
- DC power installation
- Fiber cable splicing
- Security camera installation
- Battery installation/maintenance
- Structured cable installation
- AC circuits & conduit builds

## Project Estimating and Feasibility Studies

Our subsidiaries share an Estimating Department that provides all cost needs, both internal and external, as a value-added service to telecom clients. For extremely difficult builds, we uses a “boots on the ground” approach, ready with someone to look at the project up close, typically within 24 hours. For the bid process, the following steps are followed:

- The RFP or RFI is received from a prospective customer; typically a data file is provided with a general route, cell tower locations, laterals, rings, etc.  
Using Google Earth, the Company provides a solution based on aerial and underground construction options, utilizing the U.S. geological studies for ground conditions and “street view” programs to analyze the conditions. Additional services are often used, including: MS Streets & Trips, MapInfo, Bing Maps, Delorme, and a national database of GIS maps. At the same time, the Company reaches out to vendors and suppliers to start assessing rough costs for materials and labor.
  - The Company specializes in complex projects with a large geographical footprint and multiple customer drop points. This goal is met by importing the customer drop points (i.e., latitude and longitude) into whichever software program the customer has specified as the deliverable. Then, using the aforementioned methods, the Company identifies the best installation path and verifies whether the most cost-effective method of installation will be aerial, underground, or existing conduit paths.
- This conclusion is portrayed on the deliverable software, and the different methods of construction are clearly defined by specific colors on the reports.
- The project is broken into segments with independent budgets for each segment, allowing the customer to identify the fiber size based upon end-use requirements. This all flows into a master project budget, giving the customer a snapshot that will allow them to make changes to the individual segments at their discretion based upon the budgetary information provided.
- Additionally, the nationwide network of project managers is utilized to analyze the geography of each part of the project and provide feedback on critical portions of the proposed build.
- This all culminates into finished proposals – ones that the Company believes accurately represent the ideal and most cost-effective approach to the build process.
- Due to the process that the Company has solidified in the estimating department, bringing in and training additional support staff typically takes less than 2 weeks.

## Competition

The markets in which we operate are highly competitive. We compete with other contractors in most of the geographic markets in which we operate, and several of our competitors are large companies that have significant financial, technical and marketing resources. In addition, there are relatively few barriers to entry into some of the industries in which we operate and, as a result, any organization that has adequate financial resources and access to technical expertise may become a competitor. A significant portion of our revenues is currently derived from unit price or fixed price agreements, and price is often an important factor in the award of such agreements. Accordingly, we could be underbid by our competitors in an effort by them to procure such business. Economic conditions have increased the impacts of competitive pricing in certain of the markets that we serve. We believe that customers consider other factors in choosing a service provider, including technical expertise and experience, financial and operational resources, nationwide presence, industry reputation and dependability, which we expect to benefit larger contractors such as us. In addition, competition may lessen as industry resources, such as labor supplies, approach capacity. There can be no assurance, however, that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services, or that we will be able to maintain or enhance our competitive position. We also face competition from the in-house service organizations of our existing or prospective customers, including telecommunications and engineering companies, which employ personnel who perform some of the same types of services as those provided by us. Although a significant portion of these services is currently outsourced by many of our customers, there can be no assurance that our existing or prospective customers will continue to outsource services in the future.

## Customer Relationships

Our current customers include leading telephone companies such as Zayo Group, Sidera Networks, and CBeyond. We also provide telecommunications engineering, construction, installation and maintenance services to a number of cable television multiple system operators, including AT&T and Windstream. Premise wiring services are provided to various corporations and state and local governments.

Our customer base is highly concentrated. For the year ended December 31, 2011, we had one customer representing approximately 73.7% of revenues or 72.2% of outstanding receivables. For the year ended December 31, 2010, five customers represented approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. For the nine months ended September 30, 2012, two customers represented 87.4% of the revenues or 95.6% of the outstanding receivable. We believe that a substantial portion of our total revenues and operating income will continue to be derived from a concentrated group of customers.

## Regulation

Our operations are subject to various federal, state, local and international laws and regulations including:

- licensing, permitting and inspection requirements applicable to contractors, electricians and engineers;
- regulations relating to worker safety and environmental protection;
- permitting and inspection requirements applicable to construction projects;



- wage and hour regulations;
- regulations relating to transportation of equipment and materials, including licensing and permitting requirements; and
- building and electrical codes.

We believe that we have all the licenses required to conduct our operations and that we are in substantial compliance with applicable regulatory requirements. Our failure to comply with applicable regulations could result in substantial fines or revocation of our operating licenses, as well as give rise to termination or cancellation rights under our contracts or disqualify us from future bidding opportunities.

### **Safety and Risk Management**

We are committed to ensuring that our employees perform their work safely and we regularly communicate with our employees to reinforce that commitment and instill safe work habits. We review accidents and claims for our operations, examine trends and implement changes in procedures to address safety issues. Claims arising in our business generally include workers' compensation claims, various general liability and damage claims, and claims related to vehicle accidents, including personal injury and property damage. We insure against the risk of loss arising from our operations up to certain deductible limits in substantially all of the states in which we operate. In addition, we retain risk of loss, up to certain limits, under our employee group health plan.

We carefully monitor claims and actively participate with our insurers in determining claims estimates and adjustments. The estimated costs of claims are accrued as liabilities, including estimates for claims incurred but not reported. Due to fluctuations in our loss experience from year to year, insurance accruals have varied and can affect the consistency of operating margins. If we experience insurance claims in excess of our umbrella coverage limit, our business could be materially and adversely affected.

### **Seasonality**

Our revenues are affected by seasonality as a significant portion of the work we perform is outdoors. Consequently, our operations are impacted by extended periods of inclement weather. Generally, inclement weather is more likely to occur during the winter season which falls during our first and fourth fiscal quarters. Also, a disproportionate percentage of total paid holidays fall within our second quarter, which decreases the number of available workdays. Additionally, our customer premise equipment installation activities for cable providers historically decrease around calendar year end holidays as their customers generally require less activity during this period. As a result, we may experience reduced revenue in the second or third quarters of our fiscal years.

### **Environmental Matters**

A significant portion of our work is performed underground. As a result, we are potentially subject to material liabilities related to encountering underground objects which may cause the release of hazardous materials or substances. Additionally, the environmental laws and regulations which relate to our business include those regarding the removal and remediation of hazardous substances and waste. These laws and regulations can impose significant fines and criminal sanctions for violations. Costs associated with the discharge of hazardous materials or substances may include clean-up costs and related damages or liabilities. These costs could be significant and could adversely affect our results of operations and cash flows.

### **Staffing Segment**

We operate a temporary and permanent staffing agency and IT consulting business through Jus-Com and MDT. Through key service offerings in IT consulting and staff augmentation, we deliver measureable results that drive positive financial outcomes. The company focuses on strong ROI and technology solutions, which are vital in today's hyper competitive environment. Our core IT consultation solutions include:

- Mobile applications
- Systems development and implementation
- Technology risk management
- IT planning and development

We offer complete staff augmentation services including temporary, temporary-to-hire, and full-time permanent placement. We can handle all of the following:

- Payroll
- Insurance
- Benefits plans
- Candidate recruiting and selection
- Developing expertise with leading-edge technologies

- Supplying per-diem staff on an as-needed basis
- Training staff on client-specific processes

We assist clients in lower their staffing costs, improve retention, save time on hiring, and reap the benefits of higher productivity. Every IT professional that represents our firm has been through a strict screening process that identifies only the most qualified candidates.

## **Staffing Industry**

The temporary staffing industry evolved out of the need for a flexible workforce to minimize the cost and effort of hiring and administering permanent employees in order to rapidly respond to changes in business conditions and to temporarily replace absent employees. Competitive pressures have forced businesses to focus on reducing costs, including converting fixed or permanent labor costs to variable or flexible costs. The temporary staffing industry includes a number of markets focusing on business needs that vary widely in duration of assignment and level of technical specialization. We operate within the telecom staffing market of the temporary staffing industry.

Temporary staffing companies act as intermediaries in matching available temporary workers to employer assignments. Staffing companies compete both to recruit and retain a supply of temporary workers and to attract and retain customers to employ these workers. An important aspect in the selection of temporary workers for an assignment is the ability to identify the skills, knowledge, abilities of a temporary worker and match their competencies or capabilities to an employer's requirements. Methods used to sell temporary staffing services to customers vary depending on the customer's need for temporary staffing services, the local labor supply, the length of assignment, the number of workers and skills required. We are a business-to-business sales provider. Our sales process takes place at the customer's location. Success is often based on the experience and skill of the sales person and the strength of relationship with the customer. Retention of customers, exclusive of economic conditions, is dependent on the strength of our relationship with the customer, the skill, quality and tenure of temporary workers, and customer service skills.

The temporary staffing industry is large and highly fragmented with many competing companies. No single company has a dominant share of the temporary staffing industry. Customer demand for temporary staffing services is dependent on the overall strength of the labor market and trends toward greater workforce flexibility.

The staffing industry is cyclical based on overall economic conditions. Historically, in periods of economic growth, the number of companies providing temporary staffing services has increased due to low barriers to entry and during recessionary periods the number of companies has decreased through consolidation, bankruptcies, or other events. The temporary staffing industry experienced increased volatility during the most recent recession in comparison with past economic cycles. This is largely due to the severity of the recession which resulted in a dramatic drop in the use of temporary staffing as companies aggressively reduced the size of their workforce. However, in the post-recessionary environment, the temporary staffing industry is experiencing increased demand in relation to total job growth as customers have placed a greater priority on maintaining a more flexible workforce.

## **Customers**

Our customer mix consists primarily of small and medium-sized businesses. We also serve larger national customers. Our full range of temporary staffing services enables us to meet all of the staffing needs of our customers.

## **Competition**

We compete in the temporary staffing industry by offering a full range of staffing services. The temporary staffing industry is large and fragmented, comprised of thousands of companies employing millions of people and generating billions of dollars in annual revenues.

We experience competition in attracting customers as well as qualified employment candidates. The staffing business is highly competitive with limited barriers to entry, with a number of firms offering services similar to those provided by us on a national, regional, or local basis. We compete with several multi-national full-service and specialized temporary staffing companies, as well as a multitude of local companies. In most geographic areas, no single company has a dominant share of the market. The majority of temporary staffing companies serving the staffing market are locally-owned businesses. In many areas the local companies are the strongest competitors, largely due to their longevity in the market and the strength of their customer relationships.

Competitive forces have historically limited our ability to raise our prices to immediately and fully offset increased costs of doing business; some of which include increased temporary worker wages, costs for workers' compensation, and unemployment insurance.

The most significant competitive factors in the staffing business are price, ability to promptly fill customer orders, success in meeting customers' quality expectations of temporary workers, and appropriately addressing customer service issues. We believe we derive a competitive advantage from our service history and commitment to the temporary employment market and our specialized approach in serving the industries of our customers. Also, our national presence and proprietary systems and programs including worker safety, risk management, and legal and regulatory compliance are key differentiators from many of our competitors.

## Employees

As of September 30, 2012, the Company, together with its subsidiaries, employs 176 persons, consisting of 16 administrative employees and two part-time employees. None of our employees are represented by local collective bargaining units. The number of our employees varies according to the level of our work in progress. We maintain a nucleus of technical and managerial personnel to supervise all projects and add employees as needed to complete specific projects.

## Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all material aspects. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

## Property

Our executive offices are located at 4647 Saucon Creek Road, Suite 201, Center Valley, Pennsylvania 18034. We pay \$7,882 per month and our lease is for a term of one year. Jus-Com offices are located at 9250 Corporation Drive, Indianapolis, Indiana 46256. The Jus-Com lease is for a term of two years and we pay \$4,500 per month. Jus-Com also acquired the lease from Townsend which is located at 600 West Germantown Pike, Suite 400, Plymouth Meeting, PA 19462. The acquired Townsend lease is for a term of two years and we pay \$800 per month. MDT's offices are located at 2325 Paxton Church Road, Harrisburg, PA 17110. The MDT lease is for a term of one year with a two year extension option, in which the Company intends to exercise. The current monthly rent is \$2,813 which increases annually upon exercise of each extension option.

In addition, we currently have entered into the following office/warehouse leases:

Location:	Square Footage	Lease End Date	Monthly Obligation
Nazareth, PA	1,200	3/31/2013	\$ 1,750
Tempe, AZ	9,745	2/21/2014	5,125
San Diego, CA	3,729	12/31/2012	3,355
Denver, CO	400	5/31/2013	2,390
Palmetto, GA	12,500	12/31/2012	3,000
Richmond, VA	13,600	5/1/2014	5,600
Grand Prairie, TX	1,225	7/31/2013	650
Houston, TX	150	1/31/2013	742
Las Vegas, NV	5,371	9/30/2013	3,800
Naples, FL	2,800	10/31/2013	4,653
Dallas, TX	3,385	6/30/2013	2,500
Dallas, TX	1,000	12/31/2012	700
Dallas, TX	726	12/31/2012	575
Dallas, TX	2,000	12/31/2012	1,400
Phoenix, AZ	43,560	3/31/2013	2,360
Rio Verde, AZ	1,723	1/31/2013	1,200
Springtown, PA	1,200	8/31/2013	1,550
Center Valley, PA	2,288	3/31/2016	3,337
Aurora, CO	2,500	12/1/2013	2,500
Omaha, NE	9,900	2/28/2013	5,000
Conshohocken, PA	3,240	9/20/2018	6,947
Harrisburg, PA	2,300	10/21/2013	2,731
Cincinnati, OH	2,225	9/30/2013	2,900
Louisville, KY	2,969	12/31/2012	4,330
Prague, Czech Republic	2,110	6/30/2015	\$ 2,650

## MANAGEMENT

### Directors and Executive Officers

Our executive officers and directors are as follows:

Name	Age	Position
Christopher Ferguson	43	Chief Executive Officer, President and Chairman of the Board of Directors of Focus Venture
Theresa Carlise	54	Chief Financial Officer of Focus Venture
Michael Paleschi	37	Chief Operating Officer of Focus Venture and President of Focus Fiber
Jeffrey A. Smock	43	President of Jus-Com, Inc.

Set forth below is a biographical description of each of our directors and senior executive officers based on information supplied by each of them.

**Christopher Ferguson** serves as the CEO, President and Chairman of the Board of Directors of Focus Venture. Mr. Ferguson founded Focus' wholly-owned subsidiary, Optos Capital Partners LLC in March 2008. Prior to founding Focus Venture Partners, Mr. Ferguson owned and managed Mercer Staffing, an innovative workforce management solutions provider to a variety of industries including transportation and engineering. Mercer Staffing was sold to TerraNova Partners in February 2007. Prior to founding Mercer, Mr. Ferguson and James J. Florio, former Governor of New Jersey, founded The Florio Group, a boutique private investment company. As Managing Director of The Florio Group, Mr. Ferguson was responsible for evaluating the companies that were seeking financing; performing due diligence; and maintaining relationships with The Florio Group's network of investment partners. Mr. Ferguson also served as Chief Financial Officer for Cabot Marsh Corporation in 1995 and remained as a director for the company until 1999. In addition to his duties at Focus, Mr. Ferguson serves as a member of the non-profit organization, First Tee of the Lehigh Valley, which teaches life skills to at-risk children through golf and tennis programs. Mr. Ferguson also served for three years as a Director of Team Capital Bank, a community bank with fifteen branches in New Jersey and Pennsylvania. Mr. Ferguson has been a member of the New Jersey and Pennsylvania Bars since 1994. He graduated from Widener University School of Law in 1994 and received a Bachelor of Arts Degree from Villanova University in 1990. As the founder and manager of our predecessor, Mr. Ferguson has unparalleled knowledge of our history, strategies, technology and operations.

**Theresa Carlise** has served as the CFO for Focus Venture since formation in March 2012 and has been engaged by Optos Capital since September 2011. Prior to joining Optos, Ms. Carlise has served as CFO and Director for multiple publically traded companies in the retail, mortgage banking and transportation industries. Her background enabled her to form her own virtual CFO consulting business, CSI Consultants, Inc. from July 2010 through September 2011 of which she was CEO, CFO and Director, providing outsourced CFO services. From December 2009 to July 2010, Ms. Carlise served as the CFO and a Director of Las Vegas Railway Express, Inc., a transportation service company. Ms. Carlise operated as a self-employed contract-CFO from November 2007 through November 2009, contracting work from the mortgage banking company, which later engaged her as CFO. From November 2006 through November 2007, Mr. Carlise served as the Chief Financial Officer for Shearson Financial Network, Inc. ("Shearson"), a mortgage banking company. Following Ms. Carlise's resignation in November 2007, in April 2008, as a result of the economic decline of the mortgage banking industry, Shearson filed for reorganization and sought relief under Chapter 11 protection. In August of 1993, Ms. Carlise as CFO and Director for National Record Mart, Inc., a retail music distribution company, with revenues in excess of \$200 million, raised capital through an initial public offering, managed an annual purchasing budget of \$130 million and executed multiple acquisitions. Ms. Carlise served in this capacity for 10 years and was with the company for a total of 17 years. Ms. Carlise received her Bachelor of Science degree in Finance from Indiana University of Pennsylvania in 1982.

**Michael Paleschi** has served as the Chief Operating Officer of Focus Venture and President of Focus Fiber from inception in 2010 through the date hereof. Mr. Paleschi has been managing telecommunications networks specifically in the areas of technology, engineering and operations since 1995. Prior to joining Focus, Mr. Paleschi served as the Director of Operations and Engineering for Digital Systems Engineering/Cobalt Telecom, a Turn-key engineering and construction firm, from 2009 to 2010. From 2007 to 2009, Mr. Paleschi served as a director for Truwave Networks, LLC, where he managed the installation, operation and maintenance of a

regional fiber optic network in Florida. Prior to joining Truwave Networks, LLC, Mr. Palleschi held senior management positions with Level 3 Communications, Qwest Communications and MCI. Mr. Palleschi is also the Managing Director of TLP Investments, LLC – an investment firm focused on the real estate and hospitality sectors. Mr. Palleschi holds multiple degrees in both Engineering and Management. Mr. Palleschi also holds several professional and technical certifications.

**Jeffrey A. Smock** serves as the President of Jus-Com, Inc., a wholly owned subsidiary of Focus. Mr. Smock has been employed by Jus-Com, Inc. since 1999 initially as a Level 3 Installer. Mr. Smock was then promoted to Lead Installer in December 2001 and then Purchaser/Operations Manager in December 2006. In November 2008, Mr. Smock was promoted to President of Jus-Com, Inc. Mr. Smock received a Associate of Arts degree from Vincennes University in 1990 and a Bachelor of Arts degree from Indiana University in 1995.

Our directors are elected for a term of one year and until their successors are elected and qualified.

There is no family relationship among any of our officers or directors.

### Committees

Our business, property and affairs are managed by or under the direction of the Board of Directors. Members of the board are kept informed of our business through discussion with the chief executive and financial officers and other officers, by reviewing materials provided to them and by participating at meetings of the board and its committees. As of the date hereof, we intend to form an audit, compensation and nomination/corporate governance committee. Upon appointing independent directors and adopting the appropriate charters, we will appoint form such committees.

### Code of Ethics

We have adopted a code of ethics to apply to our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions.

### Director Independent

We currently do not have any independent directors.

**Executive Compensation  
Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	(5) Stock Award s (\$)	(6) Stock Option s (\$)	Non-equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Christopher Ferguson, CEO, Chairman & President	2011	120,000	—	—	—	—	—	—	120,000
	2010	94,500	—	—	—	—	—	—	94,500
Theresa Carlise, CFO	2011	19,000	—	-	—	—	—	—	19,000
	2010	—	—	—	—	—	—	—	—
Michael Palleschi, Chief Operating Officer, President Focus Fiber Solutions	2011	63,580	—	—	—	—	—	—	63,580
	2010	—	—	—	—	—	—	—	—
Jeffrey Smock, President of Jus-Com Inc.	2011	51,160	—	—	—	—	—	—	51,160
	2010	—	—	—	—	—	—	—	—



## **Outstanding Equity Awards at Fiscal Year-End**

As of December 31, 2011, the Company did not have any equity awards outstanding.

## **Employment Agreements**

As of the date hereof, except as set forth below, the Company and its subsidiaries have not entered into employment agreements. The Company intends in the near future to enter employment agreements with key executives and employees.

On November 1, 2011, MDT Labor LLC ("MDT") entered into an employment agreement with Mike Boyle whereby Mr. Boyle agreed to serve as the Senior Vice President of MDT in consideration of a salary of \$180,000 per year, standard benefits, reimbursement of expenses and a bonus equal to a percentage of operating income of MDT; the option was terminated upon the acquisition of MDT by Optos.. Mr. Boyle also received an option to acquire 5% of the membership interest of MDT. The term of the employment agreement commenced on November 1, 2011 through October 31, 2012, of which is renewable for one year periods.

## **2011 Grants of Plan-Based Awards**

The Company made no plan-based equity and non-equity awards grants to named executives in 2011.

## **Option Exercises**

During our Fiscal year ended December 31, 2011, there were no options exercised by our named officers.

## **Compensation of Directors**

Our directors have not received compensation for rendering services as directors since inception.

## **Pension, Retirement or Similar Benefit Plans**

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

## **Indebtedness of Directors, Senior Officers, Executive Officers and Other Management**

None of our directors or executive officers or any associate or affiliate of our Company during the last two fiscal years is or has been indebted to our Company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

## **Indemnification of Directors and Officers**

Our directors and executive officers are indemnified as provided by the Nevada law and our Bylaws. These provisions state that the our directors may cause us to indemnify a director or former director against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him as a result of him acting as a director. The indemnification of costs can include an amount paid to settle an action or satisfy a judgment. Such indemnification is at the discretion of our board of directors and is subject to the Securities and Exchange Commission's policy regarding indemnification.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, or otherwise. We have been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

On April 29, 2011, the Company entered into a month to month equipment rental agreement with TBK327 Partners LLC, ("TBK"), for monthly payments of \$7,000. The managing member of TBK is Christopher Ferguson, the Company's Chief Executive Officer, President

and sole member of the Board of Directors. For the year ended December 31, 2011, the total payments expensed to costs of sales were \$56,000.

Certain payments were made on behalf of related parties which are classified on the Company's balance sheet as current assets, Due from-related party. Mr. Ferguson, the Company's CEO, President and sole member of the Board, is a managing member of TBK, which has outstanding receivables for the nine months ended September 30, 2012 of \$225 and \$33,527 for the year ended December 31, 2011. Subsequently, the Company has received payment in full for its receivables on behalf of TBK.

On January 1, 2012, the Company entered into a stock purchase agreement to acquire 100% of the outstanding stock of Jus-Com Inc from TBK, of which Mr. Ferguson is a managing member, for approximately \$126,000. At the time of purchase, Jus-Com had an outstanding note payable of \$136,000 to TBK, which was assumed as part of the agreement. On July 5, 2012, Optos paid the balance of the note payable of \$136,000 and accrued interest of \$11,000 for a total of \$147,000. For the nine months ended September 30, 2012 and the year ended December 31, 2011, the balance was \$0 and 136,000, respectively. For the nine months ended September 30, 2012 and the year ended December 31, 2011, the balance was \$0 and \$136,000, respectively.

On January 1, 2012, Optos purchased from TBK 100% of the issued and outstanding shares of Jus-Com for a purchases price of \$126,000 and is payable in a promissory note. The entire outstanding principal amount of this note, together with all interest accrued and thereto not paid and any other payments due and payable under the agreement shall be due in full in three years and bears interest of 12% per annum. The note is secured by a Stock Pledge and Security Agreement granting the seller a security interest in the stock.

The Company purchased 50% of the members' equity and the non-controlling interest in CMK Resource Group, LLC ("CMK") on January 1, 2012,. The transaction gives the Company 100% ownership in CMK. The purchase price is \$100,000 and is payable in a Promissory Note. The Promissory Note is due in three years in monthly installments in advance of \$3,013 and bears interest of 6% per annum. The note is secured by a Unit Pledge and Security Agreement granting the seller a security interest in the units. We dissolved CMK on December 31, 2012 and transferred all assets to Jus-Com.

On January 1, 2012, the Company issued to the Optos Members, a Promissory Note, in the principal amount of \$1,600,000, for contributions in excess of \$1 million and personal guarantees to secure approximately \$3 million in financing. Mr. Ferguson and his spouse, Lelainya Ferguson are the sole Optos members. The note required an initial principal payment of \$700,000, due on or before September 1, 2012, which was subsequently paid on May 17, 2012. Monthly principal payments of \$30,000 for 30 months are due following the initial payment in the 37<sup>th</sup> month; accrued interest calculated on the outstanding principal at 6% per annum is due in a balloon payment of \$101,750.

On December 3, 2012, Atalaya disbursed on behalf of the Company a payment in the amount of \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company.

On December 3, 2012, Atalaya disbursed on behalf of the Company a payment in the amount \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company.

On December 3, 2012, the Company acquired all of the issued outstanding membership interests of MDT Labor, LLC, doing business as MDT Technical ("MDT") from Michael D. Traina, who is now an affiliate of the Company. MDT operates a services business that provides labor and human resource solutions, including temporary staffing services in the United States market. Pursuant to the Interest Purchase Agreement, a cash payment of \$3,000,000 was made by Atalaya of behalf of the Company, delivered a Promissory Term Note ("MDT Note") for \$4,000,000 and issued 12,490,000 shares of common stock of the Company for all of the outstanding membership interests for MDT. The MDT Note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the Company may pay \$1,500,000 in principal. The Company may further pay monthly scheduled principal payments of \$100,000 the following month if the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The MDT Note is secured by all fixtures and personal property of every kind and nature. The MDT Note security interest is subordinated to the security interests held by Atalaya.

On December 3, 2012, the Company disbursed in cash \$93,069 to pay in full the outstanding principal and interest for a note payable to a related party, Oilmatic Services, previously a 50% owner of CMK Resources Group, LLC.

On December 3, 2012, the Company disbursed in cash \$72,660 to pay in full the outstanding principal and interest for a note payable to a related party, Brian Jennings, a brother of a principal of Oilmatic Services.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of January 4, 2013, certain information concerning beneficial ownership of shares of our common stock with respect to (i) each person known to us to own 5% or more of the outstanding shares of our common stock, (ii) each director of our company, (iii) the executive officers of our company, and (iv) all directors and officers of our company as a group:

Name and Address <sup>(1)</sup>	Number of Shares Beneficially Owned <sup>(2)</sup>	Percentage of Common Stock
TBK327 Partners, LLC (3)	38,730,000(5)	76.2%
Christopher Ferguson (3)(4)	38,730,000(5)	76.2%
Theresa Carlise (4)	-0-	—
Michael Paleschi (4)	-0-	—
Jeffrey A. Smock (4)	-0-	—
Michael D. Traina	12,490,000	32.6%
Atalaya Special Opportunities Fund IV (Tranche B)	5,227,841(6)	11.9%
All Officers and Directors as a group (4 persons)	38,730,000	76.2%

(1) The address for the above identified persons is c/o Focus Venture Partners, Inc., 969 Postal Road, Suite 100, Allentown, Pennsylvania 18109.

(2) Applicable percentage ownership is based on 38,337,500 shares of common stock outstanding as of January 4, 2013, together with securities exercisable or convertible into shares of common stock within 60 days of January 4, 2013 for each stockholder. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock that are currently exercisable or exercisable within 60 days of January 4, 2013, are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

(3) Christopher Ferguson, together with his wife, are the sole owners and the managing members of TBK327 Partners LLC and they collectively have voting and dispositive control over the securities held by TBK327 Partners LLC.

(4) Executive Officer and/or Director of our company.

(5) Represents 24,980,000 shares of common stock and 13,750,000 shares of common stock issuable upon conversion of Series A Preferred Stock.

(6) Represents 5,227,841 shares of common stock issuable upon exercise of a common stock purchase warrant dated December 3, 2012 which is exercisable on a cash or cashless basis at an exercise price of \$0.0001. Their address is c/o Atalaya Administrative LLC, 780 Third Avenue, 27<sup>th</sup> Floor, New York, New York 10017.

## DESCRIPTION OF SECURITIES

### Common Stock

The Company is presently authorized to issue up to 100,000,000 shares of common stock, \$.0001 par value per share, of which 38,337,500 shares of common stock are presently issued and outstanding. The holders of the Company's common stock are entitled to receive dividends equally when, as and if declared by the Board of Directors, out of funds legally available therefor.

The holders of the Company's common stock have sole voting rights, one vote for each share held of record, and are entitled upon liquidation of the Company to share ratably in the net assets of the Company available for distribution after payment of all obligations of the Company and after provision has been made with respect to each class of stock, if any, having preference over the common stock, currently including the Company's preferred stock. Shares of the Company's common stock do not have cumulative voting rights and

vote as a class on all matters requiring stockholder approval. Therefore, the holders of a majority of the shares of the Company's common stock may elect all of the directors of the Company, control its affairs and day-to-day operations. The shares of common stock are not redeemable and have no preemptive or similar rights. All outstanding shares of the Company's common stock are validly issued, fully paid for and non-assessable.

## **Preferred Stock**

The Company's Articles of Incorporation authorize our Board of Directors to provide for the issuance of up to 10,000,000 shares of preferred stock in one or more series, subject to any limitations prescribed by the laws of the State of Nevada, but without further shareholder action. Our Board of Directors may establish the number of shares to be included in each such series, fix the designations, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and increase or decrease the number of shares of any such series (but not below the number of shares of such series then outstanding) without any further vote or action by the stockholders. Our Board of Directors may authorize and issue preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the Company's common stock. The issuance of preferred stock, for example in connection with a shareholder right's plan, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of our outstanding stock.

Our Board of Directors have authorized and issued 100,000 shares of the Company's Series A Preferred Stock. The Series A Preferred Stock has a stated value of \$11 per share and is convertible into our common stock at a conversion price of \$0.08 per share representing 13,750,000 shares of common stock. Furthermore, the Series A Preferred Stock votes on an as-converted basis. The Series A Preferred Stock does not carry preferential liquidation rights. The Company, in its sole discretion may redeem the Series A Preferred Stock by paying the holder 110% of the Stated Value.

## **Warrants**

On July 23, 2012, the Company entered into an amendment of that certain Corporate Advisory Agreement dated January 1, 2012 with HFP Capital Markets LLC ("HFP") whereby the Company issued HFP a common stock purchase warrant to acquire 2,870,000 shares of common stock at a price per share of \$0.08 for a period of five years. The warrants can be cancelled by the Company if financing as a result of this Agreement, net of fees, is not in excess of \$1,150,000.

On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent ("Atalaya"). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant ("Warrant") to purchase 5,277,841 shares of common stock of the Company. The exercise price per share is \$0.0001 and the holder is entitled to exercise the Warrant on a cashless basis. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO or (b) the expiration of the warrant, Atalaya may put the warrant on 60 days' notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

## **EXPERTS**

Our consolidated financial statements at December 31, 2011 and 2010 and for the years then ended have been audited by De Joya Griffith & Company LLC and are included herein in reliance upon the authority of such firm as an expert in accounting and auditing in giving such report. Further, the financial statements at December 31, 2011 and for the years then ended for MDT Labor, LLC (d/b/a MDT Technical) have been audited by G3 of PA LLC and are included herein in reliance upon the authority of such firm as an expert in accounting and auditing in giving such report.

## **LEGAL MATTERS**

The validity of the shares of common stock offered through this prospectus will be passed on by Fleming PLLC, 49 Front Street, Suite #206, Rockville Centre, New York 11570. Stephen M. Fleming, the managing member, is a shareholder of our company and received 430,000 shares of common stock as compensation from Focus.

## HOW TO GET MORE INFORMATION

We have filed with the SEC a Registration Statement on Form S-1 (including exhibits) under the Securities Act with respect to the shares to be sold in this Offering. This Prospectus, which forms part of the Registration Statement, does not contain all the information set forth in the Registration Statement as some portions have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to our Company and the Shares offered in this Prospectus, reference is made to the Registration Statement, including the exhibits filed thereto, and the financial statements and notes filed as a part thereof. With respect to each such document filed with the SEC as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved. We are not currently subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act"). As a result of the offering of the Shares of our common stock, we will become subject to the informational requirements of the Exchange Act, and, in accordance therewith, we will file quarterly and annual reports and other information with the SEC and send a copy of our annual report together with audited consolidated financial statements to each of our shareholders. The Registration Statement, such reports and other information may be inspected and copied at the Public Reference Room of the SEC located at 100 F Street, N. E., Washington, D. C. 20549. Copies of such materials, including copies of all or any portion of the Registration Statement, may be obtained from the Public Reference Room of the SEC at prescribed rates. You may call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room. Such materials may also be accessed electronically by means of the SEC's home page on the internet (<http://www.sec.gov>).

## FINANCIAL STATEMENTS

### Pro-Forma

Unaudited Pro-Formas Condensed Combined Financial Statements	F-2
Pro-Forma Condensed Combined Balance Sheets as of September 30, 2012	F-3
Pro-Forma Condensed Combined Statement of Operations for the nine months ended September 30, 2012	F-4
Pro-Forma Condensed Combined Statement of Operations for the nine months ended December 31, 2011	F-5
Notes to Pro Forma Condensed Combined Financial Statements	F-6

### Focus Venture Partners Inc.

Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011	F-9
Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2012 and 2011	F-10
Consolidated Statement of Stockholders' Equity for the Nine Months Ended September 30, 2012	F-11
Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011	F-12
Notes to Consolidated Financial Statements	F-13

### Optos Capital Partners LLC

Report of Independent Registered Public Accounting Firm	F-26
Combined Balance Sheets as of December 31, 2011 and December 31, 2010	F-27
Combined Statements of Operations for the years ended December 31, 2011 and December 31, 2010	F-28
Combined Statement of Stockholders' Equity for the years ended December 31, 2011 and December 31, 2010	F-29
Combined Statements of Cash Flows for the years ended December 31, 2011 and December 31, 2010	F-30
Notes to Combined Financial Statements	F-31

### MDT Labor LLC

Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011	F-45
Consolidated Statements of Operations for the Nine Months Ended September 30, 2012 and 2011	F-46
Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011	F-47
Notes to Consolidated Financial Statements	F-48
Independent Auditors' Report	F-49
Balance Sheet as of December 31, 2011	F-50
Statement of Income and Member's Equity for the year ended December 31, 2011	F-51



Statement of Cash Flows for the year ended December 31, 2011	F-52
--	------

Notes to Financial Statements	F-53
-------------------------------	------

## UNAUDITED PRO-FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following Focus Venture Partners, Inc. (the “Company”) unaudited pro forma condensed combined balance sheet as of September 30, 2012, and unaudited pro forma condensed combined statements of operations for the year ended December 31, 2011 and for the nine months ended September 30, 2012, give effect to the acquisition of the MDT Labor, LLC, (“MDT Labor”) located in Lansdale, Pennsylvania and the related Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent (“Atalaya”), which closed December 3, 2012. The pro forma condensed combined balance sheet is presented as if the transactions had occurred on September 30, 2012, and the pro forma condensed combined statements of operations are presented as if the transactions had occurred on January 1, 2010.

The pro forma condensed combined balance sheet and the pro forma condensed combined statements of operations were derived by adjusting the historical financial statements of the Company. The adjustments are based on currently available information and, therefore, the actual adjustments may differ from the pro forma adjustments. The Company is accounting for the acquisition of the MDT Labor in accordance with ASC 805, *Business Combinations*. The Company is currently in the process of determining the fair value of the assets and liabilities acquired in the transaction. The pro forma balance sheet and the pro forma statements of operations were derived using the preliminary fair value of the assets and liabilities acquired in the transaction. These fair values are subject to change as the Company completes the fair value determination process.

On September 5, 2012, MDT entered into an Asset Purchase Agreement (“Agreement”) with Beacon Enterprise Solutions Group, Inc. (“Beacon”), a Nevada Company. The Company acquired all the assigned contracts, accounts receivable, all work-in-process and assumed certain liabilities of Beacon as associated with the assigned contracts. The purchase price of the purchased assets and assumed liabilities comprises earn-out payments not to exceed in total \$3,500,000. Earn-out payments are due over a three year period ended August 31, 2015 calculated as 15% of adjusted EBITDA. Adjusted EBITDA is determined as net income before interest, income taxes, depreciation and amortization determined in accordance with GAAP adjusted to include all direct costs and an overhead allocation of 8% of revenue.

The unaudited pro forma financial information has been prepared by our management and is based on our historical financial statements and the assumptions and adjustments described herein and in the notes to the unaudited pro forma financial information below. The presentation of the unaudited pro forma financial information is prepared in conformity with Article 11 of Regulation S-X.

The pro forma condensed combined financial statements should be read in conjunction with the historical financial statements and the related notes thereto for the year ended December 31, 2011 included in Form S-1/A for Focus Venture Partners, Inc. The pro forma information is presented for illustrative purposes only and may not be indicative of the results that would have been obtained had the acquisition of assets actually occurred on the dates assumed nor is it necessarily indicative of Focus Venture Partners, Inc.’s future consolidated results of operations or financial position.

**FOCUS VENTURE PARTNERS, INC.**  
**PRO FORMA CONDENSED COMBINED BALANCE SHEETS**  
AS OF SEPTEMBER 30, 2012  
(Unaudited)

	Focus Venture Partners, Inc.	MDT Labor LLC		Pro Forma Adjustments	Pro Forma Amount
<b>ASSETS</b>					
Current assets:					
Cash	\$ 557,088	\$ 807,979	A, B	\$ 789,733	\$ 2,154,800
Accounts receivable, net	10,974,137	4,615,186			15,589,323
Security deposits	75,281	0			75,281
Due from factor	0	100,000	B	(100,000)	0
Due from related party	225	0			225
Other current assets	16,617	395,894			412,511
Total current assets	<u>11,623,348</u>	<u>5,919,059</u>		<u>689,733</u>	<u>18,232,140</u>
Deferred finance costs, net	0	0	B	482,500	482,500
Property and equipment, net	1,913,235	163,484			2,076,719
Customer relationships, net	0	2,909,375	A	7,979,761	10,889,136
Goodwill	0	2,334,561	A	(2,334,561)	0
Other intangibles, net	14,413	92,167	A	(89,167)	17,413
	<u>1,927,648</u>	<u>5,499,587</u>		<u>6,038,533</u>	<u>13,465,768</u>
Total assets	<u>\$ 13,550,996</u>	<u>\$ 11,418,646</u>		<u>\$ 6,728,266</u>	<u>\$ 31,697,908</u>
<b>LIABILITIES AND EQUITY</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,820,886	\$ 4,668,138			\$ 7,489,024
Factoring lines of credit	1,716,173	3,697,560	B	(5,413,733)	0
Revolving loan	0	0	B	3,000,000	3,000,000
Accrued contract costs not billed	5,566,118	0			5,566,118
Deferred revenue	1,306,000	0			1,306,000
Income taxes payable	303,321	0			303,321
Warrant liability	0	0	C	417,707	417,707
Current portion of capital lease obligations	67,420	0			67,420
Current portion of long-term debt, related party	429,265	147,093	B	(358,264)	218,094
Current portion of long-term debt	151,023	180,924	B	(180,924)	151,023
Total current liabilities	<u>12,360,206</u>	<u>8,693,715</u>		<u>(2,535,214)</u>	<u>18,518,707</u>
Long term liabilities:					
Term loan	0	0	B, C	7,582,293	7,582,293
Note payable - related party	665,863	0	B	(573,082)	92,781
Note payable - due to seller	0	0	A	4,000,000	4,000,000
Notes payable	493,560	204,840	B	(204,840)	493,560
Total long term liabilities	<u>1,159,423</u>	<u>204,840</u>		<u>10,804,371</u>	<u>12,168,634</u>
Total Liabilities	<u>13,519,629</u>	<u>8,898,555</u>		<u>8,269,157</u>	<u>30,687,341</u>
Stockholders' Equity					

Preferred stock	10	0		10
Common stock	2,585	0	A	3,834
Additional paid-in capital	70,213	940,564	A	1,068,164
Retained earnings	(41,441)	1,579,527	A, B	(61,441)
Total equity	<u>31,367</u>	<u>2,520,091</u>		<u>1,010,567</u>
Total liabilities and equity	<u>\$ 13,550,996</u>	<u>\$ 11,418,646</u>		<u>\$ 6,728,266</u> <u>\$ 31,697,908</u>

See accompanying notes to pro forma condensed combined financial statements

**FOCUS VENTURE PARTNERS, INC**  
**PRO FORMA CONDENSED COMBINED OF OPERATIONS**  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012  
(Unaudited)

	Focus Venture Partners, Inc.	MDT Labor LLC		Pro Forma Adjustments	Pro Forma Amount
Revenues	\$ 31,557,374	\$ 13,987,182			\$ 45,544,556
Cost of revenues	<u>24,433,477</u>	<u>10,416,696</u>			34,850,173
Gross profit	<u>7,123,897</u>	<u>3,570,486</u>			<u>10,694,383</u>
Operating expenses:					
Salary, wages and payroll taxes	1,930,768	1,500,663			3,431,431
Selling, general and administrative	1,511,305	458,283			1,969,588
Travel expenses	1,109,583	114,263			1,223,846
Occupancy costs	534,697	49,062			583,759
Depreciation and amortization	260,038	271,314	D	2,041,713	2,573,065
Total operating expenses	<u>5,346,391</u>	<u>2,393,585</u>			<u>9,781,689</u>
Income (loss) before other expenses and income taxes	<u>1,777,506</u>	<u>1,176,901</u>			<u>912,694</u>
Other (income) expense					
(Gain) loss on sale of assets		2,126			2,126
Other (income)		(20,860)			(20,860)
Interest / factoring expense	910,875	265,796	E, F, G, H, I, J, K, L, M, N	953,498	2,130,169
Total other (income) expense	<u>910,875</u>	<u>247,062</u>			<u>2,111,435</u>
Income (loss) before income taxes	866,631	929,839			(1,198,741)
Provision for income taxes	<u>303,321</u>	<u>3,986</u>			<u>307,307</u>
Net income (loss)	<u>\$ 563,310</u>	<u>\$ 925,853</u>			<u>\$ (1,506,048)</u>
Basic and diluted net income (loss) per common share					<u>\$ (0.04)</u>
Basic and diluted weighted average number of common shares outstanding					<u>37,542,390</u>

See accompanying notes to pro forma condensed combined financial statements

**FOCUS VENTURE PARTNERS, INC**  
**PRO FORMA CONDENSED COMBINED OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Unaudited)

	Focus Venture Partners, Inc.	MDT Labor LLC		Pro Forma Adjustments	Pro Forma Amount
Revenues	15,297,926	9,470,360			24,768,286
Cost of revenues	11,140,884	7,085,814			18,226,698
Gross profit	4,157,043	2,384,546			6,541,589
Operating expenses:					
Salary, wages and payroll taxes	1,103,817	701,315			1,805,132
Selling, general and administrative	923,027	667,895			1,590,922
Travel expenses	1,217,135	28,786			1,245,921
Occupancy costs	257,288	12,969			270,257
Depreciation and amortization	97,400	166,250	D	2,722,284	2,985,934
Total operating expenses	3,598,666	1,577,215			7,898,165
Income (loss) before other expenses and income taxes	558,376	807,331			(1,356,577)
Other (income) expense					
Gain on sale of assets	(171,797)	0			(171,797)
Interest expense	113,431	153,716	E, F, G, H, I, J, K, M, N	1,945,836	2,212,983
Total other (income) expense	(58,366)	153,716			2,041,186
Income (loss) before income taxes	616,742	653,615			(3,397,763)
Provision for income taxes	0	0			0
Net income (loss)	616,742	653,615			(3,397,763)
Net (income) loss attributable to non-controlling interest	(48,270)	0			(48,270)
Net income (loss) attributed to Focus Venture Partners, Inc.	568,472	653,615			(3,446,033)
Basic and diluted net income (loss) per common share					\$ (0.09)
Basic and diluted weighted average number of common shares outstanding					36,470,000

See accompanying notes to pro forma condensed combined financial statements

**FOCUS VENTURE PARTNERS, INC.**  
**Notes to Pro Forma Condensed Combined Financial Statements**  
(Unaudited)

- A. On December 3, 2012, the Company acquired all of the issued outstanding membership interests of MDT Labor, LLC, doing business as MDT Technical (“MDT”). MDT operates a services business that provides labor and human resource solutions, including temporary staffing services in the United States market.

Pursuant to the Interest Purchase Agreement, total consideration of \$7,999,200 was transferred for all of the outstanding membership interests for MDT. A cash payment of \$3,000,000 was made by Atalaya on behalf of the Company and the Company delivered a Promissory Term Note (“MDT Note”) for \$4,000,000 and issued 12,490,000 shares of common stock of the Company valued at \$999,200 for all of the outstanding membership interests for MDT. Common stock is valued at \$0.08 per shares based on the last issuance of common stock by the Company for cash.

The MDT Note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the Company may pay \$1,500,000 in principal. The Company may further pay monthly scheduled principal payments of \$100,000 the following month if the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The MDT Note is secured by all fixtures and personal property of every kind and nature. The MDT Note security interest is subordinated to the security interests held by Atalaya.

The assets and liabilities of MDT Labor, LLC are recorded at fair value on the acquisition date. The book value of the current assets, property and equipment and the liabilities of MDT are a reasonable approximation of fair value. The intangible asset, customer relationships, is amortized on a straight-line basis over their estimated life of four years.

The Company has not yet finalized the valuation of the purchase price allocation. The pro forma balance sheet and the pro forma statements of operations were derived using the preliminary fair value of the assets and liabilities acquired in the transaction. These fair values are subject to change as the Company completes the fair value determination process.

The Company accounts for business combinations using the acquisition method in accordance with *ASC 805, Business Combinations*.

- B. On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent (“Atalaya”). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The commitments under the Credit Agreement are restricted by the borrowing base defined as 100% of the net collectible amount of acceptable accounts due to the Company less reserves and allowances which Atalaya deems necessary in its reasonable discretion. In the addition, the Credit Agreement is subject to various financial covenants including fixed charge coverage ratio, tangible net worth, restrictions on capital expenditures, minimum EBITDA ratio and maximum leverage ratio.

The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant (“Warrant”) to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO (b) the expiration of the warrant, Atalaya may put the warrant on 60 days’ notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

The Company agreed to pay Red Ridge Finance Group, LLC (“Red Ridge”) in consideration for arranging and administering the credit facilities provided under the Credit Agreement a fee of \$330,000 and to reimburse Red Ridge \$44,375 for due diligence and background checks. In addition a quarterly collateral management fee of \$20,000 is due to Red Ridge.

Legal fees of \$152,500 were incurred by the Company to arrange the Credit Agreement.



On December 3, 2012, the Company made an initial notice of borrowing/disbursement request. As a result, Atalaya disbursed the entire proceeds of the \$8,000,000 term loan commitment (less an agreed-upon \$330,000 original discount to Atalaya for making the term loan) and disbursed \$3,000,000 of the revolving loan commitment.

The cash proceeds for this request were disbursed by Atalaya on behalf of the Company as follows:

- a) \$3,000,000 in connection with the acquisition of all of the issued outstanding membership interests of MDT.
- b) \$3,139,943 Buyout Letter Agreement with Sterling National Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT.
- c) \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company
- d) \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company
- e) \$697,230 Payout Statement with Metro Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT
- f) \$340,979 payment to settle all obligations due to Franklin Capital Holdings, LLC
- g) \$154,377 payment to settle all obligations due to AGR Funding, Inc.
- h) \$152,500 payment for legal fees for the Credit Agreement
- i) \$20,000 payment for quarterly administration fees to Atalaya
- j) \$2,285,600 payment to the Company

As of December 3, 2012, the revolving and term loans carry an interest rate at the greater (a) the LIBOR rate plus 12.75%. (b) 0.75% per annum plus 12.75%. The actual interest rate on the revolving and term loans at December 3, 2012 is 13.50%. The Company is required to pay a commitment fee of 0.25% per annum on the amount the revolving loan commitment exceeds the outstanding revolving loan. Interest is payable monthly in cash on term and revolving loans.

In addition, the Company is required to pay a quarterly administration fee of \$20,000 to Atalaya.

Principal on the revolving loans is due on December 3, 2014, the termination date. Principal on the term loans is due in monthly installments of \$135,000 commencing on January 1, 2013 and in full on December 3, 2014, the maturity date.

The Credit Agreement is secured by all of the assets and personal property of the Company.

The Company accounts for the Credit Agreement in accordance with *ASC-20 Debt with Conversion and Other Options*, *ASC 815-20 Derivatives and Hedging*, *Contracts in Equity's Own Equity* and *ASC 835 Interest*.

- C. Record the warranty liability issued in connection with the Credit Agreement at fair value of \$417,707.
- D. Record amortization of customer relationships on a straight-line basis over four years.
- E. Record amortization of deferred finance costs related to the Credit Agreement on a straight-line basis over two years.
- F. Record interest on the revolving and term loans.
- G. Record interest on the note payable – due to seller.
- H. Record interest accretion expense on the discount recorded on the term loan for the warrant liability. Amortized over two years on a straight-line basis.
- I. Reverse interest expense for note payable with Sterling National Bank paid in full. See pro forma adjustment B. b).
- J. Reverse interest expense and administration fees for factor line of credit with Franklin Capital Holdings, LLC paid in full. See pro forma adjustment B. f).
- K. Reverse interest expense and administration fees for factor line of credit with AGR Funding, Inc. paid in full. See pro forma adjustment B. g).

- L. Reverse interest expense for Note payable, related party, Christopher Ferguson, the CEO and a director of the Company, paid in full. See pro forma adjustment B. c).
- M. Reverse interest expense for note payable with Metro Bank paid in full. See pro forma adjustment B. e).
- N. Reverse interest expense for Note payable, related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company, paid in full. See pro forma adjustment B. d).

**FOCUS VENTURE PARTNERS, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended**  
**September 30, 2012**  
**(Unaudited)**

F-8

---

**FOCUS VENTURE PARTNERS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	September 30, 2012 (unaudited)	December 31, 2011 (unaudited)
<b>ASSETS</b>		
Current assets:		
Cash	\$ 557,088	\$ 201,768
Accounts receivable, net	10,974,137	4,008,376
Security deposits	75,281	244,586
Due from related party	225	35,400
Other current assets	16,616	34,783
Total current assets	11,623,347	4,524,913
Property and equipment, net	1,913,235	1,328,473
Intangible assets, net	14,413	46,841
Total assets	<u>\$ 13,550,995</u>	<u>\$ 5,900,227</u>
<b>LIABILITIES EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,820,886	\$ 1,421,300
Factoring lines of credit	1,716,173	2,199,795
Accrued contract costs	5,566,118	—
Deferred revenue	1,306,000	—
Provision for income taxes	303,321	—
Current portion of capital lease obligations	67,420	524,965
Current portion of long-term debt related party	429,265	—
Current portion of long-term debt	151,023	69,090
Total current liabilities	12,360,206	4,215,150
Long term liabilities:		
Capital lease obligations	—	32,991
Note payable - related party	665,863	136,234
Notes payable	493,560	212,196
Total long term liabilities	1,159,422	381,421
Total liabilities	13,519,628	4,596,572
Equity:		
Common stock; \$0.0001 par value, 100,000,000 shares authorized and 25,847,500 shares issued and outstanding at September 30, 2012; and 23,980,000 shares issued and outstanding at December 31, 2011	2,585	2,398
Preferred stock; \$0.0001 par value, 10,000,000 shares authorized and 100,000 issued and outstanding at September 30, 2012; and December 31, 2011	10	10
Additional paid-in capital	70,213	444,879
Retained earnings	(41,441)	746,504
	31,367	1,193,790
Non-controlling interest	—	109,866
Total equity	31,367	1,303,657

Total liabilities and equity	\$ 13,550,995	\$ 5,900,227
------------------------------	---------------	--------------

See accompanying notes to consolidated financial statements

**FOCUS VENTURE PARTNERS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the Three and Nine Months Ended September 30, 2012 and 2011**  
**(Unaudited)**

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2012 (unaudited)	September 30, 2011 (unaudited)	September 30, 2012 (unaudited)	September 30, 2011 (unaudited)
Revenues	\$ 11,897,060	\$ 3,669,433	\$ 31,557,374	\$ 10,646,447
Cost of revenues	8,744,685	3,255,791	24,433,477	8,694,463
Gross profit	3,152,375	413,642	7,123,897	1,951,984
Operating expenses:				
Salary, wages and payroll taxes	821,856	197,005	1,930,768	285,358
Selling, general and administrative	450,439	168,017	1,511,306	563,064
Travel expense	303,538	356,465	1,109,583	766,725
Occupancy costs	196,688	56,416	534,697	161,129
Depreciation and amortization	104,534	27,691	260,038	33,224
Total operating expenses	1,877,055	805,594	5,346,392	1,809,500
Income (loss) before other expenses	1,275,320	(391,952)	1,777,505	142,484
Other expense (income)				
Interest expense	398,410	935	910,875	12,223
Gain on sale of assets	-	-	-	(171,797)
Total other expense	398,410	935	910,875	(159,574)
Net income (loss) before income taxes	876,910	(392,887)	866,630	302,058
Provision for income taxes	303,321	-	303,321	-
Net income (loss) before non-controlling interest	573,589	(392,887)	563,309	302,058
Net income attributable to non-controlling interest	-	4,715	-	56,001
Net income (loss)	\$ 573,589	\$ (397,602)	\$ 563,309	\$ 246,057
Basic and diluted net income (loss) per common share	\$ 0.02	\$ (0.02)	\$ 0.02	\$ 0.01
Basic and diluted weighted average number of common shares outstanding	25,847,500	25,052,390	23,980,000	23,980,000

See accompanying notes to consolidated financial statements

**FOCUS VENTURE PARTNERS, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

	Preferred Stock		Common Stock		Additional Paid-in-Capital	Retained Earnings	Non-controlling Interest	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2011	100,000	\$ 10	23,980,000	\$ 2,398	\$ 444,879	\$ 746,504	\$ 109,866	\$ 1,303,657
Issuance of Promissory Note to the shareholders of Jus-Com. Inc. on January 1, 2012					(126,000)	-	-	(126,000)
Purchase of non-controlling interest of CMK Resource Group, LLC on January 1, 2012					(70,134)	-	(109,866)	(180,000)
Issuance of Promissory Note to the members of Optos Capital Partners, LLC on January 1, 2012					(248,745)	(1,351,255)	-	(1,600,000)
Issuance of common stock for cash, related party			1,000,000	100	900	-	-	1,000
Issuance of common stock for cash			437,500	44	34,956	-	-	35,000
Issuance of common stock for services			430,000	43	34,357	-	-	34,400
Net income	-	-	-	-	-	563,310	-	563,310
Balance, September 30, 2012	100,000	\$ 10	25,847,500	\$ 2,585	\$ 70,213	\$ (41,441)	\$ -	\$ 31,367

See accompanying notes to consolidated financial statements

**FOCUS VENTURE PARTNERS, INC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

	September 30, 2012 (unaudited)	September 30, 2011 (unaudited)
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 563,310	\$ 246,057
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:		
Provision for income taxes	303,321	—
Depreciation and amortization	260,038	33,224
Stock issued for services	34,400	—
Gain on sale of assets	—	(171,797)
Changes in operating assets and liabilities:		
Increase in accounts receivable	(6,965,761)	(933,180)
Decrease (increase) in security deposits	169,305	(11,997)
Decrease (increase) in due from related party	35,175	(6,305)
Decrease (increase) in other current assets	18,167	(64,028)
Increase in accrued contract costs	5,566,118	-
Increase in deferred revenue	1,306,000	-
Increase in accounts payable in accrued liabilities	1,399,585	916,331
Net cash provided by operating activities	<u>2,689,658</u>	<u>8,305</u>
<b>Cash flows from investing activities:</b>		
Acquisition of Jus-Com Inc.	-	5,870
Purchase of property and equipment	(633,087)	(235,384)
Sale of customer list	-	16,000
Distribution to former shareholders of Jus-Com Inc.	-	(113,885)
Net cash used in investing activities	<u>(633,087)</u>	<u>(327,399)</u>
<b>Cash flows from financing activities:</b>		
Advances on factor line of credit	21,456,103	618,424
Payments on factor line of credit	(21,939,725)	(303,074)
Payments on capital lease obligations	(246,616)	(103,979)
Payments on notes payable	(59,907)	(9,364)
Advances made by related party	-	34,925
Payments made to related party	(947,107)	-
Stock issuance for cash	36,000	-
Draws by members	—	(143,517)
Net cash used in financing activities	<u>(1,701,252)</u>	<u>93,415</u>
Net change in cash	355,320	(225,679)
Cash, beginning of period	<u>201,768</u>	<u>387,463</u>
Cash, end of period	<u>\$ 557,088</u>	<u>\$ 161,784</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ 893,890</u>	<u>\$ 113,431</u>
Cash paid for taxes	<u>\$ —</u>	<u>\$ —</u>
<b>Non-cash investing and financing activities:</b>		
Capital lease obligations	<u>\$ (243,920)</u>	<u>\$ 758,293</u>



Notes payable - related party	\$ 423,204	\$ -
Notes Payable	\$ 1,906,000	\$ 251,244
Assets acquired from Jus-com	\$ -	\$ (250,382)
Liabilities acquired from Jus-Com	\$ -	\$ 130,252
Net debt forgiven on sale of assets	\$ -	\$ (222,797)

See accompanying notes to consolidated financial statements

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**1. DESCRIPTION OF BUSINESS AND HISTORY**

Description of Business – The accompanying consolidated financial statements include the accounts of Focus Venture Partners, Inc. (the “Company” or “FVP”) and its wholly owned subsidiaries, Optos Capital Partners, LLC (“Optos”), Focus Fiber Solutions LLC (“Focus”), CMK Resource Group LLC (“CMK”), Townsend Careers LLC (“Townsend”) and Jus-Com Inc. (“Jus-Com”). Prior to January 1, 2012, the Company presented the financial statements on a combined basis due to common management and ownership. Also, these entities were expected to be the subject of a business combination, which occurred on January 1, 2012 with the acquisition of Jus-Com Inc. and the purchase of the remaining 50% interest in CMK Resource Group, (see Note 12).

The Company was incorporated in the state of Nevada on March 26, 2012. On May 31, 2012, the Company entered into a Contribution Agreement whereby FVP issued 92.8% of its total outstanding common stock and 100% of its total outstanding preferred stock in exchange for 100% of the members’ interest in Optos. As a result of the Contribution Agreement, Optos became a wholly owned subsidiary of the Company. Optos is a limited liability company, which was incorporated in the State of Delaware on April 15, 2008. Optos is the sole member of Focus Fiber, a limited liability company, incorporated in the State of Delaware on October 15, 2010. On January 1, 2012, Optos acquired the remaining 50% interest in CMK, a limited liability company, incorporated in the State of Delaware on December 1, 2008. CMK is the sole member of Townsend, a limited liability company, incorporated in the State of Maryland on May 22, 2007. Prior to the Contribution Agreement transaction, FVP and Optos were under common control thus, the Contribution Agreement transaction has been accounted for as a Recapitalization of Optos into FVP and as such the operational history of Optos will carry forward. Accordingly, the December 31, 2011 combined financial statements have been re-classified to conform with the recapitalization of Optos.

Jus-Com, Inc. (“Jus-Com”) was incorporated in the State of Indiana on January 3, 1989. Jus-Com was acquired by the common management and ownership on September 1, 2011. On January 1, 2012, Optos acquired 100% of the outstanding shares of Jus-Com. in a stock purchase agreement.

The Company primarily operates in the telecommunications space but will pursue other industries as presented. The Company pursues acquisitions in which it can acquire a 100% ownership interest of stable, well positioned telecom companies. Currently, Optos operates Focus Fiber, Jus-Com and CMK. Focus Fiber specializes in the design, engineering, installation, and maintenance of a telecommunications infrastructure network. CMK and Townsend operate as a temporary and permanent staffing agency specializing in the telecommunications market. Jus-Com is a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation.

**2. SUMMARY OF SIGNIFICANT POLICIES**

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash and short-term investments with original maturities of less than 90 days. Cash equivalents are placed with high credit quality financial institutions. The carrying value of those investments approximates fair value.

Inventory - Inventory is comprised of materials purchased for Jus-Com and are stated at the lower of cost (FIFO) or market. Other entities included in the consolidated financial statements charge the cost of materials to cost of sales as incurred. The company estimates its work in progress to be a three month period in which the

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**2. SUMMARY OF SIGNIFICANT POLICIES – (Continued)**

inventory is reduced and charged to cost of sales. On this basis, management has recorded a balance in other current assets for inventory held at September 30, 2012 and December 31, 2011, to be \$12,796 and \$15,515, respectively.

Earnings (Loss) Per Share – Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per common share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if potentially dilutive securities had been issued. There were no potentially dilutive securities outstanding during the periods presented.

Fair Value of Financial Instruments – The Company bases its fair value determinations of the carrying value of other financial assets and liabilities on an evaluation of their particular facts and circumstances and valuation techniques that require judgments and estimates. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The fair value hierarchy gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the valuation technique. As of September 30, 2012 and December 31, 2011, none of our assets or liabilities was subject to fair value measurements.

The carrying amounts reflected in the consolidated balance sheets for cash, accounts receivable, accounts payable and accrued liabilities, capital lease obligations payable, factor lines of credit and promissory notes approximate the respective fair values due to the short maturities of these items.

Re-classification- On May 31, 2012, the Company entered into a Contribution Agreement whereby FVP issued 92.8% of its total outstanding common stock and 100% of its total outstanding preferred stock in exchange for 100% of the members' interest in Optos. Prior to the Contribution Agreement transaction, FVP and Optos were under common control thus, the Contribution Agreement transaction has been accounted for as a recapitalization of Optos into FVP and as such the operation history of Optos will carry forward. Accordingly, the December 31, 2011, combined financial statements have been re-classified to conform with the recapitalization of Optos.

Concentration of Credit Risk – Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company places its cash with financial institutions with high-credit ratings. The Company is subject to risk of non-payment of its trade accounts receivable. Our customer base is highly concentrated. For the nine months ended September 30, 2012, two customers represented approximately 87.4% or 95.6% of the outstanding receivable balance. For the year ended December 31, 2011, one customer represented approximately 73.7% of revenues or 72.2% of outstanding receivables. For the year ended December 31, 2010, five customers represented approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. Our revenue may significantly decline if we were to lose one or more of our significant customers. In addition, revenues under our contracts with significant customers may vary from period-to-period depending on the timing and volume of work which those customers order or perform with their in-house service organizations. Additionally, consolidations, mergers and acquisitions in the telecommunications and staffing industries have occurred in the past and may occur in the future. The consolidation, merger or acquisition of an existing customer may result in a change in procurement strategies by the surviving entity. Reduced demand for our services or a change in procurement strategy of a significant customer could adversely affect our results of operations, cash flows and liquidity.

Recent Accounting Pronouncements – There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted the nine months ended September 30, 2012, fiscal 2011 or which are expected to impact future periods, which were not adopted and disclosed in prior periods.



**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**3. ACCOUNTS RECEIVABLES**

The following is a breakdown of accounts receivable as of September 30, 2012 and December 31, 2011:

	September 30, 2012	December 31, 2011
Equipment and installation	\$ 10,692,119	\$ 3,598,408
Services	282,018	500,483
Allowance for doubtful accounts	—	(90,515)
Accounts receivable, net	<u>\$ 10,974,137</u>	<u>\$ 4,008,376</u>

**4. SECURITY DEPOSITS**

Security deposits consist of the following:

	September 30, 2012	December 31, 2011
Occupancy charges paid in advance	\$ 64,049	\$ 925
Contractor Bond	11,232	243,661
	<u>\$ 75,281</u>	<u>\$ 244,586</u>

**5. PREPAIDS AND OTHER CURRENT ASSETS**

	September 30, 2012	December 31, 2011
Inventory	\$ 12,796	\$ 15,515
Due from factor	(11,175)	15,521
Other current assets	14,995	3,747
	<u>\$ 16,616</u>	<u>\$ 34,783</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are representative of the following:

	September 30, 2012	December 31, 2011
Accounts payable	\$ 2,439,810	\$ 1,198,069
Credit card payables	220,931	169,360
Payroll taxes payable	47,538	42,090
Accrued liabilities	844	8,760
Accrued wages	98,892	
Accrued interest payable	12,870	3,021
	<u>\$ 2,820,885</u>	<u>\$ 1,421,300</u>

**6. ACCRUED CONTRACT COSTS**

Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. For the nine

months ended September 30, 2012, the Company accrued costs of \$5,566,118, representing the contracts or contract segments where revenue has been recognized but costs have yet to be billed.

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**7. DEFERRED REVENUE**

The Company begins recognizing revenue on a project when persuasive evidence of an arrangement exists, recoverability is reasonably assured, and project costs are incurred. Costs may be incurred before the Company has persuasive evidence of an arrangement. In those cases, if recoverability from that arrangement is probable, the project costs are deferred and revenue recognition is delayed. For the three months ended September 30, 2012, the Company had deferred revenue of \$1,306,000.

**8. FACTORING LINES OF CREDIT**

AGR Funding Inc.

On July 7, 2011, the Company entered into an agreement with a factoring corporation, AGR Funding, Inc. ("AGR"). Under the terms of the agreement, the Company receives up to 85% of the purchase price up front, at the discretion of AGR, to a maximum aggregate amount of \$1,000,000. The term of the agreement is two years from the initial purchase date of July 26, 2011.

An initial fee is payable to AGR based on the dollar volume of weekly purchases as follows: (i) 1.40% - Up to \$49,999 (ii) 1.20% - \$50,000 to \$99,999 (iii) 1.10% - \$100,000 and above.

In addition, in the event that any receivable purchased by AGR is not paid within 30 days after the payment of the initial advance amount, the Company is required to pay AGR a daily percentage finance charge equal to the percentage, set forth below opposite the initial fee which applied to the receivable, subject to adjustment from time to time by AGR (i) Daily percentage - 0.0467%, Initial fee -1.40% (ii) Daily percentage - 0.0400%, Initial fee -1.20% (iii) Daily percentage - 0.0367%, Initial fee -1.10%.

Advances to the Company are with recourse and are secured by all assets of the Company and a priority interest in all purchased receivables.

The factoring line of credit has been treated as a secured financing arrangement. As of September 30, 2012, under the agreement with AGR, the Company had factored receivables in the amount of \$152,839 and recorded a liability of \$124,474. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying consolidated statements of operations as interest expense. For the three and nine months ended September 30, 2012, interest expense related to the factoring arrangement was \$11,119 and \$40,285, respectively.

Franklin Capital Holdings, LLC

On October 18, 2011, the Company entered into an agreement with a factoring corporation, Franklin Capital Holdings, LLC ("FCH"). Under the terms of the agreement, the Company receives up to 80% of the purchase price up front, at the discretion of FCH, to a maximum aggregate amount of \$2,000,000. The term of the agreement is two years and is renewable for two years, unless terminated by the Company. The Company must give FCH not less than 90 days written notice prior to the expiration of the initial period or renewal period. The notice becomes effective on the expiration of the initial period or renewal period which means the 90 day period shall not commence to run until the expiration date.

A discount fee of 1.5% is payable for the gross amount of accounts purchased in a thirty day period, plus 0.05% for each additional day, provided that the minimum invoice fee is \$25. For the 3 months of the initial period or subsequent three month periods, as applicable, the minimum discount fee paid by the Company is the greater of (i) \$30,000 (ii) 1.5% of the Company gross sales of invoices to FCH for the preceding three months or (iii) 1.5% of the Company average gross quarterly sales of invoices to FCH for the preceding twelve months.

In addition, an advance payment fee is charged to the Company for the number of days that advances are made prior to the payment date and for the number of days invoices are outstanding, calculated at a floating nominal rate equal to prime rate plus 1.5%, compounded monthly.

Advances to the Company are with recourse and shareholders have provided a personal guarantee.

The factoring line of credit has been treated as a secured financing arrangement. As of September 30, 2012 under the agreement with FCH, the Company had factored receivables in the amount of \$6,913,491 and recorded a liability of \$1,591,699. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying consolidated statements of operations as interest expense. For the three and nine months ended September 30, 2012, interest expense related to the factoring arrangement was \$347,334 and \$705,210, respectively.



**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**9. NOTES PAYABLE**

	September 30, 2012	December 31, 2011
<u>Notes payable - equipment:</u>		
Equipment finance agreement to a bank, dated August 11, 2011, monthly blended payments of \$555, interest 7.75% per annum, due August 11, 2014, secured by equipment.	\$ 11,836	\$ 16,011
Vehicle finance agreement to a bank, monthly blended payments of \$699, interest 5.91% per annum, due February 12, 2015, secured by vehicle.	18,852	24,177
Equipment conditional sales contract to a bank, monthly blended payments of \$1,665, interest 7.75% per annum, due January 1, 2014, secured by equipment.	36,184	48,658
Equipment note payable to a finance company, monthly blended payments of \$4,004, interest 7.75% per annum, due September 1, 2016, secured by equipment.	161,824	187,640
Equipment note payable to a finance company, monthly blended payments of \$4,542, interest 7.25% per annum, due January 9, 2017, secured by equipment.	202,145	—
Equipment note payable to a finance company, monthly blended payments of \$739, interest 8.25% per annum, due January 12, 2017, secured by equipment.	32,200	—
Note payable to an individual, unsecured, for tools, non-interest bearing monthly installments of \$900, with final payment of \$300 due on February 10, 2012.	—	4,800
Equipment note payable to a finance company, monthly blended payments of \$3,765, interest 7.75% per annum, due July 24, 2017, secured by equipment.	181,542	
Total notes payable - equipment	644,583	281,286
Note payable to a related party, unsecured, bearing interest at 12% per annum, monthly installments of \$1,000, all unpaid principal and interest due May 1, 2013.	71,000	—
Note payable to TBK 327 Partners LLC, a related party, unsecured, bearing interest at 1% per month on the outstanding principal balance for a given month, all unpaid principal and interest due September 6, 2014.	—	136,234
Note payable to a related party, secured with a stock pledge agreement, bearing interest at 12% per annum, monthly installments of \$4,106 and all unpaid principal and interest are due January 1, 2015. *	97,996	—
Note payable to a related party, secured by members' units, bearing interest at 6% per annum, monthly installments of \$3,103 shall accrue and all sums shall be due and payable in one balloon payment on January 1, 2015. *	92,781	—
Note payable to a related party, secured, bearing interest at 6% per annum, initial principal payment of \$700,000 shall be due and payable on or before September 1, 2012, after initial payment, monthly installments of \$30,000 shall be due and payable with the outstanding balance of \$101,750 due in one balloon payment before December 31, 2015. *	833,350	—
Total notes payable - related party	1,095,127	136,234
Total notes payable	1,739,710	417,520
Less: current portion	(580,228)	(69,090)
Long term portion of notes payable	\$ 1,159,422	\$ 348,430

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**9. NOTES PAYABLE (CONTINUED)**

For the three and nine months ended September 30, 2012 interest expense related to the above notes payable was \$32,355 and \$131,888, respectively. For the three months and nine months ended September 30, 2011, interest expense for the above notes payable was \$3,211 and \$5,370, respectively.

\* Notes payable - related party

On January 1, 2012, the Company purchased from TBK Partners, LLC, a company under its common control, 100% of the issued and outstanding shares of Jus-Com, Inc. ("Jus-Com") for a purchase price of \$126,000 and is payable in a promissory note. The entire outstanding principal amount of this note, together with all interest accrued and thereto not paid and any other payments due and payable under the agreement shall be due in full in three years and bears interest of 12% per annum. The note is secured by a Stock Pledge and Security Agreement granting the seller a security interest in the stock.

The Company purchased 50% of the members' equity and the non-controlling interest in CMK Resource Group, LLC ("CMK") on January 1, 2012. The transaction gives the Company 100% ownership in CMK. The purchase price is \$100,000 and is payable in a Promissory Note. The Promissory Note is due in three years in monthly installments in advance of \$3,013 and bears interest of 6% per annum. The note is secured by a Unit Pledge and Security Agreement granting the seller a security interest in the units.

On January 1, 2012, the Company issued to the members of Optos ("Optos Members") a Promissory Note, in the principal amount of \$1,600,000. The Optos Members and Focus Venture Partners, Inc., incorporated in the State of Nevada on March 26, 2012, entered into a Contribution Agreement for all of the issued and outstanding membership interests in Optos. The note required an initial principal payment of \$700,000, due on or before September 1, 2012, which was paid on May 17, 2012. Monthly principal payments of \$30,000 for 30 months are due following the initial payment in the 37<sup>th</sup> month; accrued interest calculated on the outstanding principal at 6% per annum is due in a balloon payment of \$101,750.

**10. COMMITMENTS AND CONTINGENCIES**

Capital Lease Obligations - The Company leases certain heavy equipment and vehicles that are classified as capital leases. The cost of heavy equipment and vehicles under capital lease is included in the consolidated balance sheets as property and equipment and is recorded at \$164,783 and \$706,433 at September 30, 2012 and December 31, 2011, respectively. Accumulated depreciation of the leased equipment is recorded at \$31,668 and \$46,051 at September 30, 2012 and December 31, 2011, respectively.

Capital lease obligations included in the consolidated balance sheet are \$67,420 and \$557,956 at September 30, 2012 and December 31, 2011, respectively. The current portion of capital leases are \$67,420 and \$524,965 at September 30, 2012 and December 31, 2011, respectively. The Company recorded interest expense of \$7,303 and \$48,600 for the three and nine months ended September 30, 2012, respectively and \$0 for the three and nine months ended September 30, 2011, respectively, for these capital lease obligations.

Legal Matters - The Company is involved in litigation claims arising in the ordinary course of business. Legal fees and other costs associated with such actions are expensed as incurred. In addition, the Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and contingencies. The Company reserves for costs relating to these matters when a loss is probable and the amount can be reasonably estimated. The Company believes that the ultimate disposition of these matters will not have a material effect on its financial position, results of operations or cash flows. However, the amount of future reserves required associated with these claims, if any, cannot be determined with certainty.

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**11. BUSINESS ACQUISITION:**

**Stock Transfer Agreement** – On January 1, 2012, Optos Capital Partners, LLC (“Optos”) purchased from TBK Partners, LLC, a company under its common control, 100% of the issued and outstanding shares of Jus-Com, Inc. (“Jus-Com”) for a purchase price of \$126,000 and is payable in a promissory note. The entire outstanding principal amount of this note, together with all interest accrued and thereto not paid and any other payments due and payable under the agreement shall be due in full in three years and bears interest of 12% per annum. The note is secured by a Stock Pledge and Security Agreement granting the seller a security interest in the stock. The transaction represents a transfer of net assets between companies under common control and the assets and liabilities will be accounted for at historic cost.

On September 1, 2011, TBK 327 Partners, LLC, a Nevada limited liability company which is under the same common management and common ownership as Optos Capital Partners, LLC, acquired all of the issued and outstanding shares of Jus-Com, Inc. for a total purchase price of \$126,000. The acquisition of Jus-Com provides the Company with an AT&T Tier Vender Status (Tier 1 Approved Supplier) and four motor vehicles.

The results of operations and cash flows of the acquisition have been included in the consolidated financial statements from the date of acquisition. Net sales attributed to Jus-Com in the Company’s consolidated statement of operations for the three and nine months ended September 30, 2012 were \$796,481 and \$1,415,019, respectively. Net sales attributable to the consolidated statement of operations for the three and nine months ended September 30, 2011 was \$0.

**Unit Transfer Agreement** – On January 1, 2012, Optos purchased 50% of the members’ equity and the non-controlling interest in CMK Resource Group, LLC (“CMK”). The transaction gives the Company 100% ownership in CMK. The purchase price is \$100,000 and is payable in a Promissory Note. The Promissory Note is due in three years in monthly installments in advance of \$3,013 and bears interest of 6% per annum. The note is secured by a Unit Pledge and Security Agreement granting the seller a security interest in the units. The Company previously determined, due to the terms of the operating agreement between the members of CMK, that it controlled CMK and, as such, fully consolidated the financial statements of CMK into the financial statements of the Company. The change in the Company’s interest in CMK did not result in a change of control of CMK which will result in the purchase being accounting for as an equity transaction.

**12. STOCKHOLDERS’ EQUITY**

On May 15, 2012, the Company entered into a Contribution Agreement whereby FVP issued 23,980,000 shares of common stock (92.7% of its total outstanding common stock) and 100,000 shares of Series A Preferred Stock (100% of its total outstanding preferred stock) in exchange for 100% of the members’ interest in Optos Capital Partners, LLC. Prior to the Contribution Agreement transaction, FVP and Optos were under common control thus, the Contribution Agreement transaction has been accounted for as a recapitalization of Optos into FVP and as such the operational history of Optos will carry forward. Accordingly, the December 31, 2011, consolidated financial statements have been re-classified to conform with the recapitalization of Optos. Consequently, all share information has been re-classified from the Company’s inception.

The stockholders’ equity of the Company comprises the following classes of capital stock as of September 30, 2012 and December 31, 2011:

Preferred Stock, \$.0001 par value per share; 9,900,000 shares authorized, zero shares issued and outstanding at September 30, 2012 and December 31, 2011.

Series A Preferred Stock, \$.0001 par value share; 100,000 shares authorized: 100,000 and 100,000 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively. The stated value of each issued share of Series A Preferred Stock is deemed to be \$11.00. Series A Preferred Stock is convertible, at the option of the holder, into shares of common stock of Company at a conversion price of \$0.08 per share. Dividends are payable at the sole discretion of the Board of Directors.



**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**12. STOCKHOLDERS EQUITY (CONTINUED)**

Common Stock, par value of \$0.0001 per share; 100,000,000 shares authorized: 25,847,500 and 23,980,000 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively.

On March 26 2012, the Company issued 1,000,000 shares of common stock for \$1,000 in cash (\$0.001 per share)

On May 31, 2012, the Company issued 430,000 shares of common stock valued at \$34,400 for legal services (\$0.08 per share)

On May 31, 2012 the Company issued 437,500 shares of common stock for \$35,000 in cash (\$0.08 per share)

On July 23, 2012, the Company entered into a Corporate Advisor Agreement. As part of the Agreement, the Company issued 2,870,000 warrants with exercise price of \$0.08 and a life of five years. The warrants are accounted for in accordance with Topic 505-50 *Equity-Based payments to Non-Employee*. The warrants can be cancelled by the Company if financing as a result of this Agreement, net of fees, is not in excess of \$1,150,000. The warrants will be recognized and measured on the date the corporate advisor raises financing of \$1,150,000, net of fees.

**13. SEGMENTED REPORTING**

The Company's operations include two reportable operating segments. These operating segments reflect the way the company manages its operations and makes business decisions.

- 1) Design, engineering, installation, and maintenance of a telecommunications infrastructure network ("Network").
- 2) Temporary and permanent staffing agency specializing in the telecommunications market ("Staffing").

Eliminations are internal transactions between the segments, which are eliminated, to avoid inflation of earnings. The following table represents the segmented reporting for the three months then ended September 30, 2012 and 2011, respectively:

The following tables represent segmented reporting for the three and nine months then ended September 30, 2012:

	Three Months Ended September 30, 2012		
	Network	Staffing	Combined
Net Sales	\$ 9,882,222	\$ 2,014,838	\$11,897,060
Cost of sales	6,812,425	1,932,260	8,744,685
Gross profit	3,069,797	82,578	3,152,375
Salary, wages and payroll taxes	785,988	35,868	821,856
Selling, general and administrative	436,401	14,038	450,439
Travel expenses	302,101	1,437	303,538
Occupancy costs	188,541	8,147	196,688
Depreciation and amortization	104,534	-	104,534
Net operating income	1,252,232	23,088	1,275,320
Interest (expense)	(387,291)	(11,119)	(398,410)
Income before income taxes	864,941	11,969	876,910
Provision for income taxes	303,321	-	303,321
Net income	\$ 561,620	\$ 11,969	\$ 573,589
Total assets	\$13,122,118	\$ 428,877	\$13,550,995



**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**13. SEGMENTED REPORTING (CONTINUED)**

	Nine Months Ended September 30, 2012		
	Network	Staffing	Combined
Net Sales	\$26,177,685	\$ 5,379,689	\$31,557,374
Cost of sales	19,287,636	5,145,841	24,433,477
Gross profit	6,890,049	233,848	7,123,897
Salary, wages and payroll taxes	1,806,060	124,708	1,930,768
Selling, general and administrative	1,453,763	57,543	1,511,306
Travel expenses	1,102,927	6,656	1,109,583
Occupancy costs	514,181	20,516	534,697
Depreciation and amortization	260,038	-	260,038
Net operating income	1,753,080	24,425	1,777,505
Interest (expense)	(870,590)	(40,285)	(910,875)
Income (loss) before income taxes	882,490	(15,860)	866,630
Provision for income taxes	303,321	-	303,321
Net income (loss)	<u>\$ 579,169</u>	<u>\$ (15,860)</u>	<u>\$ 563,309</u>
Total assets	<u>\$13,122,118</u>	<u>\$ 428,877</u>	<u>\$13,550,995</u>

The following tables represent segmented reporting for the three and nine months then ended September 30, 2011:

	Three Months Ended September 30, 2011		
	Network	Staffing	Combined
Net Sales	\$ 2,233,769	\$ 1,435,664	\$ 3,669,433
Cost of sales	1,956,311	1,299,480	3,255,791
Gross profit	277,458	136,184	413,642
Salary, wages and payroll taxes	139,912	57,093	197,005
Selling, general and administrative	147,276	20,741	168,017
Travel expenses	354,496	1,969	356,465
Occupancy costs	51,370	5,046	56,416
Depreciation and amortization	27,691	-	27,691
Net operating (loss) income	(443,287)	51,335	(391,952)
Interest (expense)	-	(935)	(935)
Gain on sale of asset	-	-	-
(Loss) income before income taxes	(443,287)	50,400	(392,887)
Income taxes	-	-	-
Net (loss) income	<u>\$ (443,287)</u>	<u>\$ 50,400</u>	<u>\$ (392,887)</u>
Total assets	<u>\$ 3,274,264</u>	<u>\$ 588,178</u>	<u>\$ 3,862,442</u>

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**13. SEGMENTED REPORTING (CONTINUED)**

	Nine Months Ended September 30, 2011		
	Network	Staffing	Combined
Net Sales	\$ 7,032,623	\$ 3,613,824	\$10,646,447
Cost of sales	5,420,488	3,273,975	8,694,463
Gross profit	1,612,135	339,849	1,951,984
Salary, wages and payroll taxes	214,896	70,462	285,358
Selling, general and administrative	452,926	110,138	563,064
Travel expenses	759,284	7,441	766,725
Occupancy costs	147,108	14,021	161,129
Depreciation and amortization	33,224	-	33,224
Net operating income	4,697	137,787	142,484
Interest (expense)	(9,007)	(3,216)	(12,223)
Gain on sale of asset	171,797	-	171,797
Income before income taxes	167,487	134,571	302,058
Income taxes	-	-	-
Net income	\$ 167,487	\$ 134,571	\$ 302,058
Total assets	\$ 3,274,263	\$ 588,178	\$ 3,862,441

The Company primarily operates in one geographic segment, the United States.

**14. RELATED PARTY TRANSACTIONS**

On April 29, 2011, the Company entered into a month to month equipment rental agreement with TBK327 Partners LLC, ("TBK"), for monthly payments of \$7,000. The rental agreement was amended on February 1, 2012 for monthly payments of \$8,000 for additional rental equipment. The managing member of TBK is Christopher Ferguson, the Company's Chief Executive Officer, President and sole member of the Board of Directors. For the nine months ended September 30, 2012 and the year ended December 31, 2011, the total payments expensed to costs of sales were \$71,000 and \$56,000, respectively.

Certain payments were made on behalf of related parties which are classified on the Company's balance sheet as current assets, due from-related party.

- a) Christopher Ferguson, the Company's CEO, President and sole member of the Board, is a managing member of TBK. TBK has an outstanding receivables balance with the Company of \$225 and \$33,527 at September 30, 2012 and December 31, 2011, respectively. Subsequent to period end, the Company has received payment in full, towards the outstanding receivables balance.
- b) Frank Jennings, previously a 50% owner of CMK, has an outstanding receivables balance with the Company of \$0 and \$1,873 at September 30, 2012 and December 31, 2011, respectively.



**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**14. RELATED PARTY TRANSACTIONS (CONTINUED)**

On January 1, 2012, the Company entered into a stock purchase agreement to acquire 100% of the outstanding stock of Jus-Com Inc. from TBK, of which Christopher Ferguson is a managing member, for approximately \$126,000. At the time of purchase, Jus-Com had an outstanding note payable to TBK, which was assumed as part of the agreement. On July 5, 2012, Optos paid the balance of the note payable of \$136,000 and accrued interest of \$11,000 for a total of \$147,000. At September 30, 2012 and December 31, 2011, the balance was \$0 and \$136,234, respectively.

On January 1, 2012, the Company issued to the Optos Members, a Promissory Note, in the principal amount of \$1,600,000, for contributions in excess of \$1 million and personal guarantees to secure approximately \$3 million in financing. Christopher Ferguson and his spouse, Lelainya Ferguson are the sole Optos members. At September 30, 2012 the balance due on this note was \$514,735.

**15. PROVISION FOR INCOME TAXES**

For the nine months ended September 30, 2012 a provision was made for income taxes in the amount of \$303,321 representing 35% of the pretax accounting income. There are no reconciling differences at September 30, 2012 between income tax expense and pretax accounting income.

**16. SUBSEQUENT EVENT**

**Credit Agreement** – On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent (“Atalaya”). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The commitments under the Credit Agreement are restricted by the borrowing base defined as 100% of the net collectible amount of acceptable accounts due to the Company less reserves and allowances which Atalaya deems necessary in its reasonable discretion. In the addition, the Credit Agreement is subject to various financial covenants including fixed charge coverage ratio, tangible net worth, restrictions on capital expenditures, minimum EBITDA ratio and maximum leverage ratio.

The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant (“Warrant”) to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO (b) the expiration of the warrant, Atalaya may put the warrant on 60 days’ notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

The Company agreed to pay Red Ridge Finance Group, LLC (“Red Ridge”) in consideration for arranging and administering the credit facilities provided under the Credit Agreement a fee of \$330,000 and to reimburse Red Ridge \$44,375 for due diligence and background checks. In addition a quarterly collateral management fee of \$20,000 is due to Red Ridge.

Legal fees of \$152,500 were incurred by the Company to arrange the Credit Agreement.

On December 3, 2012, the Company made an initial notice of borrowing/disbursement request. As a result, Atalaya disbursed the entire proceeds of the \$8,000,000 term loan commitment (less an agreed-upon \$330,000 original discount to Atalaya for making the term loan) and disbursed \$3,000,000 of the revolving loan commitment.

The cash proceeds for this request were disbursed by Atalaya on behalf of the Company as follows:

- k) \$3,000,000 in connection with the acquisition of all of the issued outstanding membership interests of MDT (see Business Combination below)

**FOCUS VENTURE PARTNERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**16. SUBSEQUENT EVENT (Continued)**

- l) \$3,139,943 Buyout Letter Agreement with Sterling National Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT (see Business Combination below)
- m) \$785,688 to pay in full the outstanding principal and interest for a note payable to a related party, Christopher Ferguson, the CEO and director of the Company
- n) \$93,683 to pay in full the outstanding principal and interest for a note payable to a related party, TBK 327 Partners, LLC, a company controlled by Christopher Ferguson, the CEO and a director of the Company
- o) \$697,230 Payout Statement with Metro Bank to pay in full an outstanding bank loan, interest and prepayment penalty which was previously an obligation of MDT (see Business Combination below)
- p) \$340,979 payment to settle all obligations due to Franklin Capital Holdings, LLC
- q) \$154,377 payment to settle all obligations due to AGR Funding, Inc.
- r) \$152,500 payment for legal fees for the Credit Agreement
- s) \$20,000 payment for quarterly administration fees to Atalaya
- t) \$2,285,600 payment to the Company

As of December 3, 2012, the revolving and terms loan carry an interest rate at the greater (a) the LIBOR rate plus 12.75%. (b) 0.75% per annum plus 12.75%. The actual interest rate on the revolving and term loans at December 3, 2012 is 13.50%. The Company is required to pay a commitment fee of 0.25% per annum on the amount the revolving loan commitment exceeds the outstanding revolving loan. Interest is payable monthly in cash on term and revolving loans.

In addition, the Company is required to pay a quarterly administration fee of \$20,000 to Atalaya.

Principal on the revolving loans is due on December 3, 2014, the termination date. Principal on the term loans is due in monthly installments of \$135,000 commencing on January 1, 2013 and in full on December 3, 2014, the maturity date.

The Credit Agreement is secured by all of the assets and personal property of the Company.

The Company anticipates the Credit Agreement will be accounted for in accordance with *ASC-20 Debt with Conversion and Other Options*, *ASC 815-20 Derivatives and Hedging*, *Contracts in Equity's Own Equity* and *ASC 835 Interest*.

**Business Combination** – On December 3, 2012, the Company acquired all of the issued outstanding membership interests of MDT Labor, LLC, doing business as MDT Technical (“MDT”). MDT operates a services business that provides labor and human resource solutions, including temporary staffing services in the United States market.

Pursuant to the Interest Purchase Agreement, a cash payment of \$3,000,000 was made by Atalaya of behalf of the Company, delivered a Promissory Term Note (“MDT Note”) for \$4,000,000 and issued 12,490,000 shares of common stock of the Company for all of the outstanding membership interests for MDT.

The MDT Note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the Company may pay \$1,500,000 in principal. The Company may further pay monthly scheduled principal payments of \$100,000 the following month if the Company receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The MDT Note is secured by all fixtures and personal property of every kind and nature. The MDT Note security interest is subordinated to the security interests held by Atalaya.

The Company anticipates the Business Combination will be accounted for using the acquisition method in accordance with *ASC 805, Business Combinations*.

**Notes Payable to Related Parties** – On December 3, 2012, the Company disbursed in cash \$93,069 to pay in full the outstanding principal and interest for a note payable to a related party, Oilmatic Services, previously a 50% owner of CMK Resources Group, LLC. On December 3, 2012, the Company disbursed in cash \$72,660 to pay in full the outstanding principal and interest for a note payable to a related party, Brian Jennings, a brother of the principal of Oilmatic Services.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.**

**COMBINED FINANCIAL STATEMENTS**

**For the Years Ended  
December 31, 2011 and December 31, 2010  
Audited**

F-25

---



*De Joya Griffith & Company, LLC*

**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders  
Optos Capital Partners, LLC and Jus-Com Inc.

We have audited the accompanying combined balance sheets of Optos Capital Partners, LLC and Jus-Com, Inc., as of December 31, 2011 and 2010 and the related statements of operations, stockholder's equity and cash flows for the years then ended. Optos Capital Partners, LLC and Jus-Com, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Optos Capital Partners, LLC and Jus-Com, Inc. as of December 31, 2011 and 2010 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ De Joya Griffith & Company, LLC  
Henderson, Nevada  
September 5, 2012

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
COMBINED BALANCE SHEETS**

	December 31, 2011	December 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash	\$ 201,768	\$ 387,463
Accounts receivable, net	4,008,376	1,197,758
Security deposits	244,586	925
Due from related party	35,400	15,938
Other current assets	34,783	—
Total current assets	4,524,913	1,602,084
Property and equipment, net	1,328,473	—
Intangible assets, net	46,841	72,000
	1,375,314	72,000
Total assets	<u>\$ 5,900,227</u>	<u>\$ 1,674,084</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,421,299	\$ 821,399
Factoring lines of credit	2,199,795	—
Current portion of capital lease obligations	524,965	—
Current portion of long-term debt	69,090	—
Total current liabilities	4,215,149	821,399
Long term liabilities:		
Capital lease obligations	32,991	—
Note payable - related party	136,234	—
Notes payable	212,196	—
Total long term liabilities	381,421	—
Total Liabilities	4,596,570	821,399
Stockholder equity (deficit):		
Preferred stock; \$0.0001 par value, 10,000,000 shares authorized and 100,000 issued and outstanding at December 31, 2011 and 2010	10	10
Common stock; \$0.0001 par value, 100,000,000 shares authorized and 23,980,000 shares issued and outstanding at December 31, 2011 and 2010	2,398	2,398
Additional paid-in capital	444,879	560,449
Retained earnings	746,504	178,032
	1,193,791	740,889
Non-controlling interest	109,866	111,796
Total stockholders' equity	1,303,657	852,685
Total liabilities and stockholders' equity	<u>\$ 5,900,227</u>	<u>\$ 1,674,084</u>

See accompanying notes to combined financial statements





**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
COMBINED STATEMENTS OF OPERATIONS  
For the Years Ended**

	December 31, 2011	December 31, 2010
Revenues	\$ 15,297,926	\$ 6,119,571
Cost of revenues	<u>11,140,884</u>	<u>5,522,651</u>
Gross profit	<u>4,157,043</u>	<u>596,920</u>
Operating expenses:		
Salary, wages and payroll taxes	1,103,817	147,127
Selling, general and administrative	923,027	557,062
Travel expenses	1,217,135	129,801
Occupancy costs	257,288	99,787
Depreciation and amortization	97,400	—
Total operating expenses	<u>3,598,666</u>	<u>933,777</u>
Income (loss) before other expenses and income taxes	558,376	(336,857)
Other (income) expense		
Gain on sale of assets	(171,797)	—
Interest expense	<u>113,431</u>	<u>18,284</u>
Total other (income) expense	(58,366)	18,284
Income (loss) before income taxes	<u>616,742</u>	<u>(355,141)</u>
Provision for income taxes	—	—
Net income (loss) before non-controlling interest	616,742	(355,141)
Net (income) loss attributable to non-controlling interest	<u>(48,270)</u>	<u>33,184</u>
Net income (loss)	<u>\$ 568,472</u>	<u>\$ (321,957)</u>
Net income (loss) per common share, basic	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding, basic	<u>23,980,000</u>	<u>23,980,000</u>

See accompanying notes to combined financial statements

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
COMBINED STATEMENT OF STOCKHOLDERS' EQUITY  
For the Years Ended December 31, 2011 and 2010**

	Preferred Stock		Common Stock		Additional Paid-	Retained	Non- controlling	Stockholders'
	Shares	Amount	Shares	Amount	in-Capital	Earnings	Interest	Equity
Balance, December 31, 2009	100,000	\$ 10	23,980,000	\$ 2,398	\$ 514,336	\$ 499,989	\$ 134,780	\$ 1,151,513
Shareholder cash contributions	-	-	-	-	160,135	-	10,200	170,335
Shareholder cash distributions	-	-	-	-	(114,022)	-	-	(114,022)
Net loss	-	-	-	-	-	(321,957)	(33,184)	(355,141)
Balance, December 31, 2010	100,000	10	23,980,000	2,398	560,449	178,032	111,796	852,685
Shareholder contribution - acquisition of Jus-Com. Inc.	-	-	-	-	126,000	-	-	126,000
Shareholder cash distributions	-	-	-	-	(241,570)	-	(50,200)	(291,770)
Net income	-	-	-	-	-	568,472	48,270	616,742
Balance, December 31, 2011	<u>100,000</u>	<u>\$ 10</u>	<u>23,980,000</u>	<u>\$ 2,398</u>	<u>\$ 444,879</u>	<u>\$ 746,504</u>	<u>\$ 109,866</u>	<u>\$ 1,303,657</u>

See accompanying notes to combined financial statements

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
COMBINED STATEMENTS OF CASH FLOWS  
For the Years Ended**

	December 31, 2011	December 31, 2010
Cash flows from operating activities:		
Net income (loss)	\$ 568,471	\$ (321,957)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:		
Non-controlling interest	48,270	(33,184)
Depreciation and amortization	97,400	—
Write off of organizational costs	5,000	—
Gain on sale of assets	(171,797)	—
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable, net	(2,639,718)	(240,688)
Decrease (increase) in security deposits	(244,586)	—
Decrease (increase) in due from related party	(35,400)	—
Decrease (increase) in prepaid expenses and other assets	(17,892)	(6,589)
Increase (decrease) in accounts payable and accrued liabilities	802,883	796,046
Net cash (used in) provided by operating activities	<u>(1,587,369)</u>	<u>193,628</u>
Cash flows from investing activities:		
Acquisition of Jus-Com Inc.	5,870	—
Purchase of property and equipment	(379,636)	—
Sales of customer list	16,000	—
Distribution to former shareholders of Jus-Com Inc.	(113,885)	—
Net cash used in investing activities	<u>(471,651)</u>	<u>—</u>
Cash flows from financing activities:		
Advances on factor lines of credit	4,501,616	—
Payments on factor lines of credit	(2,301,821)	—
Payments on capital lease obligations	(148,476)	—
Advances on notes payable - related party	136,234	—
Payments on notes payable	(22,458)	—
Shareholder contributions	—	170,335
Shareholder distributions	(291,770)	(114,022)
Net cash provided by financing activities	<u>1,873,325</u>	<u>56,313</u>
Net change in cash	(185,695)	249,941
Cash, beginning of period	<u>387,463</u>	<u>137,522</u>
Cash, end of period	<u>\$ 201,768</u>	<u>\$ 387,463</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 113,431</u>	<u>\$ 18,284</u>
Cash paid for taxes	<u>\$ —</u>	<u>\$ —</u>
Non-cash investing and financing activities:		
Common stock gifted by officer Capital lease obligations	<u>\$ 706,433</u>	<u>\$ —</u>
Common stock gifted by officer Notes payable	<u>\$ 303,744</u>	<u>\$ —</u>
Assets acquired from Jus-Com	<u>\$ (250,382)</u>	<u>\$ —</u>
Liabilities acquired from Jus-Com	<u>\$ 130,252</u>	<u>\$ —</u>

Net debt forgiven on sale of assets	\$ (222,797)	\$ —
-------------------------------------	--------------	------

See accompanying notes to combined financial statements

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. DESCRIPTION OF BUSINESS AND HISTORY**

Description of Business – The accompanying combined financial statements include the combined accounts of Optos Capital Partners, LLC and its subsidiaries, and Jus-Com Inc. The combined financial statements have been presented on a combined basis because of the common control (or significant ownership) and management and because these entities were subject to a recapitalization on May 15, 2012.

Optos Capital Partners, LLC (the "Company" or "Optos"), a limited liability company, was incorporated in the State of Delaware on April 15, 2008. Optos is the sole member of Focus Fiber Solutions, LLC ("Focus Fiber"), a limited liability company, incorporated in the State of Delaware on October 15, 2010. In addition, Optos has a majority interest in CMK Resource Group, LLC ("CMK"), a limited liability company, incorporated in the State of Delaware on December 1, 2008. CMK is the sole member of Townsend Careers, LLC ("Townsend") a limited liability company, incorporated in the State of Maryland on May 22, 2007 (together "Combined Optos").

Jus-Com, Inc. ("Jus-Com") was incorporated in the State of Indiana on January 3, 1989. Jus-Com was acquired by the common management and ownership on September 1, 2011. Subsequently, on January 1, 2012, Jus-Com was acquired by Optos.

The Company primarily operates in the telecommunications space but will pursue other industries as presented. The Company pursues acquisitions in which it can acquire a 100% ownership interest of stable, well positioned telecom companies. Optos operates Focus Fiber and has a 50% interest in CMK. Combined Optos acquired 100% of CMK on January 1, 2012. Focus Fiber specializes in the design, engineering, installation, and maintenance of a telecommunications infrastructure network. CMK and Townsend operate as a temporary and permanent staffing agency specializing in the telecommunications market. Jus-Com is a telecommunication service provider providing various services including engineering consulting, design, installation and emergency response in various categories including cable rack/wiring build-outs, infrastructure build-outs, DC power installation, fiber cable splicing and security camera installation.

On May 15, 2012, the Company entered into a Contribution Agreement whereby Focus Venture Partners, Inc. ("FVP") issued 23,980,000, shares of common stock (92.7% of its total outstanding common stock) and 100,000 shares of Series A Preferred Stock (100% of its total outstanding preferred stock) in exchange for 100% of the members' interest in Optos Capital Partners, LLC. Prior to the Contribution Agreement transaction, FVP and Optos were under common control thus, the Contribution Agreement transaction has been accounted for as a recapitalization of Optos into FVP and as such the operational history of Optos will carry forward. Accordingly, the December 31, 2011 and 2010, combined financial statements have been re-classified to conform with the recapitalization of Optos. Consequently, all share information has been re-classified from the Company's inception.

**2. SUMMARY OF SIGNIFICANT POLICIES**

Basis of Presentation – The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The 2010 and 2011 combined financial statements include the accounts of Optos and Jus-Com from the date of acquisition at September 1, 2011 through December 31, 2011. The Company is under common ownership and common management. All intercompany balances and transactions have been eliminated on consolidation and combination.

Non-controlling interest represents the non-controlling interest holder's proportionate share of the equity of CMK. Non-controlling interest is adjusted for the non-controlling interest holder's proportionate share of income or loss and member's contribution and draws. Share of income is allocated between the members CMK in accordance with their proportionate interest of capital contributions. Non-controlling interests are shown as a component of equity in the accompanying combined balance sheets.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on

historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash and short-term investments with original maturities of less than 90 days. Cash equivalents are placed with high credit quality financial institutions. The carrying value of those investments approximates fair value.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

Revenue and Cost of Goods Sold Recognition – Revenue is only recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the price to the buyer is fixed or determinable, and (4) collectability is reasonably assured.

Network - Due to the short term nature of the Company's construction contracts, revenue is recognized once 100% complete. A contract may have many segments, of which, once completed; the revenue for the segment is recognized and no further obligation exists. The Network's construction contracts or segments of contracts typically can range from several days to two to four months. Contract costs may be billed as incurred. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools and repairs. Selling, general and administrative costs are charged to expense as incurred. The Company begins recognizing revenue on a project when persuasive evidence of an arrangement exists, recoverability is reasonably assured, and project costs are incurred. Costs may be incurred before the Company has persuasive evidence of an arrangement. In those cases, if recoverability from that arrangement is probable, the project costs are deferred and revenue recognition is delayed.

Provisions for losses on uncompleted contracts are made in the period such losses are known. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions, changes in raw materials costs, and final contract settlements may result in revisions to revenue, costs and income and are recognized in the period in which the revisions are determined.

b) Staffing - Staffing revenue is recognized as the services are performed.

Business Acquisitions - The Company's combined financial statements include the operations of an acquired business after the completion of the acquisition. The Company accounts for acquired businesses using the acquisition method of accounting. The acquisition method of accounting for acquired businesses requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date, and that the fair value of acquired in-process research and development ("IPR&D") be recorded on the balance sheet. Also, transaction costs are expensed as incurred. Any excess of the purchase price over the assigned values of the net assets acquired is recorded as goodwill. Contingent consideration, if any, is included within the acquisition cost and is recognized at its fair value on the acquisition date. A liability resulting from contingent consideration is re-measured to fair value at each reporting date until the contingency is resolved. Changes in fair value are recognized in earnings.

Allowance for Doubtful Accounts - The Company records an allowance for doubtful accounts as a best estimate of the amount of probable credit losses in its accounts receivable. Each month, the Company reviews this allowance and considers factors such as customer credit, past transaction history with the customer and changes in customer payment terms when determining whether the collection of a receivable is reasonably assured. Past due balances over 90 days and over a specified amount are reviewed individually for collectability. Receivables are charged off against the allowance for doubtful accounts when it becomes probable that a receivable will not be recovered. At December 31, 2011 and 2010, the allowance for doubtful accounts amounted to \$90,515 and \$5,674, respectively.

Inventory - Inventory comprises of materials purchased for Jus-Com and are stated at the lower of cost (FIFO) or market. Other entities included in the combined financial statements charge the cost of materials to cost of sales as incurred. The company estimates its work in progress to be a three month period in which the inventory is reduced and charged to cost of sales. On this basis, management has recorded a balance of inventory held at December 31, 2011 and December 31, 2010, to be \$15,515 and \$0, respectively.

Property and Equipment - Property and equipment are stated at the lower of cost or fair value. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which do not exceed the lease term for leasehold improvements, as follows:





**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

Property and Equipment (Continued)

	<u>Estimated Life</u>	<u>Method</u>
Machinery & equipment	6-8 years	Straight - line
Leasehold improvements	6-10 years	Straight - line
Vehicles & trailers	7-10 years	Straight - line
Computer equipment & software	2-5 years	Straight - line

The estimated useful lives are based on the nature of the assets as well as current operating strategy and legal considerations such as contractual life. Future events, such as property expansions, property developments, new competition, or new regulations, could result in a change in the manner in which the Company uses certain assets requiring a change in the estimated useful lives of such assets.

Maintenance and repairs that neither materially add to the value of the asset nor appreciably prolong its life are charged to expense as incurred. Gains or losses on disposition of property and equipment are included in the statements of operations.

Intangible Assets – Intangible assets comprise AT&T Tier Vendor Status acquired on September 1, 2011. The Company amortizes AT&T Tier Vendor Status on a straight-line basis over a 16 month estimated useful life.

Valuation of Long-Lived Assets - The Company evaluates its property and equipment intangible assets subject to amortization for impairment in accordance with related accounting standards. For assets to be held and used (including projects under development), property and equipment and intangible assets subject to amortization are reviewed for impairment whenever indicators of impairment exist. If an indicator of impairment exists, the Company first groups its assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the “asset group”). Secondly, the Company estimates the undiscounted future cash flows that are directly associated with and expected to arise from the completion, use and eventual disposition of such asset group. The Company estimates the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment is measured based on fair value compared to carrying value, with fair value typically based on a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. There were no impairments during the periods presented.

Income Taxes – The Company records income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards. Accounting standards regarding income taxes requires a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company’s experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

The net income (loss) generated from Optos Capital Partners, LLC, Focus Fiber Solutions, LLC, CMK Resource Group, LLC, Townsend Careers, LLC and Jus-Com, Inc. is treated as partnership income for federal and state income tax purposes, accordingly, no provision for income tax is included in the combined financial statements for these entities. Management will reassess the realization of deferred tax assets based on the accounting standards for income taxes each reporting period.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

Significant judgment is required in evaluating the Company's tax positions and determining its provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. Accounting standards regarding uncertainty in income taxes

provides a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based solely on the technical merits, of being sustained on examinations. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

Leases - Leases are classified as capital or operating leases. A lease that transfers substantially all benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

Earnings (Loss) Per Share – Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per common share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if potentially dilutive securities had been issued. There were no potentially dilutive securities outstanding during the periods presented.

Fair Value of Financial Instruments – The Company bases its fair value determinations of the carrying value of other financial assets and liabilities on an evaluation of their particular facts and circumstances and valuation techniques that require judgments and estimates. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The fair value hierarchy gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the valuation technique. As of December 31, 2011 and 2010, none of our assets or liabilities was subject to fair value measurements.

The carrying amounts reflected in the combined balance sheets for cash, accounts receivable, accounts payable and accrued liabilities, capital lease obligations payable, factor lines of credit and promissory notes approximate the respective fair values due to the short maturities of these items.

Concentration of Credit Risk – Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company places its cash with financial institutions with high-credit ratings. The Company is subject to risk of non-payment of its trade accounts receivable. Our customer base is highly concentrated. For the year ended December 31, 2011, one customer represented approximately 73.7% of revenues or 72.2% of outstanding receivables. For the year ended December 31, 2010, five customers represented approximately 61.5% of revenues or 74.6% of the outstanding accounts receivable. Our revenue may significantly decline if we were to lose one or more of our significant customers. In addition, revenues under our contracts with significant customers may vary from period-to-period depending on the timing and volume of work which those customers order or perform with their inhouse service organizations. Additionally, consolidations, mergers and acquisitions in the telecommunications and staffing industries have occurred in the past and may occur in the future. The consolidation, merger or acquisition of an existing customer may result in a change in procurement strategies by the surviving entity. Reduced demand for our services or a change in procurement strategy of a significant customer could adversely affect our results of operations, cash flows and liquidity.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

Recent Accounting Pronouncements – There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted fiscal 2011 or which are expected to impact future periods, which were not adopted and disclosed in prior periods.

**3. ACCOUNTS RECEIVABLES**

The following is a breakdown of accounts receivable as of December 31, 2011 and 2010:

	2011	2010
Equipment and installation	\$ 3,598,409	\$ 429,606
Services	500,483	773,826
Allowance for doubtful accounts	(90,515)	(5,674)
Accounts receivable, net	<u>\$ 4,008,376</u>	<u>\$ 1,197,758</u>

**4. SECURITY DEPOSITS**

Security deposits consist of the following as of December 31, 2011 and 2010:

	2011	2010
Rent paid in advance	\$ 925	\$ 925
Contractor Bond	243,661	—
	<u>\$ 244,586</u>	<u>\$ 925</u>

**5. RECEIVABLES AND OTHER CURRENT ASSETS**

	2011	2010
Receivable due from related party. See Note (15)	\$ 35,400	\$ 15,938
Inventory, materials on hand. See Note (2)	15,515	—
Due from factor - See Note (9)	15,521	—
Receivable due from Staff Choice - See Note (6)	3,447	—
Cash on hand	300	—
	<u>\$ 70,183</u>	<u>\$ 15,938</u>

**6. PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following as of December 31, 2011 and 2010:

	2011	2010
Machinery & equipment	\$ 1,060,093	\$ —
Vehicles & trailers	354,970	—
	1,415,063	—
Less: accumulated depreciation	(86,590)	—
	<u>\$ 1,328,473</u>	<u>\$ —</u>

Depreciation expense for the years ending December 31, 2011 and 2010 was \$86,590 and \$0, respectively.



**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**7. INTANGIBLE ASSETS, NET**

Intangible assets consist of the following as of December 31, 2011 and 2010:

	2011	2010
Organizational costs	\$ —	\$ 5,000
Customer lists and contracts	—	67,000
AT&T Tier Vendor Status	57,651	—
	57,651	72,000
Less: accumulated amortization	(10,810)	—
	<u>\$ 46,841</u>	<u>\$ 72,000</u>

Amortization expense for the years ending December 31, 2011 and 2010 was \$10,810 and \$0, respectively. Expected future amortization expense related to intangible assets in 2012 is \$46,841.

On January 19, 2011, the Company entered into an Asset Sale and Purchase Agreement to sell customer lists and contracts. The Company received total proceeds of \$238,797 which comprise cash of \$16,000, accounts receivable of \$3,447 and forgiveness of account payable of \$219,350. As a result, the Company recorded a gain on sale of assets of \$171,797 in the combined statement of operations.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following as of December 31, 2011 and 2010:

	2011	2010
Accounts payable	\$ 1,198,069	\$ 704,718
Credit card payables	169,360	116,681
Payroll taxes payable	42,090	—
Accrued liabilities	8,760	—
Accrued interest payable	3,021	—
	<u>\$ 1,421,300</u>	<u>\$ 821,399</u>

**9. FACTORING LINES OF CREDIT**

AGR Funding Inc.

On July 7, 2011, the Company entered into an agreement with a factoring corporation, AGR Funding, Inc. (“AGR”). Under the terms of the agreement, the Company receives up to 85% of the purchase price up front, at the discretion of AGR, to a maximum aggregate amount of \$1,000,000. The term of the agreement is two years from the initial purchase date of July 26, 2011.

An initial fee is payable to AGR based on the dollar volume of weekly purchases as follows: (i) 1.40% - Up to \$49,999 (ii) 1.20% - \$50,000 to \$99,999 (iii) 1.10% - \$100,000 and above.

In addition, in the event that any receivable purchased by AGR is not paid within 30 days after the payment of the initial advance amount, the Company is required to pay AGR a daily percentage finance charge equal to the percentage, set forth below opposite the initial fee which applied to the receivable, subject to adjustment from time to time by AGR (i) Daily percentage - 0.0467%, Initial fee -1.40% (ii) Daily percentage - 0.0400%, Initial fee -1.20% (iii) Daily percentage - 0.0367%, Initial fee -1.10%.

Advances to the Company are with recourse and are secured by all assets of the Company and a priority interest in all purchased receivables.

The factoring line of credit has been treated as a secured financing arrangement. As of December 31, 2011 under the agreement with AGR, the Company had factored receivables in the amount of \$351,480 and recorded a liability of \$296,017 and a receivable for collected receivables due the Company of \$15,521. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying combined statements of operations as interest expense. For the years ended December 31, 2011 and 2010, interest expense related to the factoring arrangement was \$23,346 and \$0, respectively.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**9. FACTORING LINES OF CREDIT (Continued)**

Franklin Capital Holdings, LLC

On October 18, 2011, the Company entered into an agreement with a factoring corporation, Franklin Capital Holdings, LLC ("FCH"). Under the terms of the agreement, the Company receives up to 80% of the purchase price up front, at the discretion of FCH, to a maximum aggregate amount of \$2,000,000. The term of the agreement is two years and is renewable for 2 years, unless terminated by the Company. The Company must give FCH not less than 90 days written notice prior to the expiration of the initial period or renewal period. The notice becomes effective on the expiration of the initial period or renewal period which means the 90 day period shall not commence to run until the expiration date.

A discount fee of 1.5% is payable for the gross amount of accounts purchased in a 30 day period, plus 0.05% for each additional day, provided that the minimum invoice fee is \$25. For the 3 months of the initial period or subsequent 3 month periods, as applicable, the minimum discount fee paid by the Company is the greater of (i) \$30,000 (ii) 1.5% of the Company gross sales of invoices to FCH for the preceding 3 months or (iii) 1.5% of the Company average gross quarterly sales of invoices to FCH for the preceding 12 months.

In addition, an advance payment fee is charged to the Company for the number of days that advances are made prior to the payment date and for the number of days invoices are outstanding, calculated at a floating nominal rate equal to prime rate plus 1.5%, compounded monthly.

Advances to the Company are with recourse and shareholders have provided a personal guarantee.

The factoring line of credit has been treated as a secured financing arrangement. As of December 31, 2011 under the agreement with FCH, the Company had factored receivables in the amount of \$2,853,374 and recorded a liability of \$1,903,777. Discounts and interest provided during factoring of the accounts receivable have been expensed on the accompanying combined statements of operations as interest expense. For the years ended December 31, 2011 and 2010, interest expense related to the factoring arrangement was \$35,857 and \$0, respectively.

**10. NOTES PAYABLE**

	2011	2010
<u>Notes payable - equipment:</u>		
Equipment finance agreement, to a bank, dated August 11, 2011, monthly blended payments of \$555, interest 7.75% per annum, due August 11, 2014, secured by equipment.	\$ 16,011	\$ —
Vehicle finance agreement to a bank, monthly blended payments of \$699, interest 5.91% per annum, due February 12, 2015, secured by vehicle.	24,177	—
Equipment conditional sales contract to a bank, monthly blended payments of \$1,665, interest 7.75% per annum, due January 1, 2014, secured by equipment.	48,658	—
Equipment note payable to a finance company, monthly blended payments of \$4,004, interest 7.75% per annum, due September 1, 2016, secured by equipment.	187,640	—
Note payable to an individual, unsecured, for tools, non interest bearing monthly installments of \$900, with final payment of \$300 due on February 10, 2012.	4,800	—
<u>Notes payable - related party:</u>		
Note payable to a related party, unsecured, bearing interest at 1% per month on the outstanding principal balance for a given month, all unpaid principal and interest due September 6, 2014. See Note (15)	136,234	—
<b>Total notes payable</b>	<b>417,520</b>	<b>—</b>
Less: current portion	(69,090)	—

Long term portion of notes payable	\$ 348,430	\$ —
------------------------------------	------------	------



**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

For the years ended December 31, 2011 and 2010, interest expense related to the above notes payable was \$10,288 and \$0, respectively.

## **11. STOCKHOLDERS' EQUITY**

On May 15, 2012, the Company entered into a Contribution Agreement whereby FVP issued 23,980,000, shares of common stock (92.7% of its total outstanding common stock) and 100,000 shares of Series A Preferred Stock (100% of its total outstanding preferred stock) in exchange for 100% of the members' interest in Optos Capital Partners, LLC. Prior to the Contribution Agreement transaction, FVP and Optos were under common control thus, the Contribution Agreement transaction has been accounted for as a recapitalization of Optos into FVP and as such the operational history of Optos will carry forward. Accordingly, the December 31, 2011, combined financial statements have been re-classified to conform with the recapitalization of Optos. Consequently, all share information has been re-classified from the Company's inception.

The stockholders' equity of the Company comprises the following classes of capital stock as of December 31, 2011 and 2010: Preferred Stock, \$.0001 par value per share; 9,900,000 shares authorized, zero shares issued and outstanding at December 31, 2011 and 2010.

Series A Preferred Stock, \$.0001 par value share; 100,000 shares authorized: 100,000 and 100,000 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively. The stated value of each issued share of Series A Preferred Stock is deemed to be \$11.00. Series A Preferred Stock is convertible, at the option of the holder, into shares of common stock of Company at a conversion price of \$0.08 per share. Dividends are payable at the sole discretion of the Board of Directors.

Common Stock, par value of \$.0001 per share; 100,000,000 shares authorized: 23,980,000 shares issued and outstanding at December 31, 2011 and 2010.

## **12. COMMITMENTS AND CONTINGENCIES**

Capital Lease Obligations - The Company leases certain heavy equipment and vehicles that are classified as capital leases. The cost of heavy equipment and vehicles under capital lease is included in the combined balance sheets as property and equipment and is recorded at \$706,433 and \$0 at December 31, 2011 and 2010, respectively. Accumulated depreciation of the leased equipment is recorded at \$46,051 and \$0 at December 31, 2011 and 2010, respectively.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of December 31, 2011, are as follows:

Year Ending December 31,	Amount
2012	\$ 624,864
2013	36,252
Total minimum lease payments	661,116
Less: amount representing future interest	(103,160)
Present value of minimum lease payments	557,956
Less: current portion	(524,965)
Long-term capital lease obligations	<u>\$ 32,991</u>

The Company recorded interest expense of \$38,093 and \$0 for the years ending December 31, 2011 and 2010, respectively related to capital lease obligations.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**12. COMMITMENTS AND CONTINGENCIES (Continued)**

Property Lease Obligations - On January 25, 2011, the Company entered into a twelve month lease for its 16,800 square foot office space located in Allentown, Pennsylvania. The lease required a \$4,200 security deposit and provides for monthly payments of \$7,182, which is comprised of base rent of \$4,200, operating expense of \$1,610 and tax expense of \$1,372. The lease provides for a twelve month renewal period at the expiration to the lease period. On March 1, 2012, the Company amended the lease agreement for twelve months for monthly payments of \$7,882, which is comprised of base rent of \$4,900, operating expense of \$1,610 and tax expense of \$1,372.

The Company leases several warehouse and office spaces at various locations;

<u>Location:</u>	<u>Square Footage</u>	<u>Lease End Date</u>	<u>Monthly Obligation</u>
Indianapolis, IN	27,000	08/31/2012	\$ 4,500
Palmetto, GA	12,500	04/30/2012	\$ 3,000
Elk River, MN	11,000	02/28/2012	\$ 5,000
Grand Prairie, TX	1,225	07/31/2012	\$ 925
Naples, FL	2,792	10/13/2013	\$ 4,390

The remaining aggregate lease payments under the operating lease for the facilities as of December 31, 2011 are as follows:

2012	\$ 205,638
2013	\$ 58,263
2014 and thereafter	\$ —

Rental expense, resulting from property lease agreements, for the years ending December 31, 2011 and 2010 respectively was \$196,821 and \$86,437.

Legal Matters - The Company is involved in litigation claims arising in the ordinary course of business. Legal fees and other costs associated with such actions are expensed as incurred. In addition, the Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and contingencies. The Company reserves for costs relating to these matters when a loss is probable and the amount can be reasonably estimated. The Company believes that the ultimate disposition of these matters will not have a material effect on its financial position, results of operations or cash flows. However, the amount of future reserves required associated with these claims, if any, cannot be determined with certainty.

**13. BUSINESS ACQUISITION**

On September 1, 2011, TBK 327 Partners, LLC, a Nevada limited liability company which is under the same common management and common ownership as Optos Capital Partners, LLC, acquired all of the issued and outstanding shares of Jus-Com, Inc. for a total purchase price of \$126,000. The acquisition of Jus-Com provides the Company with an AT&T Tier Vender Status (Tier 1 Approved Supplier) and four motor vehicles.

The following table summarizes the final allocation of the purchase price to the fair values of the assets acquired and liabilities assumed at the date of the acquisition.

	September 1, 2011
Cash	\$ 5,870
Accounts receivable	167,481
Vehicles	25,250
Intangible asset – AT&T Tier Vendor Status	57,651
Total assets acquired	256,252

Accounts payable

(11,766)

---

F-39

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**13. BUSINESS ACQUISITION (Continued)**

	September 1, 2011
Accrued expenses and other liabilities	(4,601)
Due to Sellers	(113,885)
Net assets acquired	<u>\$ 126,000</u>

The results of operations and cash flows of this acquisition have been included in the combined financial statement from the date of acquisition. Net sales attributed to Jus-Com in the Company's combined statement of operations for the year ended December 31, 2011 is \$557,057.

**14. INCOME TAXES**

The Company provides for income taxes under FASB ASC 740, Accounting for Income Taxes. FASB ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently.

FASB ASC 740 requires the reduction of deferred tax assets by a valuation allowance, if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded.

The net income (loss) generated from Optos Capital Partners, LLC, Focus Fiber Solutions, LLC, CMK Resource Group, LLC, Townsend Careers, LLC and Jus-Com, Inc. is treated as partnership income for federal and state income tax purposes and does not incur income tax expense. Instead, income and losses are allocated to and reported on the individual returns of the member's tax returns. Accordingly, no provision for income tax is included in the combined financial statements for these entities.

For the period ended December 31,	2011	2010
Net income (loss) for the year	\$ 616,741	\$ (355,141)
Adjustments:		
Net income (loss) allocated to member's tax returns	(616,741)	355,141
Tax income (loss) for the year	-	-
Estimated effective tax rate	35%	35%
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The net difference between tax bases and the reported amounts of the Company's assets and liabilities is not significant.

*Pro-forma Financial Data* .. The net income (loss) generated from Optos Capital Partners, LLC, Focus Fiber Solutions, LLC, CMK Resource Group, LLC, Townsend Careers, LLC and Jus-Com, Inc. is treated as partnership income for federal and state income tax purposes and does not incur income tax expense. Instead, income and losses are allocated to and reported on the individual returns of the member's tax returns. Accordingly, no provision for income tax is included in the combined financial statements for these entities for the years ended December 31, 2011 and 2010.

On January 1, 2012, Optos Capital Partners, LLC purchased 100% of the issued and outstanding shares of Jus-Com, Inc. In addition, on January 1, 2012, the Company purchased 50% of the members' equity and non-controlling interest in CMK Resource Group, LLC. On May 15, 2012, Optos Capital Partners, LLC ("Optos"), the members of Optos ("Optos Members") and Focus Venture Partners, Inc. ("FVP"), entered into a Contribution Agreement. FVP was incorporated in the State of Nevada on March 26, 2012. In consideration of the Optos Members contribution of all of the issued and outstanding membership interests in Optos to FVP, FVP

agreed to issue 23,980,000 shares of common stock and 100,000 shares of Series A Preferred Stock to the Optos Members. As a result of the Optos Members will own 100% of the issued and outstanding shares of common stock and Series A Preferred Stock of FVP. As a result of these transactions the Company, after May 14, 2012, may not pass taxable income through to their individual members as partnership income for federal and state purposes.

Pro-forma as adjusted information gives effect to the Company not passing taxable income through to their individual members at an estimated effective tax rate of 35% as of January 1, 2011:

As at September 30, 2012 and for the period end September 30, 2012		
	Actual	Pro forma, as adjusted
Working capital (deficiency)	\$ (736,859)	\$ (935,823)
Total assets	\$ 13,550,995	\$ 13,550,995
Total liabilities	\$ 13,519,628	\$ 13,715,593
Total equity	\$ 31,367	\$ (167,608)
Net income (loss) before income tax	\$ 866,631	\$ 876,910
Income taxes (recovery)	\$ 303,321	\$ 303,321
Net income (loss)	\$ 563,610	\$ 573,589
Basic and diluted income (loss) per common share	\$ 0.02	\$ 0.02
Basic and diluted weighted average common shares outstanding	25,052,390	25,052,390

As at December 31, 2011 and for the year end December 31, 2011		
	Actual	Pro forma, as adjusted
Working capital (deficiency)	\$ 309,763	\$ 191,798
Total assets	\$ 5,900,227	\$ 5,900,227
Total liabilities	\$ 4,596,571	\$ 4,779,536
Total equity	\$ 1,303,656	\$ 1,104,691
Net income (loss) before income tax	\$ 568,472	\$ 568,472
Income taxes (recovery)	\$ -	\$ 198,965
Net income (loss)	\$ 568,472	\$ 369,507
Basic and diluted income (loss) per common share	\$ 0.02	\$ 0.02
Basic and diluted weighted average common shares outstanding	23,980,000	23,980,000

## 15. RELATED PARTY TRANSACTIONS

On April 29, 2011, the Company entered into a month to month equipment rental agreement with TBK327 Partners LLC, ("TBK"), for monthly payments of \$7,000. The managing member of TBK is Christopher Ferguson, the Company's Chief Executive Officer, President and sole member of the Board of Directors. For the year ended December 31, 2011, the total payments expensed to costs of sales were \$56,000.

On September 6, 2011, the Company entered into an unsecured line of credit for \$300,000 with TBK, see Note (10). The outstanding balance on this note at December 31, 2011 is \$136,234.

**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**15. RELATED PARTY TRANSACTIONS (Continued)**

Certain payments were made on behalf of related parties which are classified on the Company's balance sheet as current assets, Notes Receivable-Related Party. Mr. Ferguson, the Company's CEO, President and sole member of the Board, is a managing member of certain limited liability companies, which have outstanding receivables for the years ended December 31, 2011 and 2010. The following is a list of transactions relating to Mr. Ferguson:

	December 31, 2011	December 31, 2010
TBK	\$ 33,527	\$ 8,377
CMK Foundation	—	2,514
Promotum Group	—	2,500
CMK Services	—	2,546
	<u>\$ 33,527</u>	<u>\$ 15,938</u>

Frank Jennings, a principal of Oilmatic Services, previously a 50% owner of CMK, had a receivable of \$1,874 outstanding as of December 31, 2011. Notes receivable related party for the years ended December 31, 2011 and 2010 were \$35,400 and \$15,938, respectively.

On January 1, 2012, the Company entered into a stock purchase agreement to acquire 100% of the outstanding stock of Jus-Com Inc from TBK327 Partners LLC, for approximately \$126,000. See Note (13).

**16. SEGMENTED REPORTING**

The Company's operations include two reportable operating segments. These operating segments reflect the way the company manages its operations and makes business decisions.

- 1) Design, engineering, installation, and maintenance of a telecommunications infrastructure network ("Network").
- 2) Temporary and permanent staffing agency specializing in the telecommunications market ("Staffing").

	Year Ended December 31, 2011		
	Network	Staffing	Combined
Net Sales	\$ 12,508,683	\$ 2,789,243	\$ 15,297,926
Cost of sales	8,775,122	2,365,762	11,140,884
Gross profit	3,733,561	423,482	4,157,043
Salary, wages and payroll taxes	985,523	118,293	1,103,817
Selling, general and administrative	727,310	195,717	923,027
Travel	1,202,839	14,296	1,217,135
Occupancy costs	239,113	18,174	257,288
Depreciation and amortization	97,400	-	97,400
Net operating income	481,376	77,001	558,377
Interest revenue	-	-	-
Interest (expense)	(79,699)	(33,732)	(113,431)
Gain on sale of assets	-	171,797	171,797
Income before income taxes	401,677	215,065	616,742
Net income	<u>\$ 401,677</u>	<u>\$ 215,065</u>	<u>\$ 616,742</u>
Total assets	<u>\$ 5,460,845</u>	<u>\$ 439,382</u>	<u>\$ 5,900,227</u>





**OPTOS CAPITAL PARTNERS LLC  
and JUS-COM INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**16. SEGMENTED REPORTING (Continued)**

	Year Ended December 31, 2010		
	Network	Staffing	Combined
Net Sales	\$ 1,714,506	\$ 4,405,065	\$ 6,119,571
Cost of sales	1,680,645	3,842,006	5,522,651
Gross profit	33,861	563,059	596,920
Salary, wages and payroll taxes	9,966	137,162	147,127
Selling, general and administrative	113,878	443,184	557,062
Travel	73,848	55,953	129,801
Occupancy costs	17,566	82,221	99,787
Depreciation and amortization	-	-	-
Net operating loss	(181,397)	(155,461)	(336,857)
Interest revenue	-	-	-
Interest (expense)	-	(18,284)	(18,284)
Gain on sale of assets	-	-	-
Income before income taxes	(181,397)	(173,744)	(355,141)
Net loss	\$ (181,397)	\$ (173,744)	\$ (355,141)
Total assets	\$ 931,667	\$ 742,417	\$ 1,674,084

The Company operates in one geographic segment, the United States.

**17. SUBSEQUENT EVENTS**

**Stock Transfer Agreement** – On January 1, 2012, Optos Capital Partners, LLC (“Optos”) purchased from TBK Partners, LLC, a company under common control, 100% of the issued and outstanding shares of Jus-Com, Inc. (“Jus-Com”). The purchase price is \$126,000 and is payable in a promissory note. The Promissory Note is due in three years in monthly installments in advance of \$4,106 and bears interest of 12% per annum. The note is secured by a Stock Pledge and Security Agreement granting the seller a security interest in the stock. The transaction represents a transfer of net assets between companies under common control and the assets and liabilities will be accounted for at historic cost.

**Unit Transfer Agreement** – On January 1, 2012, the Company purchased 50% of the members’ equity and the non-controlling interest in CMK Resource Group, LLC (“CMK”). The transaction gives the Company 100% ownership in CMK. The purchase price is \$100,000 and is payable in a Promissory Note. The Promissory Note is due in three years in monthly installments in advance of \$3,013 and bears interest of 6% per annum. The note is secured by a Unit Pledge and Security Agreement granting the seller a security interest in the units. The Company previously determined, due to the terms of the operating agreement between the members of CMK, that it controlled CMK and, as such, fully combined the financial statements of CMK into the financial statements of the Company. The change in the Company’s interest in CMK did not result in a change of control of CMK which will result in the purchase being accounting for as an equity transaction.

**Promissory Note** - On January 1, 2012, the Company issued to the Optos Members a Promissory Note in the principal amount of \$1,600,000, for the members’ contributions in excess of \$1 million and personal guarantees to secure approximately \$3 million in financing. Initial principal payment of \$700,000 is due on or before June 1, 2012. Monthly principal payments of \$30,000 for 30 months are due following the initial payment in the 37<sup>th</sup> month accrued interest calculated on the outstanding principal at 6% per annum is due in a balloon payment of \$101,750.

**MDT LABOR, LLC  
d/b/a MDT TECHNICAL**

**CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)**

F-44

---

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 807,979	\$ 194,514
Accounts receivable, net	4,615,186	2,638,714
Unbilled receivable	83,400	1,824
Other accounts receivable	100,000	100,000
Prepaid expenses and other current assets	312,494	15,356
Total current assets	5,919,059	2,950,408
Property and equipment, net	163,484	--
Customer relationships, net	2,909,375	3,158,750
Other intangibles, net	89,167	100,000
Goodwill	2,334,561	896,181
Security deposit	3,000	3,000
Total assets	<u>\$ 11,418,646</u>	<u>\$ 7,108,339</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities:		
Factoring lines of credit	\$ 3,697,560	\$ 2,119,274
Accounts payable	2,818,622	1,886,823
Accrued expenses and other liabilities	1,828,616	477,315
Due to related parties	147,093	305,000
Current portion of due to seller for acquisition of business	20,900	193,434
Current portion of long-term debt	180,924	173,792
Total current liabilities	8,693,715	5,155,638
Long term liabilities:		
Due to seller for acquisition of business, net of current portion	62,700	79,800
Long-term debt, net of current portion	142,140	278,722
Total long term liabilities	204,840	358,522
Total liabilities	8,898,555	5,514,160
Members' equity	2,520,091	1,594,179
Total liabilities and members' equity	<u>\$ 11,418,646</u>	<u>\$ 7,108,339</u>

See accompanying notes to consolidated financial statements

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the Nine Months Ended September 30, 2012 and 2011**  
**(Unaudited)**

	For the Nine Months Ended September 30, 2012	For the Period from March 18, 2011 (inception) to September 30, 2011
Revenues	\$ 13,987,182	\$ 5,340,881
Cost of revenues	<u>10,416,696</u>	<u>4,011,956</u>
Gross profit	<u>3,570,486</u>	<u>1,328,925</u>
Operating expenses:		
Salary, wages and payroll taxes	1,500,663	330,954
Selling, general and administrative	462,269	508,984
Travel expense	114,263	9,812
Occupancy costs	49,062	3,300
Depreciation and amortization	271,314	-
Total operating expenses	<u>2,397,571</u>	<u>853,050</u>
Income before other expenses	1,172,915	475,875
Other expense (income)		
Loss on sale of assets	2,126	-
Other (income)	(20,860)	45,912
Interest/ factoring expense	265,796	13,008
Total other expense	<u>247,062</u>	<u>58,920</u>
Net income	<u>\$ 925,853</u>	<u>\$ (13,008)</u>

See accompanying notes to consolidated financial statements

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Nine Months Ended September 30, 2012 and 2011**  
**(Unaudited)**

	For the Nine Months Ended September 30, 2012	For the Period from March 18, 2011 (inception) to September 30, 2011
Cash flows from operating activities:		
Net income	\$ 925,853	\$ 416,955
Adjustments to reconcile net income to cash used in operating activities:		
Amortization	260,208	--
Depreciation of property and equipment	11,357	--
Changes in operating assets and liabilities:		
Increase in accounts receivable	(350,618)	(834,476)
(Increase) in prepaid expenses and other assets	(300,552)	-
Increase (decrease) in accounts payable and accrued liabilities	(1,116,746)	(1,268,337)
Net cash used in operating activities	<u>(570,498)</u>	<u>(1,685,858)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(372)	-
Cash acquired as part of business acquisition	82,981	-
Acquisition of Acrus, LLC and Pro-Tem Solutions, Inc.	-	(1,887,617)
Net cash provided by (used in) investing activities	<u>82,609</u>	<u>(1,887,617)</u>
Cash flows from financing activities:		
Net increase in line of credit	1,578,286	2,148,589
Proceeds from bank loan	-	536,000
Repayments of bank loan	(319,084)	(41,907)
Advances (repayments) from related party	(157,907)	305,000
Member contributions	--	940,564
Net cash provided by financing activities	<u>1,101,295</u>	<u>3,888,246</u>
Effect of exchange rate changes on cash and cash equivalents	59	-
Net change in cash	613,465	314,771
Cash, beginning of period	194,514	--
Cash, end of period	<u>\$ 807,979</u>	<u>\$ 314,771</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ 46,768</u>	<u>\$ 113,431</u>
Cash paid for taxes	<u>\$ --</u>	<u>\$ --</u>
<b>Non-cash investing and financing activities:</b>		
Assets acquired from business combinations (See Note 3)	<u>\$ 3,316,863</u>	<u>\$ 6,225,306</u>
Liabilities acquired from business combinations (See Note 3)	<u>\$ (3,399,844)</u>	<u>\$ (4,337,688)</u>

See accompanying notes to consolidated financial statements



**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**1. DESCRIPTION OF BUSINESS AND HISTORY**

Description of Business – MDT Labor, LLC d/b/a MDT Technical (the “Company” and “MDT”) was formed on November 19, 2010 as a limited liability company in the state of Delaware. The Company provides technical staffing and recruiting resources, and is headquartered in Harrisburg, Pennsylvania. The Company had no significant operations until March 18, 2011, when it acquired certain recruiting and staffing contracts for companies in the health care industry from Arcus, LLC (Arcus). On June 24, 2011, the Company acquired the remainder of Arcus’s recruiting and staffing contracts in its U.S. domestic core business operations, which were in the information technology (IT) and cable industries. In addition, on August 31, 2011, the Company purchased specific staffing contracts from Pro-Tem Solutions, Inc. (Pro-Tem).

On September 5, 2012, MDT entered into an Asset Purchase Agreement (“Agreement”) with Beacon Enterprise Solutions Group, Inc. (“Beacon”), a Nevada Company. The Company acquired all the assigned contracts, accounts receivable, all work-in-process and assumed certain liabilities of Beacon as associated with the assigned contracts. The purchase price of the purchased assets and assumed liabilities comprises earn-out payments not to exceed in total \$3,500,000. Earn-out payments are due over a three period ended August 31, 2015 calculated as 15% of adjusted EBITDA. Adjusted EBITDA is determined as net income before interest, income taxes, depreciation and amortization determined in accordance with GAAP adjusted to include all direct costs and an overhead allocation of 8% of revenue.

**2. SUMMARY OF SIGNIFICANT POLICIES**

Basis of Presentation – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management, are necessary for a fair presentation of the information contained therein. Results of operations for the interim period are not indicative of annual results.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Revenue recognition -The Company recognizes all revenue earned through the end of the year, regardless of when customers are billed. Revenue is earned at the time services are provided.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash and short-term investments with original maturities of less than 90 days. Cash equivalents are placed with high credit quality financial institutions. The carrying value of those investments approximates fair value.

Accounts receivable - Accounts receivable are stated at outstanding balances. Management determines whether an allowance for doubtful receivables is needed by regularly evaluating individual customer receivables and considering a customer’s financial condition and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. Accounts receivable are considered past due if any portion of the receivables balance is outstanding for more than 30 days beyond the contractual due date. The Company does not charge interest on past due accounts. At December 31, 2011, management has determined that no allowance for doubtful accounts is necessary.

For the nine months ended September 30, 2012 one customer represented 62% of revenues and 59.3% of the accounts receivable. One customer represented 53% of revenues for the period March 18, 2011 (inception) to December 31, 2011, and 65% of accounts receivable at December 31, 2011.

Intangibles -The Company's intangible assets are stated at fair value as estimated by management. The acquired intangibles consist of staffing and recruiting contracts in the healthcare, IT and cable industries, and are recorded primarily as customer relationships, which are being amortized on a straight-line basis over 10 years.



**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**2. SUMMARY OF SIGNIFICANT POLICIES (Continued)**

Goodwill - The Company has classified as goodwill the cost in excess of fair value of the tangible and identifiable intangible assets acquired in the Arcus purchase transactions. The Company accounts for its goodwill in accordance with purchase accounting standards. Goodwill is subject to periodic testing for impairment. The Company tests goodwill for impairment using the two-step process. The first step tests for potential impairment, while the second step measures the amount of impairment. The Company performs the required annual impairment test as of December 31.

Income taxes - The Company is not a taxpaying entity for income tax purposes and no provision for income taxes is recorded in the financial statements. The taxable income or loss of the Company is included in the member's individual income tax return.

Fair Value of Financial Instruments - The Company bases its fair value determinations of the carrying value of other financial assets and liabilities on an evaluation of their particular facts and circumstances and valuation techniques that require judgments and estimates. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The fair value hierarchy gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the valuation technique. As of September 30, 2012 and December 31, 2011, none of our assets or liabilities was subject to fair value measurements.

The carrying amounts reflected in the consolidated balance sheets for cash, accounts receivable, accounts payable and accrued liabilities, and borrowings approximate the respective fair values due to the short maturities of these items.

Recent Accounting Pronouncements - There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted the nine months ended September 30, 2012, fiscal 2011 or which are expected to impact future periods, which were not adopted and disclosed in prior periods.

**3. ACQUISITIONS**

In two separate transactions, on March 18 and June 24, 2011, the Company acquired from Arcus its recruiting and staffing contracts in its U.S. domestic healthcare, IT and cable industries, including accounts receivable for work performed and unbilled work in process. The purchase price included cash in the amount of \$1,788,395 and assumption of liabilities, including accounts payable of \$3,837,092 and \$500,596 in other obligations that are payable over time, including \$250,000 payable to Arcus and \$250,596 payable to others for a total purchase price of \$6,126,083.

On August 31, 2011, the Company purchased specific staffing contracts from Pro-Tem for \$100,000 in cash.

The Company has allocated the purchase price to the assets acquired at their estimated fair values at the acquisition dates, as determined by management. The excess of the cost of the Arcus acquisitions over the amounts assigned to the fair value of the assets acquired is recorded as goodwill. The cost of the Pro-Tem acquisition is recorded as other intangible assets.

The allocation of the purchase price for these acquisitions is as follows:

	<u>Arcus</u>	<u>Pro-Tem</u>
Accounts receivable	\$ 1,904,902	\$ -
Customer relationships	3,325,000	-
Other intangibles	-	100,000
Goodwill	<u>896,181</u>	<u>-</u>

	<u>\$ 6,126,083</u>	<u>\$ 100,000</u>
--	---------------------	-------------------

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**3. ACQUISITIONS (Continued)**

On September 5, 2012, MDT entered into an Agreement with Beacon, a Nevada Company. The Company acquired all the assigned contracts, accounts receivable, all work-in-process and assumed certain liabilities of Beacon as associated with the assigned contracts. The purchase price of the purchased assets and assumed liabilities comprises earn-out payments not to exceed in total \$3,500,000. Earn-out payments are due over a three period ended August 31, 2015 calculated as 15% of adjusted EBITDA. Adjusted EBITDA is determined as net income before interest, income taxes, depreciation and amortization determined in accordance with GAAP adjusted to include all direct costs and an overhead allocation of 8% of revenue.

The purchase price included assumption of liabilities, including accounts payable, accrued expenses and other current liabilities of \$3,399,844. The fair value of the contingent consideration at September 5, 2012 was determined to be \$0 since Beacon has had a history of operating losses.

The Company has allocated the purchase price to the assets acquired at their estimated fair values at the acquisition dates, as determined by management. The excess of the cost of the Beacon acquisition over the amounts assigned to the fair value of the assets acquired is recorded as goodwill.

The allocation of the purchase price for this acquisition is as follows:

	<u>Beacon</u>
Cash and cash equivalents	\$ 82,981
Accounts receivable, net	1,624,430
Unbilled receivable	83,000
Prepaid expenses and other current assets	9,936
Property and equipment, net	174,467
Goodwill	1,425,030
	<u>\$ 3,399,844</u>

**4. RELATED PARTY TRANSACTIONS**

During the nine months ended September 30, 2012, the Company received advances from entities owned and controlled by the Company's member. These entities remitted cash to vendors on the behalf of the Company. At September 30, 2012, the Company owed \$147,903 to those entities.

**5. LINE OF CREDIT**

On June 27, 2011, the Company entered into a funding agreement with Sterling Resource Funding Corp. (Sterling) under which Sterling advances funds to the Company to cover the Company's expenditures for wages and direct payroll costs incurred for temporary employees in providing services under the Company's staffing and recruiting contracts. In exchange for this funding, Sterling receives 1.5% of the Company's gross billings, plus other fees as defined in the agreement. The funding agreement, which has an initial term of two years, is secured by all of the Company's accounts receivable and other assets, and a \$2,000,000 key man life insurance policy on the Company's member. The Company also is required to maintain a certain leverage ratio, and was in compliance with this financial covenant at September 30, 2012. Under the agreement, \$100,000 is held by Sterling in a reserve fund; this amount is recorded as a receivable in the accompanying balance sheet. For the nine months ended September 30, 2012 and the fiscal year ended December 31, 2011, the balance for the line of credit was 2,522,365 and 2,119,274 respectively.

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 30, 2012**  
**(Unaudited)**

**6. NOTES PAYABLE**

	September 30, 2012	December 31, 2011
<u>Notes payable:</u>		
Metro Bank, \$536,000 note dated June 24, 2011, payable in 36 monthly installments of \$16,145, including interest at 5.25%; secured by Company assets.	\$ 323,064	\$ 452,514
Due to seller, payable monthly in varying amounts, without interest, through June 2016	83,600	273,234
Total notes payable	406,664	725,748
Less: current portion	(201,824)	(367,226)
Long term portion of notes payable	<u>\$ 204,840</u>	<u>\$ 358,522</u>

**7. COMMITMENTS AND CONTINGENCIES**

Legal Matters - The Company from time-to-time is involved in certain legal actions arising in the ordinary course of business. In the opinion of management, the outcome of such actions will not have a material adverse effect on the Company's financial position or results of operations.

Operating leases - The Company leases an office in Conshohocken, Pennsylvania, which currently requires monthly payments of \$6,947, increasing annually through lease expiration in September 2018. The Company is subleasing the Conshohocken office space through October 2013, currently receiving \$5,637 per month, increasing annually.

The Company also leases an office facility in Harrisburg, Pennsylvania under a non-cancellable operating lease that expires in October 2012, with three one-year extension options that the Company intends to exercise. The current monthly rent is \$2,731, which increases annually upon exercise of each extension option.

**8. SUBSEQUENT EVENTS**

**Change in Control** – On December 3, 2012, the Company's principal, Mike Traina sold all of the issued outstanding membership interests to Optos Capital Partners, LLC ("Optos"), for consideration of \$7,999,200 million. Optos is a wholly owned subsidiary of Focus Venture Partners, Inc. ("FVP"). The form of consideration is as follows; cash payment of \$3,000,000, Promissory Term Note ("Traina Note") for \$4,000,000 and 12,490,000 shares of FVP common stock valued at \$999,200 (\$0.08 per share of commons stock) valued at \$999,200 (\$0.08 per share of commons stock).

The Traina note bears interest of 6% per annum. Interest is due and payable quarterly in arrears with the first interest payment due and payable on April 5, 2013, for the prior period ended March 31, 2013. No portion of the principal is due before the maturity date of May 30, 2015 unless the FVP receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock. In such case, the FVP may pay \$1,500,000 in principal. FVP may further pay monthly scheduled principal payments of \$100,000 the following month if the FVP receives not less than \$10,000,000 in gross cash proceeds from the issuance of its stock and meets the terms of certain financial covenants including senior debt to EBITDA ratio and fixed charge coverage ratio. All accrued principal and interest is otherwise payable at the maturity date of May 30, 2015. The Traina note is secured by all fixtures and personal property of every kind and nature. The Traina notes' security interest is subordinated to the security interests held by Atalaya, a lender of FVP.

## INDEPENDENT AUDITORS' REPORT

MDT Labor, LLC  
d/b/a MDT Technical  
Harrisburg, Pennsylvania

We have audited the accompanying balance sheet of MDT Labor, LLC d/b/a MDT Technical as of December 31, 2011, and the related statements of income and member's equity, and cash flows, for the period March 18, 2011 (inception) to December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MDT Labor, LLC d/b/a MDT Technical as of December 31, 2011, and the results of its operations and its cash flows for the period March 18, 2011 (inception) to December 31, 2011 in conformity with U.S. generally accepted accounting principles.

October 19, 2012

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**

	<u>Amount</u>
<b><u>ASSETS</u></b>	
Cash	\$ 194,514
Accounts receivable	2,638,714
Unbilled receivable	1,824
Other receivable, reserve against line of credit	100,000
Prepaid expenses	<u>15,356</u>
Total current assets	2,950,408
Intangible assets	
Customer relationships, net of accumulated amortization of \$166,250	3,158,750
Goodwill	896,181
Other intangibles	100,000
Security deposit	<u>3,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 7,108,339</u></b>
<b><u>LIABILITIES AND MEMBER'S EQUITY</u></b>	
Liabilities	
Line of credit	\$ 2,119,274
Current portion of due to seller for acquisition of business	193,434
Current portion of note payable	173,792
Accounts payable	1,886,823
Accrued expenses	477,315
Due to related parties	<u>305,000</u>
Total current liabilities	5,155,638
Due to seller for acquisition of business, net of current portion	79,800
Note payable, net of current portion	<u>278,722</u>
Total liabilities	5,514,160
Member's equity	<u>1,594,179</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b><u>\$ 7,108,339</u></b>

See notes to financial statements.

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**STATEMENT OF INCOME AND MEMBER'S EQUITY**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

	<u>Amount</u>
Revenues	\$ 9,470,360
Cost of revenues	<u>7,085,814</u>
Gross profit	2,384,546
General and administrative expenses	<u>1,577,215</u>
Operating income	<u>807,331</u>
Other expenses	
Interest expense	30,887
Administration fees, line of credit	<u>122,829</u>
Total other expenses	<u>153,716</u>
Net income	653,615
Member's equity, beginning	-
Member's contributions	<u>940,564</u>
Member's equity, ending	<u><u>\$ 1,594,179</u></u>

*See notes to financial statements.*

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**STATEMENT OF CASH FLOWS**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

Increase (Decrease) in Cash		<u>Amount</u>
<b>Cash flows from operating activities</b>		
Net income	\$	653,615
Adjustments to reconcile net income to net cash used by operating activities:		
Amortization		166,250
Change in:		
Accounts receivable		(733,812)
Unbilled receivable		(1,824)
Prepaid expenses		(15,356)
Security deposit		(3,000)
Accounts payable		(1,950,269)
Accrued expenses		477,315
Due to related parties		305,000
		<u>(1,102,081)</u>
Net cash used by operating activities		<u>(1,102,081)</u>
<b>Cash flows from investing activities</b>		
Acquisition of businesses		<u>(1,888,395)</u>
<b>Cash flows from financing activities</b>		
Member's contributions		940,564
Net line of credit borrowings		2,119,274
Other receivable, reserve against line of credit		(100,000)
Proceeds of note payable		536,000
Repayments of note payable		(83,486)
Reduction of due to seller for acquisition of business		<u>(227,362)</u>
Net cash provided by financing activities		<u>3,184,990</u>
Net increase in cash		194,514
Cash, beginning		<u>-</u>
Cash, ending	\$	<u><u>194,514</u></u>

*See notes to financial statements.*



**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

---

	<u>Amount</u>
Noncash investing and financing activities	
Assets and liabilities acquired (assumed) in acquisition of businesses:	
Accounts receivable	\$ 1,904,902
Customer relationships	3,325,000
Goodwill	896,181
Other intangibles	100,000
Accounts payable	(3,837,092)
Due to seller	(500,596)
Supplemental disclosure	
Interest paid	\$ 30,422

*See notes to financial statements.*

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

---

*Note 1: Description of operations and summary of significant accounting policies*

Description of operations

MDT Labor, LLC d/b/a MDT Technical (the Company) was formed on November 19, 2010 as a limited liability company in the state of Delaware. The Company provides technical staffing and recruiting resources, and is headquartered in Harrisburg, Pennsylvania. The Company had no significant operations until March 18, 2011, when it acquired certain recruiting and staffing contracts for companies in the health care industry from Arcus, LLC (Arcus). On June 24, 2011, the Company acquired the remainder of Arcus's recruiting and staffing contracts in its U.S. domestic core business operations, which were in the information technology (IT) and cable industries. In addition, on August 31, 2011, the Company purchased specific staffing contracts from Pro-Tem Solutions, Inc. (Pro-Tem).

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Company recognizes all revenue earned through the end of the year, regardless of when customers are billed. Revenue is earned at the time services are provided. Revenue earned but not billed totaled \$1,824 at December 31, 2011.

Accounts receivable

Accounts receivable are stated at outstanding balances. Management determines whether an allowance for doubtful receivables is needed by regularly evaluating individual customer receivables and considering a customer's financial condition and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. Accounts receivable are considered past due if any portion of the receivables balance is outstanding for more than 30 days beyond the contractual due date. The Company does not charge interest on past due accounts. At December 31, 2011, management has determined that no allowance for doubtful accounts is necessary.

One customer represented 53% of revenues for the period March 18, 2011 (inception) to December 31, 2011, and 65% of accounts receivable at December 31, 2011.

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

---

*Note 1: Description of operations and summary of significant accounting policies (continued)*

Intangibles

The Company's intangible assets are stated at fair value as estimated by management. The acquired intangibles consist of staffing and recruiting contracts in the healthcare, IT and cable industries, and are recorded primarily as customer relationships, which are being amortized on a straight-line basis over 10 years.

Goodwill

The Company has classified as goodwill the cost in excess of fair value of the tangible and identifiable intangible assets acquired in the Arcus purchase transactions. The Company accounts for its goodwill in accordance with purchase accounting standards. Goodwill is subject to periodic testing for impairment. The Company tests goodwill for impairment using the two-step process. The first step tests for potential impairment, while the second step measures the amount of impairment. The Company performs the required annual impairment test as of December 31.

Income taxes

The Company is not a taxpaying entity for income tax purposes and no provision for income taxes is recorded in the financial statements. The taxable income or loss of the Company is included in the member's individual income tax return.

Fair value measurement

The fair values of the Company's financial assets and liabilities (which include accounts receivable, accounts payable, and borrowings) approximate their carrying amounts, either because the expected collection or payment period is relatively short or because the terms are similar to market terms. Nonfinancial assets and liabilities recognized in the financial statements at fair value on a nonrecurring basis include customer relationships, goodwill and other intangibles acquired in 2011. Any subsequent fair value measurements will be made in accordance with the requirements relating to goodwill and other intangible assets.

The fair value hierarchy distinguishes between market participant assumptions developed based on market data obtained from independent sources (observable inputs), and an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

*Note 1: Description of operations and summary of significant accounting policies (continued)*

Fair value measurement (continued)

The fair value hierarchy consists of the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Significant other observable inputs, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and other inputs that are observable or derived from or corroborated by observable market data
- Level 3: Significant unobservable inputs

*Note 2: Acquisitions*

In two separate transactions, on March 18 and June 24, 2011, the Company acquired from Arcus its recruiting and staffing contracts in its U.S. domestic healthcare, IT and cable industries, including accounts receivable for work performed and unbilled work in process. The purchase price included cash and assumption of liabilities, including accounts payable of \$3,837,092 and \$500,596 in other obligations that are payable over time, including \$250,000 payable to Arcus and \$250,596 payable to others (see Note 5).

On August 31, 2011, the Company purchased specific staffing contracts from Pro-Tem for \$100,000 in cash.

The Company has allocated the purchase price to the assets acquired at their estimated fair values at the acquisition dates, as determined by management. The excess of the cost of the Arcus acquisitions over the amounts assigned to the fair value of the assets acquired is recorded as goodwill. The cost of the Pro-Tem acquisition is recorded as other intangible assets.

The allocation of the purchase price for these acquisitions is as follows:

	<u>Arcus</u>	<u>Pro-Tem</u>
Accounts receivable	\$ 1,904,902	\$ -
Customer relationships	3,325,000	-
Other intangibles	-	100,000
Goodwill	896,181	-
	<u>\$ 6,126,083</u>	<u>\$ 100,000</u>

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

*Note 3: Related party transactions*

During 2011, the Company received advances entities owned and controlled by the Company's member. These entities remitted cash to vendors on the behalf of the Company. At December 31, 2011, the Company owed \$305,000 to those entities.

*Note 4: Line of credit*

On June 27, 2011, the Company entered into a funding agreement with Sterling Resource Funding Corp. (Sterling) under which Sterling advances funds to the Company to cover the Company's expenditures for wages and direct payroll costs incurred for temporary employees in providing services under the Company's staffing and recruiting contracts. In exchange for this funding, Sterling receives 1.5% of the Company's gross billings, plus other fees as defined in the agreement. The funding agreement, which has an initial term of two years, is secured by all of the Company's accounts receivable and other assets, and a \$2,000,000 keyman life insurance policy on the Company's member. The Company also is required to maintain a certain leverage ratio, and was in compliance with this financial covenant at December 31, 2011. Under the agreement, \$100,000 is held by Sterling in a reserve fund; this amount is recorded as a receivable in the accompanying balance sheet.

*Note 5: Long-term debt*

	<u>Amount</u>
Metro Bank, \$536,000 note dated June 24, 2011, payable in 36 monthly installments of \$16,145, including interest at 5.25%; secured by Company assets	\$ 452,514
Due to seller, payable monthly in varying amounts, without interest, through June 2016	273,234
	725,748
Less: Current portion	367,226
	<u>\$ 358,522</u>

Scheduled future principal payments are:

Year Ending December 31,	<u>Amount</u>
2012	\$ 367,226
2013	206,136
2014	118,186
2015	22,800
2016	11,400
	<u>\$ 725,748</u>

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

---

*Note 6: Commitments and contingencies*

Legal

The Company from time-to-time is involved in certain legal actions arising in the ordinary course of business. In the opinion of management, the outcome of such actions will not have a material adverse effect on the Company's financial position or results of operations.

Operating leases

The Company leases an office in Conshohocken, Pennsylvania, which currently requires monthly payments of \$6,947, increasing annually through lease expiration in September 2018. The Company is subleasing the Conshohocken office space through October 2013, currently receiving \$5,637 per month, increasing annually.

The Company also leases an office facility in Harrisburg, Pennsylvania under a non-cancellable operating lease that expires in October 2012, with three one-year extension options that the Company intends to exercise. The current monthly rent is \$2,731, which increases annually upon exercise of each extension option.

Minimum annual rentals under these operating leases at December 31, 2011, net of sublease rentals and including likely extension options, are:

Year Ending December 31,	Amount
2012	\$ 48,091
2013	64,243
2014	122,879
2015	118,605
2016	92,607
Thereafter	167,505
	<u>\$ 613,930</u>

Rent expense was \$12,133 for 2011.

**MDT LABOR, LLC**  
**d/b/a MDT TECHNICAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**PERIOD MARCH 18, 2011 (INCEPTION) TO DECEMBER 31, 2011**

---

*Note 7: Subsequent events*

Effective April 1, 2012, employees of the Company became eligible to participate in the MDT Personnel Retirement Plan, a multi-employer discretionary profit sharing plan, provided certain eligibility requirements are met as set forth in the Plan document.

On September 5, 2012, the Company acquired from Beacon Enterprise Solutions Group, Inc. its recruiting and staffing contracts in its U.S. and international healthcare, IT and cable industries, including accounts receivable for work performed, unbilled work in process, and property and equipment. The purchase price included assumption of liabilities associated with assigned contracts, as well as earn-out payments over the period September 1, 2012 and ending on the earlier of August 31, 2015 or upon the sale of the assigned contracts to any third party. The amount the Company will pay in earn-out payments is not to exceed \$3.5 million in aggregate.

Subsequent events have been evaluated through October 19, 2012, which is the date the financial statements were available to be issued.

## INFORMATION NOT REQUIRED IN PROSPECTUS

### ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, if any, payable by the Registrant relating to the sale of common stock being registered. All amounts are estimates except the SEC registration fee.

SEC registration fee	\$ 4.01
Printing and engraving expenses	5,000.00*
Legal fees and expenses	70,000.00*
Accounting fees and expenses	50,000.00*
Miscellaneous expenses	10,000.00*
	<u>\$ 135,004.01*</u>

\* Estimated.

The Company has agreed to bear expenses incurred by the selling shareholders that relate to the registration of the shares of common stock being offered and sold by the selling shareholders.

### ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our officers and directors are indemnified as provided by the Nevada Revised Statutes and our bylaws. Under the Nevada Revised Statutes, unless modified by a corporation's articles of incorporation, a director is not liable to a corporation, its shareholders or creditors for damages unless the director's action or failure constituted a breach of fiduciary duty and such breach involved intentional misconduct, fraud or a knowing violation of law.

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permissible under Nevada law if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action, had no reasonable cause to believe such conduct was unlawful. The Company may purchase and maintain insurance or make other financial arrangements on behalf of any individual entitled to indemnity. Our bylaws also provide that we will advance all expenses incurred to any person entitled to indemnity upon receipt of an undertaking by or on behalf of such person to repay said amounts should it be ultimately determined that the person was not entitled to indemnification.

Our bylaws further provide that discretionary indemnification may be authorized (a) by the shareholders; (b) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding; or (c) by independent legal counsel in a written opinion (i) if ordered by a majority vote of disinterested directors or (ii) if a quorum of disinterested directors cannot be obtained.

### ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

On March 26, 2012, the Company issued 1,000,000 shares to TBK 327 Partners, LLC in consideration of the payment of \$1,000.

On May 9, 2012, we entered into and closed a Contribution Agreement with the members of Optos Capital Partners LLC ("Optos") pursuant to which we acquired 100% of the outstanding securities of Optos in exchange for 23,980,000 shares of our common stock and 100,000 shares of Series A Preferred Stock.

On May 9, 2012, we entered into a Retainer Agreement with Fleming PLLC pursuant to which we issued 430,000 shares of common stock to Fleming PPLC for legal services.

On May 25, 2012, we sold 437,500 shares of common stock to 35 accredited investors for aggregate consideration of \$35,000 or \$0.08 per share.

On July 23, 2012, the Company entered into an amendment of that certain Corporate Advisory Agreement dated January 1, 2012 with HFP Capital Markets LLC ("HFP") whereby the Company issued HFP a common stock purchase warrant to acquire 2,870,000 shares of common stock at a price per share of \$0.08 for a period of five years.



On December 3, 2012, the Company issued Michael D. Traina 12,490,000 shares of common stock in consideration of his 100% interest in MDT Labor LLC, a Delaware limited liability company.

On December 3, 2012, the Company entered into a Credit Agreement with Atalaya Special Opportunities Fund IV (Tranche B), as lender and Atalaya Administrative LLC, as agent (“Atalaya”). Under the terms of the Credit Agreement, Atalaya agreed, among other things and subject to certain restrictions, to provide the Company with a revolving loan commitment of \$8,500,000 and a term loan commitment of \$8,000,000. The Company pursuant to the terms of the Credit Agreement issued to Atalaya a common stock purchase warrant (“Warrant”) to purchase 5,227,841 shares of common stock of the Company. The exercise price per share is \$0.0001 and the holder is entitled to exercise the Warrant on a cashless basis. The Warrant expires on December 3, 2022. The Warrant is subject to anti-dilution adjustments if certain dilutive transactions occur, unless specifically exempted by the Warrant, such as issuance of common stock, options, warrants or similar securities or a decrease in the subscription, exercise, conversion or exchange price of these securities. In addition, commencing on the earliest of (a) December 3, 2016 (b) the acceleration of obligations under the Credit Agreement (c) an event of default (d) a value event such as a merger, disposition, IPO other than a qualified IPO or change in control and ending the earlier of (a) a qualified IPO or (b) the expiration of the warrant, Atalaya may put the warrant on 60 days’ notice and the Company is obligated to repurchase the warrant for cash. The value of the put price is determined by the greater of (a) the Equity Value, as defined by the Warrant, per common share of the Company (b) the Put Formula Value, as defined by the Warrant, per common share of the Company.

The issuance of the foregoing securities in each of the transactions described above was made in reliance upon the exemption from the registration provisions of the Securities Act set forth in Section 4(2) thereof as a transaction by an issuer not involving any public offering and/or Rule 506 under Regulation D as promulgated under the Securities Act. The respective transaction documents contain representations to support our reasonable belief that each investor is an “accredited investor” as defined in Rule 501 under the Securities Act, and that such investor is acquiring such securities for investment and not with a view to the distribution thereof. At the time of their issuance, the securities described above were deemed to be restricted securities for purposes of the Securities Act and such securities (and shares issued upon exercise of the unregistered warrants will) bear legends to that effect.

**ITEM 16. EXHIBITS****EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
3.1	Articles of Incorporation (1)
3.2	Certificate of Designation for the Series A Preferred Stock (1)
3.3	Bylaws (1)
4.1	Promissory Note in the amount of \$1,600,000 payable to Christopher and Lelainya Ferguson (1)
4.2	Promissory Note in the amount of \$126,000 payable to TBK 327 Partners LLC (1)
4.3	Intentionally Left Blank
4.4	Unsecured Line of Credit between TBK 327 Partners, LLC and Jus-com, Inc. dated September 6, 2011 (1)
4.5	Unsecured Promissory Note in the amount of \$100,000 due January 1, 2015 (1)
4.6	Account Receivables Purchase Agreement between Focus Fiber Solutions LLC and Franklin Capital Holdings LLC dated October 18, 2011 (1)
4.7	Security Agreement between Focus Fiber Solutions LLC and Franklin Capital Holdings LLC dated October 18, 2011 (1)
4.8	Sale and Purchase Agreement dated July 7, 2011 between Townsend Careers LLC and AGR Funding Inc (1)
4.9	Unsecured Line of Credit in the amount of \$300,000 between TBK 327 Partners, LLC and Jus-Com, Inc. (1)
4.10	Common Stock Purchase Warrant issued to HFP Capital Markets LLC(1)
4.11	Promissory Term Note in the principal amount of \$4,000,000 issued by Optos Capital Partners LLC to Michael Traina Credit Agreement dated December 3, 2012 among Optos Capital Partners, LLC, MDT Labor, LLC, Focus Fiber Solutions, LLC, Jus-Com, Inc., CMK Resource Group, LLC, and Townsend Careers, LLC; Atalaya Special Opportunities Fund IV LP (Tranche B); and Atalaya Administrative LLC.
4.12	Form of Note issued by Optos Capital Partners, LLC, MDT Labor, LLC, Focus Fiber Solutions, LLC, Jus-Com, Inc., CMK Resource Group, LLC, and Townsend Careers, LLC to Atalaya Special Opportunities Fund IV LP (Tranche B); and Atalaya Administrative LLC
4.13	Registration Rights Agreement between Focus Venture Partners Inc. and Atalaya Special Opportunities Fund IV LP (Tranche B) dated December 3, 2012
4.14	Purchase Warrant dated December 3, 2012 issued to Atalaya Special Opportunities Fund IV LP (Tranche B)
4.15	Subordination Agreement dated December 3, 2012 between Michael Traina, Optos Capital Partners, LLC, Focus Venture Partners Inc. and Atalaya Administrative LLC.
4.16	Guarantee and Collateral Agreement dated December 3, 2012 among Optos Capital Partners, LLC, MDT Labor, LLC, Focus Fiber Solutions, LLC, Jus-Com, Inc., CMK Resource Group, LLC, Townsend Careers, LLC, Focus Venture Partners Inc.; Atalaya Special Opportunities Fund IV LP (Tranche B); and Atalaya Administrative LLC.
4.17	Opinion of Fleming PLLC (1)
5.1	Contribution Agreement by and between Focus Venture Partners Inc., Optos Capital Partners LLC and Christopher and Lelainya Ferguson (1)
10.1	Interest Purchase Agreement by and between Optos Capital Partners, LLC and Michael D. Traina dated December 3, 2012
10.2	Guaranty Agreement between Focus Venture Partners Inc. and Michael D. Traina dated December 3, 2012
10.3	Code of Ethics (1)
14.1	List of Subsidiaries
21.1	Consent of De Joya Griffith & Company, LLC
23.1	Consent of G3 of PA LLC
23.2	Consent of Fleming PLLC (included in Exhibit 5.1)
23.3	

- (1) Incorporated by reference to the Form S-1 Registration Statement filed with the Securities and Exchange Commission on July 24, 2012.

**ITEM 17. UNDERTAKINGS.**

The undersigned Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the “Securities Act”);



(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of the securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement, and

(iii) Include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for determining liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(5) That, for the purpose of determining liability under the Securities Act to any purchaser: Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Center Valley, State of Pennsylvania on this 8th day of January, 2013.

### FOCUS VENTURE PARTNERS INC.

By: /s/ Christopher Ferguson  
Christopher Ferguson, Chief Executive Officer, President and  
Chairman of the Board of Directors (Principal Executive  
Officer)

By: /s/Theresa Carlise  
Theresa Carlise, Chief Financial Officer (Principal Financial  
and Accounting Officer)

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated. The persons whose signature appears below constitutes and appoints Christopher Ferguson his true and lawful attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities to sign any and all amendments (including post-effective amendments) to this registration statement and to sign a registration statement pursuant to Section 462(b) of the Securities Act of 1933, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Signature	Title	Date
/s/ Christopher Ferguson Christopher Ferguson	Chief Executive Officer, President and Chairman of the Board of Directors (Principal Executive Officer)	January 8, 2013
/s/ Theresa Carlise Theresa Carlise	Chief Financial Officer, (Principal Financial and Accounting Officer)	January 8, 2013
/s/ Christopher Ferguson* Michael Paleschi	Chief Operating Officer	January 8, 2013

\* Attorney-in-fact.

This instrument (Promissory Term Note) and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as the same may be amended, supplemented, replaced, substituted, refinanced, or otherwise modified from time to time, the "*Subordination Agreement*") dated as of December 3, 2012 among Michael Traina, Optos Capital Partners, LLC, Focus Venture Partners, Inc., and Atalaya Administrative LLC, to the Senior Debt (as defined therein), as more particularly described in the Subordination Agreement, and each holder of this instrument, by its acceptance hereof, shall be bound by the provisions of the Subordination Agreement.

### **PROMISSORY TERM NOTE**

\$4,000,000.00

December 3, 2012

For value received, **Optos Capital Partners, LLC**, a Delaware limited liability company (the "**Maker**"), hereby promises to pay to the order of **MICHAEL TRAINA** (together with its successors and assigns, the "**Traina**"), on or before the earlier of (the "Maturity Date") (a) May 30, 2015 and (b) partial acceleration and demand for payment, at Traina's option following the occurrence and during the continuance of an Event of Default (as hereafter defined), the principal amount of Four Million Dollars (**\$4,000,000.00**). The aggregate principal balance shall bear interest thereon at a per annum rate equal to six percent (6%).

### **Definitions**

"Credit Agreement" means that certain Credit Agreement dated as of December 3, 2012 among OPTOS CAPITAL PARTNERS, LLC, MDT LABOR, LLC, FOCUS FIBER SOLUTIONS, LLC, JUS-COM, INC., CMK RESOURCES GROUP, LLC and TOWNSEND CAREERS, LLC, as Borrowers, The Various Financial Institutions Party Thereto, as Lenders, thereunder and ATALAYA ADMINISTRATIVE LLC, as Administrative Agent for such Lenders.

All capitalized terms not defined herein shall have the meaning assigned to the term in the Credit Agreement.

### **Payment of Promissory Term Note**

The interest on the principal shall be due and payable, quarterly in arrears, on the fifth (5) day of each month following the close of the prior quarter, in accordance with the amortization schedule, ***Schedule A***, attached hereto, with the first interest payment, due and payable on April 5, 2013, for the prior quarter ending March 31, 2013, provided that no Event of Default exists under the Credit Agreement or would be created by the making of such payment and so long as Borrowers are in compliance with the financial covenant as set forth in Section 7.14, Fixed Coverage Ratio, of the Credit Agreement, as of the last day of the Fiscal Quarter most recently ended prior to the date that the quarterly interest payment is due, and on the last day of such Fiscal Quarter as if such interest payment had been made on such last day.

Optos Capital Partners, LLC- Initials

---

No portion of the principal shall become due and payable except as follows:

- a. Maker shall pay Traina a one-time payment of principal in the amount of one million five hundred thousand (\$1,500,000) within five (5) days after the date that Maker's Ultimate Parent or its designee has received not less than ten million dollars (\$10,000,000) in gross cash proceeds from the issuance of Qualified Stock; and
- b. Maker shall pay scheduled principal payments beginning the fifth day of the month following the date that:
  - (i) Maker's Ultimate Parent has received not less than ten million dollars \$10,000,000 in gross proceeds from the issuance of Qualified Stock;
  - (ii) the Senior Debt to EBITDA Ratio for the Computation Period ending as of the last day of the Fiscal Quarter most recently ended prior to the date the scheduled principal payment is to be made, and for the Computation Period ending as of the last day of the immediately preceding Fiscal Quarter, was less than 1.25 to 1.00;
  - (iii) the Fixed Charge Coverage Ratio as of the last day of the Fiscal Quarter most recently ended prior to the date the scheduled principal payment is to be made was greater than 1.25 to 1.00; and
  - (iv) if the scheduled principal payment had been made on the last day of the Fiscal Quarter most recently ended prior to the date the scheduled principal payment is to be made, the Fixed Charge Coverage Ratio as of such last day still would have been greater than 1.25 to 1.0.

All accrued principal and interest shall be payable at the Maturity Date.

All payments by the Maker under this Note shall be made by wire or Automated Clearing House (ACH) transfer to Traina in accordance with the following:

TD Bank N.A. of Philadelphia  
ABA # 036001808  
Account # 4248908597  
Beneficiary: Michael D Traina

---



This Promissory Term Note is the “Note” referred to in the Membership Interest Purchase Agreement, dated as of December 3, 2012, by and among the Maker and Traina under and as defined therein as “Seller” (as the same may be amended, restated, modified or supplemented from time to time) and is issued pursuant to and entitled to the benefits of the Agreement.

This Note shall continue in full force and effect until all obligations and liabilities evidenced by this Note are paid in full.

This Note may be prepaid without penalty at any time. Any payments received by Traina on account of this Note shall be applied to the outstanding balance of this Note in such manner as Traina may determine. The Maker hereby represents, warrants and covenants to Traina that, subject to the Subordination Agreement, until such time as all obligations owing by the Maker to Traina under this Note are paid in full, in the event that forty percent (40%) or more of the assets of the Maker are at any time sold, disposed of or transferred to any person or entity, either in a single transaction or a series of transactions (whether related or unrelated), except for the sale, disposition or transfer in the ordinary course of business of obsolete or worn-out equipment, then such sale, disposition and/or transfer shall only occur if the Maker makes a simultaneous prepayment in full to Traina of all obligations then owing by the Maker to Traina under this Note. In addition, the Maker acknowledges that this Note is subject to mandatory prepayment in an Event of Default, as hereafter defined, subject to the Subordination Agreement. Notwithstanding anything in this paragraph to the contrary, the Maker may offer or sell any percentage of its shares of common stock in any initial public offering of its securities on a securities market and such event shall not trigger a simultaneous prepayment in full of any obligations owing by the Maker to Traina under this Note.

No delay or omission on the part of Traina in exercising any right hereunder shall operate as a waiver of such right or of any other right of Traina, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The Maker and every endorser of this Note, regardless of the time or place of signing, waives protest, and assents to the addition or release of any party or person primarily or secondarily liable and waives all recourse to suretyship and guarantor defenses generally.

The Maker of this Note shall indemnify, defend and hold Traina and Traina related entities and Affiliates (as hereafter defined) and their directors, officers, employees, agents and attorneys harmless against any claim brought or threatened against Traina by the Maker or by any endorser (as well as from attorneys’ reasonable fees and expenses in connection therewith) in relation to this Note (each of which may be defended, compromised, settled or pursued by Traina with counsel of Traina’s selection, but at the expense of the Maker (and any endorser), except for any claim arising out of the gross negligence of Traina. As used in this Note, the term “Traina Affiliate” collectively means with respect to Traina, any Traina related entity or any third party acting on Traina’s behalf.

The Maker of this Note agrees to pay, upon demand, costs of collection of all amounts under this Note including, without limitation, principal and interest, or in connection with the enforcement of, this Note, including, without limitation, to the extent permitted by applicable law, reasonable attorneys’ fees and expenses. If any payment due under this Note is unpaid for 10 days after the due date or more, the Maker shall pay, in addition to any other sums due under this Note (and without limiting Traina’s other remedies on account thereof), a late charge equal to 5.0% of the unpaid amortized amount overdue.

The Maker shall deliver to the Traina:

a. as soon as available to the Maker, but in any event within 90 days after the close of each such fiscal year of the Maker, the reviewed balance sheet of Maker and related statements of income, stockholders' or owners' equity and cash flows, as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reviewed by independent certified public accountants of recognized standing selected by the Maker and reasonably acceptable to Traina and stating that such financial statements present fairly in all material respects the financial condition and results of operations of the Maker in accordance with generally accepted accounting principles in the United States of America, as in effect from time to time ("GAAP"); and

b. as soon as available to the Maker, but in any event within 30 days after the end of each of calendar quarter, the balance sheet and related statements of income, stockholders' or owners' equity and cash flows for the Maker as of the end of and for such quarter and the portion of the fiscal year then elapsed, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year, certified by the chief financial officer of the Maker as presenting fairly in all material respects the financial condition and results of operations of the Maker in accordance with GAAP, subject to normal year end audit adjustments and the absence of footnotes.

.This Note shall be binding upon the Maker and its respective heirs, successors, assigns and legal representatives, and shall inure to the benefit of Traina and his successors, endorsees and assigns.

A photographic or other reproduction of this Note may be made by Traina, and any such reproduction shall be admissible in evidence with the same effect as the original itself in any judicial or administrative proceeding, whether or not the original is in existence.

As used herein, the term "**Event of Default**" shall mean: (a) nonpayment when due of any amounts due hereunder and per Schedule 1, or failure on the part of the Maker to observe or perform any agreement or obligation to be observed or performed hereunder and/or under the Membership Interest Purchase Agreement; (b) making by the Maker of any material misrepresentation to Traina or its affiliates, (c) dissolution or liquidation or other termination of existence, or adoption of any resolution for the dissolution, liquidation or other termination of existence, of the Maker; (d) suspension of the usual business of the Maker; or (e) failure of the Maker to pay its obligations under this Note as they become due, insolvency of the Maker, or filing of an application for or appointment of a trustee, custodian, conservator or receiver for the Maker or of any part of the Maker's property, assignment for the benefit of creditors by the Maker, filing of a petition in bankruptcy by or against the Maker, or commencement by or against the Maker of any proceeding under any bankruptcy or insolvency law or any other law relating to the relief of debtors, readjustment of indebtedness, reorganization, receivership, composition or extension.

Upon the occurrence of an Event of Default, the entire unpaid balance of principal, together with all accrued interest thereon shall, at the option of Traina, become immediately due and payable without presentment, demand or further action of any kind.

**THE FOLLOWING SECTION SETS FORTH WARRANTS OF ATTORNEY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST MAKER. IN GRANTING THESE WARRANTS OF ATTORNEY TO CONFESS JUDGMENTS AGAINST MAKER, MAKER HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY, AND UNCONDITIONALLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS MAKER MAY HAVE PRIOR TO NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAW OF THE COMMONWEALTH OF PENNSYLVANIA AND THE UNITED STATES OF AMERICA.**

**UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, MAKER DOES HEREBY IRREVOCABLY AUTHORIZE AND EMPOWER ANY ATTORNEY OR THE PROTHONOTARY OF ANY COURT OF RECORD OF THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE TO APPEAR FOR MAKER IN ANY SUCH COURT, IN ANY AND ALL ACTIONS BROUGHT AGAINST MAKER, TO ENTER AND CONFESS JUDGMENT AGAINST MAKER IN FAVOR OF TRAINA OR ITS SUCCESSORS AND ASSIGNS, FOR THE ENTIRE AMOUNT DUE TO TRAINA UPON SUCH EVENT OF DEFAULT AS PROVIDED HEREIN, TOGETHER WITH COSTS OF SUIT AND REASONABLE ATTORNEY'S FEES IN AN AMOUNT UP TO FIVE (5%) PERCENT OF THE PRINCIPAL AMOUNT OUTSTANDING UNDER THIS NOTE, BUT IN NO EVENT LESS THAN FIVE-THOUSAND (\$5,000.00) DOLLARS; AND FOR SO DOING THIS NOTE OR A COPY HEREOF VERIFIED BY AFFIDAVIT SHALL BE A SUFFICIENT WARRANT. SUCH CONFESSIONS OF JUDGMENT OR ACTIONS SHALL BE WITH RELEASE OF ERRORS, WAIVERS OF APPEALS, WITHOUT STAY OF EXECUTION AND MAKER WAIVES ALL RELIEF FROM ANY AND ALL APPRAISEMENT OR EXEMPTION LAWS NOW IN FORCE OR HEREAFTER ENACTED. THE AUTHORITY HEREIN GRANTED TO APPEAR, ENTER AND CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY ONE OR MORE EXERCISES THEREON OR BY ANY DEFECTIVE EXERCISE THEREOF, BUT SHALL CONTINUE AND BE EXERCISABLE FROM TIME TO TIME UNTIL THE FULL PAYMENT OF ALL AMOUNTS DUE FROM MAKER TO TRAINA HEREUNDER IS MADE.**

**MAKER ACKNOWLEDGES THAT IT HAS HAD THE ASSISTANCE OF LEGAL COUNSEL IN THE REVIEW AND EXECUTION OF THIS NOTE AND FURTHER ACKNOWLEDGES THAT THE MEANING AND EFFECT OF THE FOREGOING PROVISIONS CONCERNING CONFESSION OF JUDGMENT HAVE BEEN FULLY EXPLAINED TO MAKER BY SUCH COUNSEL.**

Initial

Maker hereby waives the benefit of any laws now or here after enacted providing for any stay of execution, marshalling of assets, exemption from civil process, redemption, extension of time for payment, or valuation or appraisal of all or any security for this Note, exempting all or any part of the security for this Note or any other property of Maker from attachment, levy or sale upon any such execution or conflicting with any provision of this Note. Maker waives and releases Traina and said attorney or attorneys from all errors, defects and imperfections whatsoever in confessing any such judgment or in any proceedings relating thereto or instituted by Traina hereunder. Maker hereby agrees that any property that may be levied upon pursuant to a judgment obtained under this Note may be sold upon any execution thereon in whole or in part, and in any manner and order that Traina, in his sole discretion may elect.

In the event any portion of this Note shall be declared by any court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severable from this Note, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid or unenforceable portion was never part of this Note.

This Note, and all issues arising hereunder, shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania. The parties agree that all actions or proceedings arising in connection with this Note shall be tried and litigated only in the state courts located in the County of Montgomery, Commonwealth of Pennsylvania, the federal courts whose venue includes the County of Montgomery, Commonwealth of Pennsylvania, or, at the sole option of Traina, in any other court in which Traina shall initiate legal or equitable proceedings and which has subject matter jurisdiction over the matter in controversy. The parties expressly submit and consent in advance to such jurisdiction in any action or proceeding commenced in any such court, and the parties hereby waive any objection which either may have based upon lack of personal jurisdiction and hereby consent to the granting of such legal or equitable relief as is deemed appropriate by any such court. Furthermore, each waives, to the extent permitted under applicable law, any right each may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceedings are brought in accordance with this section. In connection with the foregoing, Maker hereby waives personal service of any summons, complaint or other process. The exclusive choice of forum set forth in this Note shall not be deemed to preclude the enforcement of any judgment obtained in such forum of the taking of any action under this Note to enforce the same in any appropriate jurisdiction. Maker represents and warrants to Traina that Maker has the requisite corporate power and authority to execute and deliver this Note and to perform its obligations hereunder, and all consents, authorizations, approval and orders required in connection with the execution, delivery and performance hereof have been obtained.

---

**THE MAKER, EACH ENDORSER AND TRAINA EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS NOTE, ANY OF THE OBLIGATIONS OF THE MAKER AND EACH ENDORSER TO TRAINA, AND ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HERewith AND (B) AGREES NOT TO SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CAN NOT BE, OR HAS NOT BEEN, WAIVED. THE MAKER, EACH ENDORSER AND TRAINA EACH CERTIFIES THAT NEITHER TRAINA NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT TRAINA WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.**

This Note shall bind the Maker, and its successors and assigns, and the benefit hereon shall inure to the Payee, its successors and assigns. This Note is not, and is not intended to be, a negotiable instrument.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned has set its hand and seal the date and year first above written.

**[Signature appears on next page.]**

---

**Signature page for \$4,000,000.00 Promissory Note**

**OPTOS CAPITAL PARTNERS, LLC:**

By: /s/Chris Ferguson (Seal)

Its: Member, Focus Venture Partners Inc. Chris Ferguson as Agent of Focus Venture Partners Inc.

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
WITNESS

**COMMONWEALTH OF PENNSYLVANIA**

**COUNTY OF** \_\_\_\_\_

On this\_\_\_\_ day of December, 2012, before me, a Notary Public, the undersigned officer, personally appeared \_\_\_\_\_, known to me (or satisfactorily proven) to be the person whose name are subscribed to the within instrument, and acknowledge that they executed the same for purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

SEAL

My commission  
expires:\_\_\_\_\_

\_\_\_\_\_  
Notary Public

## SCHEDULE A

### Amortization Schedule

<b>Contract</b>	<b>Promissory Term Note</b>
<b>Loan Amount</b>	<b>\$ 4,000,000</b>
<b>Principal amount</b>	<b>\$ 4,000,000</b>
<b>Annual Interest</b>	<b>6%</b>
<b>Number of payments</b>	<b>24</b>
<b>Start Date</b>	<b>12/3/2012</b>

Pmt No.	Payment Date	Beg Balance	Total Payment	Principal Payment	Interest	Ending Balance	Cumulative Interest	* Principal Payment Deferred
1	12/3/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	
2	1/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	\$ 1,666,666.67
3	2/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	\$ 1,666,666.67
4	3/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	\$ 1,666,666.67
5	4/5/2013	\$ 4,000,000.00	\$ 80,000.00	\$ -	\$ 80,000.00	\$ 4,000,000.00	\$ 80,000.00	\$ 1,666,666.67
6	5/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 80,000.00	\$ 1,666,666.67
7	6/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 80,000.00	\$ 1,666,666.67
8	7/5/2013	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 140,000.00	\$ 1,666,666.67
9	8/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 140,000.00	\$ 1,666,666.67
10	9/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 140,000.00	\$ 1,666,666.67
11	10/5/2013	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 200,000.00	\$ 1,666,666.67
12	11/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 200,000.00	\$ 1,666,666.67
13	12/5/2013	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 200,000.00	\$ 1,666,666.67
14	1/5/2014	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 260,000.00	\$ 1,666,666.67
15	2/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 260,000.00	\$ 1,666,666.67
16	3/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 260,000.00	\$ 1,666,666.67
17	4/5/2014	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 320,000.00	\$ 1,666,666.67
18	5/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 320,000.00	\$ 1,666,666.67
19	6/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 320,000.00	\$ 1,666,666.67
20	7/5/2014	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 380,000.00	\$ 1,666,666.67
21	8/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 380,000.00	\$ 1,666,666.67
22	9/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 380,000.00	\$ 1,666,666.67
23	10/5/2014	\$ 4,000,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 4,000,000.00	\$ 440,000.00	\$ 1,666,666.67
24	11/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 440,000.00	\$ 1,666,666.67
25	12/5/2014	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ 440,000.00	
26	1/5/2015	\$ 4,000,000.00	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 4,000,000.00	\$ 480,000.00	
27	5/30/2015	\$ 4,000,000.00	\$ 4,000,000.00	\$ 4,000,000.00	\$ -	\$ -	\$ 480,000.00	\$ 1,666,666.59

\* No Principal shall become due and payable except as set forth in the Section, **Payment of Promissory Term Note** under a and of Promissory Term Note

\_\_\_\_\_  
\_\_\_\_\_

CREDIT AGREEMENT  
dated as of DECEMBER 3, 2012

among

OPTOS CAPITAL PARTNERS, LLC, MDT LABOR, LLC, FOCUS FIBER SOLUTIONS, LLC, JUS-COM, INC., CMK RESOURCE  
GROUP, LLC and TOWNSEND CAREERS, LLC,  
as Borrowers,

THE VARIOUS FINANCIAL INSTITUTIONS PARTY HERETO,  
as Lenders,

and

ATALAYA ADMINISTRATIVE LLC,  
as Administrative Agent

\_\_\_\_\_  
\_\_\_\_\_



## TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINITIONS; INTERPRETATION	1
1.1. Definitions	1
1.2. Interpretation	18
SECTION 2. CREDIT FACILITIES	18
2.1. Commitments	18
2.2. Borrowing Procedures; Minimum Borrowing; Frequency of Borrowing	19
2.3. [Intentionally Omitted]	19
2.4. Protective Advances	19
2.5. [Intentionally Omitted]	19
2.6. Loan Accounting	19
2.7. Interest	20
2.8. Fees	20
2.9. Prepayment Fee	21
2.10. Prepayment	21
2.11. Repayment	22
2.12. Payment	22
2.13. Set-off	23
2.14. Proration of Payments.	24
SECTION 3. YIELD PROTECTION	24
3.1. Taxes	24
3.2. Payment of Other Taxes by Borrowers	24
3.3. Indemnification by Borrowers	24
3.4. Evidence of Payments	25
3.5. Status of Lenders	25
3.6. Compliance with FATCA	26
3.7. Indemnification by Lenders	26

3.8.	Treatment of Certain Refunds	26
3.9.	Increased Costs Generally	26
3.10.	Capital Requirements	27
3.11.	Certificates for Reimbursement	27
3.12.	Delay in Requests	27
3.13.	Mitigation of Circumstances	27

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
3.14. Replacement of Lenders	28
3.15. Conclusiveness of Statements; Survival of Provisions	28
SECTION 4. CONDITIONS PRECEDENT	29
4.1. Initial Credit Extension	29
4.2. All Credit Extensions	31
SECTION 5. REPRESENTATIONS AND WARRANTIES.	32
5.1. Organization; Jurisdiction of Organization; Location of Chief Executive Office; Organizational Identification Number; Commercial Tort Claims	32
5.2. Authorization; No Conflict	32
5.3. Validity; Binding Nature	33
5.4. Financial Condition	33
5.5. No Material Adverse Change	33
5.6. Litigation	33
5.7. Ownership of Properties; Liens	34
5.8. Capitalization	34
5.9. Pension Plans	34
5.10. Investment Company Act	34
5.11. No Default	35
5.12. Margin Stock	35
5.13. Taxes	35
5.14. Solvency	35
5.15. Environmental Matters	36
5.16. Insurance	36
5.17. Information	36
5.18. Intellectual Property	37
5.19. Restrictive Provisions	37

5.20.	Labor Matters	37
5.21.	Related Agreements	38
5.22.	Material Contracts	38
5.23.	Accounts	39
5.24.	Compliance	39
5.25.	Leases	39
5.26.	OFAC	40

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
5.27. Patriot Act	40
<b>SECTION 6. AFFIRMATIVE COVENANTS</b>	<b>40</b>
6.1. Information	40
6.2. Books; Records; Inspections	44
6.3. Maintenance of Property; Insurance	44
6.4. Compliance with Laws; Payment of Taxes and Liabilities	45
6.5. Maintenance of Existence	45
6.6. Employee Benefit Plans	45
6.7. Environmental Matters	46
6.8. Further Assurances	46
6.9. Lockbox Accounts	46
6.10. Assignments of Payments Under Certain Governmental Contracts	47
6.11. Collection of Accounts	48
6.12. Sale of Inventory, etc	48
6.13. Covenant to Guarantee Obligations and Give Security	48
6.14. Leases	49
6.15. Disclosure Updates	49
6.16. Future Leases; Future Acquisitions of Real Estate	49
6.17. Post Closing	50
<b>SECTION 7. NEGATIVE COVENANTS.</b>	<b>50</b>
7.1. Debt	50
7.2. Liens	51
7.3. Cancellation of Debt	52
7.4. Restricted Payments	52
7.5. Mergers; Consolidations; Asset Sales	53
7.6. Modification of Organizational Documents	54

7.7.	Use of Proceeds	54
7.8.	Transactions with Affiliates	54
7.9.	Inconsistent Agreements	54
7.10.	Business Activities	55
7.11.	Investments	55
7.12.	Restriction of Amendments to Certain Documents	56

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
7.13. Fiscal Year	56
7.14. Financial Covenants	56
7.15. Bank Accounts	57
7.16. Subsidiaries	58
7.17. Real Property Investments	58
7.18. Change Name	58
7.19. Limitation on Issuance of Stock	58
7.20. Unconditional Purchase Obligations	58
<b>SECTION 8. EVENTS OF DEFAULT; REMEDIES</b>	<b>58</b>
8.1. Events of Default	58
8.2. Remedies	61
8.3. Right to Appointment of Receiver	62
8.4. Cooperation in Event of Default	62
<b>SECTION 9. THE AGENT</b>	<b>63</b>
9.1. Appointment and Authorization	63
9.2. Rights as a Lender	63
9.3. Exculpatory Provisions	63
9.4. Reliance by Administrative Agent	64
9.5. Delegation of Duties	64
9.6. Resignation of Administrative Agent	65
9.7. Non-Reliance on Administrative Agent and Other Lenders	65
9.8. No Other Duties	65
9.9. Administrative Agent May File Proofs of Claim	65
9.10. Indemnification.	66
9.11. Collateral Matters	66
9.12. No Duty to Inquire or Monitor	67

SECTION 10.	MISCELLANEOUS	67
10.1.	Waiver; Amendments	67
10.2.	Confirmations	67
10.3.	Notices	68
10.4.	Computations	68
10.5.	Costs; Expenses	68



**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
10.6. Indemnification by Borrowers	69
10.7. Marshaling; Payments Set Aside	69
10.8. Nonliability of Administrative Agent and Lenders	69
10.9. Assignments; Participations	70
10.10. Confidentiality	73
10.11. Captions	73
10.12. Nature of Remedies	73
10.13. Counterparts	73
10.14. Severability	74
10.15. Entire Agreement	74
10.16. Successors; Assigns	74
10.17. Governing Law	74
10.18. Forum Selection; Consent to Jurisdiction	75
10.19. Waiver of Jury Trial	75
10.20. Patriot Act	75
10.21. Borrower Representative	75
10.22. Joint and Several Liability	76

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b><u>Annexes</u></b>	
Annex I	Lenders and Pro Rata Shares
Annex II	Addresses
<b><u>Exhibits</u></b>	
Exhibit A	Form of Compliance Certificate
Exhibit B	Form of Borrowing Base Certificate
Exhibit C	Form of Note
Exhibit D	Form of Borrowing Notice
Exhibit E	Form of Excess Cash Flow Certificate
Exhibit F	Form of Assignment and Assumption
<b><u>Schedules</u></b>	
Schedule 4.1.3	Prior Debt
Schedule 5.6	Litigation
Schedule 5.1(b)	Jurisdictions of Organization
Schedule 5.1(c)	Chief Executive Offices
Schedule 5.1(d)	Organizational Identification Numbers
Schedule 5.1(e)	Commercial Tort Claims
Schedule 5.8	Capitalization
Schedule 5.16	Insurance
Schedule 5.20	Labor Matters
Schedule 5.22	Material Contracts
Schedule 7.1	Existing Debt
Schedule 7.2	Existing Liens
Schedule 7.8	Affiliate Transactions
Schedule 7.11	Existing Investments
Schedule 7.15	Bank Accounts

## CREDIT AGREEMENT

This Credit Agreement (this "Agreement") dated as of December 3, 2012 is among Optos Capital Partners, LLC, a Delaware limited liability company, MDT Labor, LLC, a Delaware limited liability company, Focus Fiber Solutions, LLC, a Delaware limited liability company, Jus-Com, Inc., an Indiana corporation, CMK Resource Group, LLC, a Delaware limited liability company, and Townsend Careers, LLC, a Maryland limited liability company (each a "Borrower" and collectively, the "Borrowers"); the financial institutions that are or from time to time may become parties hereto, as Lenders hereunder; and Atalaya Administrative LLC, a New York limited liability company (in its individual capacity, "Atalaya Administrative"), as administrative agent for Lenders.

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

### Section 1. Definitions; Interpretation.

#### 1.1. Definitions.

When used herein the following terms shall have the following meanings:

Acceleration Event means the occurrence and continuance of any of the following: (a) an Event of Default under Section 8.1.1 as a result of the failure to pay in full the outstanding Revolving Loans on the Termination Date and/or the Term Loans on the Term Loan Maturity Date; (b) an Event of Default under Section 8.1.3(b); or (c) any other Event of Default under Section 8.1 and the declaration by Administrative Agent that the Obligations are due and payable and the Revolving Loan Commitment is terminated.

Accommodation Payment has the meaning set forth in Section 10.22.

Account has the meaning set forth in the Guarantee and Collateral Agreement.

Account Debtor means any Person who is obligated to any Borrower or any Domestic Subsidiary with respect to any Account.

Acquisition means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is already a Subsidiary).

Administrative Agent means Atalaya Administrative, in its capacity as administrative agent for Lenders hereunder and any successor thereto in such capacity.

Affiliate of any Person means (a) any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person, and (b) any officer or director of such Person and (c) with respect to Lender, any entity administered or managed by Lender or an Affiliate or investment advisor thereof which is engaged in making, purchasing, holding or otherwise investing in commercial loans. A Person shall be deemed to be "controlled by" any other Person if such Person possesses, directly or indirectly, power to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. Unless expressly stated otherwise herein, neither Administrative Agent nor any Lender shall be deemed an Affiliate of any Loan Party or of any of its Subsidiaries.

Agreement has the meaning set forth in the Preamble.

Allocable Amount has the meaning set forth in Section 10.22.

Applicable Rate means the LIBOR Rate plus twelve and three-quarters percent (12.75%) per annum; provided, however in no event shall the LIBOR Rate be less than three-quarters percent (0.75%) per annum.

Approved Fund means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignee has the meaning set forth in Section 10.9.2.

Assignment and Assumption has the meaning set forth in Section 10.9.2.

Atalaya Administrative has the meaning set forth in the Preamble.

Benefit Plan means a “defined benefit plan” (as defined in Section 3(35) of ERISA) for which any Loan Party or any member of the Controlled Group has been an “employer” (as defined in Section 3(5) of ERISA) within the past six years.

Borrower has the meaning set forth in the Preamble.

Borrower Representative means Focus Fiber Solutions, LLC.

Borrowing Availability means, at the time of determination, an amount equal to the lesser of (a) the Revolving Loan Commitment less the aggregate outstanding Revolving Loans and (b) the excess, if any, of (a) the Borrowing Base over (b) the aggregate outstanding Revolving Loans plus the outstanding principal balance of the Term Loans. Borrowing Availability shall be calculated with reference to the most recent Borrowing Base Certificate acceptable to Administrative Agent and otherwise in accordance with this Agreement.

Borrowing Base means the sum of 100% of the Net Collectible Value of all Eligible Accounts, less such reserves and allowances as Administrative Agent deems necessary in its reasonable discretion. The Borrowing Base shall be calculated with reference to the most recent Borrowing Base Certificate acceptable to Administrative Agent and otherwise in accordance with this Agreement.

Borrowing Base Certificate means a certificate substantially in the form of Exhibit B.

Borrowing Notice means a notice in substantially the form of Exhibit D.

Business Day means any day on which commercial banks are open for commercial banking business in New York, New York, Illinois other than a Saturday, Sunday, January 1, the third Monday in January, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, the fourth Thursday in November, or December 25; provided that if January 1, July 4, November 11 or December 25 fall on a Sunday, the following Monday shall not be a Business Day.

Capital Expenditures means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Parent, but excluding expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, or (b) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

Capital Lease means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

Cash Equivalent Investment means, at any time, (a) any evidence of indebtedness, maturing not more than one year after such time, issued or guaranteed by the United States Government or any agency thereof, (b) commercial paper, or corporate demand notes, in each case rated at least A-1 by Standard & Poor's Ratings Group or P-1 by Moody's Investors Service, Inc., (c) any certificate of deposit (or time deposit represented by a certificate of deposit) or banker's acceptance maturing not more than one year after such time, or any overnight Federal Funds transaction that is issued or sold by a commercial banking institution that is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than \$500,000,000, (d) any repurchase agreement entered into with any commercial banking institution of the nature referred to in clause (c) above which (i) is secured by a fully perfected security interest in any obligation of the type described in any of clauses (a) through (c) above and (ii) has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder, (e) money market accounts or mutual funds which invest exclusively in assets satisfying the foregoing requirements and (f) other short term liquid investments approved in writing by Administrative Agent.

Change in Law means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Closing Date means the date on which all conditions precedent set forth in Section 4.1 and Section 4.2 have been satisfied (or waived in accordance with the terms hereof) and Lenders make the initial Loans hereunder.

Code means the Internal Revenue Code of 1986, as amended.

Collateral has the meaning set forth in the Guarantee and Collateral Agreement.

Collateral Access Agreement means an agreement in form and substance reasonably satisfactory to Administrative Agent pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of Inventory or other property owned by any Loan Party, acknowledges the Liens of Administrative Agent and waives (or, if approved by Administrative Agent, subordinates) any Liens held by such Person on such property, and, in the case of any such agreement with a mortgagee or lessor, permits Administrative Agent reasonable access to any Collateral stored or otherwise located thereon.

Collateral Documents means, collectively, the Guarantee and Collateral Agreement, each Collateral Access Agreement, the Mortgages, each account control agreement and each other agreement or instrument pursuant to or in connection with which any Loan Party or any other Person grants a security interest in any Collateral to Administrative Agent, for the benefit of Lenders, each as amended, restated or otherwise modified from time to time.

Commitment or Commitments shall mean (a) with respect to the Revolving Loans, as to any Revolving Lender, the aggregate commitment of such Revolving Lender to make Revolving Loans, as set forth on Annex I hereto; (b) as to all Revolving Lenders, the aggregate commitment of all Lenders to make Revolving Loans; (c) with respect to the Term Loans, as to any Term Lender, the aggregate commitment of such Term Lender to fund its Pro Rata Share of the Term Loans, as set forth on Annex I; (d) as to all Term Lenders, the aggregate commitment of all Term Lenders to fund the Term Loans; and (e) as to all Lenders, the aggregate commitments of all Lenders to fund the Loans; in each case as the same may be reduced, modified or terminated from time to time pursuant to this Agreement.

Compliance Certificate means a certificate substantially in the form of Exhibit A.

Computation Period means each trailing twelve month period ending on the last day of a calendar quarter.

Concentration Account has the meaning set forth in Section 6.9.

Consolidated Net Income means, for any period, the consolidated net income (or loss) of Borrowers for such period calculated in accordance with GAAP.

Contingent Obligation means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) any indebtedness, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation in respect of any Contingent Obligation shall (subject to any limitation set forth therein) be deemed to be the principal amount of the debt, obligation or other liability supported thereby.

Controlled Group means all Persons, who, together with a Loan Party, are treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

Debt of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all indebtedness evidenced by bonds, debentures, notes or similar instruments (including, without limitation, any notes issued to sellers in connection with an Acquisition), (c) all obligations of such Person as lessee under Capital Leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (d) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (e) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person (with the amount thereof being measured as the fair market value of such property), (f) all obligations, contingent or otherwise, with respect to letters of credit (whether or not drawn), banker's acceptances and surety bonds issued for the account of such Person, (g) all Hedging Obligations of such Person, (h) all Contingent Obligations of such Person, (i) all non-compete payment obligations, earn-outs and similar obligations, (j) all indebtedness of any partnership of which such Person is a general partner, and (k) all obligations of such Person under any synthetic lease transaction, where such obligations are considered borrowed money indebtedness for tax purposes but the transaction is classified as an operating lease in accordance with GAAP.

Debtor Relief Laws means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

Default means any event that, if it continues uncured, will, with the lapse of time or the giving of notice or both, constitute an Event of Default.

Disposition means, as to any asset or right of any Loan Party, (a) any sale, lease, assignment or other transfer (other than to a Borrower or any of its Domestic Subsidiaries), (b) any loss, destruction or damage thereof, or (c) any condemnation, confiscation, requisition, seizure or taking thereof, in each case excluding (i) any sale, lease, assignment or other transfer in any Fiscal Year, the Net Cash Proceeds of which do not in the aggregate exceed \$100,000, (ii) the sale or other transfer of Inventory in the ordinary course of business, and (iii) dispositions under clauses (iii), (iv), (v) and (vi) of Section 7.5(c).

Disqualified Stock shall mean any equity interest that, by its terms (or by the terms of any security or other stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Stock), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Debt or any other stock that would constitute Disqualified Stock, in each case, prior to the date that is 180 days after the Termination Date.

Distribution Limitation Amount means the lesser of (a) the cumulative balance of Ultimate Parent's Tax Liability Account at the time of a proposed Tax Distribution and (b) the actual tax liability of Ultimate Parent for the Fiscal Year taking into account all items of income (including but not limited to sources other than Borrowers).

Dollar and \$ mean lawful money of the United States of America.

Domestic Subsidiary means any Subsidiary that is incorporated or organized under the laws of a State within the United States of America or the District of Columbia.

EBITDA means, for any period, Consolidated Net Income for such period plus, to the extent deducted in determining such Consolidated Net Income for such period but without duplication, (i) Interest Expense, (ii) income tax expense, (iii) depreciation and amortization, and (iv) extraordinary losses, minus, to the extent included in determining such Consolidated Net Income for such period, extraordinary gains; provided that for all purposes under this Agreement, EBITDA for any month set forth below shall be deemed to be the amount set forth below opposite such month:

January, 2012	\$ (67,000)
February, 2012	\$ 256,625
March, 2012	\$ 802,184
April, 2012	\$ 255,874
May, 2012	\$ (13,106)
June, 2012	\$ 676,755
July, 2012	\$ 217,005
August, 2012	\$ 312,779
September, 2012	\$ 687,157

Eligible Account means an Account owing to any Borrower or any Domestic Subsidiary of a Borrower which meets each of the following requirements:

- (a) it arises from the sale of goods (which goods comply with such Account Debtor's specifications (if any) and have been delivered to such Account Debtor and not returned by such Account Debtor) or the rendering of services by a Borrower or the applicable Subsidiary;
- (b) it (i) is subject to a first priority perfected Lien in favor of Administrative Agent and (ii) is not subject to any other Lien (other than a Permitted Lien) or factoring arrangement;
- (c) it is a valid, legally enforceable and unconditional obligation of the Account Debtor with respect thereto and is not subject to any counterclaim, credit, allowance, discount, rebate or adjustment by the Account Debtor or to any claim by such Account Debtor denying liability thereunder in whole or in part; provided, that in the event any counterclaim, credit, allowance, rebate or adjustment is asserted, or discount is granted, the Account shall only be ineligible pursuant to this clause (c) to the extent thereof;
- (d) there is no bankruptcy, insolvency or liquidation proceeding pending by or against the Account Debtor with respect thereto;
- (e) the Account Debtor with respect thereto is a resident or citizen of, and is located within, the United States, unless the sale of goods or services giving rise to such Account is on letter of credit, banker's acceptance or other credit support terms reasonably satisfactory to Administrative Agent;
- (f) it is not an Account arising from a "sale on approval," "sale or return," "consignment" or "bill and hold" or subject to any other repurchase or return agreement;
- (g) it is not an Account with respect to which possession and/or control of the goods sold giving rise thereto is held, maintained or retained by a Borrower or any Subsidiary (or by any agent or custodian of a Borrower or any Subsidiary) for the account of or subject to further and/or future direction from the Account Debtor with respect thereto;



- (h) it arises in the ordinary course of business of a Borrower or the applicable Subsidiary;
- (i) if the Account Debtor is the United States or any department, agency or instrumentality thereof, such Borrower or the applicable Subsidiary has assigned its right to payment of such Account to Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended;
- (j) if the Account is evidenced by chattel paper or an instrument, the original copy of such chattel paper or instrument shall have been endorsed and/or assigned and delivered to Administrative Agent in a manner reasonably satisfactory to Administrative Agent;
- (k) such Account has been billed to and is evidenced by an invoice in the name of the Account Debtor payable to a Borrower or a Domestic Subsidiary;
- (l) such Account does not include any amount related to a holdback or unsigned change order or any amount that may not be billed pursuant to the terms of the applicable contract with the Account Debtor;
- (m) it is an Account denominated in Dollars;
- (m) it is not an Account representing a credit card receivable and does not arise from a COD sale;
- (n) it does not represent a progress billing;
- (o) the Account Debtor with respect thereto is not a Borrower or an Affiliate of a Borrower;
- (p) it is an Account evidenced by an invoice delivered to the related Account Debtor and is not more than (i) 60 days past the due date thereof or (ii) 90 days past the original invoice date thereof, in each case according to the original terms of sale;
- (q) it is not owed by an Account Debtor with respect to whom more than 50% of all Accounts owed by such Account Debtor are not eligible under clause (p); and
- (r) it is not owed by an Account Debtor with respect to whom the aggregate amount of all Accounts owed by such Account Debtor and its Affiliates thereon exceeds 20% of the aggregate amount of all Accounts at such time (or 40% with respect to Sidera and Zayo).

An Account which is at any time an Eligible Account, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account. Further, with respect to any Account, if Administrative Agent at any time hereafter determines in its reasonable discretion that the prospect of payment or performance by the Account Debtor with respect thereto is materially impaired for any reason whatsoever, such Account shall cease to be an Eligible Account after notice of such determination is given to Borrower.

Eligible Assignee means any Person that meets the requirements to be an assignee under paragraphs (iii), (v), and (vi) of Section 10.9.2 (subject to such consents, if any, as may be required under paragraph (iii) of Section 10.9.2).

Environmental Claims means all claims, however asserted, by any governmental, regulatory or judicial authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment or any Person or property.

Environmental Laws means all present or future federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to any matter arising out of or relating to health and safety, or pollution or protection of the environment or workplace, including any of the foregoing relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, discharge, release, control or cleanup of any Hazardous Substance.

Environmental Lien means any Lien in favor of any Governmental Authority for Environmental Claims.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Event of Default means any of the events described in Section 8.1.

Excess Cash Flow means, for any period, the remainder of (a) the sum of (i) EBITDA for such period, plus (ii) amounts received by Borrowers and their Subsidiaries in cash in excess of recorded revenue, minus (b) the sum, without duplication, of (i) scheduled repayments of principal of the Term Loans and other Debt of Borrowers and the Subsidiaries (in respect of Debt permitted in accordance with Section 7.1) made during such period, plus (ii) voluntary prepayments of the Term Loans pursuant to Section 2.10.1 during such period, plus (iii) Unfinanced Capital Expenditures, plus (iv) all federal, state, local and foreign income taxes paid in cash by Borrowers and their Subsidiaries, or paid in cash by Ultimate Parent with the proceeds of the Tax Distributions by Borrowers permitted under Section 7.4, during such period, net of any federal, state, local or foreign income tax refunds received in cash by Borrowers and the Subsidiaries in such period, plus (v) all Interest Expense in respect of Debt permitted in accordance with Section 7.1 paid in cash by Borrowers and the Subsidiaries during such period.

Excess Cash Flow Certificate means a certificate substantially in the form of Exhibit E.

Excluded Taxes means, with respect to Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of Borrowers hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by Borrowers under Section 3.14), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.5, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from Borrowers with respect to such withholding tax pursuant to Section 3.1, and (d) any U.S. federal withholding Taxes imposed under FATCA.

Extraordinary Receipt means any cash received by or paid to or for the account of any Loan Party not in the ordinary course of business (and not consisting of proceeds described in any of Section 2.10.2(a)(i) and (a)(ii)), including, but not limited to, purchase price and other monetary adjustments made in connection with the Related Transactions or any Acquisition and/or indemnification payments made in connection with the Related Transactions or any Acquisition, foreign, United States, state or local tax refunds, pension plan reversions, proceeds of insurance (including key man life insurance and business interruption insurance, but excluding any casualty insurance), judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action.

FATCA means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

Fiscal Quarter means a fiscal quarter of a Fiscal Year.

Fiscal Year means the fiscal year of Borrowers and the Subsidiaries, which period shall be the 12-month period ending on December 31 of each year.

Fixed Charge Coverage Ratio means, for any Computation Period, the ratio of (a) the total for such period of EBITDA minus all Unfinanced Capital Expenditures to (b) Fixed Charges for such Computation Period, provided that Unfinanced Capital Expenditures for any month set forth below shall be deemed to be the amount set forth below opposite such month:

January, 2012	\$ 42,000
February, 2012	\$ 42,000
March, 2012	\$ 42,000
April, 2012	\$ 42,000
May, 2012	\$ 42,000
June, 2012	\$ 42,000
July, 2012	\$ 42,000
August, 2012	\$ 42,000
September, 2012	\$ 42,000

Fixed Charges means, for any Computation Period, the sum for such Computation Period of (a) Interest Expense accrued for such Computation Period and paid or payable in cash at any time by Borrowers and the other Loan Parties (excluding in all instances any interest paid in kind), plus (b) required payments of principal of Debt (including the Term Loans but excluding the Revolving Loans) for such Computation Period by Borrowers and the other Loan Parties, plus (c) income taxes paid or payable and all Tax Distributions described in Section 7.4 paid by Borrowers and the other Loan Parties, plus (d) any Restricted Payment made during such Computation Period; provided that Fixed Charges for any month set forth below shall be deemed to be the amount set forth below opposite such month:

January, 2012	\$ 260,000
February, 2012	\$ 260,000
March, 2012	\$ 260,000
April, 2012	\$ 260,000
May, 2012	\$ 260,000
June, 2012	\$ 260,000
July, 2012	\$ 260,000
August, 2012	\$ 260,000
September, 2012	\$ 260,000

Foreign Lender means any Lender that is organized under the laws of a jurisdiction other than that in which Borrowers is resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

Foreign Subsidiary means any Subsidiary that is not incorporated or organized under the laws of a State within the United States of America or the District of Columbia, and that is a "controlled foreign corporation" within the meaning of Section 957 of the Code with respect to which a Loan Party is a "US Shareholder" within the meaning of Section 951(b) of the Code.

FRB means the Board of Governors of the Federal Reserve System or any successor thereto.

Fund means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit.

GAAP means generally accepted accounting principles in effect in the United States of America set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

Government Authorization means any permit, license, registration, authorization, certificate, accreditation plan, directive, consent order or consent decree of or from or notice to any Governmental Authority.

Governmental Authority means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

Government Contracts means any contract entered into with the United States government or any state or local government or any division, department or instrumentality.

Guarantee and Collateral Agreement means the Guarantee and Collateral Agreement dated as of the Closing Date by each Loan Party signatory thereto in favor of Administrative Agent, for the benefit of Lenders.

Hazardous Substances means hazardous waste, hazardous substance, pollutant, contaminant, toxic substance, oil, hazardous material, chemical or other substance regulated by any Environmental Law.

Hedging Obligation means, with respect to any Person, any liability of such Person under any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices. The amount of any Person's obligation in respect of any Hedging Obligation shall be deemed to be the incremental obligation that would be reflected in the financial statements of such Person in accordance with GAAP.

Holder means any owner of equity interests or membership interests in a Person.

Indemnified Liabilities has the meaning set forth in Section 10.6.

Indemnified Taxes means Taxes other than Excluded Taxes.

Interest Expense means for any period the consolidated interest expense of Borrowers for such period (including all imputed interest on Capital Leases).

Inventory has the meaning set forth in the Guarantee and Collateral Agreement.

Investment means, with respect to any Person, (a) the purchase of any debt or equity security of any other Person, (b) the making of any loan or advance to any other Person, (c) becoming obligated with respect to a Contingent Obligation in respect of obligations of any other Person (other than travel and similar advances to employees in the ordinary course of business), or (d) the making of an Acquisition.

Key Executives means Christopher Ferguson and Michael Traina.

Key Man Life Insurance means a current, valid, and fully paid key man life insurance policies insuring the lives of each of the Key Executives, each in the amount of \$5,000,000, procured by Borrowers and naming Administrative Agent, for the benefit of Lenders, as beneficiary, that (a) is in form and substance reasonably satisfactory to Administrative Agent, (b) provides that it cannot be altered, amended, or modified in any respect, and (c) provides that it cannot be canceled without at least 30 Business Days' prior written notice to Administrative Agent.

Legal Costs means, with respect to any Person, (a) all reasonable fees and charges of any counsel, accountants, auditors, appraisers, consultants and other professionals to such Person, and (b) all court costs and similar legal expenses.

Lender means the Persons listed on Annex I and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

Lender Parties has the meaning set forth in Section 10.6.

LIBOR Rate means a rate per annum equal to (a) the offered rate for deposits in Dollars for a period equal to one month that appears on the Reuters Screen LIBOR01 Page at 11:00 a.m. London time (or, if not so appearing, as published in the "Money Rates" section of The Wall Street Journal or another national publication selected by Administrative Agent) on each Business Day, divided by (b) the sum of one minus the aggregate maximum reserve requirement (expressed as a decimal on each Business Day) then imposed under Regulation D of the FRB for "Eurocurrency Liabilities" (as defined therein).

License means, any license or agreement under which any Borrower or any other Loan Party is authorized to use intellectual property in connection with the operation of its business.

Lien means, with respect to any Person, any interest granted by such Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, charge or other security interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

Liquidity means, the sum of Borrowers' unrestricted cash, unrestricted Cash Equivalent Investments and Borrowing Availability, less and Borrowers' trade accounts payable in excess of 30 days.

Loan Documents means this Agreement, the Notes, the Collateral Documents, the Warrants, any subordination agreement and all documents, instruments and agreements delivered in connection with the foregoing.

Loan Party means Ultimate Parent and each of its Subsidiaries, including Parent, Borrowers, and the Subsidiaries of Borrowers.

Loans means Revolving Loans and the Term Loans.

Lockbox Account has the meaning set forth in Section 6.9.

Lockbox Bank has the meaning set forth in Section 6.9.

Margin Stock means any "margin stock" as defined in Regulation T, U or X of the FRB.

Material Adverse Effect means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of any Loan Party, (b) a material impairment of the ability of any Loan Party to perform any of its Obligations under any Loan Document, or (c) a material adverse effect upon any substantial portion of the Collateral under the Collateral Documents or upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document.

Material Contract has the meaning set forth in Section 5.22.

Mortgage means a mortgage, deed of trust, leasehold mortgage or similar instrument granting Administrative Agent, for the benefit of Lenders, a Lien on a real property interest of any Loan Party, each as amended, restated or otherwise modified from time to time.

Multiemployer Pension Plan means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which Borrower or any member of the Controlled Group may have any liability.

Net Cash Proceeds means:

(a) with respect to any Disposition, the aggregate cash proceeds (including cash proceeds received pursuant to policies of insurance and by way of deferred payment of principal pursuant to a note, installment receivable or otherwise, but only as and when received) received by any Loan Party pursuant to such Disposition net of (i) the reasonable direct costs relating to such Disposition (including sales commissions and legal, accounting and investment banking fees, commissions and expenses, but excluding any such costs payable to any Affiliate of any Loan Party), (ii) any portion of such proceeds deposited in an escrow account pursuant to the documentation relating to such Disposition (provided that such amounts shall be treated as Net Cash Proceeds upon their release from such escrow account to the applicable Loan Party), (iii) taxes paid or reasonably estimated by a Loan Party to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), (iv) amounts required to be applied to the repayment of any Debt (other than Debt assumed by the purchaser of such asset) secured by a Lien that has priority over the Lien of Administrative Agent, for the benefit of Lenders, on the asset subject to such Disposition, and (v) so long as no Event of Default exists, with respect to any Disposition described in clause (b) or (c) of the definition thereof, all money actually applied within 180 days to repair, replace or reconstruct damaged property or property affected by loss, destruction, damage, condemnation, confiscation, requisition, seizure or taking, in each case only if such proceeds are held in a cash collateral account subject to the control of Administrative Agent until such proceeds are actually applied to replace, repair or reconstruct such property, as the case may be (with any such proceeds remaining in such cash collateral account after the applicable 180 day period constituting Net Cash Proceeds received by a Loan Party immediately after the expiration of such 180 day period);

(b) with respect to any issuance of equity securities, the aggregate cash proceeds received by any Borrower or any Subsidiary pursuant to such issuance, net of the reasonable direct costs relating to such issuance (including reasonable sales and underwriter's commission); and

(c) with respect to any Extraordinary Receipts, the aggregate cash proceeds received by any Borrower or any Subsidiary, net of the reasonable direct costs relating thereto excluding any such costs payable to any Affiliate of any Loan Party.

Net Collectible Value means the amount of the Account due from an Account Debtor, less deductible obligations and contractual allowances under the applicable contract with such Account Debtor.

Non-Consenting Lender means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 10.1 and (b) has been approved by Administrative Agent.

Note means a promissory note substantially in the form of Exhibit C.

Obligations means all liabilities, indebtedness and obligations (monetary (including post-petition interest, allowed or not) or otherwise) of any Loan Party to Administrative Agent and/or any Lender under this Agreement, any other Loan Document, any Collateral Document or any other document or instrument executed in connection herewith or therewith, fees (including the fees provided for in the Fee Letter), charges, costs, expenses (including any fees or expenses that accrue after the commencement of an insolvency proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such insolvency proceeding), lease payments, guaranties, covenants, and duties of any kind and description owing by any Loan Party to Administrative Agent and/or any Lender arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that any Loan Party is required to pay or reimburse Administrative Agent and/or any Lender by the Loan Documents or by law or otherwise in connection with the Loan Documents, and in each case howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

Other Taxes means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

Paid in Full, Pay in Full or Payment in Full means, with respect to any Obligations, the payment in full in cash of all such Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted).

Parent means Optos Capital Partners, LLC.

Participant has the meaning set forth in Section 10.9.4.

PBGC means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

Pension Plan means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Pension Plan), and to which any Borrower or any member of the Controlled Group may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

Permitted Liens means Liens permitted by Section 7.2.

Permitted Protest means the right of Borrowers or any of their Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on Borrowers' or their Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by Borrowers or their Subsidiaries, as applicable, in good faith, and (c) Administrative Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of the Liens granted to Administrative Agent, for the benefit of Lenders, under the Loan Documents.

Person means any natural person, corporation, partnership, trust, limited liability company, association, Governmental Authority, or any other entity, whether acting in an individual, fiduciary or other capacity.

Prepayment Fee means with respect to any prepayment or all or a portion of the principal balance of the Term Loans or any termination of the Revolving Loan Commitment, a fee in an amount equal to that necessary to provide Lenders with the same yield on the portion of the principal balance prepaid for the period from the date of prepayment or termination to the Termination Date, assuming that principal and interest payments on the Loans and fees had been paid as scheduled herein rather than prepaid. In determining such fee, it shall be assumed that the Revolving Loans outstanding during the period from date of prepayment to the Termination Date was equal to the greater of (a) the Revolving Loans outstanding on the date of the initial Loan hereunder and (b) the average Revolving Loans during the ninety day period preceding the the date of prepayment as calculated by Administrative Agent



Prior Debt means the Debt listed on Schedule 4.1.3.

Pro Rata Share means

(a) with respect to any Revolving Lender as to all Revolving Lenders, the percentage obtained by dividing (i) the Commitment of that Revolving Lender to make Revolving Loans by (ii) all such Commitments of all Revolving Lenders to make Revolving Loans; provided, however, that if any such Commitment of a Revolving Lender is terminated pursuant to the terms hereof, then “Pro Rata Share” means the percentage obtained by dividing (x) the aggregate amount of such Revolving Lender’s outstanding Revolving Loans by (y) the aggregate amount of all outstanding Revolving Loans;

(b) with respect to any Term Lender as to all Term Lenders, the percentage obtained by dividing (i) the aggregate amount of the portion of the outstanding Term Loan owing to such Term Lender by (ii) the aggregate amount of the outstanding Term Loans; and

(c) with respect to any Lender as to all Lenders, the percentage obtained by dividing (i) the aggregate amount of such Lender’s Loans outstanding and such Lender’s Commitments by (ii) the aggregate amount of all Lenders’ Loans outstanding and all Lenders’ Commitments;

in each case, as such percentage may be adjusted by assignments permitted pursuant to Section 11.8 hereof.

Qualified Stock means and refers to any stock issued by the Ultimate Parent (and not by a Borrower or one or more of its Subsidiaries) that is not a Disqualified Stock, the Net Cash Proceeds of which are contributed by the Ultimate Parent to a Borrower or one or more of its Subsidiaries as a cash equity capital contribution.

Record means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Register has the meaning set forth in Section 10.9.3.

Related Agreements means the Interest Purchase Agreement dated as of December 3, 2012 between Michael Traina and Parent for the purchase of the equity interests in MDT Labor, LLC.

Related Transactions means (a) the consummation of the transactions contemplated by the Related Agreements and (b) the payment of fees and expenses in connection therewith.

Required Lenders means, at any time, Lenders whose Pro Rata Shares of the Commitments exceed 66.6667%.

Resignation Effective Date has the meaning set forth in Section 9.6.

Restricted Payment has the meaning set forth in Section 7.4.

Revolving Lender means each Person named on Annex I as a “Revolving Lender” and its respective successors and permitted assigns (but not, except as expressly set forth herein, any Participant that otherwise is not a party to this Agreement).

Revolving Loan Commitment means \$8,500,000, as reduced from time to time pursuant to the terms hereof.

Revolving Loans has the meaning set forth in Section 2.1.1.

Sanctioned Entity means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, or (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC.

Sanctioned Person means a person named on the list of Specially Designated Nationals maintained by OFAC.

Seller Subordinated Guaranty means the Guaranty Agreement dated the Closing Date made by Ultimate Parent in favor among Michael Traina, guaranteeing repayment of the Seller Subordinated Note.

Seller Subordinated Note means the subordinated promissory note executed by Parent in favor of Michael Traina in the original principal amount of \$4,000,000.

Seller Subordination Agreement means the Subordination Agreement dated the Closing Date among Michael Traina, Parent, and Administrative Agent.

Senior Debt to EBITDA Ratio means, as of the last day of any Computation Period, the ratio of (i) the Obligations as of such day to (ii) EBITDA for the Computation Period ending on such day.

Subordinated Debt means the Debt evidenced by the Seller Subordinated Note and the Seller Subordinated Guaranty, and any other unsecured Debt of a Borrower or a Subsidiary which has subordination terms, covenants, pricing and other terms which have been approved in writing by Administrative Agent, which has been confirmed in writing by Administrative Agent as constituting Subordinated Debt and is subject to a subordination agreement in form and substance acceptable to Administrative Agent.

Subsidiary means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding shares or other equity interests as to have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of Borrowers.

Tax Distributions has the meaning set forth in Section 7.4.

Taxes means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Tax Liability Account shall mean a memorandum account maintained by a Loan Party for each of its Holders. The initial balance of the Tax Liability Account for each Holder of the Loan Party is zero. At the end of each fiscal year, the Tax Liability Account is increased in the amount of the tax liability of the Holder of such Loan Party for such year and decreased in the amount of the tax benefit of such Holder for the year, in each case in respect of Holder's ownership interest of a Loan Party. The Tax Liability Account will also be decreased by any Tax Distributions to the Holder of the Loan Party.

Term Lender means each Person named on Annex I as a "Term Lender" and its respective successors and permitted assigns (but not, except as expressly set forth herein, any Participant that otherwise is not a party to this Agreement).

Term Loan Commitment means \$8,000,000.

Term Loan Maturity Date means December 3, 2014 or such earlier date on which the Commitments terminate pursuant to Section 8.2.

Term Loan has the meaning set forth in Section 2.1.2.

Termination Date means December 3, 2014 or such earlier date on which the Revolving Loan Commitment is terminated or terminates pursuant to Section 8.

Trigger Event shall mean the earlier of (i) delivery to Administrative Agent of a Compliance Certificate for the Compliance Period ending June 30, 2013 demonstrating Borrowers' EBITDA was not less than \$6,000,000, for such Computation Period; and (ii) Ultimate Parent shall have received not less than \$10,000,000 in gross proceeds from the issuance of Qualified Stock subsequent to the Closing Date.

Ultimate Parent means Focus Venture Partners, Inc.

Unfinanced Capital Expenditures means cash payments (not financed with the proceeds of Debt other than Revolving Loans) made in such period with respect to Capital Expenditures permitted under Section 7.14.3.

Warrants means the Warrants issued by Ultimate Parent to Lenders.

Wholly-Owned Domestic Subsidiary means a Wholly-Owned Subsidiary that is a Domestic Subsidiary.

Wholly-Owned Subsidiary means, as to any Person, another Person all of the equity interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by such Person and/or another Wholly-Owned Subsidiary of such Person.

## 1.2. Interpretation.

(a) In the case of this Agreement and each other Loan Document, (a) the meanings of defined terms are equally applicable to the singular and plural forms of the defined terms; (b) Annex, Exhibit, Schedule and Section references are to such Loan Document unless otherwise specified; (c) the term "including" is not limiting and means "including but not limited to" and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or"; (d) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including"; (e) unless otherwise expressly provided in such Loan Document, (i) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation; (f) this Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, all of which are cumulative and each shall be performed in accordance with its terms; and (g) this Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to Administrative Agent, Borrowers and the other parties hereto and thereto and are the products of all parties; accordingly, they shall not be construed against Administrative Agent or any Lender merely because of Administrative Agent's or such Lender's involvement in their preparation. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record and any Record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

(b) All accounting terms not specifically defined herein shall be construed in accordance with GAAP. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Borrower" or "Loan Parties" is used in respect of a financial covenant or a related definition, it shall be understood to mean Borrowers and the other Loan Parties on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof.

## Section 2. Credit Facilities.

### 2.1. Commitments.

On and subject to the terms and conditions of this Agreement, each Lender agrees, severally and not jointly, as follows:

#### 2.1.1. Revolving Loan Commitment.

Such Lender will make its Pro Rata Share of loans to Borrowers on a revolving basis ("Revolving Loans") from time to time prior to the Termination date as Borrowers may request, and Borrowers may repay such loans from time to time; provided, that after giving effect to such Revolving Loans, (a) the Pro Rata Share of all Revolving Loans of any Lender shall not at any time exceed such Lender's Commitment to make Revolving Loans, (b) the aggregate outstanding Revolving Loans shall not at any time exceed the Revolving Loan Commitment, and (c) the aggregate outstanding Revolving Loans plus the outstanding principal balance of the Term Loans shall not at any time exceed the Borrowing Base. The calculation of the Borrowing Base as of any time shall originally be made by Borrowers and certified by an authorized officer pursuant to the delivery of a Borrowing Base Certificate; provided, however, that Administrative Agent shall have the right to review and adjust any such calculation in its reasonable judgment to the extent that the calculation was not made in accordance with this Agreement.

2.1.2. Term Loan Commitment.

Such Lender will make a term loan to Borrowers on the Closing Date (each such term loan, a “Term Loan”) in the amount of its Pro Rata Share of the Term Loan Commitment by disbursing to Borrowers its Pro Rata Share of the Term Loan Commitment minus \$330,000 (which amount represents the agreed-upon original issue discount to Lenders for making the Term Loans). The Term Loan Commitment of each Lender to make its Term Loan shall terminate concurrently with the making of the Term Loans on the Closing Date. Any portion of the Term Loans which is repaid or prepaid by Borrowers, in whole or in part, may not be reborrowed.

2.2. Borrowing Procedures; Minimum Borrowing; Frequency of Borrowing.

Borrower Representative shall give written notice or telephonic notice (followed immediately by written confirmation thereof) to Administrative Agent of each proposed borrowing of a Revolving Loan not later than 10:00 a.m. New York time on the proposed date of such borrowing. Each such notice shall be effective upon receipt by Administrative Agent, shall be irrevocable, and shall specify, in the form of a Borrowing Notice, the date and amount of such borrowing. Each Revolving Loan shall be in a minimum amount of \$250,000. No more than two Revolving Loans may be requested in any month, and no more than eighteen Revolving Loans may be requested in any twelve month period. Subject to the terms of this Agreement, not later than 2:00 p.m. New York time on the date of a proposed Revolving Loan borrowing, Revolving Lenders shall provide Borrowers with the requested Revolving Loan. Each borrowing shall be on a Business Day. Revolving Loans shall be made available by crediting such proceeds to such account designated in writing by Borrower Representative.

2.3. [Intentionally Omitted].

2.4. Protective Advances.

(a) Any contrary provision of this Agreement or any other Loan Document notwithstanding, at any time (i) after the occurrence and during the continuance of a Default or an Event of Default, or (ii) that any of the other applicable conditions precedent set forth in Section 4 are not satisfied, Administrative Agent hereby is authorized by Borrowers, from time to time, in Administrative Agent’s sole discretion, to make advances to, or on behalf of, Borrowers that Administrative Agent, in its reasonable discretion, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Obligations (the Loans described in this Section 2.4(a) shall be referred to as “Protective Advances”).

(b) Each Protective Advance shall be deemed to be an Obligation hereunder. The Protective Advances shall be repayable on demand, secured by the Liens granted to Administrative Agent under the Loan Documents, constitute Obligations hereunder, and bear interest at the Applicable Rate from time to time. The provisions of this Section 2.4(a) are for the exclusive benefit of Administrative Agent and Lenders and are not intended to benefit Borrowers (or any other Loan Party) in any way.

2.5. [Intentionally Omitted].

2.6. Loan Accounting.

2.6.1. Recordkeeping.

Administrative Agent shall record in its records the date and amount of each Loan made by Lenders, and each repayment thereof. The aggregate unpaid principal amount so recorded shall be rebuttably presumptive evidence of the principal amount of the Loans owing and unpaid. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the Obligations of Borrowers hereunder or under any Note to repay the principal amount of the Loans hereunder, together with all interest accruing thereon.

2.6.2. Notes.

At the request of a Lender, the Loans owing to such Lender shall be evidenced by Notes, with appropriate insertions, payable to the order of such Lender in a face principal amount equal to the sum of such Lender's Revolving Loan Commitment and Term Loan Commitment and payable in such amounts and on such dates as are set forth herein.

2.7. Interest.

2.7.1. Interest Rates.

Borrowers jointly and severally promise to pay interest on the unpaid principal amount of each Loan for the period commencing on the date of such Loan until such Loan is paid in full at a rate per annum equal to the Applicable Rate from time to time in effect; provided, that (i) at any time an Event of Default exists, at Administrative Agent's and/or the Required Lenders' election, the Applicable Rate corresponding to each Loan shall be increased by five percentage points per annum (and, in the case of Obligations not subject to an Applicable Rate, such Obligations shall bear interest at the Applicable Rate plus five percentage points per annum) effective as of the date upon which such Event of Default first occurred or such later date as Administrative Agent and/or the Required Lenders may elect in writing, and (ii) upon the occurrence of an Event of Default under Section 8.1.1 or 8.1.3, any such increase described in the foregoing clause (i) shall occur automatically. In no event shall interest payable by Borrowers to Lenders hereunder exceed the maximum rate permitted under applicable law, and if any such provision of this Agreement is in contravention of any such law, such provision shall be deemed modified to limit such interest to the maximum rate permitted under such law.

2.7.2. Interest Payment Dates.

Accrued interest on each Loan shall be payable in cash in arrears on the first day of each calendar month and at maturity. After maturity or at any time an Event of Default exists, all accrued interest on all Loans shall be payable in cash on demand at the rates specified in Section 2.7.1.

2.7.3. Computation of Interest.

Interest shall be computed for the actual number of days elapsed on the basis of a year of 360 days. The applicable LIBOR Rate shall be determined by Administrative Agent. Each determination of the applicable LIBOR Rate by Administrative Agent shall be conclusive and binding by the parties hereto, in the absence of demonstrable error.

2.8. Fees.

2.8.1. Commitment Fee.

For the period from the Closing Date to the Termination Date, Borrowers jointly and severally promise to pay to Administrative Agent, for the benefit of the Revolving Lenders, a commitment fee equal to 0.25% per annum multiplied by the amount by which the Revolving Loan Commitment exceeds the average daily outstanding Revolving Loans. The commitment fee shall be payable in arrears on the first day of each calendar month and on the Termination Date for any period then ending for which the commitment fee shall not have previously been paid. The commitment fee shall be computed for the actual number of days elapsed on the basis of a year of 360 days. The commitment fees, once paid, are nonrefundable and are not creditable against any other fees payable in connection with the Loans

2.8.2. Administrative Fee.

Borrowers jointly and severally promise to pay to Administrative Agent, for its own account, a nonrefundable administrative fee equal to Twenty Thousand Dollars (\$20,000) on the Closing Date and Twenty Thousand Dollars (\$20,000) on the last day of each December, March, June and September thereafter. Each administrative fee shall be deemed to be fully earned on the date payable. The administrative fees, once paid, are nonrefundable and are not creditable against any other fees payable in connection with the Loans.

2.9. Prepayment Fee.

Upon any full or partial prepayment of the Term Loans (other than prepayments pursuant to Section 2.10.2(iii)), or in the event that the Revolving Loan Commitment or this Agreement terminates or is terminated, Borrowers jointly and severally promise to pay to the Prepayment Fee to Administrative Agent, for the benefit of Lenders.

2.10. Prepayment.

2.10.1. Voluntary Prepayment.

Borrowers may from time to time, on at least ten Business Days' written notice or telephonic notice (followed immediately by written confirmation thereof) to Administrative Agent not later than 11:00 a.m. New York time on such day, prepay the Term Loans in whole or in part. Such notice to Administrative Agent shall specify the date and amount of prepayment and the application of such prepayment shall be subject to Section 2.10.3. Any such partial prepayment shall be in an amount equal to \$100,000 or a higher integral multiple of \$100,000 and shall be accompanied by the Prepayment Fee and the payment of accrued interest to the date of such payment on the amount prepaid.

2.10.2. Mandatory Prepayment.

(a) Borrowers shall (x) prepay the Term Loans (in the order set forth in Section 2.10.3) until paid in full and (y) thereafter repay the Revolving Loans, in each case, at the following times and in the following amounts:

(i) concurrently with the receipt by any Loan Party or any Subsidiary of any Net Cash Proceeds from any Disposition, in an amount equal to such Net Cash Proceeds;

(ii) concurrently with the receipt by any Loan Party or any Subsidiary of any Net Cash Proceeds from any issuance of its equity securities (other than equity securities that are issued pursuant to Section 7.11(a)), in an amount equal to such Net Cash Proceeds;

(iii) within 90 days after the end of each Fiscal Year (commencing with Fiscal Year December 31, 2012, in an amount equal to the 50% of the Excess Cash Flow for such Fiscal Year; provided, that for the Fiscal Year ending December 31, 2012, Excess Cash Flow shall be calculated for the period from the Closing Date to December 31, 2012;

(iv) concurrently with the receipt by any Loan Party or any Subsidiary of any Extraordinary Receipt, in an amount equal to the Net Cash Proceeds of such Extraordinary Receipt;

(v) upon an Acceleration Event; and

(vi) concurrently with the date of incurrence by any Loan Party or any of its Subsidiaries of any Debt (other than Debt permitted under Section 7.1), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.12.2 in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence. The provisions of this Section 2.10.2(a)(vi) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms of this Agreement.

Any prepayment of the Term Loans pursuant to Section 2.10.2(a)(i), (ii), (iv), (v) or (vi) shall be accompanied by the Prepayment Fee applicable to such prepayment.

(b) If on any day the aggregate outstanding Revolving Loans plus the outstanding principal balance of the Term Loans exceeds the Borrowing Base, Borrowers shall immediately prepay Revolving Loans (and then, to the extent necessary, Term Loans) in an amount sufficient to eliminate such excess.

Borrowers shall give written notice or telephonic notice (followed immediately by written confirmation thereof) to Administrative Agent not later than 11:00 a.m. New York time at least one Business Day prior to each mandatory prepayment pursuant to clause (a) of Section 2.10.2.

#### 2.10.3. All Prepayments.

All prepayments of the Term Loans shall be applied in the inverse order of maturity to the remaining installments thereof.

#### 2.11. Repayment.

##### 2.11.1. Revolving Loans.

Borrowers jointly and severally promise to pay the Revolving Loans in full on the Termination Date.

##### 2.11.2. Term Loans.

Borrowers jointly and severally promise to pay the outstanding principal balance of the Term Loans (i) in monthly installments of principal in the amount of \$135,000 each, commencing on January 1, 2013 and on the first day of each month thereafter, and (ii) in full on the Term Loan Maturity Date.

#### 2.12. Payment.

##### 2.12.1. Making and Settlement of Payments.

All payments of principal of or interest on the Notes, and of all fees, costs and expenses payable hereunder or any other Loan Documents, shall be made by Borrowers to Administrative Agent without setoff, recoupment or counterclaim and in immediately available funds at the office specified by Administrative Agent not later than 12:00 noon New York time on the date due, and funds received after that hour shall be deemed to have been received by Administrative Agent on the following Business Day. The Administrative Agent shall promptly remit to each Lender its share of all such payments received in collected funds by Administrative Agent for the account of such Lender. All payments under Section 3.9 or 3.10 shall be made by Borrowers directly to the Lender entitled thereto without setoff, counterclaim or other defense



Borrowers hereby grant to Lenders the right, in Administrative Agent's discretion, without notice to Borrowers, to make Revolving Loans, and to Administrative Agent the right, in its discretion without notice to Borrowers to make withdrawals from deposit accounts of Borrowers, in each case to make payments on the Obligations, including any and all fees and expenses, as and when due hereunder. Borrowers acknowledge that Borrowers' failure to maintain sufficient funds in any deposit account for payment of any of the Obligations, Lenders' failure to make a Revolving Loan, or Administrative Agent's failure to make a withdrawal from any deposit account shall not relieve Borrowers of any payment obligation under this Agreement or any other Loan Document.

If any Lender funds any Revolving Loan or grant any other accommodation when any conditions precedent are not satisfied (regardless of whether the lack of satisfaction was known or unknown at the time), it shall not operate as a waiver of (a) the right of Administrative Agent and Lenders to insist upon satisfaction of all conditions precedent with respect to any subsequent funding, issuance, creation or grant; or (b) any Default or Event of Default due to such failure of conditions or otherwise.

2.12.2. Application of Payments and Proceeds.

(a) Except as set forth in Section 2.10.2 and Section 2.10.3, and subject to the provisions of Sections 6.9 and 2.12.2(b) below, each payment of principal shall be applied to such Loans as Borrower Representative shall direct by notice to be received by Administrative Agent on or before the date of such payment or, in the absence of such notice, as Administrative Agent shall determine in its discretion.

(b) If an Event of Default shall have occurred and be continuing, notwithstanding anything herein or in any other Loan Document to the contrary, Administrative Agent may apply all or any part of the payments in respect of the Obligations and proceeds of the Collateral, in each case received by Administrative Agent, to the payment of the Obligations in such order as Administrative Agent may in its sole discretion elect.

2.12.3. Payment Dates.

If any payment of principal or interest with respect to any of the Loans, or of any fees, falls due on a day which is not a Business Day, then such due date shall be extended to the immediately following Business Day and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

2.13. Set-off.

All payments made by Borrowers hereunder or under any Loan Document shall be made without setoff, counterclaim, or other defense. Borrowers agree that Lenders have all rights of set-off and bankers' lien provided by applicable law, and in addition thereto, Borrowers agree that at any time an Event of Default has occurred and is continuing, Administrative Agent and/or any Lender may apply to the payment of any Obligations of Borrowers hereunder, whether or not then due, any and all balances, credits, deposits, accounts or moneys of Borrowers then or thereafter in the possession or control of Administrative Agent and/or such Lender.

#### 2.14. Proration of Payments.

If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset, counterclaim, or otherwise), on account of principal of or interest on any Loan, but excluding any payment pursuant to Section 3.13 or 10.9, in excess of its applicable Pro Rata Share of payments and other recoveries obtained by all Lenders on account of principal of and interest on the Loans then held by them, then such Lender shall notify Administrative Agent of such fact, and shall purchase (for cash at face value) from the other Lenders such participations in the Loans held by them, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (b) the provisions of this paragraph shall not be construed to apply to (i) any payment made by the Company pursuant to and in accordance with the express terms of this Agreement, or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any Assignee or Participant, other than to Borrowers or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrowers rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Company in the amount of such participation.

### Section 3. Yield Protection.

#### 3.1. Taxes.

Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if Borrowers shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) Administrative Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (b) Borrowers shall make such deductions, and (c) Borrowers shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

#### 3.2. Payment of Other Taxes by Borrowers.

Without limiting the provisions of Section 3.1 above, Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

#### 3.3. Indemnification by Borrowers.

Borrowers shall indemnify Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrowers (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

#### 3.4. Evidence of Payments.

As soon as practicable after any payment of Indemnified Taxes or Other Taxes by Borrowers to a Governmental Authority, Borrowers shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

#### 3.5. Status of Lenders.

Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which Borrowers is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to Borrowers (with a copy to Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by Borrowers or Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Borrowers or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrowers or Administrative Agent as will enable Borrowers or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States of America, each Foreign Lender shall deliver to Borrowers and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrowers or Administrative Agent), but only if such Foreign Lender is legally entitled to do so, whichever of the following is applicable:

- (i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party;
- (ii) duly completed copies of Internal Revenue Service Form W-8ECI;
- (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN; or
- (iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit Borrowers to determine the withholding or deduction required to be made.

### 3.6. Compliance with FATCA.

If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrowers and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrowers or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrowers or Administrative Agent as may be necessary for Borrowers and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

### 3.7. Indemnification by Lenders.

Each Lender shall severally indemnify Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Borrowers has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of Borrowers to do so), and (ii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Administrative Agent to such Lender from any other source against any amount due to Administrative Agent under this Section 3.7.

### 3.8. Treatment of Certain Refunds.

If Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by Borrowers or with respect to which Borrowers has paid additional amounts pursuant to this Section, it shall pay to Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that Borrowers, upon the request of Administrative Agent or such Lender, agrees to repay the amount paid over to Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Administrative Agent or such Lender in the event Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require Administrative Agent or any Lender or to make available its tax returns (or any other information relating to its taxes that it deems confidential) to Borrowers or any other Person.

### 3.9. Increased Costs Generally.

If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate);

(ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement, or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by [Section 7.6](#) and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

### 3.10. Capital Requirements.

If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

### 3.11. Certificates for Reimbursement.

A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in [Section 3.9](#) or [3.10](#) and delivered to Borrowers shall be conclusive absent manifest error. The Company shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

### 3.12. Delay in Requests.

Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrowers shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Borrowers of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

### 3.13. Mitigation of Circumstances.

If any Lender requests compensation under [Section 3.9](#) or [3.10](#), or requires Borrowers to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to [Section 3.1](#), then such Lender shall (at the request of Borrowers) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to [Section 3.9](#) or [3.10](#) or [Section 3.1](#), as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

### 3.14. Replacement of Lenders.

If any Lender requests compensation under Section 3.9 or 3.10, or if any Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.13, or if any Lender is a Non-Consenting Lender, then Borrowers may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.9.2), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

- (i) Borrowers shall have paid to Administrative Agent the assignment fee (if any) specified in Section 10.9.2;
- (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrowers (in the case of all other amounts);
- (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.9 or 3.10 or payments required to be made pursuant to Section 3.1, such assignment will result in a reduction in such compensation or payments thereafter;
- (iv) such assignment does not conflict with applicable law; and
- (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrowers to require such assignment and delegation cease to apply.

### 3.15. Conclusiveness of Statements; Survival of Provisions.

Determinations and statements of any Lender pursuant to Section 3.9 and/or 3.10 shall be conclusive absent demonstrable error. Lenders may use reasonable averaging and attribution methods in determining compensation under Section 3.9 and 3.10, and the provisions of such Sections shall survive repayment of the Obligations, cancellation of any Notes, and termination of this Agreement.

#### Section 4. Conditions Precedent.

The obligation of each Lender to make its Loans is subject to the following conditions precedent:

##### 4.1. Initial Credit Extension.

The obligation of Lenders to make the initial Loans is, in addition to the conditions precedent specified in Section 4.2, subject to the following conditions precedent, each of which shall be satisfactory in all respects to Lender:

##### 4.1.1. Diligence.

Lenders shall have completed their business, legal, and collateral due diligence, including, but not limited to, (i) a collateral audit and review of Borrowers' and their Subsidiaries' books and records and verification of the Loan Parties' representations and warranties to Lenders, the results of which shall be satisfactory to Lenders, and (ii) a review of Parent's and its Subsidiaries' material agreements, in each case, the results of which shall be satisfactory to Lenders.

##### 4.1.2. Initial Loans; Availability.

After giving effect to the consummation of the Related Transactions and funding of the initial Loans on the Closing Date, Liquidity shall not be less than \$1,000,000.

##### 4.1.3. Prior Debt.

The Prior Debt has been (or concurrently with the initial borrowing will be) paid in full.

##### 4.1.4. Related Transactions.

Loan Parties have completed (or concurrently with the initial credit extension hereunder will complete) the Related Transactions in accordance with the terms of the Related Agreements (without any amendment thereto or waiver thereunder unless consented to by Lenders).

##### 4.1.5. Fees.

Borrowers shall have paid all fees, costs and expenses due and payable under this Agreement and the other Loan Documents on the Closing Date.

##### 4.1.6. Delivery of Loan Documents.

Borrowers shall have delivered the following documents in form and substance satisfactory to Administrative Agent (and, as applicable, duly executed and dated the Closing Date or an earlier date satisfactory to Administrative Agent):

(a) Agreement. This Agreement.

(b) Notes. Notes, payable to any Lender requesting a Note.

(c) Collateral Documents. The Guarantee and Collateral Agreement, all other Collateral Documents, and all instruments, documents, certificates and agreements executed or delivered pursuant thereto (including intellectual property assignments and pledged Collateral, with undated irrevocable transfer powers executed in blank).

(d) Financing Statements. Properly completed Uniform Commercial Code financing statements and other filings and documents required by law or the Loan Documents to provide Administrative Agent perfected Liens (subject only to Permitted Liens) in the Collateral.

(e) Lien Searches. Copies of Uniform Commercial Code search reports listing all effective financing statements filed against any Loan Party, with copies of such financing statements.

(f) Collateral Access Agreements. Collateral Access Agreements reasonably requested by Administrative Agent with respect to the Collateral.

(g) Payoff; Release. Payoff letters evidencing repayment in full of all Prior Debt, termination of all agreements relating thereto and the release of all Liens granted in connection therewith, with Uniform Commercial Code or other appropriate termination statements and documents effective to evidence the foregoing.

(h) Borrowing Base Certificate. A Borrowing Base Certificate reflecting required information as of a date not more than 1 day prior to the Closing Date.

(i) Letter of Direction. A letter of direction containing funds flow information, with respect to the proceeds of the Loans on the Closing Date.

(j) Authorization Documents. For each Loan Party, such Person's (i) charter (or similar formation document), certified by the appropriate Governmental Authority, (ii) good standing certificates in its state of incorporation (or formation) and in each other state requested by Administrative Agent, (iii) bylaws (or similar governing document), (iv) resolutions of its board of directors (or similar governing body) approving and authorizing such Person's execution, delivery and performance of the Loan Documents to which it is party and the transactions contemplated thereby, and (v) signature and incumbency certificates of its officers executing any of the Loan Documents, all certified by its secretary or an assistant secretary (or similar officer) as being in full force and effect without modification.

(k) Opinions of Counsel. Opinions of counsel for each Loan Party, including local counsel reasonably requested by Administrative Agent, and all other opinions issued pursuant to the Related Transactions, and Borrower hereby requests such counsel to deliver such opinions and authorizes Administrative Agent and Lenders to rely thereon.

(l) Insurance. Certificates or other evidence of insurance in effect as required by Section 6.3(b), with endorsements naming Administrative Agent as lenders' loss payee and/or additional insured, as applicable.

(m) Financials. The financial statements, projections and pro forma balance sheet described in Section 5.4.

(n) Appraisals. Appraisals of Collateral as reasonably requested by Administrative Agent, prepared by appraisers reasonably satisfactory to Administrative Agent.

(o) Consents. Evidence that all necessary consents, permits and approvals (governmental or otherwise) required for the execution, delivery and performance by each Loan Party of the Loan Documents and the Related Transactions have been duly obtained and are in full force and effect.



(p) Certified Documents. Copies of the Related Agreements (including a consent to the collateral assignment of rights and indemnities under the appropriate Related Agreements in favor of Administrative Agent) certified by each Borrower's secretary or an assistant secretary (or similar officer) as being in true, accurate and complete.

(q) Warrant. Lenders shall have received warrants to purchase an aggregate number of shares of stock in Ultimate Parent which, after giving effect to the Related Transactions, equal twelve percent (12%) of the fully diluted equity of Ultimate Parent, in form and containing terms acceptable to Administrative Agent.

(r) Other Documents. Such other certificates, documents and agreements as Administrative Agent may reasonably request.

#### 4.1.7. Customer Calls.

Administrative Agent shall have completed all customer calls and account verifications required by Administrative Agent in its sole discretion and the results thereof shall have been satisfactory to Administrative Agent in its sole discretion.

#### 4.2. All Credit Extensions.

The obligation of Lenders to make any Loan is subject to the following conditions:

(a) Administrative Agent shall have received a Borrowing Base Certificate setting forth a calculation of the Borrowing Base and Borrowing Availability as of the end of the most recently ended week and executed by the chief financial officer of Borrowers on behalf of Borrowers;

(b) the amount of any requested Revolving Loan shall not exceed Borrowing Availability; and

(c) both before and after giving effect to any borrowing,

(i) the representations and warranties of Borrowers and each other Loan Party set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(ii) no Event of Default or Default shall have then occurred and be continuing;

(iii) no injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the extending of such credit shall have been issued and remained in force by any Governmental Authority;

(iv) no Material Adverse Effect shall have occurred;

(v) the Senior Debt to EBITDA Ratio for the twelve month period most recently ended shall not exceed 2.25 to 1.0 prior to a Trigger Event and 2.50 to 1.0 from and after a Trigger Event; and

(vi) the aggregate outstanding Revolving Loans shall not exceed the Revolving Loan Commitment, and the aggregate outstanding Revolving Loans plus the outstanding principal balance of the Term Loans shall not exceed the Borrowing Base.

Each request by Borrowers for the making of a Loan shall be deemed to constitute a representation and warranty by Borrowers that the conditions precedent set forth in Section 4.2 will be satisfied at the time of the making of such Loan and giving effect thereto.

## Section 5. Representations and Warranties.

To induce Lenders to enter into this Agreement and to induce Lenders to make Loans, Borrowers jointly and severally represent and warrant to Administrative Agent and each Lender that, both before and after giving effect to the Related Transactions:

### 5.1. Organization; Jurisdiction of Organization; Location of Chief Executive Office; Organizational Identification Number; Commercial Tort Claims.

(a) Each Borrower is a corporation or limited liability company, as applicable, validly existing and in good standing under the laws of the jurisdiction of its organization; each other Loan Party is validly existing and in good standing under the laws of the jurisdiction of its organization; and each Loan Party is duly qualified to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required, except for such jurisdictions where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect.

(b) The name of (within the meaning of Section 9-503 of the Uniform Commercial Code as adopted in the State of Illinois) and jurisdiction of organization of each Borrower and each other Loan Party is set forth on Schedule 5.1(b) (as such Schedule may be updated from time to time to reflect changes permitted to be made under Section 7.18).

(c) The chief executive office of each Borrower and each other Loan Party and their respective Subsidiaries is located at the address indicated on Schedule 5.1(c).

(d) Each Borrower's and each other Loan Party's and their respective Subsidiaries' tax identification numbers and organizational identification numbers, if any, are identified on Schedule 5.1(d) (as such Schedule may be updated from time to time to reflect changes permitted to be made under Section 7.18).

(e) As of the Closing Date, each Borrower and each other Loan Party and their respective Subsidiaries do not hold any commercial tort claims, except as set forth on Schedule 5.1(e).

### 5.2. Authorization; No Conflict.

Each Borrower and each other Loan Party is duly authorized to execute and deliver each Loan Document and each Related Agreement to which it is a party, each Borrower is duly authorized to borrow monies hereunder, and each Borrower and each other Loan Party is duly authorized to perform its Obligations under each Loan Document to which it is a party. The execution, delivery and performance by each Borrower of this Agreement and by each Borrower and each other Loan Party of each Loan Document to which it is a party, and the borrowings by each Borrower hereunder, do not and will not (a) require any consent or approval of any governmental agency or authority or any approval of any Holder of a Loan Party or any approval or consent of any Person under any material agreements of any Loan Party (other than any consent or approval which has been obtained and is in full force and effect), (b) conflict with (i) any provision of applicable law, (ii) the charter, by-laws or other organizational documents of any Borrower or any other Loan Party or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon any Borrower or any other Loan Party or any of their respective properties or (c) require, or result in, the creation or imposition of any Lien on any asset of any Borrower, or any other Loan Party and their respective Subsidiaries (other than Liens in favor of Administrative Agent created pursuant to the Collateral Documents).

The Administrative Agent's Liens are validly created, perfected, and first priority Liens, subject only to Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases.

5.3. Validity; Binding Nature.

Each of this Agreement and each other Loan Document to which any Borrower or any other Loan Party is a party is the legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

5.4. Financial Condition.

(a) The audited consolidated financial statements of Borrowers and the other Loan Parties as at their Fiscal Years ending December 31, 2010 and December 31, 2011, and the unaudited consolidated financial statements of Borrowers and the other Loan Parties as at September 30, 2012, copies of each of which have been delivered pursuant hereto, were prepared in accordance with GAAP (subject, in the case of such unaudited statements, to the absence of footnotes and to normal year-end adjustments) and present fairly in all material respects the consolidated financial condition of such Persons as at such dates and the results of their operations for the periods then ended.

(b) The consolidated financial projections (including an operating budget and a cash flow budget) of Borrowers and the other Loan Parties for Fiscal Year 2013 delivered to Administrative Agent on or prior to the Closing Date (i) were prepared by Borrowers in good faith and (ii) were prepared in accordance with assumptions for which Borrowers have a reasonable basis, and the accompanying consolidated pro forma balance sheet of Borrowers and the other Loan Parties as at the Closing Date, adjusted to give effect to the consummation of the Related Transactions and the financings contemplated hereby as if such transactions had occurred on such date, is consistent in all material respects with such projections.

5.5. No Material Adverse Change.

Since December 31, 2011, there has been no event, circumstance, or change that has occurred that could reasonably be expected to result in a Material Adverse Effect on the Loan Parties taken as a whole.

5.6. Litigation.

No litigation (including derivative actions), arbitration proceeding or governmental investigation or proceeding is pending or, to any Borrower's knowledge, threatened against any Loan Party which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, except as set forth in Schedule 5.6. As of the Closing Date, other than any liability incident to such litigation or proceedings, neither any Borrower nor any other Loan Party and their respective Subsidiaries has any material Contingent Obligations not listed on Schedule 7.1.

5.7. Ownership of Properties; Liens.

Each Borrower and each other Loan Party and their respective Subsidiaries owns good and, in the case of real property, marketable title to all of its properties and assets, real and personal, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), free and clear of all Liens, charges and claims (including infringement claims with respect to patents, trademarks, service marks, copyrights and the like), except Permitted Liens.

5.8. Capitalization.

All issued and outstanding equity securities of each Borrower and each other Loan Party and their respective Subsidiaries are duly authorized and validly issued, fully paid, non-assessable, and free and clear of all Liens other than those in favor of Administrative Agent, and such securities were issued in compliance with all applicable state and federal laws concerning the issuance of securities. Schedule 5.8 sets forth the authorized equity securities of each Loan Party as of the Closing Date. All of the issued and outstanding equity of each Borrower and each other Loan Party is owned as set forth on Schedule 5.8 as of the Closing Date. As of the Closing Date, except as set forth on Schedule 5.8, there are no pre-emptive or other outstanding rights, options, warrants, conversion rights or other similar agreements or understandings for the purchase or acquisition of any equity interests of any Borrower or any other Loan Party and their respective Subsidiaries.

5.9. Pension Plans.

No Loan Party, any of their respective Subsidiaries, nor any member of the Controlled Group maintains or contributes to any Benefit Plan. During the twelve-consecutive-month period prior to the Closing Date or the making of any Loan, (i) no steps have been taken to terminate any Pension Plan and (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under ERISA or Section 430 of the Code. No condition exists or event or transaction has occurred with respect to any Pension Plan which could result in the incurrence by any Borrower or any other Loan Party of any material liability, fine or penalty. All contributions (if any) have been made to any Multiemployer Pension Plan that are required to be made by any Loan Party or any other member of the Controlled Group under the terms of the plan or of any collective bargaining agreement or by applicable law; neither any Loan Party nor any member of the Controlled Group has withdrawn or partially withdrawn from any Multiemployer Pension Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, could result in a withdrawal or partial withdrawal from any such plan, and neither any Loan Party nor any member of the Controlled Group has received any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any excise tax, that any such plan is or has been funded at a rate less than that required under Sections 412 or 430 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

5.10. Investment Company Act.

Neither any Borrower nor any other Loan Party and their respective Subsidiaries is an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company", within the meaning of the Investment Company Act of 1940. No Loan Party is subject to regulation under any other federal or state statute or regulation which may limit its ability to incur Debt or which may otherwise render all or any portion of the Obligations unenforceable.

5.11. No Default.

No Event of Default or Default exists or would result from the incurrence by any Loan Party of any Debt hereunder or under any other Loan Document.

5.12. Margin Stock.

Neither any Borrower nor any other Loan Party and their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No portion of the Obligations is secured directly or indirectly by Margin Stock. No part of the proceeds of the Loans made to Borrowers will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System of the United States.

5.13. Taxes.

Each Borrower and each other Loan Party and their respective Subsidiaries has filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be or otherwise owing, except any such taxes or charges which are the subject of a Permitted Protest.

5.14. Solvency.

On the Closing Date, and immediately prior to and after giving effect to each borrowing hereunder and the use of the proceeds thereof, with respect to each Borrower and each other Loan Party, individually, (a) the fair value of its assets is greater than the amount of its liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated, (b) the present fair saleable value of its assets is not less than the amount that will be required to pay the probable liability on its debts as they become absolute and matured, (c) it is able to realize upon its assets and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) it does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities as they become due (whether at maturity or otherwise), (e) it is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute unreasonably small capital and (e) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances. No transfer of property is being made by any Borrower or any other Loan Party and their respective Subsidiaries and no obligation is being incurred by any Borrower or any other Loan Party and their respective Subsidiaries in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

5.15. Environmental Matters.

The on-going operations of each Borrower and each other Loan Party and their respective Subsidiaries comply in all respects with all Environmental Laws, except such non-compliance which could not (if enforced in accordance with applicable law) reasonably be expected to result in a Material Adverse Effect. Each Borrower and each other Loan Party and their respective Subsidiaries have obtained, and maintained in good standing, all licenses, permits, authorizations and registrations required under any Environmental Law and necessary for their respective ordinary course operations, and each Borrower and each other Loan Party and their respective Subsidiaries are in compliance with all material terms and conditions thereof, except where the failure to do so could not reasonably be expected to result in material liability to any Borrower or any other Loan Party and their respective Subsidiaries and could not reasonably be expected to result in a Material Adverse Effect. None of any Borrower, any other Loan Party and their respective Subsidiaries, or any of their respective properties or operations is subject to any outstanding written order from, consent, decree or agreement with any Federal, state or local Governmental Authority, nor subject to any judicial or docketed administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Substance. There are no Hazardous Substances or other conditions or circumstances existing with respect to any property, or arising from operations prior to the Closing Date, of any Borrower or any other Loan Party and their respective Subsidiaries that could reasonably be expected to result in a Material Adverse Effect. Neither any Borrower nor any other Loan Party and their respective Subsidiaries has any underground storage tanks that are not properly registered or permitted under applicable Environmental Laws or that are leaking or disposing of Hazardous Substances. Neither Borrower nor any other Loan Party and their respective Subsidiaries has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any real property owned or operated by a Loan Party or its Subsidiaries. To each Borrower's knowledge, (a) neither any Borrower nor any other Loan Party's and their respective Subsidiaries' properties or assets has ever been used by any Loan Party, its Subsidiaries', or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Substance, where such disposal, production, storage, handling, treatment, release or transport was in violation, in any material respect, of any applicable Environmental Law and (b) after due inquiry, neither any Borrower nor any other Loan Party's and their respective Subsidiaries' properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Substance disposal site.

5.16. Insurance.

Each Borrower and each other Loan Party and their respective Subsidiaries and their respective properties are insured with financially sound and reputable insurance companies which are not Affiliates of any Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where each such Borrower or such other Loan Party operates. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth on Schedule 5.16.

5.17. Information.

All information heretofore or contemporaneously herewith furnished in writing by any Borrower or any other Loan Party to Administrative Agent and/or any Lender for purposes of or in connection with this Agreement and the transactions contemplated hereby is, and all written information hereafter furnished by or on behalf of any Borrower or any Loan Party to Administrative Agent and/or any Lender pursuant hereto or in connection herewith will be, true and accurate in every material respect, and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which made, in each case on the date as of which such information is dated or certified (it being recognized by Administrative Agent and Lenders that any projections and forecasts provided by Borrowers are based on good faith estimates and assumptions believed by Borrowers to be reasonable as of the date of the applicable projections or assumptions and that actual results during the period or periods covered by any such projections and forecasts may differ from projected or forecasted results).

5.18. Intellectual Property.

Each Borrower and each other Loan Party and their respective Subsidiaries owns and possesses or has a license or other right to use all patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights and copyrights as are necessary for the conduct of the business of such Borrower, the other Loan Parties and their respective Subsidiaries, without any material infringement upon rights of others.

5.19. Restrictive Provisions.

Neither any Borrower nor any other Loan Party and their respective Subsidiaries is a party to any agreement or contract or subject to any restriction contained in its operative documents which could reasonably be expected to have a Material Adverse Effect.

5.20. Labor Matters.

Except as set forth on Schedule 5.20, neither any Borrower nor any other Loan Party and their respective Subsidiaries is subject to any labor or collective bargaining agreement. There is (i) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against any Borrower or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Borrower or any other Loan Party and their respective Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (ii) no existing or threatened strikes, lockouts or other labor disputes involving any Borrower or any other Loan Party that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect, or (iii) to the knowledge of any Borrower, after due inquiry, no union representation question existing with respect to the employees of any Borrower or any other Loan Party and their respective Subsidiaries and no union organizing activity taking place with respect to any of the employees of any Borrower or any other Loan Party and their respective Subsidiaries. No Borrower nor any other Loan Party and their respective Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. Hours worked by and payment made to employees of each Borrower and the other Loan Parties are not in violation of the Fair Labor Standards Act or any other applicable law, rule or regulation dealing with such matters. All material payments due from any Borrower or any other Loan Party and their respective Subsidiaries, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of each Borrower, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.



## 5.21. Related Agreements.

(a) Each Borrower has furnished Administrative Agent a true and correct copy of the Related Agreements. Each Borrower and, to each Borrower's knowledge, each other party to the Related Agreements, has duly taken all necessary organizational action to authorize the execution, delivery and performance of the Related Agreements and the consummation of transactions contemplated thereby. As of the Closing Date, the Related Transactions have been consummated (or are being consummated substantially contemporaneously with the initial credit extension hereunder) in accordance with the terms of the Related Agreements. The Related Transactions will comply with all applicable legal requirements, and all necessary governmental, regulatory, creditor, shareholder, partner and other material consents, approvals and exemptions required to be obtained by a Loan Party and, to each Borrower's knowledge, each other party to the Related Agreements in connection with the Related Transactions will be, prior to consummation of the Related Transactions, duly obtained and will be in full force and effect. As of the date of the Related Agreements, all applicable waiting periods with respect to the Related Transactions will have expired without any action being taken by any competent Governmental Authority which restrains, prevents or imposes material adverse conditions upon the consummation of the Related Transactions. The execution and delivery of the Related Agreements did not, and the consummation of the Related Transactions will not, violate any statute or regulation of the United States (including any securities law) or of any state or other applicable jurisdiction, or any order, judgment or decree of any court or governmental body binding on any Borrower or any other Loan Party or, to any Borrower's knowledge, any other party to the Related Agreements, or result in a breach of, or constitute a default under, any material agreement, indenture, instrument or other document, or any judgment, order or decree, to which any Borrower or any other Loan Party is a party or by which any Borrower or any other Loan Party is bound or, to each Borrower's knowledge, to which any other party to the Related Agreements is a party or by which any such party is bound. No statement or representation made in the Related Agreements by any Borrower or any other Loan Party or, to any Borrower's knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time that such statement or representation is made. As of the Closing Date and any other date on which such representations and warranties are otherwise remade or deemed remade hereunder, (i) each of the representations and warranties contained in the Related Agreements made by a Loan Party is true and correct in all material respects and (ii) to each Borrower's knowledge, each of the representations and warranties contained in the Related Agreements made by any Person other than a Loan Party is true and correct in all material respects.

(b) The subordination provisions with respect to all Subordinated Debt are enforceable against the holders of such Subordinated Debt by Administrative Agent. The Obligations constitute senior Debt entitled to the benefits of the subordination agreement and subordination provisions applicable to all Subordinated Debt. Borrowers acknowledge that Administrative Agent and Lenders are entering into this Agreement and are extending the Commitments and making the Loans in reliance upon the subordination provisions of the Subordinated Debt and this Section 5.21.

## 5.22. Material Contracts.

Except for the Related Agreements and the other agreements set forth on Schedule 5.22 (collectively with the Related Agreements, the "Material Contracts"), as of the Closing Date there are no (i) employment agreements covering the management of any Loan Party, (ii) collective bargaining agreements or other labor agreements covering any employees of any Loan Party, (iii) agreements for managerial, consulting or similar services to which any Loan Party is a party or by which it is bound, (iv) agreements regarding any Loan Party, its assets or operations or any investment therein to which any of its Holders is a party, (v) patent licenses, trademark licenses, copyright licenses or other lease or license agreements to which any Loan Party is a party, either as lessor or lessee, or as licensor or licensee, (vi) distribution, marketing or supply agreements to which any Loan Party is a party, (vii) customer agreements to which any Loan Party is a party (in each case with respect to any agreement of the type described in the preceding clauses (i), (iii), (iv), (v), (vi) and (viii) requiring payment of more than \$50,000 in any year), (viii) partnership agreements to which any Loan Party is a partner, limited liability company agreements to which any Loan Party is a member or manager, or joint venture agreements to which any Loan Party is a party, (ix) real estate leases, or (x) any other agreements or instruments to which any Loan Party is a party, in each case the breach, nonperformance or cancellation of which, would reasonably be expected to have a Material Adverse Effect. Schedule 5.22 sets forth, with respect to each real estate lease agreement to which any Loan Party is a party as of the Closing Date, the address of the subject property. Each Material Contract (other than those that have expired at the end of their normal terms) (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party or its Subsidiary and, to each Borrower's knowledge, after due inquiry, each other Person that is a party thereto in accordance with its terms, (b) has not been otherwise amended or modified, (c) is not in default due to the action or inaction of the applicable Loan Party or its Subsidiary, and (d) the consummation of the transactions contemplated by the Loan Documents and the other Related Agreements will not give rise to a right of termination in favor of any party to any Material Contract (other than any Loan Party).





5.23. Accounts.

With respect to each Account: (a) except as specifically disclosed on the most recent Borrowing Base Certificate, (i) such Account represents a bona fide sale of Inventory or rendering of services to the applicable Account Debtor in the ordinary course of any Loan Party's business and is not evidenced by a judgment, instrument or chattel paper, (ii)(A) there are no setoffs, claims or disputes existing or asserted with respect thereto, and (B) such Loan Party has not made any agreement with the Account Debtor with respect thereto for any extension of time for the payment thereof, any compromise or settlement for less than the full amount thereof, any release of such Account Debtor from liability therefor, of any deduction therefrom except a discount or allowance allowed by such Loan Party in the ordinary course of business of prompt payment, (iii) to such Loan Party's knowledge, there are no facts, events or occurrences that in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on such Loan Party's books and records, (iv) such Loan Party has not received any notice of proceedings or actions that are threatened or pending against the Account Debtor with respect thereto and could reasonably be expected to result in any material adverse change in such Account Debtor's financial condition, (v) such Loan Party has no knowledge that the applicable Account Debtor is unable generally to pay its debts as they become due or is on a "credit watch" list of Dun & Bradstreet, TRW or any other nationally-recognized trade credit association, (vi) the amounts reflected on all records, invoices, statements and collateral reports that may be delivered to Administrative Agent with respect thereto are actually and absolutely owing as indicated thereon and are not in any way contingent, and (vii) to such Loan Party's knowledge, the Account Debtor thereunder has the capacity to contract. In addition, each Eligible Account reflected in the computations included in any Borrowing Base Certificate satisfies the criteria established therefor in this Agreement.

5.24. Compliance.

Each Borrower and each other Loan Party and its respective Subsidiaries is in compliance in all material respects with the requirements of all applicable laws, Licenses and all Governmental Authorizations applicable to it or to its properties, except in such instances in which the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No Borrower nor any other Loan Party or their respective Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

5.25. Leases.

Each Borrower and each other Loan Party and their respective Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default by any Borrower or the applicable Loan Party exists under any of them.

5.26. OFAC.

No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

5.27. Patriot Act.

To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the Loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 6. Affirmative Covenants.

Until all Obligations have been Paid in Full and the Revolving Loan Commitment has been terminated, each Borrower agrees that, unless at any time the Required Lenders shall otherwise expressly consent in writing, it will:

6.1. Information.

Furnish to Administrative Agent and each Lender:

6.1.1. Annual Report.

Promptly when available and in any event within 120 days after the close of each Fiscal Year: (a) a copy of the annual audit report of Borrowers and the other Loan Parties and their respective Subsidiaries for such Fiscal Year, including therein a consolidated balance sheet and statement of earnings and cash flows of Borrowers and the other Loan Parties and their respective Subsidiaries as at the end of such Fiscal Year, certified without qualification (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP and required or approved by Borrowers' independent certified public accountants (including any (i) "going concern" or like qualification or exception, (ii) qualification or exception as to the scope of such audit, or (iii) qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with the provisions of Section 7.14 of this Agreement)) by independent auditors of recognized standing selected by Borrowers and reasonably acceptable to Administrative Agent, together with (i) a written statement from such accountants to the effect that in making the examination necessary for the signing of such annual audit report by such accountants, nothing came to their attention that caused them to believe that Borrowers were not in compliance with any provision of Section 7.1, 7.4 or 7.14 insofar as such provision relates to accounting matters or, if something has come to their attention that caused them to believe that Borrowers were not in compliance with any such provision, describing such non-compliance in reasonable detail and (ii) a comparison with the previous Fiscal Year; (b) a consolidating balance sheet of each Borrower and the other Loan Parties and their respective Subsidiaries as of the end of such Fiscal Year and consolidating statements of earnings and cash flows for each Borrower and the other Loan Parties and their respective Subsidiaries for such Fiscal Year, together with a comparison of actual results for such Fiscal Year with the budget for such Fiscal Year, each certified by the chief financial officer of Borrowers, and (c) an Excess Cash Flow Certificate.

6.1.2. Interim Reports.

Promptly when available and in any event within 30 days after the end of each month, consolidated and consolidating balance sheets of Borrowers and the other Loan Parties and their respective Subsidiaries as of the end of such month, together with consolidated and consolidating statements of earnings and a consolidated and consolidating statement of cash flows for such month and for the period beginning with the first day of such Fiscal Year and ending on the last day of such month, together with a comparison with the corresponding period of the previous Fiscal Year and a comparison with the budget for such period of the current Fiscal Year, certified by the chief financial officer of Borrowers (which certificate shall, if such financial statements correspond to a month that is not the last month of a Fiscal Quarter, contain a statement as to whether an Event of Default exists); and (b) within 45 days after the end of each Fiscal Quarter (and within 30 days after the end of each month other than the last month of a Fiscal Quarter), a written statement of Borrowers' management setting forth a discussion of Borrowers' financial condition, changes in financial condition and results of operations.

6.1.3. Compliance Certificate.

Contemporaneously with the furnishing of a copy of each annual audit report pursuant to Section 6.1.1 and each set of financial statements pursuant to Section 6.1.2 that correspond to the last month of a Fiscal Quarter, including the fourth Fiscal Quarter of each Fiscal Year, a duly completed Compliance Certificate, with appropriate insertions, dated the date of such annual report or such quarterly statements, and signed by the chief financial officer of Borrowers, containing a computation of each of the financial ratios and restrictions set forth in Section 7.14 and to the effect that such officer has not become aware of any Event of Default or Default that has occurred and is continuing or, if there is any such event, describing it and the steps, if any, being taken to address such Default or Event of Default.

6.1.4. Litigation Report.

Not later than the 10th day of each month (within 30 days in the case of a month that is the end of a fiscal quarter) after the end of each month, a report regarding the status of any action, suit, or proceeding, including the status of any settlement discussions, listed on Schedule 5.6, whether in arbitration or otherwise, and any judgments, writs, injunctions, decrees resulting therefrom.

6.1.5. Reports to SEC and Shareholders.

Promptly upon the filing or sending thereof, copies of (a) all regular, periodic or special reports of each Loan Party filed with the Securities Exchange Commission, if applicable, (b) all registration statements of each Loan Party filed with the Securities Exchange Commission (other than on Form S-8), if applicable, and (c) all proxy statements or other communications made to security holders generally.

6.1.6. Notice of Default; Litigation; ERISA Matters.

Promptly upon becoming aware of any of the following, written notice describing the same and the steps being taken by Borrowers or the applicable Loan Party affected thereby with respect thereto:

- (a) the occurrence of an Event of Default or a Default;
- (b) any litigation, arbitration or governmental investigation or proceeding not previously disclosed by Borrowers to Lenders which has been instituted or, to the knowledge of Borrowers, is threatened against Borrowers or any other Loan Party and their respective Subsidiaries which could reasonably be expected to have a Material Adverse Effect, or to which any of the properties of any thereof is subject which, in either case, could reasonably be expected to have a Material Adverse Effect;
- (c) the institution of any steps by any member of the Controlled Group or any other Person to terminate any Pension Plan, or the failure of any member of the Controlled Group to make a required contribution to any Pension Plan (if such failure is sufficient to give rise to a Lien under ERISA or the Code) or to any Multiemployer Pension Plan, or the taking of any action with respect to a Pension Plan which could result in the requirement that Borrowers or any other Loan Party and their respective Subsidiaries furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any event with respect to any Pension Plan or Multiemployer Pension Plan which could result in the incurrence by any member of the Controlled Group of any material liability, fine or penalty (including any claim or demand for withdrawal liability or partial withdrawal from any Multiemployer Pension Plan), or any material increase in the contingent liability of Borrowers or any other Loan Party with respect to any post-retirement welfare plan benefit, or any notice that any Multiemployer Pension Plan is in reorganization, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of an excise tax, that any such plan is or has been funded at a rate less than that required under Sections 412 or 431 of the Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent;
- (d) any cancellation or material change in (i) any insurance maintained by Borrowers or any other Loan Party and their respective Subsidiaries or (ii) any Government Contract or other Material Contract; or
- (e) any other event (including (i) any violation of any Environmental Law or the assertion of any Environmental Claim or (ii) the enactment or effectiveness of any law, rule or regulation) which could reasonably be expected to have a Material Adverse Effect.

6.1.7. Borrowing Base Certificate.

Not later than the tenth (10<sup>th</sup>) day of each month, Borrowers shall deliver to Administrative Agent a Borrowing Base Certificate setting forth a calculation of the Borrowing Base and Borrowing Availability as of the end of the most recently ended month and executed by the chief financial officer of Borrowers on behalf of Borrowers; provided that at any time an Event of Default exists, Administrative Agent may require Borrowers to deliver Borrowing Base Certificates more frequently.

6.1.8. Collateral Reporting.

As soon as available, but in any event no later than the 10<sup>th</sup> day after the end of each month, collateral reports (to the extent not already delivered in connection with Section 6.1.7, which shall include (i) Accounts and unbilled Accounts aging reports and reconciliations (ii) accounts payable aging reports (including without limitation an updated list of accounts payable greater than 60 days old, with reconciliation to the report last delivered), (iii) contract backlog reports, project status reports and new business reports, including copies of contracts booked, (iv) cash reconciliation reports; and (v) any applicable agency audit reports obtained during such month.

6.1.9. Management Report.

Promptly upon receipt thereof, copies of all detailed financial and management reports submitted to Borrowers or any other Loan Party by independent auditors in connection with each annual or interim audit made by such auditors of the books of Borrowers or any other Loan Party.

6.1.10. Projections.

As soon as practicable, and in any event not later than 30 days prior to the commencement of each Fiscal Year, financial projections for Borrowers and the other Loan Parties and their respective Subsidiaries for such Fiscal Year (including monthly operating and cash flow budgets) prepared in a manner consistent with the projections delivered by Borrowers to Administrative Agent prior to the Closing Date or otherwise in a manner reasonably satisfactory to Administrative Agent, accompanied by a certificate of a chief financial officer of Borrowers on behalf of Borrowers to the effect that (a) such projections were prepared by Borrowers in good faith, (b) Borrowers have a reasonable basis for the assumptions contained in such projections and (c) such projections have been prepared in accordance with such assumptions.

6.1.11. Subordinated Debt and Government Contract Notices.

Promptly following receipt, copies of any notices (including notices of default or acceleration) received from any holder or trustee of, under or with respect to any Subordinated Debt or any party to a Government Contract.

6.1.12. Updated Schedules to Guarantee and Collateral Agreement.

Contemporaneously with the furnishing of each annual audit report pursuant to Section 6.1.1, to the extent necessary, updated versions of the Schedules to the Guarantee and Collateral Agreement showing information as of the date of such audit report (it being agreed and understood that this requirement shall be in addition to the notice and delivery requirements set forth in the Guarantee and Collateral Agreement and shall not constitute a cure or waiver of any breach of such notice or delivery requirements).

6.1.13. Other Information.

Promptly from time to time, such other information concerning Borrowers and any other Loan Party as Administrative Agent and/or any Lender may reasonably request.

6.2. Books; Records; Inspections.

Keep, and cause each of the Loan Party and its respective Subsidiaries to keep, its books and records in accordance with sound business practices sufficient to allow the preparation of financial statements in accordance with GAAP in all material respects; and permit, and cause each of the Loan Party and its respective Subsidiaries to permit, at any reasonable time during normal business hours and with reasonable notice (or at any time without notice if an Event of Default exists), Administrative Agent, each Lender, or any representative thereof to (a) visit any or all of its offices, to discuss its financial matters with its officers and its independent auditors (and Borrowers hereby authorize such independent auditors to discuss such financial matters with Administrative Agent, any Lender or any representative thereof, (b) inspect the properties and operations of Loan Parties, (c) perform appraisals of the property and business of Borrowers or such Loan Party, and (d) inspect, examine, audit, check and make copies of and extracts from the books, records, computer data, computer programs, journals, orders, receipts, correspondence and other data relating to any Collateral. All such visits, inspections, examinations, appraisals or audits by Administrative Agent and/or any Lender which occur in any calendar year other than 2012 or after the occurrence of an Event of Default shall be at Borrowers' expense; provided, however, absent the occurrence of an Event of Default such visits, inspections, examinations and audits shall not exceed 21 days per calendar year this Agreement is in effect or an audit and collateral exam fee of more than \$1,500 per day.

6.3. Maintenance of Property; Insurance.

(a) Keep, and cause each other Loan Party to keep, all property useful and necessary in the business of Borrowers or such other Loan Party in good working order and condition, ordinary wear and tear excepted and comply at all times with the provisions of all materials leases to which it is a party as a lessee, so as to prevent any loss or forfeiture thereof or thereunder.

(b) Maintain, and cause each other Loan Party to maintain, with responsible insurance companies, the Key Man Life Insurance, such insurance coverage as shall be required by all laws, governmental regulations and court decrees and orders applicable to it, and such other insurance, to such extent and against such hazards and liabilities, as is customarily maintained by companies similarly situated; provided that in any event, such insurance shall insure against all risks and liabilities of the type insured against as of the Closing Date and shall have insured amounts no less than, and deductibles no higher than, those amounts provided for as of the Closing Date. Upon request of Administrative Agent, Borrowers shall furnish to Administrative Agent a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by Borrowers and each other Loan Party. Borrowers shall cause each issuer of an insurance policy to provide Administrative Agent with an endorsement (i) showing Administrative Agent as a loss payee with respect to each policy of property or casualty insurance and naming Administrative Agent as an additional insured with respect to each policy of liability insurance, (ii) providing that 30 days' notice will be given to Administrative Agent prior to any cancellation of, or reduction or change in coverage provided by or other material modification to such policy and (iii) reasonably acceptable in all other respects to Administrative Agent. Borrowers shall execute and deliver, and cause each other applicable Loan Party to execute and deliver, to Administrative Agent a collateral assignment, in form and substance satisfactory to Administrative Agent, of each business interruption insurance policy maintained by the Loan Parties.

(c) Unless Borrowers provide Administrative Agent with evidence of the continuing insurance coverage required by this Agreement, Administrative Agent may purchase insurance at Borrowers' expense to protect Administrative Agent's interests in the Collateral. This insurance may, but need not, protect Borrowers' and each other Loan Party's interests. The coverage that Administrative Agent purchases may, but need not, pay any claim that is made against Borrowers or any other Loan Party in connection with the Collateral. Borrowers may later cancel any insurance purchased by Administrative Agent, but only after providing Administrative Agent with evidence that Borrowers have obtained the insurance coverage required by this Agreement. If Administrative Agent purchases insurance for the Collateral, as set forth above, Borrowers will be responsible for the costs of that insurance, including interest and any other charges that may be imposed with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance and the costs of the insurance may be added to the principal amount of the Loans owing hereunder.

(d) Borrowers shall give Administrative Agent prompt notice of any loss exceeding \$100,000 covered by such insurance. So long as no Event of Default has occurred and is continuing, Borrowers shall have the exclusive right to adjust any losses payable under any such insurance policies which are less than \$25,000. Following the occurrence and during the continuation of an Event of Default, or in the case of any losses payable under such insurance exceeding \$100,000, Administrative Agent shall have the exclusive right to adjust any losses payable under any such insurance policies, without any liability to Borrowers whatsoever in respect of such adjustments.

#### 6.4. Compliance with Laws; Payment of Taxes and Liabilities.

Comply, and cause each Loan Party and its respective Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations, decrees, orders, judgments, Licenses, permits, and Governmental Authorizations; (b) without limiting clause (a) above, ensure, and cause each other Loan Party to ensure, that no person who owns a controlling interest in or otherwise controls a Loan Party is or shall be (i) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (ii) a person designated under Section 1(b), (c) or (d) or Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders; (c) without limiting clause (a) above, comply and cause each other Loan Party to comply, with all applicable Bank Secrecy Act and anti-money laundering laws and regulations; and (d) pay, and cause each other Loan Party to pay, prior to delinquency, all Taxes and other governmental charges against it or any of its property, as well as claims of any kind which, if unpaid, could become a Lien on any of its property; provided that the foregoing shall not require Borrowers or any other Loan Party to pay any such Tax or charge so long as it is the subject of a Permitted Protest.

#### 6.5. Maintenance of Existence.

Maintain and preserve, and (subject to Section 7.5) cause each other Loan Party to maintain and preserve, (a) its existence and good standing in the jurisdiction of its organization and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary, other than any such jurisdiction where the failure to be qualified or in good standing could not reasonably be expected to have a Material Adverse Effect.

#### 6.6. Employee Benefit Plans.

Maintain, and cause each Loan Party and its respective Subsidiaries to maintain, each Pension Plan, if any, in compliance with all applicable requirements of law and regulations.



6.7. Environmental Matters.

Comply, in all material respects, with Environmental Laws and provide to Administrative Agent documentation of such compliance which Administrative Agent reasonably requests. If any release or disposal of Hazardous Substances shall occur or shall have occurred on any real property or any other assets of any Borrower or any other Loan Party, cause, or direct the applicable Loan Party to cause, the prompt containment and removal of such Hazardous Substances and the remediation of such real property or other assets as is necessary to comply with all Environmental Laws and to preserve the value of such real property or other assets. Without limiting the generality of the foregoing, Borrowers shall, and shall cause each other Loan Party to (a) keep any property either owned or operated by Borrowers or any other Loan Party and their respective Subsidiaries free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens, (b) comply with each valid Federal or state judicial or administrative order requiring the performance at any real property by Borrowers or any other Loan Party of activities in response to the release or threatened release of a Hazardous Substance, (c) promptly notify Administrative Agent of any release of which Borrowers have knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by Borrowers or any other Loan Party and their respective Subsidiaries and take any remedial actions required to abate said release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, and (d) promptly, but in any event within 5 days of its receipt thereof, provide Administrative Agent with written notice of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of Borrowers or any other Loan Party and their respective Subsidiaries, (ii) commencement of any Environmental Claim or notice that an Environmental Claim will be filed against any Borrower or any other Loan Party and their respective Subsidiaries, and (iii) notice of a violation, citation, or other administrative order from a Governmental Authority..

6.8. Further Assurances.

Take, and cause each other Loan Party to take, such actions as are necessary or as Administrative Agent may reasonably request from time to time to ensure that the Obligations of Borrowers and each other Loan Party under the Loan Documents are secured by a first priority perfected Lien in favor of Administrative Agent (subject only to the Permitted Liens) on all of the assets (other than Excluded Property (as defined in the Guarantee and Collateral Agreement)) of Borrowers and each other Loan Party (other than Foreign Subsidiaries) (as well as all equity interests of Borrowers and each other Loan Party and their respective Subsidiaries and guaranteed by each Loan Party other than Borrowers (including, promptly upon the acquisition or creation thereof, any Subsidiary acquired or created after the Closing Date), in each case including (a) the execution and delivery of guaranties, security agreements, pledge agreements, mortgages, deeds of trust, fixture filings, opinions of counsel, financing statements and other documents, and the filing or recording of any of the foregoing and (b) the delivery of certificated securities and other Collateral with respect to which perfection is obtained by possession.

6.9. Lockbox Accounts.

Establish and maintain a lockbox account (“**Lockbox Account**”) with a United States depository institution acceptable to Administrative Agent (the “**Lockbox Bank**”). Borrowers and each other Loan Party shall execute with the Lockbox Bank a lockbox agreement for the Lockbox Account in form and substance acceptable to Administrative Agent, and such other agreements related to such lockbox agreement as Administrative Agent may require. Borrowers and each other Loan Party shall ensure that all collections of Accounts on which Account Debtors are obligated are paid directly into and deposited in the Lockbox Account, and that all funds deposited into the Lockbox Account are immediately transferred into a depository account owned by Administrative Agent (the “**Concentration Account**”).

In the event that any Borrower directly receives any cash, checks, drafts or other remittances on or in respect of Account and/or the sale or lease of Inventory or other funds due to any Borrower, such Borrower shall promptly deliver the same to Administrative Agent for deposit of the Concentration Account. Pending such deposit, such Borrower will not commingle any such cash, checks, drafts or other remittances with other funds and property but will hold them separate and apart in trust for Administrative Agent. Subject to Section 2.12, on each Business Day Administrative Agent will apply all finally collected funds on deposit in the Concentration Account to the unpaid principal amount of the Revolving Loans then outstanding; provided, however, solely for the purpose of computing interest and fees under this Agreement, funds received in the Concentration Account shall be applied to the Loans on the fifth Business Day after receipt in the Concentration Account.

Loan Parties shall cooperate with Administrative Agent in the identification and reconciliation on a daily basis of all amounts received in or required to be deposited into the Lockbox Account.

Notwithstanding anything in any lockbox agreement to the contrary, Loan Parties agree that they shall be liable for any fees and charges in effect from time to time and charged by the Lockbox Bank in connection with the Lockbox Account, and that Administrative Agent shall not have any liability therefor. Loan Parties further acknowledge and agree that, to the extent such fees and charges are not paid by Borrowers directly but are satisfied using collections in the Lockbox Account, such fees and charges shall be deemed to be Revolving Loans made by Administrative Agent hereunder. Borrowers agree to indemnify and hold Administrative Agent harmless from any and all liabilities, claims, losses and demands whatsoever, including the reasonable fees and disbursements of legal counsel for Administrative Agent arising from or relating to actions of Administrative Agent or the Lockbox Bank pursuant to this Section 6.9 or any lockbox agreement.

6.10. Assignments of Payments Under Certain Governmental Contracts.

Upon entering into any Government Contract, execute and deliver to Administrative Agent specific assignments of payments due or to become due with respect to such Government Contract. Administrative Agent may, in its sole and absolute discretion, from time to time exclude from this requirement contracts that (a) provide for payments of less than \$50,000, or (b) are less than six (6) months in duration; provided, however that any such exclusion, if granted, shall not release Borrowers from the obligation to provide such assignments in the future, at Administrative Agent's discretion. Borrowers shall execute and deliver any and all documents and, take any and all steps necessary to provide Administrative Agent with an assignment. The separate assignment to Administrative Agent to a right of payment under specific Government Contracts, as contemplated under this Section, shall not be deemed to limit Administrative Agent's security interest to payments under those particular Government Contracts, but rather Administrative Agent's security interest, as stated above, shall extend to payments under any and all Government Contracts and the proceeds thereof, now or hereafter owned or acquired by the Loan Parties. Borrowers acknowledge that Administrative Agent will be irreparably harmed if Borrowers fail to assign payments due or to become due under any Government Contract when required by this Agreement, and that Administrative Agent shall have no adequate remedy at law. Therefore, Borrowers agree that Administrative Agent shall be entitled, in addition to all other remedies allowed by law or under this Agreement, to injunctive or other equitable relief to compel Borrowers' compliance with the provisions of this Agreement requiring Borrowers to assign payments due or to become due under any Government Contract.

6.11. Collection of Accounts.

Collect its Accounts, and cause each other Loan Party and their respective Subsidiaries to collect its Accounts, only in the ordinary course of business, and not, and not permit any other Loan Party and their respective Subsidiaries, except in the ordinary course of business, without Administrative Agent's prior written consent, to compromise or adjust the amount of any Account or extend the time for payment of any Account.

6.12. Sale of Inventory, etc.

Sell its Inventory and cause each other Loan Party and their respective Subsidiaries to sell their Inventory only in the ordinary course of business, and shall not and not permit any other Loan Party and their respective Subsidiaries, without the prior written consent of Administrative Agent, to consign or otherwise dispose of their Inventory, except in the ordinary course of business.

6.13. Covenant to Guarantee Obligations and Give Security.

Upon the formation or acquisition of any new direct or indirect Subsidiary by any Loan Party:

(a) within 10 day after such formation or acquisition, cause such Subsidiary, and cause each direct and indirect parent of such Subsidiary (if it has not already done so), to duly execute and deliver to Administrative Agent a joinder to the Guaranty and Collateral Agreement, pursuant to which such other Loan Party shall guaranty the other Loan Parties' Obligations under the Loan Document and pledge a security interest in and to all of its assets in support of such guaranty in accordance with the terms and conditions of the Guaranty and Collateral Agreement,

(b) within 10 days after such formation or acquisition, furnish to Administrative Agent a description of the real and personal properties of such Subsidiary, in detail satisfactory to Administrative Agent,

(c) within 15 days after such formation or acquisition, cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to duly execute and deliver to Administrative Agent deeds of trust, trust deeds, deeds to secure debt, mortgages, leasehold mortgages, leasehold deeds of trust, and other security and pledge agreements, as specified by and in form and substance satisfactory to Administrative Agent (including delivery of all equity interests in and of such Subsidiary) securing payment of all the Obligations of such Subsidiary or such parent, as the case maybe, under the Loan Documents and constituting Liens on all such real and personal properties,

(d) within 30 days after such formation or acquisition, cause such Subsidiary and each direct and indirect parent of such Subsidiary (if it has not already done so) to take whatever action (including the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of Administrative Agent to vest in Administrative Agent (or in any representative of Administrative Agent designated by it) valid and subsisting Liens on the properties purported to be subject to the deeds of trust, trust deeds, deeds to secure debt, mortgages, leasehold mortgages, leasehold deeds of trust, and security and pledge agreements delivered pursuant to this Section 6.13, enforceable against all third parties in accordance with their terms,

(e) within 30 days after such formation or acquisition, deliver to Administrative Agent, upon the request of Administrative Agent in its sole discretion, a signed copy of a favorable opinion, addressed to Administrative Agent, of counsel for the Loan Parties acceptable to Administrative Agent as to the matters contained in clauses (i), (iii) and (iv) above, and as to such other matters as Administrative Agent may reasonably request, and

(f) as promptly as practicable after such formation or acquisition, deliver, upon the request of Administrative Agent in its sole discretion, to Administrative Agent with respect to each parcel of real property owned or held by the entity that is the subject of such formation or acquisition title reports, surveys and engineering, soils and other reports, and environmental assessment reports, each in scope, form and substance satisfactory to Administrative Agent.

The foregoing provisions of this Section 6.13 shall not be deemed to be a consent to any departure by Borrowers from the restrictions on Investments contained in Section 7.11 or the restrictions contained in Section 7.16, which prohibit the formation or acquisition of any Subsidiary. Any document, agreement, or instrument executed or issued pursuant to this Section 6.13 shall constitute a Loan Document.

6.14. Leases.

Pay when due all rents and other amounts payable under any material leases to which any Borrower or any other Loan Party and their respective Subsidiaries is a party or by which any Borrower's or any such other Loan Party's or its respective Subsidiaries' properties and assets are bound, unless such payments are the subject of a Permitted Protest.

6.15. Disclosure Updates.

Promptly and in no event later than 5 Business Days after obtaining knowledge thereof, notify Administrative Agent if any written information, exhibit, or report furnished to Administrative Agent contained, at the time it was furnished, any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

6.16. Future Leases; Future Acquisitions of Real Estate.

Deliver to Administrative Agent concurrently with the (i) execution by any Borrower or any of its Subsidiaries of any contract relating to the purchase or lease by it of real property, an executed copy of such contract or lease, and (ii) closing of the purchase of such real property, or taking of possession of the leased premises, as applicable, (A) a Mortgage on such real property or leasehold estate, (B) a lender's policy of title insurance, issued by a title insurer and in such form and amount and containing such endorsements as shall be reasonably satisfactory to Administrative Agent, (C) a survey of such real property, which survey shall be of a recent enough date and in sufficient detail so as to permit the title insurer issuing such policy to eliminate any survey exceptions to such policy, and (D) such appraisals, environmental assessments, landlord's agreements, and other documents and assurances with respect to such real property as Administrative Agent reasonably may require.

6.17. Post Closing.

Deliver to Administrative Agent:

- (a) not later than December 31, 2012, evidence that Borrowers have dissolved CMK Resource Group, LLC
- (b) not later than December 31, 2012, the lockbox agreement referenced in Section 6.9 together with evidence that the Lockbox and Concentration Account described in Section 6.9 have been established;
- (c) not later than January 31, 2013, evidence that Borrowers have made an offer to hire a Chief Financial Officer reasonably acceptable to Administrative Agent, and that the offeree shall have accepted such offer;
- (d) not later than February 28, 2013, evidence that the full-time employment of such offeree with Borrowers has commenced;
- (e) not later than February 28, 2013, the Key Man Life Insurance; and
- (f) not later than March 31, 2013, evidence that all deposit accounts of Borrowers are subject to account control agreements in favor of Administrative Agent to the extent required under Section 7.15.

Section 7. Negative Covenants.

Until all Obligations have been Paid in Full and the Revolving Loan Commitment has been terminated, each Borrower agrees that, unless at any time the Required Lenders shall otherwise expressly consent in writing, it will:

7.1. Debt.

Not, and not permit any other Loan Party or any of their respective Subsidiaries to, create, incur, assume or suffer to exist any Debt, except:

- (a) Obligations under this Agreement and the other Loan Documents;
- (b) Debt secured by Liens permitted by Section 7.2(d), and extensions, renewals and refinancings thereof; provided that the aggregate amount of all such Debt at any time outstanding shall not exceed \$100,000;
- (c) Debt of any Borrower to any Wholly-Owned Domestic Subsidiary or Debt of any Wholly-Owned Domestic Subsidiary to any Borrower or another Wholly-Owned Domestic Subsidiary of any Borrower; provided that at the written request of Administrative Agent, such Debt shall be evidenced by a demand note in form and substance reasonably satisfactory to Administrative Agent and pledged and delivered to Administrative Agent pursuant to the Guarantee and Collateral Agreement as additional collateral security for the Obligations, and the obligations under such demand note shall be subordinated to the Obligations hereunder in a manner reasonably satisfactory to Administrative Agent;

(d) Debt described on Schedule 7.1 as of the Closing Date, and any extension, renewal or refinancing thereof so long as the principal amount thereof is not increased;

(e) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions permitted under Section 7.5;

(f) Contingent Obligations arising under guarantees by a Loan Party of Debt or other obligations of any other Loan Party, which Debt or other obligations are otherwise permitted hereunder; provided that if such obligation is subordinated to the Obligations, such guarantee shall be subordinated to the same extent;

(g) the Seller Subordinated Note and the Seller Subordinated Guaranty; and

(h) other unsecured Debt, in addition to the Debt listed above, in an aggregate outstanding amount not at any time exceeding \$100,000.

## 7.2. Liens.

Not, and not permit any other Loan Party and their respective Subsidiaries to, create or permit to exist any Lien on any of its real or personal properties, assets or rights of whatsoever nature (whether now owned or hereafter acquired), except:

(a) Liens for Taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or the subject of a Permitted Protest and the execution or other enforcement of which is effectively stayed;

(b) Liens arising in the ordinary course of business (such as (i) Liens of carriers, warehousemen, mechanics, landlords, repairmen and materialmen and other similar Liens imposed by law and (ii) Liens incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or the subject of a Permitted Protest and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, the execution or other enforcement of which is effectively stayed;

(c) Liens described on Schedule 7.2 as of the Closing Date;

(d) subject to the limitation set forth in Section 7.1(b), (i) Liens arising in connection with Capital Leases (and attaching only to the property being leased), (ii) Liens existing on fixed assets at the time of the acquisition thereof by any Borrower or any other Loan Party and their respective Subsidiaries (and not created in contemplation of such acquisition) and (iii) Liens that constitute purchase money security interests on any fixed assets securing debt incurred for the purpose of financing all or any part of the cost of acquiring such property, provided that any such Lien attaches to such fixed assets within 60 days of the acquisition thereof and attaches solely to the fixed assets so acquired;

(e) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$100,000 arising in connection with court proceedings; provided that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of Borrower or any other Loan Party and their respective Subsidiaries;

(g) Liens arising under the Loan Documents;

(h) the replacement, extension or renewal of any Lien permitted by clause (c) above upon or in the same property subject thereto arising out of the extension, renewal or replacement of the Debt secured thereby (without increase in the amount thereof);

(i) any interest or title of a lessor, licensor, sublessor or sublicensor under any lease or license permitted by this Agreement;

(j) Liens arising from precautionary uniform commercial code financing statements (or equivalent filings or registrations in foreign jurisdictions) filed under any lease permitted by this Agreement; and

(k) licenses, sublicenses, leases or subleases granted to third parties in the ordinary course of business not interfering with the business of the Loan Parties or any of their respective Subsidiaries.

### 7.3. Cancellation of Debt.

Not, and not permit any other Loan Party and their respective Subsidiaries to, cancel any claim or debt owing to it, except for reasonable consideration or in the ordinary course of business, and except for the cancellation of debts or claims not to exceed \$25,000 in any Fiscal Year.

### 7.4. Restricted Payments.

Not, and not permit any other Loan Party and their respective Subsidiaries to, (a) make any dividend or other distribution on account of stock issued by any Borrower (including any payment in connection with any merger or consolidation involving any Borrower) or to any of its equity holders, (b) purchase or redeem any of its equity interests or any warrants, options or other rights in respect thereof, (c) pay any management fees or similar fees to any of its equity holders or any Affiliate thereof, (d) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Stock of any Borrower now or hereafter outstanding, (e) make any redemption, prepayment (whether mandatory or optional), defeasance, repurchase or any other payment in respect of any Subordinated Debt, (f) pay any salary, bonus, or other compensation or remuneration to the Key Executives, or (g) set aside funds for any of the foregoing (each of the foregoing, a “Restricted Payment”). Notwithstanding the foregoing, (i) any Subsidiary may pay dividends or make other distributions to a Borrower or to a Wholly-Owned Domestic Subsidiary of a Borrower, (ii) Parent may make payments on account of the Seller Subordinated Note to the extent (and only to the extent) permitted under the Seller Subordination Agreement, (iii) Borrowers may pay salaries to the Key Executives provided the aggregate amount thereof does not exceed (A) \$225,000 for the Fiscal Years ending December 31, 2012 and December 31, 2013 or (B) the amount set forth herein for the immediately preceding Fiscal Year plus 10% for any other Fiscal Year, and (iv) so long as no Event of Default exists or would result therefrom, with respect to any tax period (or portion thereof) of Parent, Parent may make quarterly cash distributions (each, a “Tax Distribution”) to Ultimate Parent with respect to each such tax period for which income tax, or an installment of estimated tax, would be required to be paid by Ultimate Parent by virtue of owning its membership interest in Parent; provided, however, the Tax Distribution may not exceed the Distribution Limitation Amount. For the purposes of computing the aggregate amount of Tax Distributions for any taxable period, any tax withholding amounts for such taxable period shall be treated as a Tax Distribution made by Parent. For purposes of this Section 7.4, a Tax Distribution made by Parent after the last day of any taxable year shall generally be treated as being made with respect to the year in which such Tax Distribution is actually made and not with respect to the prior taxable year; provided, however, that any Tax Distribution made on or before April 15th of any year may, at Parent’s option, be deemed to have been made with respect to the immediately preceding taxable year to the extent such Tax Distribution would have been permitted to be made in such preceding taxable year.



So long as no Event of Default has occurred and is continuing, Tax Distributions may be made (if necessary) on a quarterly basis to facilitate Ultimate Parent's ability to make quarterly estimated tax payments with respect to its taxable income or loss attributable to Parent. Any such Tax Distributions will be based on interim balances computed for the Tax Liability Accounts that reflect Ultimate Parent's estimated taxable income or loss from the beginning of the fiscal year through the end of such quarter. At least 5 Business Days prior to the date on which the estimated quarterly Tax Distribution will be made, the Borrowers shall submit to Administrative Agent a statement reflecting the amount of such Tax Distribution.

At least 10 Business Days prior to the date on which any Tax Distributions with respect to the prior fiscal year will be made, Borrowers shall submit to Administrative Agent a statement reflecting the final adjustments to the Tax Liability Account. Such final adjustments will be made to reflect the actual results of such fiscal year, and Ultimate Parent must immediately repay to Borrowers any amount of Tax Distribution distributed to it with respect to such fiscal year in excess of the Distribution Limitation Amount based on such final adjustment.

7.5. Mergers; Consolidations; Asset Sales.

(a) Not, and not permit any other Loan Party and their respective Subsidiaries to, be a party to any merger or consolidation, except for any such merger or consolidation of any Subsidiary into a Borrower or any Wholly-Owned Domestic Subsidiary of a Borrower.

(b) Not, and not permit any other Loan Party and their respective Subsidiaries to, (i) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), or (ii) suspend or go out of substantial portion of its or their business, except that Borrowers may dissolve Townsend Careers, LLC and CMK Resource Group LLC.

(c) Not, and not permit any other Loan Party and their respective Subsidiaries to, sell, transfer, dispose of, convey, license or lease any of its assets or equity interests, or sell or assign with or without recourse any receivables, except for:

(i) sales of Inventory in the ordinary course of business;

(ii) sales, transfers and dispositions of assets (excluding any equity interests of a Borrower or any other Loan Party and their respective Subsidiaries) for at least fair market value (as determined by the Board of Directors or manager of the Loan Party making the sale, transfer, or disposition) so long as the value of all assets sold or otherwise disposed of in any Fiscal Year does not exceed \$100,000;

(iii) the use of cash or Cash Equivalents Investments in a manner not prohibited by the Loan Documents and the making of Investments otherwise permitted hereunder;



(iv) licenses, sublicenses, leases or subleases granted to third parties in the ordinary course of business not interfering with the business of the Loan Parties;

(v) sales, forgiveness or discounting, on a non-recourse basis and in the ordinary course of business, of past due accounts in connection with the collection or compromise thereof or the settlement of delinquent accounts or in connection with the bankruptcy or reorganization of suppliers or customers;

(vi) the lapse, abandonment or other dispositions of intellectual property that is, in the reasonable good faith judgment of a Loan Party, no longer economically practicable or commercially desirable to maintain or useful in the conduct of the business of the Loan Parties or any of their Subsidiaries; and

(vii) dispositions resulting from any casualty events, provided the proceeds thereof are applied in accordance with the terms of this Agreement, as applicable.

7.6. Modification of Organizational Documents.

Not permit the charter, by-laws or other organizational documents of any Borrower or any other Loan Party and their respective Subsidiaries to be amended or modified in any way which could reasonably be expected to materially adversely affect the interests of Lenders.

7.7. Use of Proceeds.

Not utilize or permit any proceeds of the Loans to be used for any purpose other than to finance the Related Transactions, for working capital, for Capital Expenditures and for other general business purposes of any Borrower and the other Loan Parties and their respective Subsidiaries; and not use or permit any proceeds of any Loan to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying" any Margin Stock.

7.8. Transactions with Affiliates.

Not, and not permit any other Loan Party and their respective Subsidiaries to, enter into, or cause, suffer or permit to exist any transaction, arrangement or contract with any of its Affiliates, except:

- (i) as expressly permitted by this Agreement and the other Loan Documents;
- (ii) consummation of the Related Transactions; and
- (iii) as set forth on Schedule 7.8 hereto.

7.9. Inconsistent Agreements.

Not, and not permit any other Loan Party and their respective Subsidiaries to, enter into any agreement containing any provision which would (a) be violated or breached by any borrowing by Borrowers hereunder or by the performance by Borrowers or any other Loan Party of any of its Obligations hereunder or under any other Loan Document, (b) prohibit Borrowers or any other Loan Party from granting to Administrative Agent a Lien on any of its assets or (c) create or permit to exist or become effective any encumbrance or restriction on the ability of any other Loan Party to (i) pay dividends or make other distributions to Borrowers or any other Loan Party and their respective Subsidiaries, or pay any Debt owed to Borrowers or any other Loan Party and their respective Subsidiaries, (ii) make loans or advances to Borrowers or any other Loan Party and their respective Subsidiaries or (iii) transfer any of its assets or properties to Borrowers or any other Loan Party and their respective Subsidiaries other than restrictions or conditions imposed by any agreement relating to purchase money Debt, Capital Leases and other secured Debt permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Debt.

7.10. Business Activities.

Not, and not permit any other Loan Party and their respective Subsidiaries to, engage in any line of business other than the businesses engaged in on the Closing Date and businesses reasonably related thereto thereto without the prior written approval of the Required Lenders. Not, and not permit any other Loan Party and their respective Subsidiaries to, issue any equity interest other than (a) any issuance by a Subsidiary to any Borrower or another Subsidiary of any Borrower, (b) the issuance of equity interests as contemplated in the Related Agreements and (c) the issuance of the Warrants.

7.11. Investments.

Not, and not permit any other Loan Party and their respective Subsidiaries to, make or permit to exist any Investment in any other Person, except the following:

- (a) contributions by any Borrower to the capital of any Wholly-Owned Domestic Subsidiary of any Borrower, or by any Subsidiary to the capital of any other Wholly-Owned Domestic Subsidiary of any Borrower, so long as the recipient of any such capital contribution has guaranteed the Obligations and such guaranty is secured by a pledge of all of its equity interests and substantially all of its real and personal property, in each case in accordance with Section 6.8;
- (b) Investments constituting Debt permitted by Section 7.1(c);
- (c) Contingent Obligations constituting Debt permitted by Section 7.1 or Liens permitted by Section 7.2;
- (d) cash and Cash Equivalent Investments, and receivables and trade credit created in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (e) bank deposits in the ordinary course of business; provided that the aggregate amount of all such deposits (excluding amounts in payroll accounts or for accounts payable, in each case to the extent that checks have been issued to third parties) which are maintained with any bank other than banks that have executed and delivered account control agreements that satisfy the criteria of Section 7.15 shall not at any time exceed \$50,000;
- (f) Investments in securities of Account Debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such Account Debtors or acquired in connection with the settlement of delinquent Accounts in the ordinary course of business;
- (g) loans and advances to employees not to exceed \$25,000 in the aggregate at any time outstanding;
- (h) Investments listed on Schedule 7.11 as of the Closing Date;

- (i) ownership by any Loan Party of equity interests in another Loan Party;
- (j) deposits, prepayments and other credits to suppliers and deposits in connection with lease obligations, taxes, insurance and similar items, in each case made in the ordinary course of business and securing contractual obligations of a Loan Party, in each case to the extent constituting a Permitted Lien;
- (k) Investments in prepaid expenses, utility and workers' compensation, performance and other similar deposits, each as entered into in the ordinary course of business; and
- (l) other Investments (other than Investments in bank deposits that are maintained in banks that are not subject to control agreements as required under Section 7.15), loans and advances in addition to those otherwise permitted by this Section to the extent the aggregate amount of such other Investments, loans and advances made after the date hereof and not repaid does not exceed \$25,000 in the aggregate.

7.12. Restriction of Amendments to Certain Documents.

Not amend or otherwise modify, or waive any rights under (a) any provisions of any Subordinated Debt, (b) any other Related Agreement, or (c) any Government Contract or other Material Contract, other than immaterial amendments, modifications and waivers not adverse to the interests of Lenders.

7.13. Fiscal Year.

Not change its Fiscal Year.

7.14. Financial Covenants.

7.14.1. Fixed Charge Coverage Ratio.

Not permit the Fixed Charge Coverage Ratio for any Computation Period to be less than 1.25 to 1.0.

7.14.2. Tangible Net Worth.

Not permit Tangible Net Worth as of the last day of any Computation Period to be less than the Minimum TNW Amount. As used herein, the term "Tangible Net Worth" shall mean, as of any date, the sum of the capital stock and additional paid-in capital plus retained earnings (or minus accumulated deficit) of Ultimate Parent calculated in conformity with GAAP at such date after subtracting therefrom the aggregate amount at such date of any intangible assets of Ultimate Parent and its Subsidiaries, including, without limitation, prepaid amounts, goodwill, franchises, licenses, patents, trademarks, trade names, copyrights, service marks brand names, and all obligations owed to such Person or any of its Subsidiaries by any Affiliate or employee of such Person or any of its Subsidiaries. As used herein, "Minimum TNW Amount" shall mean the amount determined by Administrative Agent based upon its review of the consolidated balance sheet of Borrowers for December, 2012 delivered pursuant to Section 6.1.2, as set forth in a notice from Administrative Agent to the Borrower Representative.

7.14.3. Capital Expenditures.

Not, and not permit any other Loan Party and their respective Subsidiaries to make Capital Expenditures (a) in any Fiscal Year in an aggregate amount greater than \$1,100,000 or (b) in December, 2012 in an aggregate amount greater than \$200,000.

7.14.4. Minimum EBITDA.

Not permit EBITDA to be less than the following amounts as of the end of the following periods set forth below:

<b>Minimum EBITDA</b>	<b>Month Ending</b>
\$400,000	December 31, 2012
\$433,000	January 31, 2013
\$467,000	February 28, 2013
\$500,000	March 31, 2013

<b>Minimum EBITDA</b>	<b>Three Month Period Ending</b>
\$1,500,000	June 30, 2013
\$1,600,000	September 30, 2013
\$1,600,000	December 31, 2013
\$1,700,000	March 31, 2014
\$1,800,000	June 30, 2014
\$1,900,000	September 30, 2014 and the last day of each Fiscal Quarter thereafter

7.14.5. Maximum Leverage.

Not permit the Senior Debt to EBITDA Ratio for any Computation Period to exceed 2.25 to 1.0 prior to a Trigger Event and 2.50 to 1.0 from and after a Trigger Event.

7.15. Bank Accounts.

Not, and not permit any other Loan Party and their respective Subsidiaries to, maintain or establish any new bank accounts other than the bank accounts set forth on Schedule 7.15 (which bank accounts constitute all of the deposit accounts, securities accounts or other similar accounts maintained by the Loan Parties as of the Closing Date) and as required by Section 6.9 without prior written notice to Administrative Agent and unless Administrative Agent, Borrowers or such other applicable Loan Party and the bank or other financial institution at which the account is to be opened enter into an account control agreement, in form and substance satisfactory to Administrative Agent, regarding such bank account which shall include provisions pursuant to which such bank or other financial institution and the applicable Loan Party acknowledge the security interest and control of Administrative Agent in such account and such bank or other financial institution agrees to limit its set-off rights with respect thereto. It is agreed and understood that the foregoing requirement to deliver an account control agreement shall not apply to payroll accounts or to accounts with respect to which the aggregate amount on deposit, collectively for all such accounts, does not exceed \$25,000 at any time.

7.16. Subsidiaries.

Not, and not permit any other Loan Party or any of their respective Subsidiaries to, establish or acquire any Subsidiary, except for the Acquisition of MDT Labor, LLC as part of the Related Transactions.

7.17. Real Property Investments.

Not, and not permit any other Loan Party or any of their respective Subsidiaries to, invest or expend funds in connection with any real properties except as may be necessary in the ordinary course of business to maintain such properties in orderly condition.

7.18. Change Name.

Not change any of its or any other Loan Party's and their respective Subsidiaries' name, organizational identification number, state of organization or organizational identity; provided, however, that Borrowers or any other Loan Party and their respective Subsidiaries may change their names upon at least 30 days prior written notice to Administrative Agent of such change and so long as, at the time of such written notification, Borrowers or any other Loan Party and their respective Subsidiaries provides any financing statements necessary to perfect and continue perfected Administrative Agent's Liens.

7.19. Limitation on Issuance of Stock.

Not, and not permit any other Loan Party or any of their respective Subsidiaries to, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its equity interests except for the issuance or sale of Qualified Stock by Ultimate Parent.

7.20. Unconditional Purchase Obligations.

Not, and not permit any other Loan Party or any of their respective Subsidiaries to, enter into or be a party to any contract for the purchase of materials, supplies or other property or services if such contract requires that payment be made by it regardless of whether delivery is ever made of such materials, supplies or other property or services.

Section 8. Events of Default; Remedies.

8.1. Events of Default.

Each of the following shall constitute an Event of Default under this Agreement:

8.1.1. Non-Payment of Credit.

Default in the payment when due of the principal of any Loan or in the payment of any other Obligations, including any interest, fee or other amount payable by any Loan Party hereunder or under any other Loan Document.

8.1.2. Default Under Other Debt.

Any default shall occur under the terms of any Debt (other than the Obligations) of any Loan Party in an aggregate amount (for all such Debt so affected and including undrawn committed or available amounts and amounts owing to all creditors under any combined or syndicated credit arrangement) exceeding \$50,000 and such default shall (a) consist of the failure to pay such Debt when due, whether by acceleration or otherwise, or (b) accelerate the maturity of such Debt or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Debt to become due and payable (or require any Borrower or any other Loan Party to purchase or redeem such Debt or post cash collateral in respect thereof) prior to its expressed maturity.

8.1.3. Bankruptcy; Insolvency.

(a) Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or

(b) Any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of any thereof and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party, and if such case or proceeding is not commenced by such Loan Party, it is consented to or acquiesced in by such Loan Party, or remains for 60 days undismissed; or the petition commencing any insolvency proceeding is not timely controverted; or an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary; or an order for relief shall have been issued or entered therein; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.

8.1.4. Non-Compliance with Loan Documents.

(a) Failure by any Borrower to comply with or to perform any covenant set forth in Sections 6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5(a), 6.1.6, 6.1.7, 6.1.8, 6.3(b), (c), and (d), 6.5, 6.7, 6.9, 6.13 and 7; or (b) failure by any Loan Party to comply with or to perform any other provision of this Agreement or any other Loan Document applicable to it (and not constituting an Event of Default under any other provision of this Section 8) and continuance of such failure described in this clause (b) for 15 days.

8.1.5. Representations; Warranties.

Any representation or warranty made by any Loan Party herein or any other Loan Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by any Loan Party to Administrative Agent or any Lender in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

8.1.6. Pension Plans.

(a) Institution of any steps by any Person to terminate a Pension Plan if as a result of such termination any Loan Party or any member of the Controlled Group could be required to make a contribution to such Pension Plan, or could incur a liability or obligation to such Pension Plan, in excess of \$100,000; (b) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under ERISA; or (c) there shall occur any withdrawal or partial withdrawal from a Multiemployer Pension Plan and the withdrawal liability (without unaccrued interest) to Multiemployer Pension Plans as a result of such withdrawal (including any outstanding withdrawal liability that Borrowers or any other Loan Party or any member of the Controlled Group have incurred on the date of such withdrawal) exceeds \$100,000.

8.1.7. Judgments.

One or more final judgment, order, or award for the payment of money which exceed an aggregate of \$100,000 or more shall be rendered against any Loan Party and shall not have been paid, discharged or vacated or had execution thereof stayed pending appeal within 30 days after entry or filing of such judgment, order or award, or enforcement proceedings shall have commenced upon such judgment, order, or award.

8.1.8. Invalidity of Collateral Documents.

Any Collateral Document shall cease to be in full force and effect, or shall, for any reason, fail or cease to create a valid and perfected first priority Lien on or security interest in the Collateral covered thereby, except as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement; or any Loan Party (or any Person by, through or on behalf of any Loan Party) shall contest in any manner the validity, binding nature or enforceability of any Collateral Document.

8.1.9. Invalidity of Subordination Provisions.

Any subordination provision in any document or instrument governing Subordinated Debt or any subordination provision in any subordination agreement that relates to any Subordinated Debt, or any subordination provision in any guaranty by any Loan Party of any Subordinated Debt shall cease to be in full force and effect, or any Person (including the holder of any applicable Subordinated Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision.

8.1.10. Change of Control.

If (a) the Key Executives collectively shall cease to (i) own and control, directly or indirectly, a majority of the issued and outstanding capital stock of Ultimate Parent on a fully diluted, as converted basis (including the Warrants), or (ii) possess the right to elect (through contract, ownership of voting securities or otherwise) at all times a majority of the board of directors (or similar governing body) of Ultimate Parent and each other Loan Party or to direct the management policies and decisions of any Borrower, (b) Ultimate Parent shall cease to own and control, directly or indirectly, 100% of the issued and outstanding equity interests of Parent, or (c) Parent shall collectively cease to own and control, directly or indirectly, 100% of the outstanding equity interests of each of its Subsidiaries.

8.1.11. Criminal Proceedings.

If any criminal proceeding is instituted against any Borrower, any other Loan Party or any of their officers that has or could reasonably be expected to have a Material Adverse Effect, or the indictment of any Borrower, any other Loan Party or any of their officers for any crime other than vehicle tickets and misdemeanors not punishable by jail terms.

8.1.12. Investigations.

Borrower, any other Loan Party or any of their officers may have directly or indirectly been engaged in any type of activity which, would be reasonably likely to result in the forfeiture of any material property of a Borrower or such other Loan Party to any Governmental Authority.

8.1.13. Assets.

If any material portion of any Borrower's or any of its Subsidiaries' assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person.

8.1.14. Business Affairs.

If a Loan Party or any of its Subsidiaries is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs.

8.1.15. Loss of Key Executives.

If any Key Executive, or any replacement in accordance with this Section 8.1.15, unless replaced by the Company within 120 days by a successor reasonably satisfactory to Administrative Agent, ceases to devote his full business time and efforts to the business of the Loan Parties, or dies, suffers any illness, injury, or other disability which has caused (or which Administrative Agent in its sole discretion determines imminently will cause) him or her to be incapacitated or unable to act competently on his or her own behalf.

8.1.16. Loss of Revenue.

If prior to the occurrence of a Trigger Event the aggregate gross revenues of Borrowers in any Fiscal Quarter decline by more than 20% from the preceding Fiscal Quarter.

8.1.17. Material Adverse Effect.

If any event shall occur which has had, or could reasonably be expected to have, a Material Adverse Effect.

8.2. Remedies.

Upon the occurrence of any Event of Default Administrative Agent may, and at the request of the Required Lenders, shall, exercise all of its rights and remedies available to Administrative Agent and Lenders under this Agreement, the other Loan Documents or applicable law. If any Event of Default described in Section 8.1.3(b) shall occur, the Commitments shall immediately terminate and the Loans and all other Obligations shall become immediately due and payable, all without presentment, demand, protest or notice of any kind; and, if any other Event of Default shall occur and be continuing, Administrative Agent may, and at the request of the Required Lenders shall, declare the Commitments to be terminated in whole or in part and/or declare all or any part of the Loans and other Obligations to be due and payable, whereupon the Commitments shall immediately terminate (or be reduced, as applicable) and/or the Loans and other Obligations shall become immediately due and payable (in whole or in part, as applicable), all without presentment, demand, protest or notice of any kind. Administrative Agent shall promptly advise Borrower of any such declaration, but failure to do so shall not impair the effect of such declaration.



### 8.3. Right to Appointment of Receiver.

Without limiting any other rights, options and remedies Administrative Agent and Lenders have under the Loan Documents, at law or in equity, if an Event of Default shall occur and be continuing, Administrative Agent, on behalf of Lenders, shall have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by Administrative Agent to enforce its and Lenders' rights and remedies in order to manage, protect and preserve the Collateral, to sell or dispose of the Collateral, to continue the operation of the businesses of Borrowers and their Subsidiaries and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership including the compensation of the receiver and to the payments as aforesaid until a sale or other disposition of the Collateral shall be finally made and consummated. Each Borrower, for itself and on behalf of its Subsidiaries, hereby irrevocably consents to, and waives any right to object to or otherwise contest, the appointment of, a receiver as provided above. Each Borrower (i) grants such waiver and consent knowingly after having discussed the implications thereof with counsel, (ii) acknowledges that (A) the uncontested right to have a receiver appointed for the foregoing purposes is considered essential by Administrative Agent and Lenders in connection with the enforcement of their rights and remedies hereunder and under the other Loan Documents and (B) the availability of such appointment as a remedy under the foregoing circumstances was a material factor in inducing Lenders to make the Loans to Borrowers, and (iii) agrees to enter into any and all stipulations in any legal actions, or agreements or other instruments required or reasonably appropriate in connection with the foregoing, and to cooperate fully with Administrative Agent and Lenders in connection with the assumption and exercise of control by any receiver over all or any portion of the Collateral.

### 8.4. Cooperation in Event of Default.

If any Event of Default shall occur and be continuing, in addition to the acceleration and other provisions set forth in this Section 8, each Borrower shall, and shall cause each of its Subsidiaries to, take any action that Administrative Agent, for the benefit of itself and Lenders, may request in order to enable Administrative Agent to obtain and enjoy the full rights and benefits granted to Administrative Agent hereunder and under the other Loan Documents. No Borrower shall, or shall permit any of its Subsidiaries to, resist or interfere with any action taken by Administrative Agent in accordance with this Section 8. In furtherance (and not in limitation) of the foregoing, each Borrower hereby grants to Administrative Agent, for the benefit of Lenders, after the occurrence and during the continuance of an Event of Default, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Borrower or any of its Subsidiaries) to use, assign, license or sublicense any intellectual property, now owned or hereafter acquired by such Borrower or any of its Subsidiaries, and wherever the same may be located, including in such license reasonable access as to all media in which any of the licensed items may be recorded or stored and to all computer programs and used for the compilation or printout thereof.

Section 9. The Agent.

9.1. Appointment and Authorization.

Each Lender hereby irrevocably appoints Atalaya Administrative to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of Administrative Agent and Lenders, and no Loan Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2. Rights as a Lender.

The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to Lenders.

9.3. Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrowers or any of their respective Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.2, 8.3, 9.11, and 10.1), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to Administrative Agent in writing by Borrowers or a Lender. The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

9.4. Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, Administrative Agent may presume that such condition is satisfactory to such Lender unless Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Section shall apply to any such sub agent and to the Related Parties of Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Loans as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non appealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

9.6. Resignation of Administrative Agent.

The Administrative Agent may at any time give notice of its resignation to Lenders and Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrowers, to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date. With effect from the Resignation Effective Date (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by Administrative Agent on behalf of Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Section and Sections 10.5 and 10.6 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.7. Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8. No Other Duties.

Anything herein to the contrary notwithstanding, no Person identified on the facing page or signature pages of this Agreement as a “syndication agent,” “documentation agent,” “co-agent,” “book manager,” “lead manager,” “arranger,” “lead arranger” or “co-arranger,” if any, shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent or a Lender hereunder.

9.9. Administrative Agent May File Proofs of Claim.

In case of the pendency of any proceeding under any Debtor Relief Law, Administrative Agent (irrespective of whether the principal of any Loan then shall be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Administrative Agent and their respective agents and counsel and all other amounts due Lenders and Administrative Agent under Section 2 and Sections 10.5 and 10.6) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Section 2 and Sections 10.5 and 10.6.

9.10. Indemnification.

Whether or not the transactions contemplated hereby are consummated, each Lender shall indemnify upon demand Administrative Agent and its directors, officers, employees and agents (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so), according to its applicable Pro Rata Share, from and against any and all Indemnified Liabilities (as hereinafter defined); provided that no Lender shall be liable for any payment to any such Person of any portion of the Indemnified Liabilities to the extent determined by a final, nonappealable gross negligence or willful misconduct. No action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs and Taxes) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that Administrative Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive repayment of the Loans, cancellation of the Notes, any foreclosure under any of the Loan Documents, or any modification, release or discharge of, any or all of the Loan Documents, termination of this Agreement and the resignation or replacement of Administrative Agent.

9.11. Collateral Matters.

The Lenders irrevocably authorize Administrative Agent, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by Administrative Agent under any Loan Document (x) upon termination of all Commitments and Payment in Full of all Obligations (other than contingent indemnification obligations), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (z) subject to Section 15.1, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any property granted to or held by Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 11.2(d); and

(iii) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by Administrative Agent at any time, the Required Lenders will confirm in writing Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 14.12.

9.12. No Duty to Inquire or Monitor.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall Administrative Agent be responsible or liable to Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 10. Miscellaneous.

10.1. Waiver; Amendments.

No delay on the part of Administrative Agent or any Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any of them of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by Borrowers, and Lenders having an aggregate Pro Rata Shares of not less than the aggregate Pro Rata Shares expressly designated herein with respect thereto or, in the absence of such designation as to any provision of this Agreement, by Borrowers and the Required Lenders, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment, modification, waiver or consent shall (a) extend or increase the Commitment of any Lender without the written consent of such Lender; (b) extend the date scheduled for payment of any principal (excluding voluntary or mandatory prepayments) of, or interest on, the Loans, or any fees payable hereunder without the written consent of each Lender directly affected thereby; (c) reduce the principal amount of any Loan (excluding voluntary or mandatory prepayments), the rate of interest thereon or any fees payable hereunder, without the consent of each Lender directly affected thereby; or (d) release any party from its obligations under the Guaranty and Collateral Agreement or all or any substantial part of the Collateral granted under the Collateral Documents, change the definition of Required Lenders, any provision of this Section 10.1 or reduce the aggregate Pro Rata Share required to effect an amendment, modification, waiver or consent, without, in each case set forth in this clause (d), the written consent of all Lenders. No provision of Section 2 with respect to the timing or application of mandatory prepayments of the Loans shall be amended, modified or waived without the consent of the Required Lenders, Holdings, and Borrowers. No provision of Section 9 or other provision of this Agreement affecting Administrative Agent in its capacity as such shall be amended, modified or waived without the consent of Administrative Agent.

10.2. Confirmations.

Borrowers and each holder of a Note agree from time to time, upon written request received by it from the other, to confirm to the other in writing (with a copy of each such confirmation to Administrative Agent) the aggregate unpaid principal amount of the Loans then outstanding under such Note.

#### 10.3. Notices.

All notices hereunder shall be in writing (including facsimile transmission) and shall be sent to the applicable party at its address shown on Annex II or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent with confirmation of successful transmission; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. For purposes of Section 2.2.1, Administrative Agent and each Lender shall be entitled to rely on telephonic instructions from any Person that Administrative Agent and/or such Lender in good faith believes is an authorized officer or employee of Borrowers, and Borrowers shall hold Administrative Agent and each Lender harmless from any loss, cost or expense resulting from any such reliance.

#### 10.4. Computations.

Unless otherwise specifically provided herein, any accounting term used in this Agreement (including in Section 7.14 or any related definition) shall have the meaning customarily given such term in accordance with GAAP, and all financial computations (including pursuant to Section 7.14 and the related definitions, and with respect to the character or amount of any asset or liability or item of income or expense, or any consolidation or other accounting computation) hereunder shall be computed in accordance with GAAP consistently applied; provided that if Borrowers notify Administrative Agent and Lenders that Borrowers wish to amend any covenant in Section 7.14 (or any related definition) to eliminate or to take into account the effect of any change in GAAP on the operation of such covenant, then Borrowers' compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant (or related definition) is amended in a manner satisfactory to Borrowers, Administrative Agent, and Lenders. The explicit qualification of terms or computations by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Debt or other liabilities of any Loan Party or any Subsidiary at "fair value", as defined therein.

#### 10.5. Costs; Expenses.

Borrowers agree to pay on demand all reasonable out-of-pocket costs and expenses of Administrative Agent (including Legal Costs) in connection with the preparation, execution, syndication, delivery and administration (including perfection and protection of Collateral) of this Agreement, the other Loan Documents and all other documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including any proposed or actual amendment, supplement or waiver to any Loan Document), and all reasonable out-of-pocket costs and expenses (including Legal Costs) incurred by Administrative Agent and Lenders after an Event of Default in connection with the collection of the Obligations and enforcement of this Agreement, the other Loan Documents or any such other documents. In addition, Borrowers agree to pay, and to save Administrative Agent and Lenders harmless from all liability for, any fees of Borrowers' auditors in connection with any reasonable exercise by Administrative Agent and Lenders of its rights pursuant to and subject to the limitations set forth in, Section 6.2. All Obligations provided for in this Section 10.4 shall survive repayment of the Loans, cancellation of the Notes and termination of this Agreement).



#### 10.6. Indemnification by Borrowers.

In consideration of the execution and delivery of this Agreement by Administrative Agent and Lenders and the agreement to extend the Commitments provided hereunder, Borrowers hereby agree to indemnify, exonerate and hold Administrative Agent, each Lender and each of their respective officers, directors, employees, Affiliates and agents (each a "Lender Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including Legal Costs (collectively, the "Indemnified Liabilities"), incurred by Lender Parties or any of them as a result of, or arising out of, or relating to (a) any tender offer, merger, purchase of equity interests, purchase of assets (including the Related Transactions) or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Loans, (b) the use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any Hazardous Substance at any property owned or leased by Borrowers or any other Loan Party, (c) any violation of any Environmental Laws with respect to conditions at any property owned or leased by any Loan Party or the operations conducted thereon, (d) the investigation, cleanup or remediation of offsite locations at which any Loan Party or their respective predecessors are alleged to have directly or indirectly disposed of Hazardous Substances or (e) the execution, delivery, performance or enforcement of this Agreement or any other Loan Document by any Lender Party, except to the extent any such Indemnified Liabilities result from the applicable Lender Party's own gross negligence or willful misconduct as determined by a court of competent jurisdiction. If and to the extent that the foregoing undertaking may be unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. All Obligations provided for in this Section 10.5 shall survive repayment of the Loans, cancellation of the Notes, expiration or termination of the Letters of Credit, any foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement.

#### 10.7. Marshaling: Payments Set Aside.

Neither Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of Borrowers or any other Person or against or in payment of any or all of the Obligations. To the extent that Borrower makes a payment or payments to Administrative Agent, or Administrative Agent enforces its Liens or exercises its rights of set-off, and such payment or payments or the proceeds of such enforcement or set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent in its discretion) to be repaid to a trustee, receiver or any other party in connection with any bankruptcy, insolvency or similar proceeding, or otherwise, then to the extent of such recovery, the obligation hereunder or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

#### 10.8. Nonliability of Administrative Agent and Lenders.

The relationship between Borrowers on the one hand and Lender on the other hand shall be solely that of borrower and lender. Neither Administrative Agent nor any Lender shall have any fiduciary responsibility to Borrowers. Administrative Agent and Lenders undertake no responsibility to Borrowers to review or inform Borrowers of any matter in connection with any phase of Borrowers' business or operations. Execution of this Agreement by Borrowers constitutes a full, complete and irrevocable release of any and all claims which Borrowers may have at law or in equity in respect of all prior discussions and understandings, oral or written, relating to the subject matter of this Agreement and the other Loan Documents. Neither Administrative Agent nor any Lender shall have any liability with respect to, and Borrower hereby waives, releases and agrees not to sue for, any special, indirect, punitive or consequential damages or liabilities.



10.9. Assignments; Participations.

10.9.1. Successors and Assigns Generally.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Borrowers nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any of the other Loan Documents without the prior written consent of Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Assignee in accordance with the provisions of Section 10.9.2, (ii) to a Participant by way of participation in accordance with the provisions of Section 10.9.4, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.9.6 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.9.4 and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

10.9.2. Assignments by Lenders.

Any Lender may at any time assign to one or more Persons (each, an “Assignee”) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Loan) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender’s Commitment and/or the Loans at the time owing to it (in each case with respect to any Loan) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (ii)(B) of this Section 10.9.2 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (ii)(A) of this Section 10.9.2, the aggregate amount of the Commitments (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent or, if “Trade Date” is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$1,000,000 unless Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (i)(B) of this Section 10.9.2 and, in addition, the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) any unfunded Commitments if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to Administrative Agent an assignment and assumption substantially in the form of Exhibit F or any other form approved by Administrative Agent (an “Assignment and Assumption”), together with a processing and recordation fee of \$3,500; provided that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The Assignee, if it is not a Lender, shall deliver to Administrative Agent an administrative questionnaire containing such information and payment details with respect to the Assignee as Administrative Agent reasonably may request.

(v) No Assignment to Certain Persons. No such assignment shall be made to Borrowers or any of their respective Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

Subject to acceptance and recording thereof by Administrative Agent pursuant to Section 10.6.3, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.9, 3.10, 10.9.1, 10.5, 10.6, and 10.18 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.9.4.

#### 10.9.3. Register.

The Administrative Agent, acting solely for this purpose as an agent of Borrowers, shall maintain at one of its offices in New York, New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and Borrowers, Administrative Agent and Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

10.9.4. Participations.

Any Lender may at any time, without the consent of, or notice to, Borrowers or Administrative Agent, sell participations to any Person (other than a natural Person or Borrowers or any of Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (a) such Lender's obligations under this Agreement shall remain unchanged, (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) Borrowers, Administrative Agent, and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 9.10 with respect to any payments made by such Lender to its Participant(s). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the third sentence of Section 10.1 that affects such Participant. The Company agrees that each Participant shall be entitled to the benefits of Section 3.9 and 3.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.9.2; provided that such Participant agrees to be subject to the provisions of Section 13.13 and 13.14 as if it were an Assignee under Section 10.9.2. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 2.13 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender.

10.9.5. Limitations upon Participant Rights.

A Participant shall not be entitled to receive any greater payment under Sections 7.6 and 8.1 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Borrowers' prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 7.6 unless Borrower Representative is notified of the participation sold to such Participant and such Participant agrees, for the benefit of Borrowers, to comply with Section 7.6.5 as though it were a Lender.

10.9.6. Certain Pledges.

Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

#### 10.10. Confidentiality.

Administrative Agent and each Lender agrees to use commercially reasonable efforts (equivalent to the efforts Administrative Agent or such Lender applies to maintain the confidentiality of its own confidential information) to maintain as confidential all information provided to them by any Loan Party and designated as confidential, except that Administrative Agent or any Lender may disclose such information (a) to Persons employed or engaged by Administrative Agent, such Lender or any of their respective Affiliates (including collateral managers) in evaluating, approving, structuring or administering the Loans and the Commitments; (b) to any assignee or participant or potential assignee or participant that has agreed to comply with the covenant contained in this Section 10.9 (and any such assignee or participant or potential assignee or participant may disclose such information to Persons employed or engaged by them as described in clause (a) above); (c) as required or requested by any federal or state regulatory authority or examiner, or any insurance industry association, or as reasonably believed by Administrative Agent or any Lender to be compelled by any court decree, subpoena or legal or administrative order or process; (d) as, on the advice of Administrative Agent's or any Lender's counsel, is required by law; (e) in connection with the exercise of any right or remedy under the Loan Documents or in connection with any litigation to which Administrative Agent or any Lender is a party; (f) to any nationally recognized rating agency or investor of Administrative Agent or any Lender that requires access to information about Administrative Agent's or such Lender's investment portfolio in connection with ratings issued or investment decisions with respect to Administrative Agent or such Lender; (g) that ceases to be confidential through no fault of Administrative Agent or any Lender; (h) to a Person that is an investor or prospective investor in a Securitization that agrees that its access to information regarding Borrowers and the Loans and Commitments is solely for purposes of evaluating an investment in such Securitization and who agrees to treat such information as confidential; or (i) to a Person that is a trustee, collateral manager, servicer, noteholder or secured party in a Securitization in connection with the administration, servicing and reporting on the assets serving as collateral for such Securitization. For purposes of this Section, "Securitization" means a public or private offering by any Lender or any of its Affiliates or their respective successors and assigns, of securities which represent an interest in, or which are collateralized, in whole or in part, by the Loans or the Commitments. Notwithstanding the foregoing, Borrowers consent to the publication by Administrative Agent and Lenders of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement, and Administrative Agent and Lenders reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

#### 10.11. Captions.

Captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

#### 10.12. Nature of Remedies.

All Obligations of Borrowers and rights of Administrative Agent and Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law. No failure to exercise and no delay in exercising, on the part of Administrative Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

#### 10.13. Counterparts.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt by telecopy of any executed signature page to this Agreement or any other Loan Document shall constitute effective delivery of such signature page. This Agreement and the other Loan Documents to the extent signed and delivered by means of a facsimile machine or other electronic transmission (including "pdf"), shall be treated in all manner and respects and for all purposes as an original agreement or amendment and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such other Loan Document shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement or amendment was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

10.14. Severability.

The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

10.15. Entire Agreement.

This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof and any prior arrangements made with respect to the payment by Borrower of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of Administrative Agent or any Lender. The Agreement has been negotiated and delivered to Administrative Agent and Lenders in the State of New York and shall have been accepted by Administrative Agent and Lenders in the State of New York.

10.16. Successors; Assigns.

This Agreement shall be binding upon Borrowers, Administrative Agent and Lenders and their respective successors and assigns, and shall inure to the benefit of Borrowers, Administrative Agent and Lenders and the successors and assigns of Administrative Agent and Lenders. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. Borrowers may not assign or transfer any of their rights or Obligations under this Agreement without the prior written consent of Administrative Agent and the Required Lenders.

10.17. Governing Law.

THIS AGREEMENT AND EACH NOTE SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

10.18. Forum Selection; Consent to Jurisdiction.

EACH BORROWER HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY SUCH OBLIGOR AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT OR ANY OR ALL OF THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN THE COURTS OF THE NEW YORK COUNTY, THE STATE OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, OR, IF ADMINISTRATIVE AGENT OR ANY LENDER INITIATES SUCH ACTION, IN ADDITION TO THE FOREGOING COURTS, ANY COURT IN WHICH ADMINISTRATIVE AGENT OR SUCH LENDER SHALL INITIATE OR TO WHICH ADMINISTRATIVE AGENT OR SUCH LENDER SHALL REMOVE SUCH ACTION, TO THE EXTENT SUCH COURT OTHERWISE HAS JURISDICTION. EACH BORROWER HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE TO THE JURISDICTION OF SUCH COURTS IN ANY ACTION OR PROCEEDING COMMENCED IN OR REMOVED BY ADMINISTRATIVE AGENT OR LENDERS TO ANY OF SUCH COURTS, AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED THEREIN, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH BORROWER AT THE ADDRESS FOR NOTICES IN SECTION 10.3 ABOVE. EACH BORROWER WAIVES ANY CLAIM THAT ANY COURT HAVING SITUS IN NEW YORK COUNTY, NEW YORK, IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE. SHOULD ANY BORROWER, AFTER BEING SO SERVED, FAIL TO APPEAR OR ANSWER ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE PERIOD OF TIME PRESCRIBED BY LAW AFTER THE MAILING THEREOF, SUCH BORROWER SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY ADMINISTRATIVE AGENT OR LENDERS AGAINST SUCH BORROWER AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR BORROWERS SET FORTH IN THIS SECTION 10.18 SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT, BY ADMINISTRATIVE AGENT OR ANY LENDER, OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING, BY ADMINISTRATIVE AGENT OR ANY LENDER, OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND EACH BORROWER HEREBY WAIVES THE RIGHT TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

10.19. Waiver of Jury Trial.

EACH BORROWER, ADMINISTRATIVE AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

10.20. Patriot Act.

Pursuant to the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), Administrative Agent and each hereby notifies each Loan Party that, pursuant to the requirements of the Patriot Act, Administrative Agent and Lender are required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow Administrative Agent and Lenders to identify each Loan Party in accordance with the Patriot Act.

10.21. Borrower Representative.

(a) Each Borrower hereby irrevocably appoints and constitutes the Borrower Representative as its agent to request and receive the proceeds of advances in respect of the Loans (and to otherwise act on behalf of such Borrower pursuant to this Agreement and the other Loan Documents) from Lenders in the name or on behalf of each such Borrower. Lenders may disburse such proceeds to the bank account of Borrower Representative (or any one or more of the Borrowers) without notice to any other Borrower or any other Person.

(b) Each Borrower hereby irrevocably appoints and constitutes the Borrower Representative as its agent to (i) receive statements of account and all other notices from Administrative Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents, (ii) execute and deliver Compliance Certificates and all other notices, certificates and documents to be executed and/or delivered by any Borrower under this Agreement or the other Loan Documents; and (iii) otherwise act on behalf of such Borrower pursuant to this Agreement and the other Loan Documents.

(c) The authorizations contained in this Section 10.21 are coupled with an interest and shall be irrevocable, and Administrative Agent and each Lender may rely on any notice, request, information supplied by the Borrower Representative, every document executed by the Borrower Representative, every agreement made by the Borrower Representative or other action taken by the Borrower Representative in respect of any Borrower as if the same were supplied, made or taken by such Borrower. Without limiting the generality of the foregoing, the failure of one or more Borrowers to join in the execution of any writing in connection herewith shall no relieve any Borrower from obligations in respect of such writing.

(d) No purported termination of the appointment of Borrower Representative as agent shall be effective without the prior written consent of Administrative Agent and the Required Lenders.

#### 10.22. Joint and Several Liability.

(a) Each Borrower agrees that it is jointly and severally, directly and primarily liable for the prompt Payment in Full of all Obligations. Each Borrower acknowledges that (i) it will receive substantial direct and indirect benefits from the financing arrangements contemplated in this Agreement which would not have been available to Borrowers except upon the joint and several basis set forth herein, (ii) Borrowers are all Affiliated entities by common ownership, (iii) each Borrower desires to have the availability of one common credit facility instead of separate credit facilities, (iv) each Borrower has requested that Lenders extend such a common credit facility on the terms herein provided, (v) Lenders will be making Loans against, and relying on a Lien upon, all of Borrowers' assets even though the proceeds of any particular Loan made hereunder may not be advanced directly to a particular Borrower, (vi) each Borrower will nonetheless benefit by the making of all such Loans by Lenders and the availability of a single credit facility of a size greater than each could independently warrant, (vii) all of the representations, warranties, covenants, obligations, conditions, agreements and other terms contained in this Agreement and the other Loan Documents shall be applicable to and shall be binding upon each Borrower, (viii) each Borrower would not be able to obtain the credit provided by Lenders hereunder without the financial support provided by the other Borrowers, and (ix) Lenders have made no representation or warranty with respect to validity, genuineness, regularity, or enforceability of any of the Loan Documents, and have no duty or responsibility whatsoever to any Borrower in respect of the management and maintenance of the Obligations or any Collateral. Each Borrower hereby absolutely and unconditionally guarantees to Lenders the prompt Payment in Full of all Obligations and agrees that such guarantee is a continuing guarantee of payment and performance and not of collection which shall not be discharged until all Obligations are indefeasibly Paid in Full and all commitments to make Loans under this Agreement or any other Loan Document have been terminated.



(b) Each Borrower's obligations under this Section 10.22 shall be irrevocable, absolute and unconditional irrespective of and unaffected by (i) the lack of genuineness, validity or enforceability of any of the Obligations or Loan Documents, (ii) change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any rescission, amendment or modification to, or waiver or compromise or acceleration of or any consent with respect to, any of the Obligations or any Loan Document or any other guaranty or the failure to obtain the consent of any Borrower or other Person with respect thereto, (iii) the existence, value or condition of, or the failure by Administrative Agent or any other Lender Party to perfect and maintain any Lien in, or to preserve any rights to, or the release or foreclosure of, any Collateral or other security for the Obligations, (iv) the change, restructuring, dissolution or termination of the structure or existence of any Loan Party or the insolvency or bankruptcy under any Debtor Relief Law of any Loan Party, (v) any action taken or omitted by Administrative Agent or any other Lender Party or any failure of Administrative Agent or any other Lender Party to assert any claim or demand or to enforce any right or remedy against any Loan Party or any other guarantor, (vi) Administrative Agent's and/or any other Lender Party's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, (vii) any borrowing or grant of a security interest by any other Borrower, as debtor-in-possession under Section 364 of the Bankruptcy Code, (viii) the disallowance of all or any portion of Administrative Agent's and/or any Lender Party's claim(s) for the repayment of the Obligations of any other Borrower under Section 502 of the Bankruptcy Code, or (ix) any other action or circumstance (including any statute of limitations) or any existence of or reliance on any representation by Administrative Agent or any other Lender Party that might otherwise constitute a defense available to, or a legal or equitable discharge of, any co-obligor, Loan Party or any other guarantor or surety (other than actual indefeasible Payment in Full of the Obligations). Administrative Agent and the other Lender Parties may enforce the Loan Documents independently as to each Borrower and/or each remedy, Collateral or other security Administrative Agent or any other Lender Party may at any time have, without first proceeding against or joining any other Person, Collateral or other security for the Obligations. A separate action or actions may be brought and prosecuted against each Borrower to enforce such obligations, irrespective of whether any action is brought against any other Loan Party or whether any other Loan Party is joined in any such action or actions. Lender Parties shall be under no obligation to marshal any assets in favor of any Borrower or to proceed against or exhaust any Collateral before proceeding against any Borrower. Each Borrower agrees that it may be joined as a party defendant in any legal proceeding instituted by any Lender Party against any Loan Party.

(c) Each Borrower is obligated to repay the Obligations as a joint and several obligor under this Agreement and the other Loan Documents. To the extent that any Borrower shall, under this Agreement as a joint and several obligor, repay any of the Obligations constituting Loans made to another Borrower hereunder or other Obligations incurred directly and primarily by any other Borrower (an "Accommodation Payment"), then the Borrower making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Borrowers in an amount, for each of such other Borrowers, equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Borrower's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the Borrowers. As of any date of determination, the "Allocable Amount" of each Borrower shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such Borrower hereunder without (i) rendering such Borrower "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act or Section 2 of the Uniform Fraudulent Conveyance Act, (ii) leaving such Borrower with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the Uniform Fraudulent Transfer Act or Section 5 of the Uniform Fraudulent Conveyance Act, or (iii) leaving such Borrower unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the Uniform Fraudulent Transfer Act or Section 5 of the Uniform Fraudulent Conveyance Act. All rights and claims of contribution, indemnification, and reimbursement under this Section 10.22 shall be subordinate in right of payment to the prior indefeasible Payment in Full of the Obligations. The provisions of this Section 10.22 shall, to the extent inconsistent with any provision in any Loan Document, supersede such inconsistent provision.



(d) Each Borrower hereby: (i) expressly and irrevocably subordinates to the indefeasible Payment in Full of the Obligations, any and all rights at law, in equity or otherwise to subrogation, reimbursement, exoneration, contribution, indemnification, set off or any other rights that could accrue to a co-obligor, surety or guarantor and (ii) acknowledges and agrees that this Section 10.22 shall not limit or otherwise affect such Borrower's liability for the Obligations or the enforceability of the Loan Documents, and shall survive Payment in Full of the Obligations. As further security for the Obligations, any and all debts and liabilities now or hereafter arising and owing by any Borrower to any other Loan Party are hereby subordinated to Lender Parties' claims and upon the occurrence of an Event of Default are assigned to Administrative Agent, for the benefit of Lender Parties, and no Borrower shall demand, sue for or otherwise attempt to collect any indebtedness of any Loan Party owing to it until the Obligations shall have been indefeasibly Paid in Full and all commitments to make Loans and extend other financial accommodations under this Agreement or any other Loan Document have been terminated. If, notwithstanding the immediately preceding sentence, a Borrower shall collect, enforce or receive any amounts in respect of any indebtedness, such amounts shall be held in trust for the benefit of the Lender Parties, and such Borrower shall immediately deliver any such amounts to Administrative Agent for application to the Obligations.

(e) Each Borrower hereby expressly assumes all responsibilities to remain informed of the financial condition of the other Credit Parties and any other guarantors of the Obligations and any circumstances affecting the Collateral or the ability of the Credit Parties to perform under the Loan Documents.

(f) Each Borrower, in the event it shall be considered a surety or a guarantor hereunder, hereby waives any rights and defenses it may now or hereafter have, including:

(i) any right to require Administrative Agent or any Lending Party to proceed against any Borrower, any Guarantor or any other Person, to proceed against or exhaust any security for the Obligations or to pursue any other right, remedy, power or privilege of Administrative Agent or any Lender Party whatsoever;

(ii) the defense of the statute of limitations in any action hereunder or for the collection or performance of the Obligations;

(iii) any defense arising by reason of any lack of corporate or other authority or any other defense of any Borrower, any Guarantor or any other Person;

(iv) any defense based upon Administrative Agent's or any Lender Party's errors or omissions in the administration of the Obligations;

(v) any defense based on any claim that such Borrower's obligations exceed or are more burdensome than those of any other Borrower;

(vi) any rights to set offs and counterclaims;

(vii) any and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations,

(viii) any and all notices of the creation, renewal, modification, extension or accrual of the Obligations, or the reliance by Administrative Agent or any other Lender Party upon this Section 10.22, or the exercise of any right, power or privilege hereunder; and

(ix) without limiting the generality of the foregoing, to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties, or that may conflict with the terms of this Section 10.22.

Each Borrower, in the event it shall be held or deemed to be a guarantor of the Obligations of any other Borrower, further understands and acknowledges that if Administrative Agent, for the benefit of the Lender Parties, forecloses judicially or nonjudicially against any real property security for the Obligations, that foreclosure could impair or destroy any ability that such Borrower may have to seek reimbursement, contribution, or indemnification from the other Borrowers or others based on any right such Borrower may have of subrogation, reimbursement, contribution, or indemnification for any amounts paid by such Borrower under this Agreement.

[signature pages follow]

The parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first set forth above.

OPTOS CAPITAL PARTNERS, LLC

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

CMK RESOURCE GROUP, LLC  
MDT LABOR, LLC, and  
FOCUS FIBER SOLUTIONS, LLC

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
s/ Christopher Ferguson  
President

JUS-COM, INC.

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

Signature Page to Focus Fiber Credit Agreement

---

TOWNSEND CAREERS, LLC

By: CMK Resource Group, LLC, its  
sole Member and Manager

By: Optos Capital Partners, LLC, its sole  
Member and Manager

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

ATALAYA SPECIAL OPPORTUNITIES FUND IV LP  
(TRANCHE B), as a Lender

By:/s/Michael Bogdan  
Title: Authorized Signatory

Signature Page to Focus Fiber Credit Agreement

---

ATALAYA ADMINISTRATIVE LLC, as Administrative  
Agent

By:/s/Michael Bogdan  
Title: Authorized Signatory

Signature Page to Focus Fiber Credit Agreement

---

Annex I

LENDERS AND PRO RATA SHARES

Lender	Revolving Loan Commitment	Pro Rata Share
Atalaya Special Opportunities Fund IV (Tranche B)	\$ 8,500,000	100%

Lender	Term Loan Loan Commitment	Pro Rata Share
Atalaya Special Opportunities Fund IV (Tranche B)	\$ 8,000,000	100%

## Annex II

### Addresses

#### Borrowers

969 Postal Road, Suite 100  
Allentown, PA 18109  
Attention: Christopher Ferguson  
Telephone: (215) 820-9299  
Telecopy: (610) 672-9999

Atalaya Administrative LLC

#### Address for Notices:

Atalaya Administrative LLC  
780 Third Avenue, 27<sup>th</sup> Floor  
New York, New York 10017  
Attention: Michael E. Bogdan  
Telephone: (212) 527-8183  
Attention: Justin Burns  
Telephone: (212) 201-1925  
Telecopy: (917) 274-1175

#### Address for Payments:

Bank: First Republic Bank  
1230 Avenue of the Americas  
New York, NY 10020  
ABA #: 321081669  
Account #: 97910009129  
Account Name: Atalaya Administrative LLC  
Reference: Focus Fiber

---



## Exhibit A

### Form of Compliance Certificate

Please refer to the Credit Agreement dated as of \_\_\_\_\_ (as amended, restated or otherwise modified from time to time, the "Credit Agreement") among the undersigned ("Borrowers"), the lenders party thereto from time to time, as Lenders, and Atalaya Administrative LLC, as administrative agent for Lenders. This certificate (this "Certificate"), together with supporting calculations attached hereto, is delivered to Administrative Agent and Lenders pursuant to the terms of the Credit Agreement. Terms used but not otherwise defined herein are used herein as defined in the Credit Agreement.

**[Enclosed herewith is a copy of the [annual audited/quarterly/monthly] report of Borrowers as at \_\_\_\_\_ (the "Computation Date"), which report fairly presents in all material respects the financial condition and results of operations [(subject to the absence of footnotes and to normal year-end adjustments)] of Borrowers as of the Computation Date and has been prepared in accordance with GAAP consistently applied.]**

Borrowers hereby certify and warrant that the computations set forth on the schedule attached hereto correspond to the ratios and/or financial restrictions contained in the Credit Agreement and such computations are true and correct as at the [**Computation Date**].

Borrowers further certify that no Event of Default or Default has occurred and is continuing.

Borrowers have caused this Certificate to be executed and delivered by their officer thereunto duly authorized on \_\_\_\_\_.

Focus Fiber Solutions, LLC, as Borrower Representative

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

Schedule to Compliance Certificate  
Dated as of \_\_\_\_\_<sup>1</sup>

A. Section 7.14.1 - Minimum Fixed Charge Coverage Ratio		
1.	Consolidated Net Income	\$ _____
2.	Plus: Interest Expense	\$ _____
	income tax expense	\$ _____
	depreciation	\$ _____
	amortization	\$ _____
	extraordinary losses	\$ _____
3.	Minus: Extraordinary gains	\$ _____
4.	Total (EBITDA)	\$ _____
5.	Unfinanced Capital Expenditures	\$ _____
6.	Difference between (4) minus (5)	\$ _____
7.	Interest Expense paid or payable in cash	\$ _____
8.	Income Taxes paid and Tax Distributions	\$ _____
9.	Required payments of principal of Debt (including the Term Loans but excluding Revolving Loans)	\$ _____
10.	Other Restricted Payments	\$ _____
11.	Sum of (7), (8), (9) and (10)	\$ _____
12.	Ratio of (6) to (11)	_____ to 1
13.	Minimum Required	1.25 to 1
B. Section 7.14.2 - Tangible Net Worth		
1.	Tangible Net Worth	\$ _____
2.	Required Amount	\$ _____
C. Section 7.14.3 – Capital Expenditures		
1.	Capital Expenditures	\$ _____

<sup>1</sup> The descriptions of the calculations set forth in this certificate are sometimes abbreviated for simplicity, but are qualified in their entirety by reference to the full text of the calculations provided in the Credit Agreement.

2.	Maximum Permitted Capital Expenditures	\$ 1,100,000
----	--	--------------

D.	Section 7.14.4 – Minimum EBITDA
----	---------------------------------

1.	EBITDA (from Item A(4) above)	\$ _____
----	----------------------------------	----------

2.	Required Amount	\$ _____
----	-----------------	----------

E.	Section 7.14.4 – Maximum Leverage
----	-----------------------------------

1.	Obligations	\$ _____
----	-------------	----------

2.	EBITDA (from Item A(4) above)	\$ _____
----	----------------------------------	----------

3.	Ratio of (1) to (2)	_____ to 1.0
----	---------------------	--------------

4.	Maximum Permitted Leverage	2.50 to 1.0
----	----------------------------	-------------

## Exhibit B

### Form of Borrowing Base Certificate

Please refer to the Credit Agreement dated as of December 3, 2012 (as amended, restated or otherwise modified from time to time, the "Credit Agreement") among the undersigned ("Borrowers"), the lenders party thereto from time to time, as Lenders, and Atalaya Administrative LLC, as administrative agent for Lenders. This certificate (this "Certificate"), together with supporting calculations attached hereto, is delivered to Administrative Agent and Lenders pursuant to the terms of the Credit Agreement. Capitalized terms used but not otherwise defined herein shall have the same meanings herein as in the Credit Agreement.

Borrowers hereby certify and warrant that at the close of business on \_\_\_\_\_ (the "Calculation Date"), the Borrowing Base was \$\_\_\_\_\_, computed as set forth on the schedule attached hereto, and Borrowing Availability was \$\_\_\_\_\_, computed as set forth on the schedule attached hereto.

Borrowers have caused this Certificate to be executed and delivered by its officer thereunto duly authorized on \_\_\_\_\_.

Focus Fiber Solutions, LLC, as Borrower Representative

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

Schedule to Borrowing Base Certificate  
Dated as of \_\_\_\_\_

**I. Calculation of Borrowing Base**

Gross Accounts	\$ _____
Less Ineligible Accounts:	
Accounts (i) which do not arise from the sale of goods or the rendering of services to the Account Debtor or (ii) arising from the sale of goods which do not comply with the Account Debtor's specifications (if any), which have not been delivered to such Account Debtor, or which have been returned by such Account Debtor)	\$ _____
Accounts (i) not subject to a first priority perfected Lien in favor of Administrative Agent or (ii) subject to any other Lien (other than a Permitted Lien) or factoring arrangement	\$ _____
Accounts that are not valid, legally enforceable and unconditional obligation of the Account Debtor with respect thereto or are that are subject to any counterclaim, credit, allowance, discount, rebate or adjustment by the Account Debtor or to any claim by such Account Debtor denying liability thereunder in whole or in part; provided, that in the event any counterclaim, credit, allowance, rebate or adjustment is asserted, or discount is granted, the Account shall only be ineligible to the extent thereof;	\$ _____
Accounts with respect to which there is a bankruptcy, insolvency or liquidation proceeding pending by or against the Account Debtor	\$ _____
Accounts with respect to which the Account Debtor is not a resident or citizen of, and located within, the United States, unless the sale of goods or services giving rise to such Account is on letter of credit, banker's acceptance or other credit support terms	\$ _____

Accounts arising from a "sale on approval," "sale or return," "consignment" or "bill and hold" or subject to any other repurchase or return agreement	\$
Accounts with respect to which possession and/or control of the goods sold giving rise thereto is held, maintained or retained by a Borrower or any Subsidiary (or by any agent or custodian of a Borrower or any Subsidiary) for the account of or subject to further and/or future direction from the Account Debtor with respect thereto	\$
Accounts that do not arise in the ordinary course of business of a Borrower or the applicable Subsidiary	\$
Accounts with respect to which the Account Debtor is the United States or any department, agency or instrumentality thereof, unless Borrower or the applicable Subsidiary has assigned its right to payment of such Account to Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended	\$
Accounts evidenced by chattel paper or an instrument, the original copy of such chattel paper or instrument has not been endorsed and/or assigned and delivered to Administrative Agent	\$
Accounts that have not been billed to or are not evidenced by an invoice in the name of the Account Debtor and payable to a Borrower or a Domestic Subsidiary	\$
Accounts that include any amount related to a holdback or unsigned change order or any amount that may not be billed pursuant to the terms of the applicable contract with the Account Debtor	\$
Accounts not denominated in Dollars	\$
Accounts representing a credit card receivable or arising from a COD sale	\$
Accounts that represent progress billings	\$

Accounts with respect to which the Account Debtor is a Borrower or an Affiliate of a Borrower	\$
Accounts (i) not evidenced by an invoice delivered to the related Account Debtor, (ii) more than 60 days past the due date thereof or (iii) more than 90 days past the original invoice date thereof, in each case according to the original terms of sale	\$
Accounts owed by an Account Debtor with respect to whom more than 50% of all Accounts owed by such Account Debtor are not ineligible under the preceding line item	\$
Accounts owed by an Account Debtor with respect to whom the aggregate amount of all Accounts owed by such Account Debtor and its Affiliates thereon exceeds ___% of the aggregate amount of all Accounts at such time (or ___% with respect to _____, ___% with respect to _____, and ___% with respect to _____)	\$
ELIGIBLE ACCOUNTS	\$
LESS the aggregate amount of all deductible obligations and contractual allowances under contracts with the Account Debtors	\$
NET COLLECTIBLE VALUE OF ELIGIBLE ACCOUNTS ("BORROWING BASE")	\$

## II. Calculation of Borrowing Availability

(A)	Revolving Loan Commitment	\$ 8,500,000.00
(B)	Aggregate Outstanding Revolving Loans	\$
(C)	Excess (Deficiency) of (A) minus (B)	\$
(D)	Borrowing Base	\$
(E)	Outstanding Principal Balance of Term Loans	\$
(F)	Excess (Deficiency) of (D) minus ((B) plus (E))	\$
(G)	Lesser of (C) and (F) ("Borrowing Availability")	\$



**Exhibit C**

Form of Note

December 3, 2012

\$ \_\_\_\_\_

The undersigned ("Borrowers"), for value received, promises to pay to the order of \_\_\_\_\_ ("Lender") at the principal office of Atalaya Administrative LLC ("Administrative Agent") in New York, New York the aggregate unpaid amount of all Loans made to Borrowers by Lender pursuant to the Credit Agreement referred to below, such principal amount to be payable on the dates set forth in the Credit Agreement.

Borrowers further promise to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such Loan is paid in full, payable at the rate(s) and at the time(s) set forth in the Credit Agreement. Payments of both principal and interest are to be made in lawful money of the United States of America.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Credit Agreement, dated as of December 3, 2012 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"; terms not otherwise defined herein are used herein as defined in the Credit Agreement), among Borrowers, the financial institutions (including Lender) party thereto from time to time and Administrative Agent, as administrative agent for such financial institutions, to which Credit Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to its due date or its due date accelerated.

This Note is made under and governed by the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

OPTOS CAPITAL PARTNERS, LLC, as Parent and a  
Borrower

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

FOCUS FIBER SOLUTIONS, LLC, as  
a Borrower and as Borrower Representative

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

MDT LABOR, LLC, as a Borrower

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

JUS-COM, INC., as a Borrower

By: \_\_\_\_\_  
Christopher Ferguson  
President

CMK RESOURCE GROUP, LLC, as a Borrower

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

TOWNSEND CAREERS, LLC, as a Borrower

By: CMK Resource Group, LLC, its  
sole Member and Manager

By: Optos Capital Partners, LLC, its sole  
Member and Manager

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

**Exhibit D**

Form of Notice of Borrowing

**[letterhead of Borrower]**

Atalaya Administrative LLC  
780 Third Avenue, 27<sup>th</sup> Floor  
New York, New York 10017  
Attention: Michael E. Bogdan  
Telephone: (212) 527-8183  
Attention: Justin Burns  
Telephone: (212) 201-1925  
Telecopy: (917) 274-1175

Gentlemen:

Please refer to the Credit Agreement dated as of December 3, 2012 (as amended, restated or otherwise modified from time to time, the "Credit Agreement") among the undersigned ("Borrowers"), the financial institutions party thereto from time to time, as Lenders, and Atalaya Administrative LLC, administrative agent for Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement. This notice is given pursuant to Section 2.2.2 of the Credit Agreement and constitutes a representation by Borrowers that the conditions specified in Section 4.2 of the Credit Agreement have been satisfied. Borrowers hereby request a borrowing under the Credit Agreement as follows:

The aggregate amount of the proposed borrowing is \$\_\_\_\_\_. The requested borrowing date for the proposed borrowing (which is a Business Day) is \_\_\_\_\_, \_\_\_\_.

Borrowers have caused this Notice to be executed and delivered by their officer thereunto duly authorized on \_\_\_\_\_, 20\_\_\_\_.

Focus Fiber Solutions, LLC, as Borrower Representative

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit E**

Form of Excess Cash Flow Certificate

Date: \_\_\_\_\_, 200\_\_

Please refer to the Credit Agreement dated as of December 3, 2012 (as amended, restated or otherwise modified from time to time, the "Credit Agreement") among the undersigned (the "Borrowers"), the lenders party thereto from time to time, as Lenders, and Atalaya Administrative LLC, as administrative agent for Lenders. This certificate (this "Certificate"), together with supporting calculations attached hereto, is delivered to Administrative Agent and Lenders pursuant to the terms of the Credit Agreement. Terms used but not otherwise defined herein are used herein as defined in the Credit Agreement.

The officer executing this Certificate is a chief financial officer of Borrowers and as such is duly authorized to execute and deliver this Certificate on behalf of Borrowers. By executing this Certificate such officer hereby certifies to Lender and Lenders that:

(a) set forth on Schedule 1 attached hereto is a correct calculation of Excess Cash Flow for the Fiscal Year ended [**December 31**], 20\_\_ and a correct calculation of the required prepayment of

\$\_\_\_\_\_;

(b) Schedule 1 attached hereto is based on the audited financial statements which have been delivered to Lender in accordance with Section 6.1.1 of the Credit Agreement.

IN WITNESS WHEREOF, Borrowers have caused this Certificate to be executed by their chief financial officer this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Focus Fiber Solutions, LLC, as Borrower Representative

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

Schedule 1  
to  
Excess Cash Flow Certificate

Excess Cash Flow is defined as follows:

EBITDA (from item A(4) of Exhibit B)	\$	
Plus: Cash in excess of recorded revenue	\$	
Less: Scheduled principal payments made with respect to the Term Loans and other permitted Debt	\$	
Voluntary principal prepayments made with respect to the Term Loans	\$	
Cash payments (not financed by Debt) made with respect to Capital Expenditures permitted by Credit Agreement	\$	
Federal, state, local and foreign income taxes paid in cash (net of cash refunds)	\$	
Interest Expense with respect to permitted Debt paid in cash	\$	
Excess Cash Flow	\$	
Prepayment percent		50%
Prepayment amount	\$	

Form of Note

December 3, 2012

\$ \_\_\_\_\_

The undersigned ("Borrowers"), for value received, promises to pay to the order of \_\_\_\_\_ ("Lender") at the principal office of Atalaya Administrative LLC ("Administrative Agent") in New York, New York the aggregate unpaid amount of all Loans made to Borrowers by Lender pursuant to the Credit Agreement referred to below, such principal amount to be payable on the dates set forth in the Credit Agreement.

Borrowers further promise to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such Loan is paid in full, payable at the rate(s) and at the time(s) set forth in the Credit Agreement. Payments of both principal and interest are to be made in lawful money of the United States of America.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Credit Agreement, dated as of December 3, 2012 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"; terms not otherwise defined herein are used herein as defined in the Credit Agreement), among Borrowers, the financial institutions (including Lender) party thereto from time to time and Administrative Agent, as administrative agent for such financial institutions, to which Credit Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to its due date or its due date accelerated.

This Note is made under and governed by the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

OPTOS CAPITAL PARTNERS, LLC, as Parent and a  
Borrower

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: \_\_\_\_\_  
Christopher Ferguson  
President

## **REGISTRATION RIGHTS AGREEMENT**

THIS REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made as of December 3, 2012, by and between Focus Venture Partners, Inc., a Delaware corporation (the “Company”), and Atalaya Special Opportunities Fund IV LP (Tranche B), a Delaware limited partnership (“Atalaya Fund IV”). Capitalized terms used but not otherwise defined herein have the meanings set forth in Section 9 hereof.

WHEREAS, Atalaya Fund IV and the Company are parties to that certain Common Stock Purchase Warrant dated as of December 3, 2012 (the “Warrant”); and

WHEREAS, the parties hereto wish to provide for the registration of the Registrable Securities issuable to Atalaya Fund IV upon exercise of the Warrant on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

### **1. Demand Registrations.**

(a) Requests for Registration. After the Company’s Initial Public Offering, Atalaya Fund IV may request up to two registrations under the Securities Act of all or any portion of its Registrable Securities on Form S-1 or any similar long-form registration (a “Long-Form Registration”) and an unlimited number of short-form registrations under the Securities Act of all or any portion of the Registrable Securities on Form S-3 or any similar short-form registration (“Short-Form Registrations”) if available; provided that the aggregate offering value of the Registrable Securities requested to be registered in any registration under this Section 1(a) (a “Demand Registration”) must equal at least \$2 million in any Long-Form Registration, and at least \$1 million in any Short-Form Registration.

All requests for Demand Registrations shall be made by giving written notice to the Company (the “Demand Notice”). Each Demand Notice shall specify the approximate number of Registrable Securities requested to be registered and the anticipated per share price range for such offering.

(b) Long-Form Registrations. A registration shall not count as one of the permitted Long-Form Registrations until it has become effective. All Long-Form Registrations shall be underwritten registrations unless otherwise requested by Atalaya Fund IV.

(c) Short-Form Registrations. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form.

(d) Priority on Demand Registrations. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Atalaya Fund IV’s Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Atalaya Fund IV’s Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to Atalaya Fund IV, the Company shall include in such registration the number which can be so sold in the following order of priorities: (i) first, the Registrable Securities requested by Atalaya Fund IV to be included in such registration, and (ii) second, other securities requested to be included in such registration.



(e) Restrictions on Long-Form Registrations. The Company shall not be obligated to effect any Demand Registration which is a Long-Form Registration within 180 days after the effective date of a previous Demand Registration which was a Long-Form Registration or a previous registration in which Atalaya Fund IV was given piggyback rights pursuant to Section 2 and in which there was no reduction in the number of Atalaya Fund IV's Registrable Securities requested to be included. The Company may postpone for up to 180 days the filing or the effectiveness of a registration statement for a Demand Registration if the Board determines in its reasonable good faith judgment that such Demand Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any acquisition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer, reorganization or similar transaction; provided that, in such event, Atalaya Fund IV shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all Registration Expenses and Selling Counsel Expenses in connection with such withdrawn registration. The Company may delay a Demand Registration hereunder only once in any twelve-month period.

(f) Selection of Underwriters. The Board shall select the investment banker(s) and manager(s) to administer a Demand Registration that is an underwritten offering, subject to the prior written approval of Atalaya Fund IV, which approval shall not be unreasonably withheld.

(g) Other Registration Rights. Except as otherwise permitted by this Agreement, the Company shall not grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities convertible or exchangeable into or exercisable for such securities, without the prior written consent of Atalaya Fund IV, which consent shall not be unreasonably withheld.

## **2. Piggyback Registrations.**

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act, and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice (in any event within five days after its receipt of notice of any exercise of demand registration rights other than under this Agreement) to Atalaya Fund IV of its intention to effect such a registration and, subject to Sections 2(b) and (c) below, shall include in such registration all Registrable Securities with respect to which the Company has received written requests by Atalaya Fund IV for inclusion therein within 20 days after the receipt of the Company's notice.

(b) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration by Atalaya Fund IV, and (iii) third, other securities requested to be included in such registration.

(c) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting such registration, the Company shall include in such registration (i) first, the securities requested to be included therein by the holders requesting such registration and the Registrable Securities of Atalaya Fund IV requested to be included in such registration, pro rata among the holders of any such securities and any Registrable Securities of Atalaya Fund IV on the basis of the number of securities and Registrable Securities so requested to be included therein owned by each such holder, and (ii) second, other securities requested to be included in such registration.

(d) Selection of Underwriters. The Board shall select the investment banker(s) and manager(s) to administer any Piggyback Registration that is an underwritten offering, subject to the prior written approval of Atalaya Fund IV, which approval shall not be unreasonably withheld.

**3. Holdback Agreement.** (a) Atalaya Fund IV shall not effect any public sale or distribution of any of its Registrable Securities or of any other capital stock or equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such stock or securities, during the seven (7) days prior to and the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form S-8 or any successor form), unless the underwriters managing such registration otherwise agree.

(b) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven (7) days prior to and during the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form S-8 or any successor form), unless the underwriters managing the registered public offering otherwise agree.

(c) The Company shall cause all Officers and Directors holding at least one percent of the total outstanding Common Stock to agree that such Persons shall not effect any public sale or distribution of their equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven (7) days prior to and during the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form S-8 or any successor form), unless the underwriters managing the registered public offering otherwise agree.

4. **Registration Procedures.** Whenever Atalaya Fund IV has requested that any of its Registrable Securities be registered pursuant to this Agreement, the Company shall effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) prepare and file with the Securities and Exchange Commission (the “SEC”) a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by Atalaya Fund IV copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel), and, no later than the first business day after such registration statement becomes effective, file with the SEC the final prospectus included therein pursuant to Rule 424 (or successor thereto) promulgated under the 1933 Act (“Rule 424”);

(b) notify Atalaya Fund IV of the effectiveness of each registration statement filed hereunder and prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective until the earlier of (i) the date which is 180 days after the effectiveness or (ii) the date on which all Registrable Securities covered by such registration statement shall have been sold, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to Atalaya Fund IV such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as Atalaya Fund IV may reasonably request in order to facilitate the disposition of the Registrable Securities owned by Atalaya Fund IV;

(d) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable Atalaya Fund IV to consummate the disposition in such jurisdictions of the Registrable Securities owned by Atalaya Fund IV (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) notify Atalaya Fund IV, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of Atalaya Fund IV, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading, and in the event that the Company shall file a post-effective amendment that amends or modifies a prospectus or prospectus supplement in any way, the Company shall file a prospectus supplement, which prospectus supplement shall be filed pursuant to Rule 424, containing such amended or modified prospectus or prospectus supplement within one (1) business day of the date on which such post-effective amendment has become effective;

(f) use its best efforts to (i) cause all Registrable Securities covered by a registration statement to be listed on each securities exchange or trading market on which securities of the same class or series issued by the Company are listed or if no such securities are then listed, such securities exchange or trading market as Atalaya Fund IV may reasonably request, and (ii) without limiting the generality of the foregoing, arrange for at least two market makers to register with FINRA as such with respect to such Registrable Securities, and pay all fees and expenses in connection with satisfying its obligation under this Section 4(f);

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(h) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as Atalaya Fund IV or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split or a combination of shares);

(i) make available for inspection by Atalaya Fund IV, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(k) permit Atalaya Fund IV to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of Atalaya Fund IV and its counsel should be included;

(l) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Common Stock included in such registration statement for sale in any jurisdiction, use its best efforts promptly to obtain the withdrawal of such order;

(m) obtain a comfort letter from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as Atalaya Fund IV may reasonably request; and

(n) use its best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of the Registrable Securities.

## **5. Registration Expenses.**

(a) Expenses. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding discounts and commissions) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be paid by the Company, except as and to the extent provided in Sections 5(c) or (d) below. In any event, the Company shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed.

(b) Reimbursement of Counsel. In connection with any registration initiated as a Demand Registration or a Piggyback Registration, the Company shall reimburse Atalaya Fund IV for the reasonable fees and disbursements of one counsel chosen by Atalaya Fund IV (the "Selling Counsel Expenses").

(c) Payment of Certain Expenses by Holders of Registrable Securities. Underwriting discounts and commissions and transfer taxes relating to the Registrable Securities sold by Atalaya Fund IV in any registration hereunder, and all fees and expenses of counsel for any holder of Registrable Securities (other than Selling Counsel Expenses) shall be borne and paid by Atalaya Fund IV.

(d) Withdrawal. Notwithstanding Sections 5(a) and (b), the Company shall not be required to pay any Registration Expenses and Selling Counsel Expenses incurred in connection with any registration initiated as a Demand Registration if such registration is subsequently withdrawn at the request of Atalaya Fund IV, unless (i) Atalaya Fund IV agrees to forfeit one (1) Long-Form Registration pursuant to Section 1, or (ii) at the time of withdrawal, such holders have learned of an event that has had, or could reasonably be expected to have, a Material Adverse Effect.

**6. Indemnification.**

(a) The Company agrees to indemnify, to the extent permitted by law, Atalaya Fund IV, its officers and directors and each Person that controls such holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus, preliminary prospectus or free writing prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by Atalaya Fund IV expressly for use therein. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of Atalaya Fund IV.

(b) In connection with any registration statement in which Atalaya Fund IV is participating, Atalaya Fund IV shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by Atalaya Fund IV; provided that the obligation to indemnify shall be limited to the net amount of proceeds received by Atalaya Fund IV from the sale of its Registrable Securities pursuant to such registration statement. In connection with an underwritten offering, Atalaya Fund IV shall indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Company.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason such that such provisions provide the same obligations and benefits to the indemnified party as those which would have been applicable had the indemnification provisions in Sections 6(a) and (b) been available taking into account all of the limitations set forth in Sections 6(a) and (b).

**7. [Intentionally Omitted]**

**8. Transferability and Expiration of Registration Rights.** Prior to the Company's Initial Public Offering, if Atalaya Fund IV transfers any of its Registrable Securities, it shall cause the prospective transferee to be bound by this Agreement and to execute and deliver to the Company a joinder to this Agreement, pursuant to which such transferee shall become party to this Agreement. Such transferee shall have the same rights, liabilities and obligations under this Agreement as the party from which the Registrable Securities were transferred. Any transfer or attempted transfer of Registrable Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such transfer on its books or treat any purported transferee of such Registrable Securities as the owner of such Registrable Securities for any purpose.

**9. Definitions.**

"Board" means the board of directors of the Company or any governing body performing similar functions for any successor of the Company.

"Common Stock" means the common stock, par value \$.00001 per share, of the Company.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Initial Public Offering" means a sale of Common Stock by the Company to the public registered under the Securities Act on Form S-1 or any similar form.

"Material Adverse Effect" means (i) a material adverse effect on the assets, liabilities, operations, results of operations, business, condition (financial or otherwise) or prospects of the Company and its Subsidiaries, taken as a whole, or (ii) any material limitation upon the ability of the Company to perform its obligations under, or upon the legality, validity or enforceability of, this Agreement.

"Officer" means an officer of the Company.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Registrable Securities” means (i) any Common Stock issued upon exercise of the Warrant and (ii) any Common Stock referred to in clause (i) by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization; provided that with respect to any Registrable Securities, such securities shall cease to be Registrable Securities when they have been sold to the public. For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire such Registrable Securities (upon conversion or exercise, disregarding any restrictions or limitations upon the exercise of any such right), whether or not such acquisition has actually been effected.

“Securities Act” means the Securities Act of 1933, as amended from time to time.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association or other entity of which securities or other ownership interests representing more than fifty percent (50%) of the ordinary voting power of such corporation, partnership, limited liability company, association or other entity are, at the time as of which any determination is being made, owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

## **10. Miscellaneous.**

(a) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to Atalaya Fund IV in this Agreement.

(b) Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of Atalaya Fund IV to include its Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of its Registrable Securities in any such registration.

(c) Remedies. Atalaya Fund IV shall be entitled to enforce its rights under this Agreement specifically, to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only with the prior written consent of Atalaya Fund IV.



(e) Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of Atalaya Fund IV are also for the benefit of, and enforceable by, any subsequent holder of Atalaya Fund IV's Registrable Securities, provided that such subsequent holder complies with the provisions of Section 8 hereof.

(f) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(g) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(h) Descriptive Headings; Interpretation; No Strict Construction. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words "include" or "including" in this Agreement shall be by way of example rather than of limitation. The use of the words "or," "either" or "any" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(i) Governing Law. The corporate law of the State of Delaware shall govern all issues and questions concerning the relative rights of the Company and Atalaya Fund IV. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(j) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when (a) delivered personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid, return receipt requested, (c) delivered by a recognized overnight courier service, or (d) sent by facsimile transmission to the parties at the addresses as set forth below or at such other addresses as may be furnished in writing.

If to the Company:

Focus Venture Partners, Inc.  
4647 Saucon Creek Road  
Suite 301  
Center Valley, Pennsylvania 18034  
Attention: Christopher Ferguson  
Facsimile: (610) 672-9999

With a copy to:

Fleming PLLC  
49 Front Street, Suite 206  
Rockville Centre, New York 11750  
Attention: Stephen Fleming  
Facsimile: (516) 977-1209

If to Atalaya Fund IV:

Atalaya Capital Management LP  
780 Third Avenue, 27<sup>th</sup> Floor  
New York, New York 10017  
Attention: Michael Bogdan  
Facsimile: (917) 274-1173

With a copy to:

Perkins Coie LLP  
131 S. Dearborn Street, Suite 1700  
Chicago, Illinois 60603  
Attention: Michael Owen  
Facsimile: (312) 324-9467

(k) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the state in which the Company's chief-executive office is located, the time period shall automatically be extended to the business day immediately following such Saturday, Sunday or legal holiday.

(l) Delivery by Electronic Transmission. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects and for all purposes as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties, except that the failure of any party to comply with such a request shall not render this Agreement invalid or unenforceable. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

[Remainder of Page Intentionally Left Blank]

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

FOCUS VENTURE PARTNERS, INC.

By: /s/ Christopher Ferguson  
Name: Christopher Ferguson  
Title: CEO

ATALAYA SPECIAL OPPORTUNITIES FUND IV LP  
(TRANCHE B)

By: /s/ Michael E. Bogdan  
Name: Michael E. Bogdan  
Title: Authorized Signatory

Focus Fiber Registration Rights Agreement Signature Page

---

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SUCH REGISTRATION OR QUALIFICATION AS MAY BE NECESSARY UNDER THE SECURITIES LAWS OF ANY STATE, OR AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS UNDER THE ACT OR SUCH STATE LAW.

FOCUS VENTURE PARTNERS, INC.

---

COMMON STOCK PURCHASE WARRANT

---

Certificate No. W-1  
Dated as of December 3, 2012

THIS IS TO CERTIFY that Atalaya Special Opportunities Fund IV LP (Tranche B), a Delaware limited partnership (the "Holder"), having its principal place of business at 780 Third Avenue, 27th Floor, New York, New York 10017, or its registered assigns, is entitled upon the due exercise hereof at any time during the Exercise Period (as hereinafter defined) to purchase 5,227,841 shares of Common Stock (as hereinafter defined) of Focus Venture Partners, Inc., a Nevada corporation (together with any successor thereto, the "Company"), at a price per share equal to \$0.0001 (the "Exercise Price"), and to exercise the other rights, powers and privileges hereinafter provided, all on the terms and subject to the conditions set forth herein. The shares of Common Stock purchasable hereunder are referred to herein as the "Warrant Shares". The number of Warrant Shares purchasable hereunder is subject to adjustment as hereinafter set forth.

This Warrant is issued by the Company pursuant to the terms and conditions of that certain Credit Agreement dated as of December 3, 2012 (as amended, supplemented or modified from time to time, the "Credit Agreement") among Optos Capital Partners, LLC, MDT Labor, LLC, Focus Fiber Solutions, LLC, Jus-Com, Inc., CMK Resources Group, LLC, and Townsend Careers, LLC, as Borrowers thereunder (each of whom is a Subsidiary of the Company), the financial institutions from time to time parties thereto, as Lenders thereunder, and Atalaya Administrative LLC, as administrative agent for Lenders. The obligation of Lenders and Administrative Agent to execute and deliver the Credit Agreement and to consummate the transactions thereunder are conditioned on, among other things, the issuance of this Warrant, and the Company has agreed to issue this Warrant to the Holder in order to induce the Holder to enter into the Credit Agreement as a Lender thereunder.

Capitalized terms used in this Warrant and not elsewhere defined herein shall have the meanings set forth in Schedule 1 to this Warrant or, if not set forth therein, in the Credit Agreement. If the Credit Agreement is terminated prior to the termination of this Warrant, such terms shall have the definitions given to them in the Credit Agreement as in effect immediately prior to its termination.

1. Right to Exercise. The registered holder hereof shall have the right, at its option, to exercise this Warrant, in whole or in part, at any time or from time to time during the period commencing on the date hereof and ending on December 3, 2022 (the “Exercise Period”). A holder of shares of Common Stock issued upon the whole or partial exercise of this Warrant shall continue to be entitled to all rights to which a holder of this Warrant is entitled pursuant to the provisions hereof. The Company agrees and acknowledges that each such holder of shares of Common Stock shall be and is hereby deemed to be a third party beneficiary of this Warrant.

2. Anti-Dilution Adjustments.

(a) Adjustments During Non-Dilution Period. It is the intent of the parties hereto that at all times prior to the expiration of the Non-Dilution Period, after giving effect to any exercise of this Warrant, the holder hereof and the holder of all Issued Warrant Units would collectively be the owner of (or have the right to acquire pursuant hereto) 12% (as such amount may be adjusted in the event of a cashless exercise hereof pursuant to Section 10) of the Common Stock Deemed Outstanding. If at any time prior to the expiration of the Non-Dilution Period, the Company enters into a Dilutive Transaction, the number of shares of Common Stock issuable hereunder shall be increased to the number equal to (i) the product of (A) the quotient obtained dividing (x) the Common Stock Deemed Outstanding immediately after such Dilutive Transaction (excluding the Warrant Shares and the Issued Warrant Shares, if any) by (y) 0.88, multiplied by (B) 0.12, minus (ii) the Issued Warrant Shares, if any.

(b) Adjustments After Non-Dilution Period. If at any time after the expiration of the Non-Dilution Period, the Company enters into a Dilutive Transaction based on a Per Share Price which is less than the Non-Dilutive Price, the number of shares of Common Stock issuable hereunder shall be increased to the number determined by performing the following calculation and rounding the resulting number to the nearest whole share: Divide: (i) the Non-Dilutive Price then in effect of a share of Common Stock multiplied by the number of shares of Common Stock then issuable hereunder, by (ii) the Weighted Average Per Share Value.

(c) Readjustment.

- (i) Expiration of Option or Right to Subscribe For or Purchase. If any option or right issued in connection with a Dilutive Transaction expires without having been exercised prior to the exercise by the Holder of its rights hereunder, the number of Warrant Shares then issuable hereunder shall forthwith be readjusted to such lesser number as would have been issuable had the option or right never been issued.
- (ii) Expiration of Right to Convert or Exchange. If any right to convert or exchange any Common Stock Equivalent issued in connection with a Dilutive Transaction expires without having been exercised prior to the exercise by the Holder of its rights hereunder, the number of Warrant Shares then issuable hereunder shall forthwith be readjusted to such lesser number as would have been issuable had the Common Stock Equivalent never been issued.

### 3. Other Adjustments.

(a) Adjustment for Change in Common Stock. If the Company (i) pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock, (ii) subdivides, splits or reclassifies its outstanding shares of Common Stock into a greater number of shares, or (iii) combines or reclassifies its outstanding shares of Common Stock into a smaller number of shares (each, an “Adjustment Event”), the number of Warrant Shares issuable hereunder immediately prior to such action shall be proportionately adjusted so that the Holder will receive, upon exercise, the aggregate number and kind of shares of capital stock of the Company which it would have owned immediately following such action if the Holder had exercised this Warrant in full immediately prior to such Adjustment Event. The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification. The adjustment shall be made successively whenever any Adjustment Event occurs. Upon each adjustment of the number of Warrant Shares issuable hereunder, the Exercise Price shall also be equitably and proportionately adjusted.

(b) Adjustment for Reorganization. Subject to Section 18, if the Company, in any transaction or series of transactions, consolidates or merges with or into another Person, or sells all or substantially all of its assets or stock or other equity securities or enters into any other similar transaction, liquidation, recapitalization or reorganization (any such action, transaction or series of transactions resulting in any of the foregoing, a “Reorganization”), or undergoes a Change of Control, there shall thereafter be deliverable, upon exercise of this Warrant (in lieu of the number of Warrant Shares theretofore deliverable) the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock that would otherwise have been deliverable upon exercise of this Warrant in full would have been entitled upon such Reorganization or Change of Control if such Warrant had been exercised in full immediately prior to such Reorganization or Change of Control.

4. Participation in Dividends, Distributions, Repurchases or Redemptions. If the Company declares any dividend or makes any distribution, in each case, that is not in shares of Common Stock, or repurchases or redeems any of its capital stock (except forfeitures by holders, and/or repurchases by the Company, of any shares of Common Stock or options pursuant to any employment agreements with executives of the Company or any consulting agreements with consultants, or pursuant to any stock option, incentive, purchase, restricted stock or similar agreement or benefit plan or program of the Company, any option or restricted stock granted pursuant to any such plan or program or any agreement evidencing any such option or restricted stock (collectively, “Permitted Redemptions”)), the Company will pay the Holder the declared dividend, or offer to include the Holder in such distribution, repurchase or redemption, as if the Holder had exercised this Warrant in full immediately prior to such event (or any record date with respect thereto). If the Holder elects to participate in a repurchase or redemption, this Warrant shall be modified (as of the date of such event) so that the Holder shall be entitled to receive, upon exercise, the number of Warrant Shares issuable hereunder less the number of Warrant Shares redeemed or repurchased.

5. Prior Notice as to Certain Events.

(a) Dividends, Distributions, Subscription Rights. If the Company (i) pays any dividend, or makes any distribution, or repurchases or redeems any of its capital stock (except Permitted Redemptions), (ii) offers any subscription rights pro rata to the holders of its capital stock to purchase any additional shares of stock of any class or any other rights, or (iii) authorizes the issuance of shares of Common Stock or Common Stock Equivalents, then at least 10 Business Days prior to the record date for such action, the Company will send written notice (by first class mail, postage prepaid, addressed to the Holder at its address shown on the books of the Company) of the dates on which (A) the Company will close its books or take a record for such action, (B) such action will occur, and (C) the holders of capital stock of record will participate in such action.

(b) Reorganizations, etc. If the Company (i) enters into any Dilutive Transaction, Reorganization, reclassification of its capital stock or equity securities or Change of Control, (ii) is the subject of a voluntary or involuntary dissolution, liquidation or winding up of the Company, (iii) engages an underwriter in connection with an IPO, or (iv) receives a notice from any holder of its equity securities that such holder desires to exercise its right to “put” or sell such securities back to the Company, then at least 10 Business Days prior to such action or transaction (except in the case of any involuntary dissolution, liquidation or winding up of the Company, within 5 Business Days of the Company’s knowledge of such action or transaction), the Company will send written notice (by first class mail, postage prepaid, addressed to the Holder at its address shown on the books of the Company) of the dates on which (A) the Company will close its books or take a record for such action, (B) such action will occur, and (C) if applicable, the holders of capital stock of record may exchange their capital stock for securities or other property deliverable upon such action.

(c) Certificate as to Adjustments. In each case of any adjustment or readjustment in the number of shares, securities or other property issuable upon exercise of this Warrant, the Company at its expense will promptly provide written notice to the Holder stating the number of shares of Common Stock, other securities or other property then issuable upon exercise of this Warrant and the applicable Exercise Price after such adjustment, showing how such amounts were calculated. Upon each adjustment of the number of Warrant Shares issuable hereunder, the Exercise Price shall also be equitably and proportionately adjusted.

6. Holder’s Subscription Rights. If at any time after the date hereof the Company proposes to issue shares of its Common Stock in a transaction that does not alter the number of shares, securities or other property issuable upon exercise of this Warrant in accordance with the terms hereof, the Company shall notify the Holder of this Warrant of such proposed issuance thereof in writing. Within twenty (20) days after the receipt of such a notice, (a) the Holder of this Warrant shall have the right (but not the obligation) to inform the Company in writing that such holder elects to have issued to it, for no additional consideration, additional warrants to acquire, at an exercise price equal to the proposed sale price of the shares being issued, a number of shares of Common Stock equal to the number of shares then being issued by the Company multiplied by such holder’s percentage of the then total number of outstanding shares of Common Stock represented by the then outstanding Warrant and (b) the holder of Issued Warrant Shares shall have the right (but not the obligation) to inform the Company in writing that such holder elects to have issued to it, at the price equal to the proposed sale price of the other shares then being issued, a number of shares of Common Stock equal to the number of other shares then being issued multiplied by the percentage of the total number of outstanding shares of Common Stock represented by the Issued Warrant Shares then held by the holder.

7. Reservation of Common Stock. The Company will reserve and keep available for issuance and delivery upon the exercise of this Warrant such number of its authorized but unissued shares of Common Stock or other securities of the Company as will be sufficient to permit the exercise in full of this Warrant. Upon issuance, each of the Warrant Shares will be validly issued, fully paid and nonassessable, free and clear of all preemptive or similar rights, liens, security interests, charges and other encumbrances and/or restrictions on sale or otherwise.

8. No Voting Rights; Limitations of Liability. Prior to exercise, this Warrant will not entitle the Holder to any voting rights or other rights as a stockholder of the Company not granted herein. No provision of this Warrant, in the absence of affirmative action by the Holder to exercise this Warrant, and no enumeration in this Warrant of the rights or privileges of the Holder, will give rise to any liability of such Holder for the Exercise Price.

9. Exercise Procedure. To exercise this Warrant, the registered holder hereof must deliver to the principal office of the Company this Warrant, the subscription substantially in the form of Exhibit A attached hereto, and the Exercise Price for the Warrant Shares being purchased. The Holder may deliver the Exercise Price by any of the following methods, at its option: (i) in legal tender, (ii) by bank cashier's or certified check, (iii) by wire transfer to an account designated by the Company, or (iv) in accordance with Section 10. Upon exercise, the Company, at its sole expense (including the payment by the Company of any documentary, stamp, issue or transfer taxes), will issue and deliver to Holder, within 3 Business Days after the date on which the Holder exercises this Warrant, certificates for the Warrant Shares purchased upon exercise of this Warrant. The Warrant Shares so purchased shall be deemed issued, and the Holder deemed the holder of record of such Warrant Shares, as of the opening of business on the date on which the Holder exercises this Warrant. The Company shall pay any and all documentary, stamp or issue, transfer or similar taxes payable in respect of the issue or delivery of the Warrant Shares. This Warrant may be exercised in whole or in part and in the event this Warrant is partially exercised, the Company shall forthwith issue and deliver to the Holder a new Warrant of like tenor to purchase that number of shares of Warrant Shares with respect to which such partial exercise did not apply. The exercise of this Warrant and payment of the Exercise Price in accordance with Section 10 is intended to qualify as a tax free reorganization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended

10. Cashless Payment.

(a) Right to Convert. In lieu of paying the applicable Exercise Price by legal tender, check, or wire transfer, the Holder may elect to receive, upon any exercise of this Warrant, that number of Warrant Shares equal to the quotient obtained by dividing:



$[(A-B)(X)]$  by (A), where:

- A = the Conversion Value (as defined below) of a share of Common Stock on the date of exercise;
- B = the Exercise Price for a share of Common Stock;
- X = the number of Warrant Shares (equal to or less than the number of Warrant Shares then issuable hereunder) as to which this Warrant is being exercised.

(b) Conversion Value. For purposes of this Section 10, only, the Conversion Value of a share of Common Stock means: (i) if the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ NMS, the average of the last reported sale price of the Common Stock for the five trading days prior to the date of exercise of this Warrant (or the average closing bid and asked prices for each such day if no such sale is made on such day); (ii) if clause (i) does not apply, and if the prices are reported by the National Quotation Bureau, Inc., the average of the means of the last reported bid and asked prices reported for the five trading days prior to the date of exercise of this Warrant; and (iii) in all other cases, the Fair Market Value per share.

11. Sale of Warrant or Warrant Shares.

(a) Neither the sale of this Warrant nor the issuance of any of the Warrant Shares upon exercise of this Warrant have been registered under the Securities Act or the Exchange Act or under the securities laws of any state. The issuance of the Warrant Shares upon exercise of this Warrant shall be subject to compliance with all applicable Federal and state securities laws. Neither this Warrant nor any of the Issued Warrant Shares may be sold, assigned, transferred, pledged or hypothecated or otherwise disposed of except: (i) as permitted by any effective registration statement under the Securities Act and such registration or qualification as may be required under the securities laws of any state in question, (ii) as permitted by an exemption from such registration and/or qualification requirements under the Securities Act and the securities laws of any state or if any such registration and/or qualification is not required, (iii) to an Affiliate of the Holder hereof, (iv) to a successor to the Holder hereof as a result of a merger or consolidation with, or sale of all or substantially all of the equity interests or assets of, the Holder hereof, (iv) pursuant to Section 12, or (v) to any Person if the holder hereof shall also transfer or assign to such person all or a part of its interest in the Credit Agreement. In the case of any transfer pursuant to the preceding clause (ii), if reasonably requested by the Company, the Holder shall obtain an opinion of counsel reasonably acceptable to the Company legal opinion stating that such transfer may be effected without registration or qualification under any applicable Federal or state securities or blue sky law. For so long as any Warrant Shares have not been registered under the Securities Act or registered and qualified under the securities laws of all applicable states and are not then transferable without limitation or restriction in a single brokerage transaction under the provisions of Rule 144 or any similar rule then in effect, the Company shall cause each certificate evidencing any such Warrant Shares to bear the following legend:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR UNDER ANY APPLICABLE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SUCH REGISTRATION OR QUALIFICATION AS MAY BE NECESSARY UNDER THE SECURITIES LAWS OF ANY STATE, OR AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS UNDER THE ACT OR SUCH STATE LAW AND IF REASONABLY REQUESTED BY THE COMPANY, UPON THE DELIVERY OF A LEGAL OPINION STATING THAT SUCH TRANSFER IS PERMITTED UNDER FEDERAL AND STATE SECURITIES LAWS.

(b) The Holder represents and warrants that it has been furnished with all information that it has requested for the purpose of evaluating its proposed acquisition of this Warrant to be issued to the Holder pursuant hereto, (ii) that the Holder will acquire this Warrant for its own account for investment and not for distribution in any manner that would violate applicable securities laws, but without prejudice to its rights to dispose of this Warrant or a portion thereof to a transferee or transferees, in accordance with such laws if at some future time the Holder deems it advisable to do so and (iii) that the Holder is an “accredited investor” as such term is defined in Regulation D of the Securities and Exchange Commission under the Securities Act of 1933, as amended. The acquisition of this Warrant by the Holder at the Closing shall constitute the Holder’s confirmation of the foregoing representations and warranties. The Holder understands that this Warrant are being sold to the Holder in a transaction which is exempt from the registration requirements of the Securities Act of 1933, as amended, and that the Company is relying, to the extent applicable, upon the representations and warranties contained in this section.

12. Repurchase Obligations.

(a) Company’s Obligation to Repurchase Warrant Shares. Upon written notice from the Holder from time to time during the Put Period, the Company shall, within sixty (60) days of the date designated in such notice, repurchase from such Holder all or the portion of the Warrant Shares designated in such notice for an amount determined by multiplying (a) the Put Price as of the date of such notice less the Exercise Price as of such date by (b) the number of Warrant Shares as of such date that are designated for repurchase in such notice. On the date designated for such repurchase, the Holder shall surrender this Warrant to the Company, without being required to make any representation or warranty (other than that the holder has good and valid title to the Warrant free and clear of liens, claims, encumbrances and restrictions of any kind), against payment therefor by wire transfer of immediately available funds as directed by the Holder. If less than all of the Warrant Shares are being repurchased, the Company shall cancel this Warrant and issue in the name of, and deliver to, the Holder a new Warrant for the portion of the Warrant Shares not being repurchased.

(b) Company's Obligation to Repurchase Issued Warrant Shares. Upon written notice from any Holder of Issued Warrant Shares from time to time during the Put Period, the Company shall, within sixty (60) days of the date designated in such notice, repurchase from such Holder the number of such shares of Common Stock designated in such notice for an amount equal to the number of shares so designated multiplied by the Put Price as of the date of such notice. Upon the date designated for such repurchase, the Holder of such shares shall deliver to the Company, without being required to make any representation or warranty (other than that such holder has good and valid title to such shares free and clear of liens, claims, encumbrances and restrictions of any kind) one or more certificates representing the shares being repurchased duly endorsed for transfer to the Company, against payment therefor by wire transfer of immediately available funds as directed by the Holder. If less than all of such Holder's Issued Warrant Shares are being repurchased, the Company shall issue a new certificate or certificates in the name of, and deliver to, such Holder representing the aggregate number of such shares not being repurchased.

(c) Determination of the Put Price. For the purposes of this Section 12, the Put Price per share of Common Stock as of a date specified herein (the "Put Price") shall be equal to the greater of (i) the Equity Value per share of Common Stock as of the date of such determination and (ii) the Put Formula Value per share of Common Stock as of the date of such determination.

13. Transfer. The Company will register this Warrant on its books and keep such books at its offices. To effect a transfer permitted by clause (ii) under Section 13 hereof, the Holder must present (either in person, or by duly authorized attorney) written notice substantially in the form of Exhibit B attached hereto. To prevent a transfer in violation of Section 13, the Company may issue appropriate stop orders to its transfer agent.

14. Replacement of Warrant. If the Holder provides evidence that this Warrant or any certificate or certificates representing the Warrant Shares have been lost, stolen, destroyed or mutilated, the Company (at the request and expense of the Holder) will issue a replacement warrant upon reasonably satisfactory indemnification by the Holder (if required by the Company).

15. Governing Law. The laws of the State of Nevada (other than its conflict of law rules) govern this Warrant.

16. Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder that as of the Closing Date:

(a) Organization and Capitalization of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. The authorized capital of the Company consists of 100,000,000 shares of Common Stock, par value \$0.0001 per share, and 10,000,000 shares of Preferred Stock, par value \$0.0001 per share, having a stated value of \$11.00 per share. Each share of Preferred Stock is convertible into that number of shares of Common Stock determined by dividing the Stated Value of such Preferred Share by \$0.08. As of the date hereof there are 38,337,500 shares of Common Stock and 100,000 shares of Preferred Stock issued and outstanding, and no shares of the Company's capital stock are held in its treasury. No unissued shares of Common Stock are reserved for any purpose other than for issuance upon the exercise of this Warrant. The Company has not issued or agreed to issue any Common Stock Equivalents except as set forth on Exhibit 16(a) hereto, and there are no preemptive rights in effect with respect to the issuance of any shares of Common Stock. All the outstanding shares of the Company's capital stock have been validly issued without violation of any preemptive or similar rights and are fully paid and nonassessable.

(b) Authority. The Company has full corporate power and authority to execute and deliver this Warrant and to perform all of its obligations hereunder, and the execution, delivery and performance hereof have been duly authorized by all necessary corporate action on its part. This Warrant has been duly executed on behalf of the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(c) No Legal Bar. Neither the execution, delivery or performance of this Warrant will (a) conflict with or result in a violation of the articles or certificate of incorporation or bylaws of the Company, (b) conflict with or result in a violation of any law, statute, regulation, order or decree applicable to the Company or any Affiliate (except that the Company's ability to honor its obligations under Section 12 is subject to the availability of sufficient earned and/or capital surplus), (c) require any consent or authorization or filing with, or other act by or in respect of, any governmental authority, or (d) result in a breach of, constitute a default under or constitute an event creating rights of acceleration, termination or cancellation under any mortgage, lease, contract, franchise, instrument or other agreement to which the Company is a party or by which it is bound.

(d) Validity of Shares. When issued upon the exercise of this Warrant as contemplated herein, shares of Common Stock will have been validly issued and will be fully paid and nonassessable.

17. Covenants of the Company.

(a) Notice of Stockholder Meetings. If a meeting of the stockholders of the Company is called or if consents of the Company's stockholders are solicited to consider and take action on a proposal for (i) the declaration of a dividend or payment of a distribution with respect to the Common Stock, (ii) the voluntary dissolution, liquidation or winding up of the Company, (iii) the issuance of shares of Common Stock or any Common Stock Equivalents, (iv) any Change of Control, IPO or Reorganization, or (v) any other action, then the Company send written notice thereof to each Holder (by first class mail, postage prepaid, addressed to the Holder at its address shown on the books of the Company) at least five (5) Business Days prior to the record date for determining stockholders entitled to vote at such meeting or to take action with respect to such consent.

(b) Board Observation. The Company shall permit one authorized representative of the Holders (the “Board Participant”) to attend and participate in all meetings of its Board of Directors and any committee thereof, whether in person, by telephone or otherwise, and shall provide such representative with such notice and other information with respect to such meetings as are delivered to the directors of the Company, provided, however, that the Company’s Chief Executive Officer or President or a majority of the Board shall have the right to exclude Board Participant from all or portions of meetings of the Board or omit to provide Board Participant or the Holders with certain information if the President or Chief Executive or such members of the Board believes in good faith that such exclusion or omission is necessary in order to fulfill the Company’s obligations with respect to confidential or proprietary information of third parties (provided however, that the Board Participant shall not be so excluded unless all other persons whose receipt of such materials or presence at a meeting would result in a violation of such third party confidentiality are also excluded). In addition, a majority of the Company’s Directors on the Board shall have the right to exclude the Board Participant from all or portions of meetings of the Board or omit to provide Board Participant or any Holder with certain information if such meeting or information involves information or analysis which would pose a material conflict of interest for Company and such Holder. The Company shall provide notice to the Board Participant of each regular meeting of its Board of Directors and any committee or subcommittee thereof, and notice of each special meeting of its Board of Directors and any committee or subcommittee thereof, in each case at such time and in such manner as notice is given to its Board of Directors but no later than five (5) Business Days in the case of a regularly scheduled meeting, two (2) Business Days in the case of a special meeting and as soon as practicable in the case of an emergency meeting. In addition, the Company will as soon as practicable send to the Board Participant copies of all reports and materials provided to members of its Board of Directors (or any committee or subcommittee thereof) in their capacity as members thereof, at meetings or otherwise. The Company’s Board of Directors taken as a whole shall meet at least three times per calendar year.

(c) Cooperation. The Company shall cooperate with each Holder and each holder of Warrant Shares in supplying such information as may be reasonably necessary for such Person to complete and file any information reporting forms presently or hereafter required by the SEC and/or any other Governmental Authority as a condition to the availability of an exemption under the Securities Act and any applicable state securities law for the sale or purchase of this Warrant or any Warrant Shares.

(d) Financial Statements. At any time prior to the expiration of the Exercise Period while any part of this Warrant is exercisable or outstanding or any Issued Warrant Shares are held by Holder, the Company shall provide to each Holder and each holder of Issued Warrant Shares, within five (5) Business Days of their completion, the financial statements required to be delivered to the Administrative Agent and Lenders pursuant to the Credit Agreement, regardless of whether the Obligations have been Paid in Full and the Credit Agreement terminated.

(e) Proper Books and Records. The Company covenants that it will, and will cause its Subsidiaries to, keep proper books and records in which full, true and correct entries in conformity with generally accepted accounting principles shall be made of all dealings and transactions in relation to its business and activities.

(f) No Impairment or Amendment. The Company shall not by any action including, without limitation, amending its articles or certificate of incorporation or by-laws, any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant or impair the ability of the Holder to realize upon the intended economic value hereof, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate to protect the rights of the Holder hereof against impairment. Without limiting the generality of the foregoing, the Company will (a) not increase the par value of any shares of Common Stock issuable upon the exercise of this Warrant above the amount payable therefor upon such exercise, (b) take all such action as may be necessary or appropriate in order that the Company may validly issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant, (c) obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant and (d) not issue any capital stock of any class which is preferred as to dividends or as to the distribution of assets upon the voluntary or involuntary dissolution, liquidation or winding up of the Company. On or before January 31, 2013, the Company shall provide evidence to the Holder that the Company has (i) amended Paragraph 3 of its Certificate of Designation with respect to the Preferred Stock to provide that the Preferred Stock shall not have any voting rights, (ii) amended its Certificate of Designation with respect to the Preferred Stock to delete Paragraph 5 thereof (pertaining to dividends on the Preferred Stock) in its entirety, (iii) amended its Certificate of Designation with respect to the Preferred Stock to delete Paragraphs 6.1 and 6.2 thereof (pertaining to conversion rights with respect to the Preferred Stock) in their entirety, (iv) amended its Certificate of Designation with respect to the Preferred Stock to delete Paragraph 7 thereof (pertaining to exchange of the Preferred Stock in connection with any consolidation, merger, combination or other transaction) in its entirety, and (v) amended its Certificate of Designation with respect to the Preferred Stock to delete Paragraph 8 thereof (pertaining to expenses payable upon conversion of the Preferred Stock) in its entirety.

(g) Listing on Securities Exchange. If the Company shall list any shares of Common Stock on any securities exchange it will, at its expense, list thereon, maintain and increase when necessary such listing of, all Issued Warrant Shares and, to the extent permissible under the applicable securities exchange rules, all Issuable Warrant Shares, so long as any shares of Common Stock shall be so listed. The Company will also so list on each securities exchange, and will maintain such listing of, any other securities which the holder of this Warrant shall be entitled to receive upon the exercise thereof if at the time any securities of the same class shall be listed on such securities exchange by the Company.

(h) Interested Transactions. Without the prior written consent of the Holder, the Company shall not, unless permitted in the Credit Agreement, (a) merge, consolidate with, or otherwise acquire all or any portion of the business, assets or securities of any Affiliate of the Company; (b) make any loans or other advances of money to officers, directors or stockholders or the Company or any Affiliate of the Company; or (c) otherwise enter into, or be a party to, any transaction with any officer, director, stockholder of the Company or any Affiliate of the Company or of such officer, director or stockholder; except in each of the foregoing cases pursuant to the reasonable requirements of the Company's business and upon fair and reasonable terms which are no less favorable to the Company than would obtain in a comparable arm's length transaction with a Person not an officer, director, stockholder or Affiliate of the Company.

(i) Indemnification. If the Company fails to make when due any payments provided for in this Warrant, the Company shall pay to the holder hereof (a) interest at the LIBOR Rate plus fifteen percent (15%) per annum on any amounts due and owing to such holder and (b) such further amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees and expenses incurred by such holder in collecting any amounts due hereunder. The Company shall indemnify, save and hold harmless the holder hereof from and against any and all liability, loss, cost, damage, reasonable attorneys' and accountants' fees and expenses, court costs and all other out-of-pocket expenses incurred in connection with or arising from an Event of Default.

(j) Certain Expenses. Except as specifically provided to the contrary in the Registration Rights Agreement, the Company shall pay all expenses in connection with, and all taxes (other than stock transfer taxes) and other governmental charges that may be imposed in respect of, the issue, sale and delivery of (a) the Warrant, (b) Warrant Shares and (c) the Issued Warrant Shares.

18. Notice. All notices and other communications given to or made under this Warrant shall be in writing and shall be given to the Company at its address set forth in the Credit Agreement and to Holder at its address shown on the books of the Company, or at such other address as such party may hereafter specify in a notice given in the manner required under this Section 19, and shall be given only by, and shall be deemed to have been received upon: (i) registered or certified mail, return receipt requested, on the date on which such receipt is received as indicated in such return receipt, (ii) delivery by a nationally recognized overnight courier, one (1) Business Day after deposit with such courier, or (iii) facsimile or electronic transmission, in each case upon telephone or further electronic communication from the recipient acknowledging receipt (whether automatic or manual from recipient), as applicable.

19. Change of Control. The Company shall not, directly or indirectly, enter into any Change of Control, Reorganization, IPO or merger, consolidation, reorganization or similar transaction in which the Company shall not be the surviving Company unless the proposed surviving Company shall, prior to such transaction, agree in writing to assume the obligations of the Company under this Warrant.

20. Registration Rights Agreement. The Holder shall have certain rights in regard to this Warrant and Issued Warrant Shares as set forth in the Registration Rights Agreement, a true and correct copy of which is attached hereto as Exhibit C.

21. Tag-Along Rights Agreement. The Holder shall have the right to participate or “tag-along” in the sale of any Common Stock by Christopher Ferguson or Michael Traina, the principal stockholder(s) of the Company, in accordance with the Tag-Along Rights Agreement, a true and correct copy of which is attached hereto as Exhibit D.

22. No Effect Upon Lending Relationships. Anything herein to the contrary notwithstanding, nothing contained in this Warrant shall affect, limit or impair the rights and remedies of Administrative Agent or any Lender (each, a “Subject Entity”), any of its affiliates, funding or financing sources or any other lenders in their capacities as lenders to the Company or any of its subsidiaries pursuant to any agreement under which the Company or any of its subsidiaries has or from time to time will have borrowed money. Without limiting the generality of the foregoing, neither the Subject Entity nor any such other Person, in exercising its rights as a lender or other creditor, including making its decision on whether to foreclose on any collateral security, shall have any duty to consider (a) its status as a direct or indirect equityholder of the Company, (b) the interests of the Company or any of its subsidiaries or (c) any duty it may have to any other direct or indirect equityholder of the Company, except as may be required under the applicable loan documents or by commercial law applicable to creditors generally.

**[Remainder of this page intentionally left blank]  
[signature appears on following page]**

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed on its behalf, in its corporate name, by its duly authorized officer, as of the date first written above.

FOCUS VENTURE PARTNERS, INC.,  
a Nevada corporation

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

Focus Fiber Warrant Signature Page

---



EXHIBIT A

IRREVOCABLE SUBSCRIPTION

To: \_\_\_\_\_

The undersigned hereby elects to exercise its right under the attached Warrant by purchasing shares of the Common Stock, and hereby irrevocably subscribes to such issue. The certificates for such shares shall be issued in the name of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Taxpayer Number)

and delivered to:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

☐ PAYMENT EXERCISE: The aggregate Exercise Price of \$ \_\_\_\_\_ per share is enclosed.

or

☐ CASHLESS EXERCISE: In lieu of payment of the aggregate Exercise Price hereof, the attached Warrant is being exercised in accordance with Section 10 of the attached Warrant.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
(Name of Holder, Please Print)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Signature)

EXHIBIT B

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

the attached Warrant, together with all right, title and interest therein to purchase \_\_\_\_\_ shares of the Common Stock, and does hereby irrevocably appoint \_\_\_\_\_ as attorney-in-fact to transfer said Warrant on the books of \_\_\_\_\_, with full power of substitution in the premises.

Done this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and title)

\_\_\_\_\_  
(Address)

EXHIBIT C

REGISTRATION RIGHTS AGREEMENT

---

EXHIBIT D

TAG-ALONG RIGHTS AGREEMENT

---

## **SCHEDULE 1 TO WARRANT**

“Change of Control” means the occurrence of an Event of Default under Section 8.1.10 of the Credit Agreement.

“Common Stock” means the common stock, par value \$.00001 per share, of the Company, any stock into which such stock shall have been changed or any stock resulting from any reclassification of such stock and any other class of capital stock of the Company now or hereafter authorized having the right to share in distributions either of earnings or assets of the Company without limit as to amount or percentage.

“Common Stock Equivalent” means any security of the Company that is directly or indirectly convertible, exercisable, or exchangeable into Common Stock or any other Common Stock Equivalent at any time.

“Common Stock Deemed Outstanding” means, at any given time, the sum of:

- (i) the number of shares of Common Stock outstanding at such time, plus
- (ii) the full number of shares of Common Stock issuable upon conversion, exercise, or exchange of any Common Stock Equivalents (other than the Preferred Stock issued and outstanding on the date hereof) outstanding at such time.

“Consideration” means:

- (i) if the Company issues Common Stock, the gross proceeds received by the Company for each such share of Common Stock;
- (ii) if the Company issues Common Stock Equivalents, the gross proceeds received by the Company for each such Common Stock Equivalent, plus the minimum aggregate amount of gross proceeds, if any, payable to the Company upon exchange or conversion of each such Common Stock Equivalent;
- (iii) if the Company issues options or rights to subscribe for or to purchase Common Stock or Common Stock Equivalents, the gross proceeds, if any, received by the Company for each such option or right, plus the minimum aggregate amount of gross proceeds, if any, payable to the Company upon exercise of each such option or right and upon further exchange or conversion of each such Common Stock Equivalent into which such option or right was exercised or converted;
- (iv) if the Company issues a combination of securities consisting of Common Stock or Common Stock Equivalents and other securities of the Company, and if the amount of gross proceeds allocable to the Common Stock or Common Stock Equivalents is not determinable on its face at the time of such issuance, the portion of gross proceeds received by the Company, as determined in good faith by the Company’s Board of Directors; and
- (v) if the Company receives any non-cash consideration, the fair value of the non-cash consideration, as determined in good faith by the Company’s Board of Directors.

“Dilutive Transaction” means any transaction (other than Exempt Transactions) where the Company does any of the following:

- (i) issues or sells any Common Stock or any Common Stock Equivalents;
- (ii) issues or sells any options, warrants or other rights to purchase or otherwise acquire any Common Stock or any Common Stock Equivalent; or
- (iii) decreases the subscription, exercise, conversion or exchange price of the securities described in (i) or (ii).

“Employee Options” means options to purchase shares of Common Stock or Common Stock Equivalents issued by the Company pursuant to a stock option plan approved by the shareholders and Board of Directors of the Company and Holder to employees of, consultants to, contractors with, or members of the Board of Directors of, the Company or any direct or indirect Subsidiary of the Company, in connection with or as compensation for the performance of services to the Company or any direct or indirect Subsidiary of the Company.

“Employee Option Shares” means shares of Common Stock into which Employee Options are exercisable or into which Common Stock Equivalents issuable upon exercise of Employee Options are exercisable.

“Equity Value” of the Company shall mean, as of any date specified herein,

(a) in case Equity Value is being determined in connection with a Value Event described under subparagraph (a), (b) or (d) of the definition of Value Event, the amount equal to:

(i) the sum of (A) the amount of consideration (including any cash distributed derived from the Company’s assets) received by the Company or its equityholders, plus (B) the implied value of any equity interest retained by the Company’s equityholders if the Value Event is not a merger or sale of all of the outstanding Capital Stock or assets of the Company, plus (C) the value of any assets retained by the Company in the case of a Value Event involving the sale of substantially all of the Company’s assets, plus (D) amount of any other quantifiable consideration included as part of a transaction, but only when, as and if received by the Company or its equityholders (i.e., deferred payments, above-market covenants not to compete, above-market consulting agreements or traded/exchanged properties); minus

(ii) the sum of (A) amount of all reasonable and documented closing costs associated with any such transaction or transactions excluding amounts payable to the Company or any of its Affiliates, plus (B) the aggregate amount of any Funded Indebtedness outstanding as of the consummation of any such transaction or transactions;

(b) in the case of a Value Event described under subparagraph (c) of the definition of Value Event, the amount equal to the initial public offering price multiplied by the Common Stock Deemed Outstanding; or

(c) in case Equity Value is being determined other than in connection with a Value Event, the Fair Market Value per share of Common Stock multiplied by the Common Stock Deemed Outstanding.

“Event of Default” means (a) the breach in any material respect of any warranty, or the inaccuracy in any material respect, of any representation, made by the Company herein, or (b) the failure by the Company to comply with any covenant contained herein, which failure shall not be cured within thirty (30) days after the earlier of (i) receipt by the Company of written notice of such failure, and (ii) the time at which an officer of the Company knew or became aware, or reasonably should have known or been aware, of such failure.

“Exempt Transaction” means any transaction where the Company:

(i) issues any Common Stock or Common Stock Equivalents upon conversion or exercise of securities outstanding or issued as of the date hereof;

(ii) issues any Common Stock upon exercise of this Warrant;

(iii) issues Common Stock Equivalents as a dividend or upon a stock split;

(iv) issues Employee Options to acquire Employee Option Shares in the aggregate not exceeding 5% of the Common Stock Deemed Outstanding (on an as converted, fully diluted basis) as of the date hereof; or

(v) issues any Common Stock or Common Stock Equivalents to any holder of a Warrant or any Affiliate of a holder of a Warrant.

“Fair Market Value” of a share of Common Stock means:

(i) if the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ NMS maintained by the National Association of Securities Dealers, Inc., the average of the last reported sale prices of the share of Common Stock on the previous five trading days prior to the date of determination (or the average closing bid and asked prices for each such day if no such sale is made on such day);

(ii) if clause (i) does not apply, and if the prices are reported by the National Quotation Bureau, Inc., the mean of the last reported bid and asked prices reported on the previous five trading days prior to the date of determination;

(iii) if clauses (i) and (ii) do not apply, and if the transaction involves the sale by the Company of securities to unaffiliated third parties (utilizing the services of an investment banker reasonably acceptable to Holder or a nationally recognized investment bank), the applicable per share price in such transaction; and

(iv) in all other cases as determined in good faith by the Board of Directors of the Company and approved by the Holder; provided that if the Holder does not approve such determination by the Board of Directors, the Fair Market Value shall be determined based on earnings and book value and other appropriate items in accordance with the following procedure:

- (A) the Holder and the Company will each select one qualified, independent appraiser; and
- (B) the two appraisers selected under clause (A) above will together select a third qualified, independent appraiser to determine a value, which value will be the "Fair Market Value".

All appraisal costs will be paid by one-half by the Company and one-half by the Holder.

"Funded Indebtedness" as of any date specified herein shall mean the sum of (a) the aggregate amount of all Debt of the Company and its Subsidiaries as of such date, including the Obligations but excluding any intercompany Debt and any Debt owed to any Affiliate of the Company, and (b) the liquidation value of the Preferred Stock as set forth in the Company's articles of incorporation.

"IPO" means an initial public offering and sale of equity securities by the Company, which securities are registered under the Securities Act of 1933, as amended (other than pursuant to a registration statement on Form S-8 or any successor form), and which offering and sale is underwritten by a nationally recognized investment bank.

"Issued Warrant Shares" means and shares of Common Stock issued upon exercise of this Warrant.

"Non-Dilution Period" means the period commencing on the date hereof and terminating immediately prior to the consummation of a Qualified IPO.

"Non-Dilutive Price" means the Fair Market Value of a share of Common Stock on the date of the Dilutive Transaction.

"Per Share Price" means the total Consideration for each share of Common Stock or Common Stock Equivalent issued or issuable by the Company in connection with a Dilutive Transaction.

"Preferred Stock" means shares of the Company's Preferred Stock, \$0.0001 par value, any stock into which such stock shall have been changed or any stock resulting from any reclassification of such stock.

"Put Formula Value" per share of Common Stock as of any date specified herein shall mean an amount equal to the quotient obtained by dividing (a) an amount equal to (i) the product of (x) 5.0 multiplied by (y) EBITDA for the twelve month period most recently ended, plus (ii) the aggregate amount of all cash and cash equivalents (including, without limitation, marketable securities and other short term investments) of the Company and its Subsidiaries as of such date, minus (iii) the amount of Funded Indebtedness as of such date, by (b) the Common Stock Deemed Outstanding on such date.



“Put Period” means the period commencing on the earliest of (a) the fourth anniversary of the Closing Date, (b) the acceleration of the Obligations, (c) the occurrence of an Event of Default or (d) the occurrence of a Value Event, and terminating immediately prior to the consummation of a Qualified IPO (or, if a Qualified IPO is never consummated, on the last day of the Exercise Period).

“Qualified IPO” means an IPO with gross proceeds to the Company in excess of \$10,000,000 (before deduction for underwriters commissions and expenses) in which the shares of Common Stock offered to the public represent a percentage of the Common Stock Deemed Outstanding that implies a pre-money valuation of not less than \$25,000,000.

“Registration Rights Agreement” means the Registration Rights Agreement between the Company and the Holder, as the same may be amended from time to time.

“Value Event” shall mean any of the following events: (a) any merger or consolidation of the Company or any Subsidiary with or into any Person that is not the Company or a wholly-owned Subsidiary of the Company, in which the Company’s equityholders immediately prior to such merger or consolidation cease to own, directly or indirectly, a majority of the shares of Capital Stock of the surviving or resulting Person, (b) any sale or disposition of all or substantially all the assets of the Company or its Subsidiaries to a Person other than the Company or a wholly-owned Subsidiary of the Company, (c) any IPO other than a Qualified IPO, and (d) a Change of Control.

“Weighted Average Per Share Value” means the amount determined by performing the following calculation and rounding the resulting number to the nearest whole cent: Divide:

- (i) the sum of:
  - (a) the Fair Market Value of a Warrant Share multiplied by the number of shares of Common Stock Deemed Outstanding immediately prior to the Dilutive Transaction, plus
  - (b) the aggregate Consideration, if any, received or to be received by the Company in connection with the Dilutive Transaction, by
- (ii) the number of shares of Common Stock Deemed Outstanding immediately after the Dilutive Transaction.

Exhibit 16(a)

Description of Common Stock Equivalents Outstanding

---

## SUBORDINATION AGREEMENT

**THIS SUBORDINATION AGREEMENT** (this “**Agreement**”) is made as of December 3, 2012 by and among (i) Michael Traina (“**Junior Lender**”); (ii) Optos Capital Partners, LLC (“**Optos**”) and Focus Venture Partners, Inc. (“**Ultimate Parent**”) (Optos and Ultimate Parent sometimes hereinafter are referred to individually as an “**Obligor**” and collectively as the “**Obligors**”); and (iii) Atalaya Administrative LLC, in its capacity as administrative agent for the Lenders party to the Credit Agreement referred to below (“**Senior Lender**”).

### INTRODUCTION

A. Optos, MDT Labor, LLC (“**MDT**”), Focus Fiber Solutions, LLC (“**Focus**”), Jus-Com, Inc. (“**Jus-Com**”), CMK Resources Group, LLC (“**CMK**”) and Townsend Careers, LLC (“**Townsend**”), and together with MDT, Focus, Jus-Com, CMK and Optos, collectively, the “**Borrowers**”), the financial institutions from time to time parties thereto, as Lenders thereunder, and the Senior Lender, as administrative agent for such Lenders, have entered into that certain Credit Agreement dated as of December 3, 2012 (as the same has been and may be further amended, restated, supplemented, replaced, substituted, refinanced or otherwise modified from time to time, the “**Credit Agreement**”), in order to, among other things, set forth the terms and conditions under which the Lenders will from time to time make Loans (as defined in the Credit Agreement) to Borrowers.

B. The Junior Lender has heretofore extended credit to Optos as evidenced by a Promissory Term Note dated December 3, 2012 in the original principal amount of \$4,000,000 (“**Junior Note**”), and Ultimate Parent has guaranteed repayment of the Junior Note pursuant to that certain Guaranty Agreement dated December 3, 2012 (the “**Junior Guaranty**”) made by Ultimate Parent in favor of the Junior Lender.

C. As a condition precedent to Senior Lender's extension of Loans to Borrowers, Senior Lender has required Obligors and Junior Lender to enter into this Agreement.

**NOW THEREFORE**, in order to induce the Senior Lender to continue to provide the financial accommodations to Borrowers contemplated by the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree, as follows:

1. **Definitions.** Capitalized terms used but not otherwise defined in this Agreement shall have the meanings assigned to such terms in the Credit Agreement. As used in this Agreement, the following terms have the following meanings:

“**Bankruptcy Code**” shall mean Chapter 11 of Title 11 of the United States Code, as amended from time to time and any successor statutes and all rules and regulations promulgated thereunder.

“**Collection Action**” shall mean, with respect to the Junior Debt, any action (a) to sue for, take or receive from or on behalf of any Obligor or any other Loan Party, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by such Obligor or any other Loan Party with respect to the Junior Debt, (b) to initiate or participate with others in any suit, action or Proceeding against such Obligor, any other Loan Party or their property to (i) enforce payment of or to collect the whole or any part of the Junior Debt or (ii) commence judicial enforcement of any of the rights and remedies under the Junior Debt Documents or applicable law with respect to the Junior Debt, (c) to cause such Obligor or any other Loan Party to honor any redemption, put or mandatory payment obligation with respect to the Junior Debt or any other equity interests of such Obligor or any other Loan Party or (d) to take any action under the provisions of any state, federal or foreign law, including, without limitation, the Uniform Commercial Code, or under any contract or agreement, to enforce, foreclose upon, take possession of or sell any property or assets of such Obligor or any other Loan Party.

**“Junior Debt”** shall mean all indebtedness and obligations of any Obligor or any other Loan Party to the Junior Lender under the Junior Note, the Junior Guaranty and any other Junior Debt Documents.

**“Junior Debt Documents”** shall mean, collectively, the Junior Note, the Junior Guaranty, and any and all other documents, agreements and instruments evidencing the Junior Debt.

**“Junior Default”** shall mean a default in the payment of the Junior Debt or in the performance of any term, covenant or condition contained in any of the Junior Debt Documents or any other occurrence permitting the Junior Lender to accelerate the payment of or put or cause the redemption of all or any portion of the Junior Debt or any of the Junior Debt Documents.

**“Paid in Full”** or **“Payment in Full”** means the irrevocable and indefeasible payment in full of the Senior Debt and the termination of the lending commitments under the Senior Debt Documents.

**“Person”** shall mean any natural person, corporation, general or limited partnership, limited liability company, firm, trust, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

**“Proceeding”** shall mean with respect to any Obligor or any other Loan Party, any (i) voluntary or involuntary insolvency, bankruptcy, receivership, custodianship, liquidation, dissolution, or reorganization proceeding, (ii) assignment for the benefit of creditors, (iii) appointment of a custodian, receiver, trustee or other officer with similar powers with respect to such Obligor or any other Loan Party or any of their property, (iv) arrangement with creditors (whether or not pursuant to bankruptcy or other insolvency laws), or (v) any other proceeding for the total or partial liquidation, dissolution or other winding up or any other marshaling of the assets and liabilities of such Obligor or any other Loan Party or other similar proceeding, including, without limitation, any of the foregoing under the Bankruptcy Code.

**“Reorganization Subordinated Securities”** shall mean debt or equity securities issued in a Proceeding in substitution for all or any portion of the Junior Debt, in each case that (a) are subordinated in right of payment, performance and otherwise to the Senior Debt (or any debt and equity securities issued in substitution for all or any portion of the Senior Debt) to at least the same extent that the Junior Debt is subordinated to the Senior Debt pursuant to the terms of this Agreement, (b) do not have the benefit of any obligation of any Person (whether as issuer, guarantor or otherwise) unless the Senior Debt has at least the same benefit of the obligation of such Person, and (c) do not have any terms, and are not subject to or entitled to the benefit of any agreement or instrument that has terms, that are more burdensome to the issuer of or other obligor on such debt or equity securities than are the terms of (x) any such debt or equity securities issued to the Senior Lender in connection with such Proceeding or (y) the Junior Debt immediately prior to such issuance; provided in each case that the Junior Lender shall have entered into such supplements to or modifications of this Agreement as the Senior Lender reasonably may request to reflect the continued subordination of the Reorganization Subordinated Securities to the Senior Debt (or debt and equity securities issued in substitution of all or a portion thereof).

“**Senior Debt**” shall mean the “Obligations,” as such term is defined in the Credit Agreement, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding, together with (a) any amendments, modifications, refinancings, replacements, renewals or extensions thereof and (b) any interest accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest is an allowed claim. Senior Debt shall be considered to be outstanding whenever any loan commitment under the Senior Debt Document is outstanding.

“**Senior Debt Documents**” shall mean, collectively, the Credit Agreement, the other Loan Documents (as defined in the Credit Agreement) and all other documents, agreements and instruments evidencing, securing or otherwise pertaining to all or any portion of the Senior Debt.

“**Senior Default**” shall mean any “Event of Default” (or other term of similar import or meaning) under the Senior Debt Documents.

## 2. **Subordination.**

2.1 **Subordination of Junior Debt to Senior Debt.** Each Obligor covenants and agrees, and the Junior Lender covenants and agrees, that (a) the payment of any and all of the Junior Debt is subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior Payment in Full of the Senior Debt and (b) the existing and hereafter acquired liens and security interests in each case securing the Senior Debt of the Senior Lender or any holder of Senior Debt in any Collateral are senior, regardless of the time or order of attachment or the time, order, lack or method of perfection, to all existing and hereafter acquired liens and security interests, if any, of the Junior Lender (or any agent therefor) in the Collateral, if any, securing all or any portion of the Junior Debt. Each holder of Senior Debt, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt in reliance upon the provisions contained in this Agreement. The parties hereto hereby intend that this Agreement be enforceable under the Bankruptcy Code.

## 2.2 **Proceedings.**

(a) **Payments and Distributions.** In the event of any Proceeding involving any Obligor any other Loan Party or any property of any Obligor or any other Loan Party, (i) all Senior Debt first shall be Paid in Full before any payment of, or payment or distribution with respect to, the Junior Debt shall be made (other than a distribution of Reorganization Subordinated Securities); (ii) any payment or distribution, whether in cash, property or securities which, but for the terms hereof, otherwise would be payable or deliverable in respect of the Junior Debt (other than a distribution of Reorganization Subordinated Securities), shall be paid or delivered directly to the Senior Lender (to be held and/or applied by the Senior Lender in accordance with the terms of the Credit Agreement) until all Senior Debt is Paid in Full, and the Junior Lender irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all such payments and distributions; and (iii) the Junior Lender agrees to execute and deliver to the Senior Lender or its representatives all such further instruments confirming the authorization referred to in the foregoing clause (ii).

(b) **Proofs of Claim; Claims; Voting; and Other Matters.** At any meeting of creditors or in the event of any Proceeding involving any Obligor, any other Loan Party or any property of any Obligor or any other Loan Party, the Junior Lender shall retain the right to vote, file a proof of claim and otherwise act with respect to the Junior Debt (including the right to vote to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition or extension); provided that the Junior Lender shall not (i) initiate, prosecute or participate in any claim or action in such Proceeding challenging the enforceability, validity, perfection or priority of the Senior Debt, this Agreement, or any liens and security interests securing the Senior Debt or (ii) vote to accept any plan of partial or complete liquidation, reorganization, arrangement, composition or extension that does not provide for the Payment in Full of the Senior Debt without the prior written consent of the Senior Lender or (iii) vote, file a proof of claim and otherwise act with respect to the Junior Debt in any manner inconsistent with the terms of this Agreement. In the event the Junior Lender fails to execute, verify, deliver and/or file any proofs of claim in respect of the Junior Debt in connection with any such Proceeding prior to the date that is five (5) days before the expiration of the time to file any such proof or fails to vote any such claim in any such Proceeding prior to the date that is five (5) days before the expiration of the time to vote any such claim, the Junior Lender hereby irrevocably authorizes, empowers and appoints Senior Lender its agent and attorney-in-fact to execute, verify, deliver and file such proofs of claim and vote such claim in any such Proceeding; provided the Senior Lender shall have no obligation to exercise any such authority with respect to the Junior Lender's claim. In the event the Senior Lender votes any such claim in accordance with the authority granted hereby, the Junior Lender shall not be entitled to change or withdraw such vote.

(c) **Reinstatement.** The Senior Debt shall continue to be treated as Senior Debt and the provisions of this Agreement shall continue to govern the relative rights and priorities of the Senior Lender and the Junior Lender even if all or part of the Senior Debt or the security interests securing the Senior Debt are subordinated, set aside, avoided or disallowed in connection with any such Proceeding. This Agreement shall be reinstated if at any time any payment of any of the Senior Debt is rescinded or must otherwise be returned by any holder of Senior Debt or any representative of such holder.

(d) **Collateral.** To the extent that the Junior Lender has or acquires any liens or other rights with respect to any Collateral, the Junior Lender shall not assert such rights in any Proceeding without the prior written consent of the Senior Lender unless requested to do so by the Senior Lender, in which case the Junior Lender shall seek to exercise such rights in the manner requested by the Senior Lender.

## 2.3 **Junior Debt Payments.**

(a) **Restrictions on Payment.** The terms of the Junior Debt Documents to the contrary notwithstanding, each Obligor hereby agrees that it shall not at any time make, and shall not permit or cause to be made, and the Junior Lender hereby agrees that it shall not at any time accept, or permit to be accepted, directly or indirectly, any payment or distribution on account of, or any redemption, purchase or acquisition of, the Junior Debt (by set off or otherwise) until the Senior Debt is Paid in Full; provided, that so long as no Event of Default exists or would be created by such payment:

(i) Optos may pay, and Junior Lender may accept, payment of accrued and unpaid interest on the Junior Debt at any time after March 31, 2013 not more than fifteen, nor less than five, Business Days after the date Optos has delivered to Senior Lender notice of the amount and date of the payment of accrued and unpaid interest proposed to be made (the "Proposed Interest Payment"), accompanied by evidence reasonably acceptable to Senior Lender that (A) the Fixed Charge Coverage Ratio as of the last day of the Fiscal Quarter most recently ended prior to the date the Proposed Interest Payment is to be made was greater than 1.25 to 1.00, and (B) if the Proposed Interest Payment had been made on such last day, the Fixed Charge Coverage Ratio as of such last day still would have been greater than 1.25 to 1.00; and

(ii) Optos may pay, and Junior Lender may accept, a one-time payment of principal on the Junior Debt in an amount up to \$1,500,000 so long as Optos has delivered to Senior Lender evidence reasonably acceptable to Senior Lender that Ultimate Parent has received not less than \$10,000,000 in gross proceeds from the issuance of Qualified Stock subsequent to the Closing Date, so long as such payment is made substantially concurrently with the receipt by Optos of such gross proceeds; and

(iii) Optos may pay, and Junior Lender may accept, scheduled payments of principal on the Junior Debt not more than fifteen, nor less than five, Business Days after the date Optos has delivered to Senior Lender notice of the amount and date of the scheduled payment of principal proposed to be made (the "Proposed Principal Payment"), accompanied by evidence reasonably acceptable to Senior Lender that:

(A) Ultimate Parent has received not less than \$10,000,000 in gross proceeds from the issuance of Qualified Stock subsequent to the Closing Date;

(B) the Senior Debt to EBITDA Ratio for the Computation Period ending as of the last day of the Fiscal Quarter most recently ended prior to the date the Proposed Principal Payment is to be made, and for the Computation Period ending as of the last day of the immediately preceding Fiscal Quarter, was less than 1.25 to 1.00;

(C) the Fixed Charge Coverage Ratio as of the last day of the Fiscal Quarter most recently ended prior to the date the Proposed Principal Payment is to be made was greater than 1.25 to 1.00; and

(D) if the Proposed Principal Payment had been made on the last day of the Fiscal Quarter most recently ended prior to the date the Proposed Principal Payment is to be made, the Fixed Charge Coverage Ratio as of such last day still would have been greater than 1.25 to 1.0.

#### 2.4 **Restriction on Action by the Junior Lender.**

(a) Until the Senior Debt is Paid in Full, the Junior Lender shall not, without the prior written consent of the Senior Lender, exercise any right or remedy or action, including declaring the Junior Debt to be due and payable or taking any other action, including, without limitation, a Collection Action, with respect to the Junior Debt (including the declaration of a default or event of default or the giving of any notice in connection therewith). Any proceeds of any Collection Action obtained by the Junior Lender shall in any event be held in trust by it for the benefit of Senior Lender and promptly paid or delivered to Senior Lender in the form received until all Senior Debt is Paid in Full.

(b) Notwithstanding any provision of this Agreement to the contrary, the Junior Lender agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim against the Senior Lender the benefit of any marshaling, appraisal, valuation or other similar doctrine or right that may otherwise be available under applicable law or any other similar rights a junior creditor might have under applicable law with respect to the Collateral.

## **2.5 No Liens.**

(a) Until the Senior Debt is Paid in Full, the Junior Lender shall not seek to obtain, and shall not take, accept, obtain or have, any lien or security interest in any Collateral as security for all or any part of the Junior Debt and, in the event that the Junior Lender obtains any liens or security interests in any Collateral not otherwise permitted hereby, the Junior Lender shall (or shall cause its agents to) promptly execute and deliver to the Senior Lender such documents, agreements and instruments, and take such other actions, as the Senior Lender shall request to release such liens and security interests in such Collateral.

(b) The Senior Lender shall have the exclusive right as to the exercise and enforcement of all privileges and rights with respect to the Collateral in its sole discretion, including, without limitation, the exclusive right to take or retake control or possession of such Collateral and to hold, prepare for sale, process, sell, lease, dispose of, or liquidate such Collateral or settle or adjust insurance claims with respect thereto. Without in anyway limiting the foregoing, if in connection with any sale or other disposition of Collateral the Senior Lender requests that the Junior Lender release any liens upon such Collateral, then the Junior Lender shall execute and deliver such documents, agreements and instruments, and take such other actions, at Obligors' expense, as are necessary to release any liens in favor of Junior Lender in such Collateral.

(c) In furtherance of the foregoing, the Junior Lender hereby irrevocably appoints the Senior Lender its attorney-in-fact, with full authority in the place and stead of the Junior Lender and in the name of the Junior Lender or otherwise, to execute and deliver any document, agreement or instrument which the Junior Lender may be required to deliver pursuant to this Section 2.5. The Senior Lender shall have no responsibility for or obligation or duty with respect to any of the Collateral or any matter or proceeding arising out of or relating thereto, including, without limitation, any obligation or duty to collect any sums due in respect thereof or to protect or preserve any rights pertaining thereto.

**2.6 Amendment of Junior Debt Documents.** Until the Senior Debt is Paid in Full, and anything contained in the Junior Debt Documents, the Credit Agreement or any of the other Senior Debt Documents to the contrary notwithstanding, the Junior Lender shall not, without the prior written consent of the Senior Lender, agree to any amendment or supplement to, or other modification of, the Junior Debt Documents or the Junior Debt the effect of which is to (a) increase the maximum principal amount of the Junior Debt, (b) increase the rate of interest on any of the Junior Debt, (c) change any date upon which regularly scheduled payments of principal or interest on the Junior Debt are due to an earlier date, (d) add or make more restrictive any event of default or any covenant with respect to the Junior Debt or make any change to any event of default or any covenant which would have the effect of making such event of default or covenant more restrictive, (e) change the final maturity date of any Junior Debt to a date that is earlier than the date which is 180 days after the scheduled maturity date of the Senior Debt, (f) take any liens or security interests in assets of any Obligor or any other Collateral securing the Senior Debt, (g) change any redemption, put or prepayment provisions of the Junior Debt, (h) alter the subordination provisions with respect to the Junior Debt, including, without limitation, subordinating the Junior Debt to any other indebtedness, or (i) change or amend any other term of the Junior Debt Documents if such change or amendment would result in a Senior Default, increase the obligations of any Obligor or confer additional material rights on the Junior Lender or any holder of the Junior Debt in a manner adverse to such Obligor or the Senior Lender.



2.7 **Incorrect Payments.** If any payment of the Junior Debt not permitted to be made by any Obligor or received by the Junior Lender under this Agreement is received by the Junior Lender before all Senior Debt is Paid in Full, such payment shall not be commingled with any asset of the Junior Lender, shall be held in trust by the Junior Lender for the benefit of all holders of Senior Debt and shall be promptly paid over to the Senior Lender or its designated representatives, for application (in accordance with the Credit Agreement) to the payment of the Senior Debt then remaining unpaid, until all of the Senior Debt is Paid in Full. Any amount held in trust or paid over to the Senior Lender or its designated representatives shall not be considered a payment of Junior Debt as between the Obligors and Junior Lenders.

2.8 **Transfer.** The Junior Lender shall not sell, assign, pledge, dispose of or otherwise transfer all or any portion of the Junior Debt or any Junior Debt Document (a) without giving prior written notice of such action to the Senior Lender, (b) unless prior to the consummation of any such action, the transferee thereof shall execute and deliver to the Senior Lender an agreement substantially identical to this Agreement providing for the continued subordination and forbearance of the Junior Debt to the Senior Debt as provided herein and for the continued effectiveness of all of the rights of the Senior Lender arising under this Agreement, and (c) unless, following the consummation of any such action, there shall be either (i) no more than three (3) holders of the Junior Debt or (ii) one Person acting as agent for all holders of the Junior Debt pursuant to documentation reasonably satisfactory to the Senior Lender such that any notices and communications to be delivered to or by the Junior Lender hereunder shall be made to or obtained from such agent and shall be binding on the Junior Lender as if directly received by or obtained from the Junior Lender. Notwithstanding the failure to execute or deliver any such agreement substantially identical to this Agreement, the subordination effected hereby shall survive any sale, assignment, pledge, disposition or other transfer of all or any portion of the Junior Debt, and the terms of this Agreement shall be binding upon the successors and assigns of the Junior Lender.

2.9 **Legends.** Until the Senior Debt is Paid in Full, the Junior Note and any other Junior Debt Document at all times shall contain in a conspicuous manner the following legend:

“This instrument and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain Subordination Agreement (as the same may be amended, supplemented, replaced, substituted, refinanced, or otherwise modified from time to time, the “***Subordination Agreement***”) dated as of December 3, 2012 among Michael Traina, Optos Capital Partners, LLC, Focus Venture Partners, Inc. and Atalaya Administrative LLC, to the Senior Debt (as defined therein), as more particularly described in the Subordination Agreement, and each holder of this instrument, by its acceptance hereof, shall be bound by the provisions of the Subordination Agreement.”

3. **Modifications to Senior Debt.** The Senior Lender may at any time without the consent of or notice to the Junior Lender, without incurring liability to the Junior Lender and without impairing or releasing the obligations of the Junior Lender under this Agreement, change the manner or place of payment or extend the time of payment of, increase the interest rates and fees applicable to or renew or alter any of the other terms of the Senior Debt or the Senior Debt Documents, or amend, modify, supplement, restate, substitute, replace or refinance in any manner any Senior Debt Document or any other any agreement, note, guaranty or other instrument evidencing or securing or otherwise relating to the Senior Debt.

4. **Continued Effectiveness of this Agreement.** The terms of this Agreement, the subordination effected hereby, and the rights and the obligations of the Junior Lender, Obligors, the Senior Lender and any holders of the Senior Debt arising hereunder shall not be affected, modified or impaired in any manner or to any extent by the validity or enforceability of any of the Senior Debt Documents, or the Junior Debt Documents, or any exercise or non-exercise of any right, power or remedy under or in respect of the Senior Debt, the Senior Debt Documents, the Junior Debt or the Junior Debt Documents. The Junior Lender hereby acknowledges that the provisions of this Agreement are intended to be enforceable at all times, whether before the commencement of, after the commencement of, in connection with or premised on the occurrence of a Proceeding.

5. **No Contest by Junior Lender.** The Junior Lender agrees that it will not at any time contest the validity, perfection, priority or enforceability of the Senior Debt, the Senior Debt Documents, or the liens and security interests of the Senior Lender and any holders of the Senior Debt in any Collateral.

6. **Representations and Warranties.** The Junior Lender hereby represents and warrants to the Senior Lender as follows:

6.1 **Authority.** The Junior Lender has full power and capacity to enter into, execute, deliver and carry out the terms of this Agreement.

6.2 **Binding Agreements.** This Agreement, when executed and delivered, will constitute the valid and legally binding obligation of the Junior Lender enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles.

6.3 **Conflicting Agreements; Litigation.** No provisions of any mortgage, indenture, contract, agreement, statute, rule, regulation, judgment, decree or order binding on the Junior Lender conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance of the terms of this Agreement by the Junior Lender. No pending or, to the best of the Junior Lender's knowledge, threatened, litigation, arbitration or other proceedings if adversely determined would prevent the performance of the terms of this Agreement by the Junior Lender.

6.4 **Ownership.** The Junior Lender is the sole and lawful owner, beneficially and of record, of its Junior Note and the Junior Debt evidenced thereby and no part thereof is subject to any defense, credit, setoff, deduction, dispute or counterclaim, all such defenses, credits, setoffs, deductions and disputes and counterclaims hereby being waived.

6.5 **Default under Junior Note.** On the date hereof, no Junior Default exists under or with respect to the Junior Note or any of the other Junior Debt Documents.

7. **Notice of Junior Default.** The Junior Lender and Obligors shall provide the Senior Lender with a written notice of the occurrence of each Junior Default, and shall notify the Senior Lender in writing in the event such Junior Default is cured or waived; provided that any failure to deliver any such notices shall not otherwise affect the subordination provisions or other obligations of the Junior Lender or Obligors hereunder.

8. **Cumulative Rights, No Waivers.** Each and every right, remedy and power granted to the Senior Lender or any holder of the Senior Debt hereunder shall be cumulative and in addition to any other rights, remedy or power specifically granted herein or in the Senior Debt Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise, and may be exercised by the Senior Lender or any holder of Senior Debt from time to time, concurrently or independently and as often and in such order as the Senior Lender or such holder may deem expedient. Any failure or delay on the part of the Senior Lender or any holder of Senior Debt in exercising any such right, remedy or power, or abandonment or discontinuance of steps to enforce the same, shall not operate as a waiver thereof or affect the rights of the Senior Lender or such holder thereafter to exercise the same, and any single or partial exercise of any such right, remedy or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy or power, and no such failure, delay, abandonment or single or partial exercise of the rights of the Senior Lender or such holder hereunder shall be deemed to establish a custom or course of dealing or performance among the parties hereto.

9. **Modification.** Any modification or waiver of any provision of this Agreement, or any consent to any departure by the Junior Lender therefrom, shall not be effective in any event unless the same is in writing and signed by the Senior Lender and the holders of at least 51% of the then outstanding principal balance of the Junior Note, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given.

10. **Additional Documents and Actions.** The Junior Lender at any time, and from time to time, after the execution and delivery of this Agreement, shall promptly execute and deliver such further documents and do such further acts and things as the Senior Lender reasonably may request in order to effect fully the purposes of this Agreement.

11. **Notices.** Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and shall be given only by, and shall be deemed to have been received upon: (a) where the sender and recipient are both located in the United States of America, registered or certified mail, return receipt requested, on the date on which such notice was received as indicated in such return receipt; (b) delivery by a nationally recognized overnight courier, one (1) Business Day (but shall be two (2) Business Days in the case of notices by Senior Lender to Junior Lender or by Junior Lender to Senior Lender) after deposit with such courier; or (c) facsimile or electronic transmission, in each case upon telephone or further electronic communication from the recipient acknowledging receipt (whether automatic or manual from recipient), as applicable.

Notices shall be addressed as follows:

- (a) **If to the Junior Lender:**  
Michael Traina  
105 Montgomery Ave., Suite 1053  
Lansdale, PA 19446  
Telephone: (267) 421-5040  
Facsimile: (267) 421-5281

(b) **If to any Obligor:**  
c/o Optos Capital Partners, LLC  
969 Postal Road  
Suite 100  
Allentown, PA 18109  
Attention: Christopher Ferguson  
Telephone: (215) 820-9299  
Facsimile: (610) 672-9999

(c) **If to the Senior Lender:**  
Atalaya Administrative LLC  
780 Third Avenue, 27<sup>th</sup> Floor  
New York, New York 10017  
Attention: Michael Bogdan  
Telephone: (212) 527-8183  
Facsimile: (917) 274-1173

or in any case, to such other address as the party addressed shall have previously designated by written notice to the serving party, given in accordance with this Section 11. A notice not given as provided above shall, if it is in writing, be deemed given if and when actually received by the party to whom given.

12. **Severability.** In the event that any provision of this Agreement is deemed to be invalid, illegal or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court or governmental authority, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and the affected provision shall be modified to the minimum extent permitted by law so as most fully to achieve the intention of this Agreement.

13. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Senior Lender, successors and assigns of the Senior Lender and all future holders of the Senior Debt and their respective successors and assigns and shall be binding upon the successors and assigns of the Junior Lender and Obligors. The Senior Lender, without notice to or consent of the Junior Lender, may assign or transfer any or all of the Senior Debt or any interest therein to any Person and, notwithstanding any such assignment or transfer, or any subsequent assignment or transfer, the Senior Debt shall, subject to the terms hereof, be and remain Senior Debt for purposes of this Agreement, and every permitted assignee or transferee of any of the Senior Debt or of any interest therein shall, to the extent of the interest of such permitted assignee or transferee in the Senior Debt, be entitled to rely upon and be the third party beneficiary of the subordination provided under this Agreement and shall be entitled to enforce the terms and provisions hereof to the same extent as if such assignee or transferee were initially a party hereto. THE JUNIOR LENDER AND OBLIGOR ACKNOWLEDGE AND AGREE THAT THE SENIOR LENDER AT ANY TIME AND FROM TIME TO TIME MAY DIVIDE AND RESTATE ANY NOTE EVIDENCING THE SENIOR DEBT, THE OBLIGATIONS UNDER THE LOAN AGREEMENT, THE COLLATERAL AND THE SENIOR DEBT DOCUMENTS TO ONE OR MORE OTHER PERSONS, IN EACH CASE ON THE TERMS AND CONDITIONS IN THE LOAN AGREEMENT. The terms "Senior Lender" in this Agreement include transferees and participants of the Senior Debt and successors and assigns, each of which shall have all rights and benefits of the Senior Lender hereunder. Each transferee and participant of the Senior Debt (to the extent provided in the Credit Agreement) shall have all of the rights and benefits with respect to the Obligations under the Credit Agreement, any notes evidencing Senior Debt, the Collateral, this Agreement and the Senior Debt Documents held by it as fully as the original holder thereof.

14. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which, taken together, shall constitute one fully-executed instrument. This Agreement may be executed by facsimile transmission, which facsimile signatures shall be considered original executed counterparts for purposes of this Section 14, and each party to this Agreement agrees that it will be bound by its own facsimile signature and that it accepts the facsimile signature of each other party to this Agreement.

15. **Defines Rights of Creditors; Obligors' Obligations Unconditional.** The provisions of this Agreement are solely for the purpose of defining the relative rights of the Junior Lender, the Senior Lender and the holders of Senior Debt and shall not be deemed to create any rights or priorities in favor of any other Person, including, without limitation, Obligors. As between Obligors and the Senior Lender, nothing contained herein shall impair the unconditional and absolute obligation of Obligors to the Senior Lender to pay the Senior Debt as such Senior Debt shall become due and payable in accordance with the Senior Debt Documents. The failure of Obligors to make any payment to the Junior Lender due to the operation of this Agreement shall not be construed as prohibiting the occurrence of a Junior Default.

16. **Subrogation.** After and subject to the Payment in Full of the Senior Debt, and prior to repayment in full of the Junior Debt, the Junior Lender shall be subrogated to the rights of the Senior Lender to the extent that payments and distributions otherwise payable to the Junior Lender have been applied to the Senior Debt in accordance with the provisions of this Agreement. For purposes of such subrogation, no payments or distributions to the holders of Senior Debt of any cash, property or securities to which the Junior Lender would be entitled except for the provisions of this Agreement, and no payments pursuant to the provisions of this Agreement to the holders of Senior Debt by the Junior Lender, shall, as among any Obligor, its creditors (other than the Senior Lender) and the Junior Lender be deemed to be a payment or distribution by such Obligor to or on account of the Senior Debt; it being understood that the provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Junior Lender, on the one hand, and the Senior Lender and holders of the Senior Debt, on the other hand. The Senior Lender shall have no obligation or duty to protect the Junior Lender's rights of subrogation arising pursuant to this Agreement or under any applicable law, nor shall the Senior Lender be liable for any loss to, or impairment of, any subrogation rights held by the Junior Lender.

17. **Conflict.** In the event of any conflict between any term, covenant or condition of this Agreement and any term, covenant or condition of any of the Junior Debt Documents or the Senior Debt Documents, the provisions of this Agreement shall control and govern.

18. **Headings.** The paragraph headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

19. **Termination.** This Agreement shall terminate upon the Payment in Full of the Senior Debt.

20. **Applicable Law.** THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

21. **CONSENT TO JURISDICTION.** JUNIOR LENDER AND EACH OBLIGOR EACH HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY IT AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT SHALL BE LITIGATED IN THE COURTS OF THE NEW YORK COUNTY, THE STATE OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, OR, IF SENIOR LENDER INITIATES SUCH ACTION, IN ADDITION TO THE FOREGOING COURTS, ANY COURT IN WHICH SENIOR LENDER SHALL INITIATE OR TO WHICH SENIOR LENDER OR SHALL REMOVE SUCH ACTION, TO THE EXTENT SUCH COURT OTHERWISE HAS JURISDICTION. JUNIOR LENDER AND EACH OBLIGOR EACH HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE TO THE JURISDICTION OF SUCH COURTS IN ANY ACTION OR PROCEEDING COMMENCED IN OR REMOVED BY SENIOR LENDER TO ANY OF SUCH COURTS, AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED THEREIN, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO IT AT THE ADDRESS FOR NOTICES IN SECTION 11 ABOVE. JUNIOR LENDER AND OBLIGOR EACH WAIVES ANY CLAIM THAT ANY COURT HAVING SITUS IN NEW YORK COUNTY, NEW YORK, IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE. SHOULD ANY JUNIOR LENDER OR OBLIGOR, AFTER BEING SO SERVED, FAIL TO APPEAR OR ANSWER ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE PERIOD OF TIME PRESCRIBED BY LAW AFTER THE MAILING THEREOF, IT SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY SENIOR LENDER AGAINST JUNIOR LENDER OR SUCH OBLIGOR, AS THE CASE MAY BE, AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR JUNIOR LENDER AND EACH OBLIGOR SET FORTH IN THIS SECTION 21 SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT, BY SENIOR LENDER, OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING, BY SENIOR LENDER, OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND JUNIOR LENDER AND EACH OBLIGOR EACH HEREBY WAIVES THE RIGHT TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

22. **WAIVER OF JURY TRIAL.** THE JUNIOR LENDER, EACH OBLIGOR AND THE SENIOR LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE JUNIOR LENDER, EACH OBLIGOR AND THE SENIOR LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE JUNIOR LENDER, EACH OBLIGOR AND THE SENIOR LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

23. **No Third Party Beneficiary.** This Agreement is not intended to benefit or confer any rights upon any Obligor or upon any third party (except pursuant to Section 13 hereof).

24. **Waiver of Consolidation**. The Junior Lender acknowledges and agrees that (i) Obligors and any other guarantor of the Obligations are each separate and distinct entities; and (ii) it will not at any time insist upon, plead or seek advantage of any substantive consolidation, piercing the corporate veil or any other order or judgment that causes an effective combination of the assets and liabilities of Obligors and any other guarantor of the Obligations in any Proceeding under the Bankruptcy Code or other similar proceeding.

25. **Consent of Junior Lender**. The Junior Lender hereby consents to and authorizes all terms and provisions of the Senior Debt Documents, the creation of the Obligations and the granting of security interests by Obligors in and to the Collateral pursuant to the Senior Debt Documents and otherwise and to all of the transactions contemplated by the Senior Debt Documents, and hereby recognizes that all of the foregoing is authorized and permitted pursuant to the Junior Debt Documents. The Junior Lender and Obligor hereby agree and acknowledge and represent and warrant that none of the foregoing are or shall be considered a violation or breach or default under any of the Junior Debt Documents.

*{Signatures appear on the following page.}*

**IN WITNESS WHEREOF**, the Junior Lender, Obligors and the Senior Lender have caused this Subordination Agreement to be executed as of the date first above written.

**JUNIOR LENDER:**

/s/ **MICHAEL TRAINA**  
**MICHAEL TRAINA**

**OBLIGORS:**

**OPTOS CAPITAL PARTNERS, LLC**

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

**FOCUS VENTURE PARTNERS, INC.**

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

**SENIOR LENDER:**

**ATALAYA ADMINISTRATIVE LLC**

By: /s/ Michael E. Bogdan  
Michael E. Bogdan  
Authorized Signatory

Traina Subordination Agreement Signature Page

---



---

---

GUARANTEE AND COLLATERAL AGREEMENT

dated as of December 3, 2012

among  
OPTOS CAPITAL PARTNERS, LLC, MDT LABOR, LLC, FOCUS FIBER SOLUTIONS, LLC, JUS  
-COM, INC., CMK RESOURCE GROUP, LLC and TOWNSEND CAREERS, LLC,  
as Borrowers,

FOCUS VENTURE PARTNERS, INC.  
as Guarantor,

THE VARIOUS FINANCIAL INSTITUTIONS PARTY HERETO,  
as Lenders,

THE OTHER PARTIES HERETO,  
as Grantors,

and  
ATALAYA ADMINISTRATIVE LLC,  
as Administrative Agent

## GUARANTEE AND COLLATERAL AGREEMENT

Guarantee and Collateral Agreement, dated as of December 3, 2012 (this "Agreement"), made by each signatory hereto (together with any other Person that becomes a party hereto as provided herein, "Grantors"), in favor of ATALAYA ADMINISTRATIVE LLC, in its capacity as administrative agent ("Agent") for all Lenders party to the Credit Agreement (as hereafter defined).

### RECITALS

A. Lenders have severally agreed to extend credit to Borrowers pursuant to the Credit Agreement. Each Borrower is affiliated with each other Grantor. The proceeds of credit extended under the Credit Agreement will be used in part to enable Borrowers to make valuable transfers to Grantors in connection with the operation of their respective businesses. Each Borrower and the other Grantors are engaged in interrelated businesses, and each Grantor will derive substantial direct and indirect benefit from extensions of credit under the Credit Agreement.

B. Each Borrower is a direct or indirect Subsidiary of Focus Venture Partners, Inc., a Nevada corporation ("Guarantor"). Guarantor has guaranteed the payment and the performance of Borrowers' obligations under the Credit Agreement.

C. It is a condition precedent to each Lender's obligation to extend credit under the Credit Agreement that Grantors shall have executed and delivered this Agreement to Agent for the ratable benefit of all Lenders.

D. In consideration of the premises and to induce Agent and Lenders to enter into the Credit Agreement and to induce Lenders to extend credit thereunder, each Grantor hereby agrees with Agent, for the ratable benefit of Lenders, as follows:

#### Section 1 Definitions.

1.1 Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the UCC: Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Goods, Health-Care Insurance Receivables, Instruments, Inventory, Letter-of-Credit Rights and Supporting Obligations.

1.2 When used herein the following terms shall have the following meanings:

Assigned Agreements means each of the Related Agreements, any stock purchase agreement, asset purchase agreement, merger agreement and any similar documents entered into by any Grantor either in connection with the Related Transactions or otherwise.

Agreement has the meaning set forth in the preamble hereto.

Borrowers' Obligations means all "Obligations" as such term is defined in the Credit Agreement.

Collateral means (a) all of the assets and personal property now owned or at any time hereafter acquired by any Grantor or in which any Grantor now has or at any time in the future may acquire any right, title or interest, including all of each Grantor's Accounts, Chattel Paper (including Electronic Chattel Paper), Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles, Goods, Health-Care Insurance Receivables, Instruments, Intellectual Property, Inventory, Investment Property, Letter-of-Credit Rights, Supporting Obligations and Identified Claims, (b) all books and records pertaining to any of the foregoing, (c) all Proceeds and products of any of the foregoing and (d) all collateral security and guarantees given by any Person with respect to any of the foregoing; provided, that the Collateral shall not include the Excluded Property. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

Copyrights means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, including those listed on Schedule 5, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and the right to obtain all renewals of any of the foregoing.

Copyright Licenses means all written agreements naming any Grantor as licensor or licensee, including those listed on Schedule 5, granting any right under any Copyright, including the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

Credit Agreement means the Credit Agreement of even date herewith among Borrowers, the financial institutions that are from time to time parties thereto, as Lenders thereunder, and Agent, as amended, supplemented, restated or otherwise modified from time to time.

Excluded Property means, with respect to a Grantor, (a) "intent-to-use" Trademarks until such time as such Grantor begins to use such Trademarks, and (b) any item of General Intangibles that is now or hereafter held by such Grantor but only to the extent that such item of General Intangibles (or any agreement evidencing such item of General Intangibles) contains a term or is subject to a rule of law, statute or regulation that restricts, prohibits, or requires a consent (that has not been obtained) of a Person (other than such Grantor) to, the creation, attachment or perfection of the security interest granted herein, and any such restriction, prohibition and/or requirement of consent is effective and enforceable under applicable law and is not rendered ineffective by applicable law (including, without limitation, pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC); provided, however, that (x) Excluded Property shall not include, any Proceeds of any item of General Intangibles, and (y) any item of General Intangibles that at any time ceases to satisfy the criteria for Excluded Property (whether as a result of the applicable Grantor obtaining any necessary consent, any change in any rule of law, statute or regulation, or otherwise), shall no longer be Excluded Property and shall automatically constitute a portion of the Collateral subject to the grant of security contained herein.

Fixtures means all of the following, whether now owned or hereafter acquired by a Grantor: plant fixtures; business fixtures; other fixtures and storage facilities, wherever located; and all additions and accessories thereto and replacements therefor.

Foreign Subsidiary means any Subsidiary organized under the laws of a jurisdiction other than the United States, any State of the United States or the District of Columbia.

General Intangibles means all "general intangibles" as such term is defined in Section 9-106 of the UCC and, in any event, including with respect to any Grantor, all contracts (including all Assigned Agreements and Seller Undertakings), agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same from time to time may be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to damages arising thereunder and (c) all rights of such Grantor to perform and to exercise all remedies thereunder; provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

Grantor has the meaning set forth in the preamble to this Agreement.

Guarantor's Obligations means all of such Guarantor's obligations under this Agreement.

Guarantor has the meaning set forth in the Recitals to this Agreement.

Identified Claims means the Commercial Tort Claims described on Schedule 7 as such schedule may be supplemented from time to time.

Intellectual Property means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

Intercompany Note means any promissory note evidencing loans made by any Grantor to any other Grantor.

Investment Property means the collective reference to (a) all "investment property" as such term is defined in Section 9-102 of the UCC (other than the equity interest of any Foreign Subsidiary excluded from the definition of Pledged Equity), (b) all "financial assets" as such term is defined in Section 8-102(a)(9) of the UCC, and (c) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Equity.

Issuers means the collective reference to each issuer of any Investment Property.

Patents means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including any of the foregoing referred to in Schedule 5, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including any of the foregoing referred to in Schedule 5, and (c) all rights to obtain any reissues or extensions of the foregoing.

Patent Licenses means all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including any of the foregoing referred to in Schedule 5.

Permitted Liens means the Liens permitted under Section 7.2 of the Credit Agreement.

Pledged Equity means the equity interests of Borrowers listed on Schedule 1, together with any other equity interests, certificates, options or rights of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall more than 65% of the total outstanding voting equity interests of any Foreign Subsidiary constitute Pledged Equity.

Pledged Notes means all promissory notes listed on Schedule 1, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

Proceeds means all “proceeds” as such term is defined in Section 9-102 of the UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

Receivable means any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including any Accounts).

Secured Obligations means, collectively, the Borrowers' Obligations and Guarantor's Obligations.

Securities Act means the Securities Act of 1933, as amended.

Seller Undertakings means, collectively, all representations, warranties, covenants and agreements in favor of any Grantor, and all indemnifications for the benefit of any Grantor relating thereto, pursuant to the Assigned Agreements.

Trademarks means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including any of the foregoing referred to in Schedule 5, and (b) the right to obtain all renewals thereof.

Trademark Licenses means, collectively, each agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including any of the foregoing referred to in Schedule 5.

UCC means the Uniform Commercial Code as in effect on the date hereof and from time to time in the State of New York, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

## Section 2 Guarantee.

2.1 Guarantee. (a) Guarantor hereby, jointly and severally, unconditionally and irrevocably, as a primary obligor and not only a surety, guarantees to Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by each Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrowers Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Guarantor agrees that the Secured Obligations may at any time and from time to time exceed the amount of the liability of Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all of the Secured Obligations shall have been Paid in Full.

(e) No payment made by any Borrower, Guarantor, any other guarantor or any other Person or received or collected by Agent or any Lender from any Borrower, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Secured Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by Guarantor in respect of the Secured Obligations or any payment received or collected from Guarantor in respect of the Secured Obligations), remain liable for the Secured Obligations up to the maximum liability of Guarantor hereunder until the Secured Obligations are Paid in Full.

2.2 Intentionally omitted.

2.3 No Subrogation. Notwithstanding any payment made by Guarantor hereunder or any set-off or application of funds of Guarantor by Agent or any Lender, Guarantor shall not be entitled to be subrogated to any of the rights of Agent or any Lender against any Borrower or any collateral security or guarantee or right of offset held by Agent or any Lender for the payment of the Secured Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower in respect of payments made by Guarantor hereunder, until all of the Secured Obligations are Paid in Full; provided that any such right of contribution or reimbursement against Borrower (including any right under Section 2.2) shall be irrevocably and automatically waived in the event the Pledged Equity or other equity securities of any Borrower are sold or otherwise transferred or disposed of in connection with the exercise of rights and remedies by Agent and Lenders (including in connection with a consensual sale, transfer or other disposition in lieu of foreclosure). If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the Secured Obligations shall not have been Paid in Full, such amount shall be held by Guarantor in trust for Agent and the Lenders, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to Agent in the exact form received by Guarantor (duly indorsed by Guarantor to Agent, if required), to be applied against the Secured Obligations, whether matured or unmatured, in a manner that is consistent with the provisions of Section 10.22 of the Credit Agreement.

2.4 Amendments, etc. with respect to the Secured Obligations. Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Guarantor and without notice to or further assent by Guarantor, any demand for payment of any of the Secured Obligations made by Agent or any Lender may be rescinded by Agent or such Lender and any of the Secured Obligations continued, and the Secured Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by Agent or any Lender for the payment of the Secured Obligations may be sold, exchanged, waived, surrendered or released. Neither Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Secured Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5 Guarantee Absolute and Unconditional. Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Secured Obligations and notice of or proof of reliance by Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2, and all dealings between any Borrower and Guarantor, on the one hand, and Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Borrowers or Guarantor with respect to the Secured Obligations. Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Secured Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Borrower or any other Person against Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of Borrowers or Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of Borrowers for the Secured Obligations, or of Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against Guarantor, Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against Borrowers, Guarantor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from Borrowers, Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Borrowers, Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Agent or any Lender against Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Guarantor hereby guarantees that payments hereunder will be paid to Agent without set-off or counterclaim in Dollars at the office of Agent specified in the Credit Agreement.

### Section 3 Grant of Security Interest.

Each Grantor hereby assigns and transfers to Agent, and hereby grants to Agent, for the ratable benefit of the Lenders and (to the extent provided herein) their Affiliates, a security interest in all of its Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations.

### Section 4 Representations and Warranties.

To induce Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to Borrowers thereunder, each Grantor jointly and severally hereby represents and warrants to Agent and each Lender that:

4.1 Title; No Other Liens. Except for Permitted Liens, the Grantors own each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except filings evidencing Permitted Liens and filings for which termination statements have been delivered to Agent.

4.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on Schedule 2, have been delivered to Agent in completed and duly executed (if applicable) form) will constitute valid perfected security interests in all of the Collateral in favor of Agent, for the ratable benefit of the Lenders, as collateral security for each Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of each Grantor and any Persons purporting to purchase any Collateral from each Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens expressly permitted by the Credit Agreement. The filings and other actions specified on Schedule 2 constitute all of the filings and other actions necessary to perfect all security interests granted hereunder.

4.3 Grantor Information. On the date hereof, Schedule 3 sets forth (a) each Grantor's jurisdiction of organization, (b) the location of each Grantor's chief executive office, (c) each Grantor's exact legal name as it appears on its organizational documents, (d) each Grantor's federal employer identification number, and (e) each Grantor's organizational identification number.

4.4 Collateral Locations. On the date hereof, Schedule 4 sets forth (a) each place of business of each Grantor (including its chief executive office), (b) all locations where all Collateral (including a description thereof) owned by each Grantor is kept, except with respect to Inventory and Equipment with a fair market value of less than \$25,000 (in the aggregate for all Grantors) which may be located at other locations within the United States and (c) whether each such Collateral location and place of business (including each Grantor's chief executive office) is owned or leased (and if leased, specifies the complete name and notice address of each lessor). No Collateral is located outside the United States or in the possession of any lessor, bailee, warehouseman or consignee, except as indicated on Schedule 4.

4.5 Certain Property. None of the Collateral constitutes, or is the Proceeds of, (a) Farm Products, (b) Health-Care Insurance Receivables or (c) vessels, aircraft or any other property subject to any certificate of title or other registration statute of the United States, any State or other jurisdiction, except for personal vehicles owned by the Grantors and used by employees of the Grantors in the ordinary course of business with an aggregate fair market value of less than \$100,000 (in the aggregate for all Grantors).



4.6 Investment Property. (a) The shares of Pledged Equity pledged by each Grantor hereunder constitute all the issued and outstanding equity interests of each Issuer owned by such Grantor or, in the case of any Foreign Subsidiary, all issued and outstanding equity interests of such Foreign Subsidiary owned by such Grantor not in excess of 65% of all issued and outstanding voting equity interests.

(b) All of the Pledged Equity has been duly and validly issued and is fully paid and nonassessable.

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing).

(d) Schedule 1 lists all Investment Property owned by each Grantor as of the Closing Date. Each Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement and, in the case of Investment Property which does not constitute Pledged Equity or Pledged Notes, for Permitted Liens.

4.7 Receivables. (a) No material amount payable to any Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to Agent.

(b) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables (to the extent such representations are required by any of the Loan Documents) will at all such times be accurate.

4.8 Intellectual Property. (a) Schedule 5 lists all Intellectual Property owned by such Grantor in its own name on the date hereof.

(b) All material Intellectual Property owned by Guarantor is valid, subsisting, unexpired and enforceable, has not been abandoned and, to such Grantor's knowledge, does not infringe the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 5, as of the Closing Date, none of the Intellectual Property constituting Collateral is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or any Grantor's rights in, any Intellectual Property owned by any Grantor in any material respect.

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any material Intellectual Property or any Grantor's ownership interest therein, or (ii) which, if adversely determined, would adversely affect the value of any material Intellectual Property.

(f) Each Grantor owns and possesses or has a license or other right to use all Intellectual Property as is necessary for the conduct of businesses of such Grantor, without any infringement upon rights of others which could reasonably be expected to have a Material Adverse Effect.

4.9 Depository and Other Accounts. All Deposit Accounts and all other depository and other accounts maintained by each Grantor as of the Closing Date are described on Schedule 6 hereto, which description includes for each such account the name of the Grantor maintaining such account, the name, address, telephone and fax numbers of the financial institution at which such account is maintained, the account number, the type of account and the account officer, if any, of such account.

4.10 Excluded Property. Each Grantor represents, warrants and covenants that it does not own, and will not own, assets which satisfy the provisions of clause (b) of the definition of Excluded Property, which when aggregated, are material to the business of such Grantor.

4.11 Credit Agreement. Each Grantor makes each of the representations and warranties made by Borrowers in the Credit Agreement (which representations and warranties shall be deemed to have been renewed upon each borrowing or issuance of a Letter of Credit under the Credit Agreement). Such representations and warranties are incorporated herein by this reference as if fully set forth herein.

## Section 5 Covenants.

Each Grantor covenants and agrees with Agent and the Lenders that, from and after the date of this Agreement until the Secured Obligations shall have been Paid in Full:

5.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral in excess of \$25,000 (in the aggregate for all Grantors) shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to Agent, duly indorsed in a manner satisfactory to Agent, to be held as Collateral pursuant to this Agreement and in the case of Electronic Chattel Paper, the applicable Grantor shall cause Agent to have control thereof within the meaning set forth in Section 9-105 of the UCC. In the event that an Event of Default shall have occurred and be continuing, upon the request of Agent, any Instrument, Certificated Security or Chattel Paper not theretofore delivered to Agent and at such time being held by any Grantor shall be immediately delivered to Agent, duly indorsed in a manner satisfactory to Agent, to be held as Collateral pursuant to this Agreement and in the case of Electronic Chattel Paper, the applicable Grantor shall cause Agent to have control thereof within the meaning set forth in Section 9-105 of the UCC.

5.2 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including (i) filing any financing or continuation statements under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts, Electronic Chattel Paper and Letter of Credit Rights and any other relevant Collateral, taking any actions necessary to enable Agent to obtain “control” (within the meaning of the applicable UCC) with respect thereto, in each case pursuant to documents in form and substance satisfactory to Agent and (iii) during the continuance of an Event of Default, if requested by Agent, delivering, to the extent permitted by law, any original motor vehicle certificates of title received by such Grantor from the applicable secretary of state or other Governmental Authority reflecting Agent’s security interest has been recorded therein.

(d) Each Grantor authorizes Agent to, at any time and from time to time, file financing statements, continuation statements, and amendments thereto that describe the Collateral (including describing the Collateral as “all assets” of each Grantor, or words of similar effect), and which contain any other information required pursuant to the UCC for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, and each Grantor agrees to furnish any such information to Agent promptly upon request. Any such financing statement, continuation statement, or amendment may be signed (to the extent signature of a Grantor is required under applicable law) by Agent on behalf of any Grantor and may be filed at any time in any jurisdiction.

(e) Each Grantor shall, at any time and from time and to time, take such steps as Agent may reasonably request for Agent (i) to obtain an acknowledgement, in form and substance reasonably satisfactory to Agent, of any bailee having possession of any of the Collateral, stating that the bailee holds such Collateral for Agent, (ii) to obtain “control” of any letter-of-credit rights, or electronic chattel paper (as such terms are defined by the UCC with corresponding provisions thereof defining what constitutes “control” for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to Agent, and (iii) otherwise to insure the continued perfection and priority of Agent’s security interest in any of the Collateral and of the preservation of its rights therein.

(f) Without limiting the generality of the foregoing, if any Grantor at any time holds or acquires an interest in any electronic chattel paper or any “transferable record”, as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in §16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Grantor shall promptly notify Agent thereof and, at the request of Agent, shall take such action as Agent may reasonably request to vest in Agent “control” under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. Agent agrees with the Grantors that Agent will arrange, pursuant to procedures satisfactory to Agent and so long as such procedures will not result in Agent’s loss of control, for the Grantors to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or §16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by any Grantor with respect to such electronic chattel paper or transferable record.

5.3 Changes in Locations, Name, etc. Such Grantor shall not, except upon 30 days’ prior written notice to Agent and delivery to Agent of (a) all additional financing statements and other documents reasonably requested by Agent as to the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 4 showing any additional location at which Inventory or Equipment shall be kept:

(i) permit any of the Inventory or Equipment to be kept at a location other than those listed on Schedule 4; provided, that up to \$25,000 (in the aggregate for all Grantors) in fair market value of any such Inventory and Equipment may be kept at other locations;

(ii) change the location of its chief executive office from that specified on Schedule 3 or in any subsequent notice delivered pursuant to this Section 5.3; or

(iii) change its name, identity or corporate or limited liability company structure.

Such Grantor shall not change its jurisdiction of organization without the prior written consent of Required Lenders.

5.4 Notices. Such Grantor will advise Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than Permitted Liens) on any of the Collateral which would adversely affect the ability of Agent to exercise any of its remedies hereunder; and

(b) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the Liens created hereby.

5.5 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any certificate, option or rights in respect of the equity interests of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any of the Pledged Equity, or otherwise in respect thereof, such Grantor shall accept the same as the agent of Agent and the Lenders, hold the same in trust for Agent and the Lenders and deliver the same forthwith to Agent in the exact form received, duly indorsed by such Grantor to Agent, if required, together with an undated instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if Agent so requests, signature guaranteed, to be held by Agent, subject to the terms hereof, as additional Collateral for the Secured Obligations. Upon the occurrence and during the continuance of an Event of Default, (i) any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to Agent to be held, at Agent's option, either by it hereunder as additional Collateral for the Secured Obligations or applied to the Secured Obligations as provided in Section 6.5, and (ii) in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected Lien in favor of Agent, be delivered to Agent to be held, at Agent's option, either by it hereunder as additional Collateral for the Secured Obligations or applied to the Secured Obligations as provided in Section 6.5. Upon the occurrence and during the continuance of an Event of Default, if any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to Agent, hold such money or property in trust for the Lenders, segregated from other funds of such Grantor, as additional Collateral for the Secured Obligations.

(b) Without the prior written consent of Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any equity interests of any nature or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any equity interests of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction which is permitted or not prohibited by the Credit Agreement, (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for Permitted Liens, or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify Agent promptly in writing of the occurrence of any of the events described in Section 5.5(a) with respect to the Investment Property issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to such Grantor with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 regarding the Investment Property issued by it.

5.6 Receivables. (a) Except as permitted by the Credit Agreement, Grantors will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Grantors will deliver Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables of any Grantor.

5.7 Intellectual Property. (a) Each Grantor (either itself or through licensees) will (i) continue to use each Trademark material to its business on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark unless Agent, for the ratable benefit of the Lenders, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated or impaired in any way.

(b) Each Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Each Grantor (either itself or through licensees) (i) will employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Each Grantor will not (either itself or through licensees) do any act whereby any material portion of the Copyrights may fall into the public domain.

(d) Each Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Each Grantor will notify Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding, its ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever a Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to Agent concurrently with the next delivery of financial statements of Borrowers pursuant to Section 6.1.1 or 6.1.2 of the Credit Agreement, as applicable. Upon the request of Agent, each Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as Agent may request to evidence Agent's and the Lenders' security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Each Grantor will take all reasonable and necessary steps to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of all material Intellectual Property owned by it.

(h) In the event that any material Intellectual Property is infringed upon or misappropriated or diluted by a third party, each Grantor shall (i) take such actions as it shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify Agent after it learns thereof and, to the extent, in its reasonable judgment, it determines it appropriate under the circumstances, sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

#### 5.8 Seller Undertakings.

(a) Each Grantor shall keep Agent informed of all circumstances bearing upon any potential claim under or with respect to the Assigned Agreements and the Seller Undertakings and such Grantor shall not, without the prior written consent of Agent, (i) waive any of its rights or remedies under any Assigned Agreement with respect to any of the Seller Undertakings in excess of \$25,000, (ii) settle, compromise or offset any amount payable by the sellers to such Grantor under any Assigned Agreement in excess of \$25,000 or (iii) amend or otherwise modify any Assigned Agreement in any manner which is adverse to the interests of Agent or any Lender.

(b) Each Grantor shall perform and observe all the terms and conditions of each Assigned Agreement to be performed by it, maintain each Assigned Agreement in full force and effect, enforce each Assigned Agreement in accordance with its terms and take all such action to such end as may from time to time be reasonably requested by Agent.

(c) Anything herein to the contrary notwithstanding, (i) each applicable Grantor shall remain liable under each Assigned Agreement to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any Assigned Agreement and (iii) neither Agent nor any other Lender shall have any obligation or liability under any Assigned Agreement by reason of this Agreement, nor shall Agent or any other Lender be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

5.9 Depository and Other Deposit Accounts. Each Grantor hereby authorizes the financial institutions at which such Grantor maintains a deposit account to provide Agent with such information with respect to such deposit account as Agent may from time to time reasonably request, and each Grantor hereby consents to such information being provided to Agent. Each Grantor will cause each financial institution at which such Grantor maintains a deposit account, securities account or other similar account to enter into an account control agreement or other similar agreement with Agent and such Grantor, in form and substance reasonably satisfactory to Agent, in order to give Agent “control” (within the meaning set forth in Section 9-104 or 8-106 of the UCC, as applicable) of such account.

5.10 Other Matters. Each of the Grantors shall cause to be delivered to Agent a Collateral Access Agreement with respect to each Borrower’s chief executive office in a form reasonably satisfactory to Agent, and each of the Grantors shall, at the written request of Agent, cause to be delivered to Agent a Collateral Access Agreement with respect to other leased real property or other locations (including bailee and third party warehouse locations) where (a) books and records not duplicated at the chief executive office or (b) collateral having a fair market value in excess of \$25,000 in the aggregate for such location are located. Such requirement may be waived at the option of Agent.

5.11 Guarantor. Guarantor shall comply in all respects with each affirmative covenant contained in the Credit Agreement with which Borrowers have agreed to cause Guarantor to comply. Guarantor shall not fail to observe or comply with any negative covenant contained in the Credit Agreement with which Borrowers have agreed not to permit Guarantor to fail to comply.

5.12 Commercial Tort Claims. If any Grantor shall at any time acquire any Commercial Tort Claim in excess of \$25,000, such Grantor shall promptly (following knowledge of the existence thereof) notify Agent of such Commercial Tort Claim in writing, therein providing a reasonable description and summary thereof, and upon delivery thereof to Agent, such Grantor shall be deemed to thereby grant to Agent (and such Grantor hereby grants to Agent) a security interest in such Commercial Tort Claim and all proceeds thereof.

5.13 Credit Agreement. Each of the Grantors covenants that it will, and, if necessary, will cause or enable each Borrower to, fully comply with each of the covenants and other agreements set forth in the Credit Agreement (for this purpose, each reference in the Credit Agreement to a Borrower shall be deemed to be a reference to such Grantor).

## Section 6 Remedial Provisions.

6.1 Certain Matters Relating to Receivables. (a) At any time and from time to time Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information Agent may require in connection with such test verifications. At any time and from time to time after the occurrence and during the continuance of an Event of Default, upon Agent’s request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to Agent to furnish to Agent reports showing reconciliations, agings and test verifications of, and trial balances for, the Receivables.

(b) At any time and from time to time at Agent’s request, each Grantor shall deliver to Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including all original orders, invoices and shipping receipts.



(c) Each Grantor hereby irrevocably authorizes and empowers Agent, in Agent's sole discretion, at any time to assert, either directly or on behalf of such Grantor, any claim such Grantor may from time to time have against the sellers under or with respect to the Assigned Agreements and to receive and collect any and all damages, awards and other monies resulting therefrom and to apply the same to the Secured Obligations in accordance with Section 6.5. Each Grantor hereby irrevocably makes, constitutes and appoints Agent as its true and lawful attorney in fact for the purpose of enabling Agent to assert and collect such claims and to apply such monies in the manner set forth above, which appointment, being coupled with an interest, is irrevocable.

6.2 Communications with Obligors; Grantors Remain Liable. (a) Agent in its own name or in the name of others may at any time communicate with obligors under the Receivables to verify with them to Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the request of Agent after an Event of Default occurs and is continuing, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to Agent for the ratable benefit of the Lenders and that payments in respect thereof shall be made directly to Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable in respect of each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither Agent nor any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by Agent or any Lender of any payment relating thereto, nor shall Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(d) For the purpose of enabling Agent to exercise rights and remedies under this Agreement, each Grantor hereby grants to Agent, for the benefit of Agent and Lenders, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

6.3 Investment Property. (a) Unless an Event of Default shall have occurred and be continuing and Agent shall have given notice to the relevant Grantor of Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends and distributions paid in respect of the Pledged Equity and all payments made in respect of the Pledged Notes, to the extent permitted in the Credit Agreement, and to exercise all voting and other rights with respect to the Investment Property; provided, that no vote shall be cast or other right exercised or action taken which could impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.



(b) If an Event of Default shall occur and be continuing and Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) Agent shall have the right to receive any and all cash dividends and distributions, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Secured Obligations in accordance with Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of Agent or its nominee, and Agent or its nominee may thereafter exercise (x) all voting and other rights pertaining to such Investment Property at any meeting of holders of the equity interests of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other structure of any Issuer, or upon the exercise by any Grantor or Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as Agent may determine), all without liability except to account for property actually received by it, but Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividends, distributions or other payments with respect to the Investment Property directly to Agent.

6.4 Proceeds to be Turned Over To Agent. With respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds of Collateral received by any Grantor consisting of cash, checks and other cash equivalent items shall be held by such Grantor in trust for Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to Agent in the exact form received by such Grantor (duly indorsed by such Grantor to Agent, if required). All Proceeds received by Agent hereunder shall be applied to the Secured Obligations as provided in Section 6.5.

6.5 Application of Proceeds. Except as otherwise provided in the Credit Agreement, Agent may apply all or any part of Proceeds held in any collateral account established pursuant hereto or otherwise received by Agent to the payment of the Secured Obligations in accordance with Section 2.12.2 of the Credit Agreement.

6.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery with assumption of any credit risk. Agent may disclaim any warranties that might arise in connection with any such lease, assignment, grant of option or other disposition of Collateral and have no obligation to provide any warranties at such time. Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Such sales may be adjourned and continued from time to time with or without notice. Agent shall have the right to conduct such sales on any Grantor's premises or elsewhere and shall have the right to use any Grantor's premises without charge for such time or times as Agent deems necessary or advisable. Each Grantor further agrees, at Agent's request, to assemble the Collateral and make it available to Agent at places which Agent shall reasonably select, whether at such Grantor's premises or elsewhere. Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Agent and the Lenders hereunder, including reasonable attorneys' fees and disbursements, to the payment of the Secured Obligations in accordance with Section 6.5. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7 Registration Rights. (a) If Agent shall determine to exercise its right to sell any or all of the Pledged Equity pursuant to Section 6.6, and if in the opinion of Agent it is necessary or advisable to have the Pledged Equity, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of Agent, necessary or advisable to register the Pledged Equity, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Equity, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that Agent may be unable to effect a public sale of any or all the Pledged Equity, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Agent shall be under no obligation to delay a sale of any of the Pledged Equity for the period of time necessary to permit the Issuer thereof to register such securities or other interests for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity pursuant to this Section 6.7 valid and binding and in compliance with applicable law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to Agent and the Lenders, that Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

6.8 Waiver, Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-626 of the UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient for the Secured Obligations to be Paid in Full and the fees and disbursements of any attorneys employed by Agent or any Lender to collect such deficiency.

## Section 7 Agent.

7.1 Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives Agent the power and right, on behalf of and at the expense of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as Agent may request to evidence Agent's security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) discharge Liens levied or placed on or threatened against the Collateral, and effect any repairs or insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Agent or as Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark, throughout the world for such term or terms, on such conditions, and in such manner, as Agent shall in its sole discretion determine; (8) subject to the requirements of Section 6.3 hereof, vote any right or interest with respect to any Investment Property; (9) order good standing certificates and conduct lien searches in respect of such jurisdictions or offices as Agent may deem appropriate; and (10) subject to the requirements of Section 6.3 hereof, generally sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and do, at Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which Agent deems necessary to protect, preserve or realize upon the Collateral and Agent's security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) Each Grantor hereby ratifies all that such attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Agent. Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as Agent deals with similar property for its own account. Neither Agent or any Lender nor any of their respective officers, directors, employees or agents shall be liable for any failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on Agent and the Lenders hereunder are solely to protect Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon Agent or any Lender to exercise any such powers. Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder.

7.3 Execution of Financing Statements. Pursuant to Section 9-402 of the UCC and any other applicable law, each Grantor authorizes Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as Agent determines appropriate to perfect the security interests of Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.4 Authority of Agent. Each Grantor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or non-exercise by Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Agent and the Grantors, Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## Section 8 Miscellaneous.

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands to or upon Agent or any Grantor hereunder shall be effected in the manner provided for in Section 10.2 of the Credit Agreement.

8.3 Indemnification by Grantors. Each Grantor hereby agrees, on a joint and several basis, to indemnify, exonerate and hold Agent, each Lender and each of the officers, directors, employees, Affiliates and agents of Agent and each Lender (each a "Lender Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including Legal Costs (collectively, the "Indemnified Liabilities"), incurred by Lender Parties or any of them as a result of, or arising out of, or relating to (a) any tender offer, merger, purchase of equity interests, purchase of assets (including the Related Transactions) or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Loans, (b) the use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any hazardous substance at any property owned or leased by any Grantor or any Subsidiary, (c) any violation of any Environmental Laws with respect to conditions at any property owned or leased by any Grantor or any Subsidiary or the operations conducted thereon, (d) the investigation, cleanup or remediation of offsite locations at which any Grantor or any Subsidiary or their respective predecessors are alleged to have directly or indirectly disposed of hazardous substances or (e) the execution, delivery, performance or enforcement of this Agreement or any other Loan Document by any Lender Party, except to the extent any such Indemnified Liabilities result from the applicable Lender Party's own gross negligence or willful misconduct as determined by a court of competent jurisdiction. If and to the extent that the foregoing undertaking may be unenforceable for any reason, each Grantor hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The agreements in this Section 8.3 shall survive repayment of the Secured Obligations (and termination of all Commitments thereunder), any foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement.

8.4 Enforcement Expenses. (a) Each Grantor agrees, on a joint and several basis, to pay or reimburse on demand each Lender and Agent for all reasonable out-of-pocket costs and expenses (including Legal Costs) incurred in collecting against Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents.

(b) Each Grantor agrees to pay, and to save Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The agreements in this Section 8.4 shall survive repayment of the Secured Obligations (and termination of all commitments thereunder), any foreclosure under, or any modification, release or discharge of, any or all of the Collateral Documents and termination of this Agreement.

8.5 Captions. Captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

8.6 Nature of Remedies. All Secured Obligations of each Grantor and rights of Agent and Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law. No failure to exercise and no delay in exercising, on the part of Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8.7 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt by facsimile, emailed .pdf file or other similar form of electronic transmission of any executed signature page to this Agreement shall constitute effective delivery of such signature page.

8.8 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

8.9 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof and any prior arrangements made with respect to the payment by any Grantor of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of Agent or Lenders.

8.10 Successors; Assigns. This Agreement shall be binding upon Grantors, Lenders and Agent and their respective successors and assigns, and shall inure to the benefit of Grantors, Lenders and Agent and the successors and assigns of Lenders and Agent. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. No Grantor may assign or transfer any of its rights or Obligations under this Agreement without the prior written consent of Agent.

8.11 Governing Law. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.



8.12 Forum Selection; Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. EACH GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. EACH GRANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

8.13 Waiver of Jury Trial. EACH GRANTOR, AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

8.14 Set-off. Each Grantor agrees that Agent and each Lender have all rights of set-off and bankers' lien provided by applicable law, and in addition thereto, each Grantor agrees that at any time any Event of Default exists, Agent and each Lender may apply to the payment of any Secured Obligations, whether or not then due, any and all balances, credits, deposits, accounts or moneys of such Grantor then or thereafter with Agent or such Lender.

8.15 Acknowledgements. Each Grantor hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;
- (b) neither Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

8.16 Additional Grantors. Each Subsidiary of a Borrower that is required to become a party to this Agreement pursuant to the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of a joinder agreement in the form of Annex I hereto.

8.17 Releases. (a) At such time as the Secured Obligations have been Paid in Full, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, Agent shall deliver to the Grantors any Collateral held by Agent hereunder, and execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

8.18 Obligations and Liens Absolute and Unconditional. Each Grantor understands and agrees that the obligations of each Grantor under this Agreement shall be construed as a continuing, absolute and unconditional without regard to (a) the validity or enforceability of any Loan Document, any of the Secured Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Grantor or any other Person against Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Grantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Grantor for the Secured Obligations, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Grantor, Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any other Grantor or any other Person or against any collateral security or guaranty for the Secured Obligations or any right of offset with respect thereto, and any failure by Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from any other Grantor or any other Person or to realize upon any such collateral security or guaranty or to exercise any such right of offset, or any release of any other Grantor or any other Person or any such collateral security, guaranty or right of offset, shall not relieve any Grantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Agent or any Lender against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

8.19 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor or any Issuer for liquidation or reorganization, should Grantor or any Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's or any Issuer's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.



Each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

**GRANTORS:**

**OPTOS CAPITAL PARTNERS, LLC**

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

**CMK RESOURCE GROUP, LLC  
MDT LABOR, LLC, and  
FOCUS FIBER SOLUTIONS, LLC**

By: Optos Capital Partners, LLC, sole  
Member and Manager of each of the  
foregoing limited liability companies

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

**JUS-COM, INC.**

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

Guarantee and Collateral Agreement

---

**TOWNSEND CAREERS, LLC**

By: CMK Resource Group, LLC, its  
sole Member and Manager

By: Optos Capital Partners, LLC, its sole  
Member and Manager

By: Focus Venture Partners, Inc., its  
sole Member and Manager

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

**FOCUS VENTURE PARTNERS, INC.**

By: /s/ Christopher Ferguson  
Christopher Ferguson  
President

Guarantee and Collateral Agreement

---

**ATALAYA ADMINISTRATIVE LLC, as Agent**

By: /s/Michael E. Bogdan

Name: Michael E. Bogdan

Title: Authorized Signatory

Guarantee and Collateral Agreement

---

**SCHEDULE 1**  
**INVESTMENT PROPERTY**

Guarantee and Collateral Agreement

---

**A. PLEDGED EQUITY**

<b>Grantor (owner of Record of such Pledged Equity)</b>	<b>Issuer</b>	<b>Pledged Equity Description</b>	<b>Percentage of Issuer</b>	<b>Certificate (Indicate No.)</b>
Focus Venture Partners, Inc.	Optos Capital Partners, LLC	Member Interest	100%	
Optos Capital Partners, LLC	Focus Fiber Solutions, LLC	Member Interest	100%	
Optos Capital Partners, LLC	CMK Resource Group, LLC	Member Interest	100%	
Optos Capital Partners, LLC	MDT Labor, LLC	Member Interest	100%	
Optos Capital Partners, LLC	Jus-Com, Inc.	Common Stock	100%	
CMK Resource Group, LLC	Townsend Careers, LLC	Member Interest	100%	

**B. PLEDGED NOTES**

<b>Grantor (owner of Record of such Pledged Notes)</b>	<b>Issuer</b>	<b>Pledged Notes Description</b>
None		

**C. OTHER INVESTMENT PROPERTY**

<b>Grantor</b>	<b>Investment Property Description</b>
None	

## SCHEDULE 2

### FILINGS AND PERFECTION

<b>GRANTOR</b>	<b>FILING REQUIREMENT OR OTHER ACTION</b>	<b>FILING OFFICE</b>
Optos Capital Partners, LLC	UCC-1	Secretary of State Delaware
Focus Fiber Solutions, LLC	UCC-1	Secretary of State Delaware
CMK Resource Group, LLC	UCC-1	Secretary of State Delaware
Townsend Careers, LLC	UCC-1	Secretary of State Maryland
Jus-Com, Inc	UCC-1	Secretary of State Indiana
MDT Labor, LLC	UCC-1	Secretary of State Delaware

---

SCHEDULE 3

**GRANTOR INFORMATION**

<b>GRANTOR (exact legal name)</b>	<b>STATE OF ORGANIZATION</b>	<b>ORGANIZATIONAL IDENTIFICATION NUMBER</b>	<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER</b>	<b>CHIEF EXECUTIVE OFFICE</b>
<b>Optos Capital Partners, LLC</b>	<b>Delaware</b>	<b>SRV 080430228-453292</b>	<b>26-2419792</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>
<b>CMK Resource Groups, LLC</b>	<b>Delaware</b>	<b>SRV081151409-4628233</b>	<b>27-0372771</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>
<b>Focus Fiber Solutions, LLC</b>	<b>Delaware</b>	<b>SRV 101016717-4887829</b>	<b>27-3750765</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>
<b>MDT Labor, LLC</b>	<b>Delaware</b>	<b>SRV 101108484-4901466</b>	<b>90-0638264</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>
<b>Jus-Com, Inc</b>	<b>Indiana</b>	<b>000690497-001</b>	<b>37-1759531</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>
<b>Townsend Careers, LLC</b>	<b>Maryland</b>	<b>W1194628</b>	<b>26-0328415</b>	<b>969 Postal Road, Suite 100, Allentown, PA 18109</b>

# SCHEDULE 4

## A. COLLATERAL LOCATIONS

GRANTOR	COLLATERAL	COLLATERAL LOCATION AND PLACE OF BUSINESS (INCLUDING CHIEF EXECUTIVE OFFICE)	OWNER/LESSOR (IF LEASED)
Focus Venture Partners, Inc.	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
Optos Capital Partners, LLC.	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
Focus Fiber Solutions, LLC	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
CMK Resource Group, LLC	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
Townsend Careers, LLC	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
JusCom, Inc	Equipment/Books and Records	969 Postal Road, Suite 100, Allentown, PA 18109	Lessor
MDT Labor, LLC	Books and Records	MDT Labor 2325 Paxton Church Rd. Harrisburg, PA 17110	Lessor
	Equipment/Office Furniture/Books and Records	MDT Labor, LLC 9300Shelbyville Place Louisville, Kentucky 40222	Lessor



**B. COLLATERAL IN POSSESSION OF LESSOR,  
BAILEE, CONSIGNEE OR WAREHOUSEMAN**

<b>GRANTOR</b>	<b>COLLATERAL</b>	<b>LESSOR/BAILEE/CONSIGNEE/WAREHOUSEMAN</b>
Focus Fiber Solutions, LLC	None	21st Century Bank: 9380 Central Avenue NE Blaine, MN 55434
Focus Fiber Solutions, LLC	None	Denholtz Associates: 14 Cliffwood Avenue Suite 200, Matawan, NJ 07747
Focus Fiber Solutions, LLC	None	Diamond H. Commerical: 3658 N. Racho Drive, Las Vegas, NV 89130
Focus Fiber Solutions, LLC	None	Industrial Park Center, LLC/ Ross Brown Partners: 8925 E. Pima Center Parkway, Suite 200 Scottsdale, AZ 85258
Focus Fiber Solutions, LLC	None	Mohsen Toosi: 5010 Highway 138, Suite A Union City, GA 30291
Focus Fiber Solutions, LLC	None	Porter Realty Company: P.O. Box 6482 Richmond VA 23230
Focus Fiber Solutions, LLC	None	Professional Suites at the Galleria: 9130 Galleria Court, Suite 324 Naples, FL 34109
Focus Fiber Solutions, LLC	None	Quigley Properties, LLC: 6433 Spring Gulch Street Frederick, CO 80516
Focus Fiber Solutions, LLC	None	The Realty Associates Fund VII, LP: 1301 Dove Street, Suite 860 New Port Beach, CA 92660
Jus-Com, Inc	None	Justice Properties, LLC: 9250 Corporation Dr. Indianapolis, IN 46256
Townsend Careers	None	Urban Southwest-DFW, LLC: 3232 McKinney, Suite 1205, Dallas, TX 75204
Townsend Careers	None	Regus Management Group LLC, PO Box 84256, Dallas TX 75284-2456
Focus Fiber Solutions, LLC	None	6115 Denton, LLC co/ Lang Real Estate, 7600 John W. Carpenter Freeway, #39, Dallas, TX 75247
Focus Fiber Solutions, LLC	None	Deer Valley Investments, LLC of 4920 W. Electra Lane, Glendale, AZ 85310
Focus Fiber Solutions, LLC	None	Whitestar Properties, C/O Unistar Management LLC, PO Box 100, Frenchtown, NJ 08825-0100
MDT Labor, LLC	None	11260 Chester Road, Suite 350 Cincinnati, OH 45246

## SCHEDULE 5

### INTELLECTUAL PROPERTY

#### Patents and Patent Licenses

<b>Grantor</b>	<b>Patent Registration Number</b>	<b>Patent Registration Date</b>	<b>Patent Application Number</b>	<b>Patent Application Date</b>
None				

#### Trademarks and Trademark Licenses

<b>Grantor</b>	<b>Trademark Title</b>	<b>Trademark Registration Number</b>	<b>Trademark Registration Date</b>	<b>Trademark Application Number</b>	<b>Trademark Application Date</b>
None					

#### Copyrights

<b>Grantor</b>	<b>Copyright Title</b>	<b>Copyright Registration Number</b>	<b>Copyright Registration Date</b>	<b>Copyright Application Number</b>	<b>Copyright Application Date</b>
None					

---

**SCHEDULE 6**

**DEPOSITARY AND OTHER DEPOSIT ACCOUNTS**

---

**SCHEDULE 7**

**COMMERCIAL TORT CLAIMS**

**None**

---

## ANNEX I

### FORM OF JOINDER TO GUARANTEE AND COLLATERAL AGREEMENT

This JOINDER AGREEMENT (this “Agreement”) dated as of [\_\_\_\_\_] is executed by the undersigned for the benefit of RFG Fund I, LLC, as Agent (the “Agent”) in connection with that certain Guarantee and Collateral Agreement dated as of November \_\_\_\_, 2012, among the Grantors party thereto and Agent (as amended, supplemented or modified from time to time, the “Guarantee and Collateral Agreement”). Capitalized terms not otherwise defined herein are being used herein as defined in the Guarantee and Collateral Agreement.

Each Person signatory hereto is required to execute this Agreement pursuant to Section 8.16 of the Guarantee and Collateral Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each signatory hereby agrees as follows:

1. Each such Person assumes all the obligations of a Grantor under the Guarantee and Collateral Agreement and agrees that such Person is a Grantor and bound as a Grantor under the terms of the Guarantee and Collateral Agreement, as if it had been an original signatory to the Guarantee and Collateral Agreement. In furtherance of the foregoing, such Person hereby (i) assigns, pledges and grants to Agent a security interest in all of its right, title and interest in and to the Collateral owned thereby to secure the Secured Obligations and (ii) guarantees the prompt and complete payment and performance by Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

2. Schedules 1, 2, 3, 4, 5, 6 and 7 of the Guarantee and Collateral Agreement are hereby amended to add the information relating to each such Person set out on Schedules 1, 2, 3, 4, 5, 6 and 7, respectively, hereof. Each such Person hereby makes to Agent the representations and warranties set forth in the Guarantee and Collateral Agreement applicable to such Person and the applicable Collateral and confirms that such representations and warranties are true and correct after giving effect to such amendment to such Schedules.

3. In furtherance of its obligations under Section 5.2 of the Guarantee and Collateral Agreement, each such Person agrees to execute and deliver to Agent appropriately complete UCC financing statements naming such person or entity as debtor and Agent as secured party, and describing its Collateral and such other documentation as Agent (or its successors or assigns) may require to evidence, protect and perfect the Liens created by the Guarantee and Collateral Agreement, as modified hereby.

4. Each such Person’s address and fax number for notices under the Guarantee and Collateral Agreement shall be the address and fax number set forth below its signature to this Agreement.

5. This Agreement shall be deemed to be part of, and a modification to, the Guarantee and Collateral Agreement and shall be governed by all the terms and provisions of the Guarantee and Collateral Agreement, with respect to the modifications intended to be made to such agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreements of each such person or entity enforceable against such person or entity. Each such person or entity hereby waives notice of Agent’s acceptance of this Agreement. Each such person or entity will deliver an executed original of this Agreement to Agent.

[add signature block for each new Grantor]

---

**INTEREST PURCHASE AGREEMENT**

---

**BY AND BETWEEN**

**Optos Capital Partners, LLC  
and  
Michael D. Traina**

**For 100% of the Membership Interests of:**

**MDT LABOR, LLC d/b/a MDT Technical**

**Dated as of December 3, 2012**

---

## INTEREST PURCHASE AGREEMENT

**This Interest Purchase Agreement** (the “Agreement”) is made as of December 3, 2012, by and between Optos Capital Partners, LLC, a Delaware Limited Liability Company (“Buyer”) and Michael D. Traina, whose address is 2 Mercer Gate Drive, Doylestown, Pennsylvania 18901 (“Seller”).

### RECITALS

WHEREAS, MDT Labor, LLC d/b/a MDT Technical (the “Company”) operates a services business that provides labor and human resource solutions, including without limitation, temporary staffing services in the USA market (hereinafter referred to as the “Business”); and

WHEREAS, Michael D. Traina is the sole member and the owner of all one hundred percent (100%) of the membership interests of the Company; and

WHEREAS, Seller agrees to sell, and Buyer agrees to purchase, all of the issued and outstanding membership interests, including but not limited to client contracts and property of the Company (the “Interests”) under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference herein, and the respective representations, warranties, covenants and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

### DEFINITIONS

1.1 **Certain Definitions.** For purposes of this Agreement, the following terms have the following meanings:

“Affiliate” of a specified Person means a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

“Closing” has the meaning given to that term in Section 3.1.

“Closing Date” means the date and time as of which the Closing actually takes place.

“Computer Software and Databases” shall mean and include all Company- owned computer software, computer programs and electronic databases, including Internet web sites of the Company (as such items have been updated, corrected, enhanced, replaced and modified), and all documentation related thereto.

“Contemplated Transactions” means all of the transactions contemplated by this Agreement, including: (a) the sale of the Interest by Seller to Buyer; (b) the performance by Buyer and Seller of their respective covenants and obligations under this Agreement; and (c) Buyer’s acquisition and ownership of the Interest and exercise of control over the Company.

“Encumbrance” or “Lien” means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, hypothecation, mortgage, right of first refusal, or similar encumbrance or restriction of any kind, including, without limitation, any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

“GAAP” means generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Financial Statements were prepared.

“Governmental Authorization” means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any legal requirement.

“Governmental Body” means any: (a) nation, state, province, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, provincial, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

“Income Taxes” means all Taxes based upon or measured by gross or net receipts or gross or net income, including Taxes in the nature of minimum taxes, tax preference items, and alternative minimum taxes, and Taxes on capital or net worth or capital stock, but excluding Taxes that are in the nature of sales, use, property, Transfer, recording, or similar Taxes.

“Indebtedness,” with respect to any Person, shall mean and include all obligations which, in accordance with GAAP, should be classified on a balance sheet of such Person as liabilities, and in any event shall include (a) all indebtedness of such Person for (i) borrowed money or (ii) the deferred purchase price of property, (b) all obligations of such Person evidenced by notes, bonds, debentures, guarantees, reimbursement agreements, or other similar instruments, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (d) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, and (e) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities.



“Intellectual Property” means (a) patents, patent applications and inventions and discoveries that may be patentable, (b) trademarks, service marks, trade names, fictional business names, service marks, trade dress and domain names, together with the goodwill associated therewith, (c) copyrights, including copyrights in computer software, (d) all rights in mask works, (e) confidential and proprietary information, including trade secrets, know-how, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints, (f) registrations and applications for registration of the foregoing, and (g) all causes of action, if any, for infringement, conversion or misuse of any of the foregoing, and all rights of recovery related thereto.

“IRC” or “Code” means the Internal Revenue Code of 1986, as amended, or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

“IRS” means the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

“Legal Requirement” means any federal, state, provincial, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

“Liability” means and includes any direct or indirect, primary or secondary, liability, Indebtedness, obligation, penalty, expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills and checks presented to banks for collection or deposit in the Ordinary Course of Business) of any type, whether accrued, absolute, contingent, liquidated, unliquidated, matured, unmatured or otherwise.

“Material Adverse Effect” or “Material Adverse Change” means a material adverse change in the financial condition, business, assets, liabilities, properties, results of operations or prospects of the Company.

“Ordinary Course of Business” means in the ordinary course of the Company’s business consistent with past practices.

“Organizational Documents” means (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) articles of organization and operating agreement of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (f) any amendment to any of the foregoing.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

“Related Person” shall mean and include, with regard to any natural Person, their ancestors, descendants or siblings, any Persons married to any of such individuals and any trustees or other fiduciaries acting for such Person's benefit or for the benefit of any such individual.

“Securities Act” means the Securities Act of 1933, as amended, or any successor law, and regulations and rules issued pursuant to that Act or any successor law and any state law that may be applicable to the Contemplated Transactions.

“Tax” or “Taxes” means all taxes, charges, fees, levies or other similar assessments or liabilities, including, without limitation, income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, services, transfer, withholding, employment, payroll and franchise taxes imposed by the United States of America or any state, province, government, foreign taxing authority or any agency thereof, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof.

“Tax Losses” shall mean and include (i) any Tax relating to the Company, its assets or operations for or with respect to any period up to and including the Closing Date, which are or will be required to be paid by the Company after the Closing Date and (ii) any increases in Tax of the Company relating to any period after the Closing Date arising out of or in connection with any breach or inaccuracy in any representation or warranty or any breach of any covenant or agreement made or to be performed by Seller pursuant to this Agreement. For purposes of the preceding sentence, Tax paid by the Company shall include amounts offset by a taxing authority against any claim, refund or credit otherwise due such Company.

“Tax Return” means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

## **ARTICLE 2.**

### **SALE AND TRANSFER OF INTEREST; PURCHASE PRICE**

2.1 **Interest.** Subject to the terms and conditions of this Agreement, at the Closing, Seller will sell and transfer the Interest and all assets, including but not limited to client contracts to Buyer, and Buyer will purchase the Interest from Seller, free and clear of all Liens and Encumbrances. At the time of execution of this Agreement, and from time to time thereafter, Sellers shall execute and deliver other documents and instruments, and take other actions, as Buyer may reasonably request, in order to more fully vest in Buyer all right, title, and interest in and to the Seller's Interest.

2.2 **Purchase Price.** The purchase price for the Interest (the “Purchase Price”), shall be payable by Buyer to Seller in the sum of Seven Million Dollars (\$7,000,000.00) to be paid as follows: Three Million Dollars (\$3,000,000.00) by wire transfer at the Closing; Four Million Dollars (\$4,000,000.00) by delivery of a Promissory Term Note attached as Exhibit 2.2 (“Note”); and 12,490,000 shares of the common stock of Focus Venture Partners, Inc., the sole owning member of Buyer.

### **ARTICLE 3. CLOSING, TERMINATION**

3.1 **Closing.** The purchase and sale (the “Closing”) provided for in this Agreement will take place at the Company’s corporate offices in Pennsylvania within ten (10) days of the satisfaction of the conditions set forth in Articles 7 and 8 of this Agreement or at such other time and place as the parties may agree, but in no event later than December 31, 2012 (“Closing Deadline”).

3.2 **Closing Obligations.** At the Closing:

Deliveries by Seller. Seller will deliver, or cause to be delivered, to Buyer:

- (i) To the extent required by Buyer, executed letters of resignation from all officers and managers of the Company, effective upon the Closing, in forms reasonably acceptable to Buyer;
- (ii) written consents or approvals in form and substance satisfactory to Buyer of each person or entity whose consent or approval is required to consummate the Contemplated Transactions;
- (iii) all such further instruments and documents as Buyer or Buyer’s counsel may reasonably request for the more effective conveyance, assignment or transfer to the Buyer of the Interests and consummation of the Contemplated Transactions.

Deliveries by Buyer. Buyer will deliver to Seller:

- (iv) the Purchase Price as set forth in Article 2.2 herein;
- (v) the executed Note as set forth in Article 2.2 herein;
- (vi) written consents or approvals in the form and substance satisfactory to Seller of each person or entity whose consent or approval is required to consummate the Contemplated Transactions; and
- (vii) all such further instruments and documents as Seller or Seller’s counsel may reasonably request for the more effective conveyance, assignment or transfer by the Seller of the Interest and consummation of the Contemplated Transactions.

3.3 **Termination.** This Agreement and the transactions contemplated by it may be terminated at any time prior to the Closing Date:

- (a) By the mutual consent of Seller and Buyer at any time;
- (b) By Seller, upon a breach of or failure to perform in any material respect any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement, such that the conditions set forth in Article 8 of this Agreement cannot be satisfied on or prior to the Closing Deadline;
- (c) By Buyer upon a breach of or failure to perform in any material respect any representation, warranty, covenant or agreement on the part of Seller set forth in this Agreement, such that the conditions set forth in Article 7 of this Agreement cannot be satisfied on or prior to the Closing Deadline;
- (d) By Buyer at any time, if Buyer determines in good faith that there has occurred any Material Adverse Change, or any condition or event which is reasonably expected to result in a Material Adverse Change, with respect to the Company; or
- (e) By Seller or Buyer, if the Closing shall not have occurred on or prior to the Closing Deadline.

3.4 **Notice of Termination.** Notice of termination of this Agreement, as provided for in this Article 3, shall be given by the party so terminating to the other parties hereto in accordance with Section 10.1 of this Agreement.

3.5 **Effect of Termination.** In the event of a termination of this Agreement pursuant to Section 3.3 hereof, this Agreement, other than Section 10.2, shall become void and of no further force and effect, and each party shall pay the costs and expenses incurred by it in connection with this Agreement, and no party (or any of its agents, counsel, representatives, Affiliates or assigns) shall be liable to any other party for any Loss hereunder. It is agreed that time is of the essence in the performance and satisfaction of this Agreement and each of the conditions specified in Articles 7 and 8 of this Agreement are material for purposes of this Agreement.

#### **ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF SELLER**

As an inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, Seller hereby in good faith represents and warrants to Buyer, as of the date hereof and as of the Closing Date, as follows:

##### **4.1 Organization and Good Standing.**

(a) The Company is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all of its obligations. The Company is duly qualified to do business as a foreign limited liability company and is in good standing under the laws of Pennsylvania and of each other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such.

#### 4.2 **Authority: No Conflict.**

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. Upon the execution and delivery by Seller of this Agreement, this Agreement will constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its respective terms. Seller has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly: (i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of the Company, or (B) any resolution adopted by the members of the Company; (ii) contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any legal requirement or any order to which the Company or Seller, or any of the assets owned or used by the Company, may be subject; (iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by the Company or that otherwise relates to the business of, or any of the assets owned or used by, the Company; (iv) cause Buyer or the Company to become subject to, or to become liable for the payment of, any Tax; (v) cause any of the assets owned by the Company to be reassessed or revalued by any taxing authority or other Governmental Body; or (vi) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by the Company.

4.3 **Required Consents.** Except as set forth in Schedule 4.3, neither Seller nor the Company is or will be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

4.4 **Capitalization.** Seller is and will be on the Closing Date the sole record and beneficial owner and holder of the Interests, free and clear of all Encumbrances, except as set forth in Schedule 4.4. The delivery to Buyer of the Interest as contemplated in this Agreement will transfer to Buyer valid title thereto, free and clear of all Encumbrances. The Interests are uncertificated. There are no contracts relating to the issuance, sale, or transfer of any interests or securities of the Company. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments relating to interests in the Company or obligating either Seller or Company to issue, sell or redeem any equity interests in the Company. The Company does not own, and does not have any contract to acquire, any securities of any Person any direct or indirect equity or ownership interest in any other business. The Organizational Documents of the Company do not contain a provision that the Interests constitute securities governed by Article 8 of the Uniform Commercial Code, and the Interests have not been dealt in or traded on securities exchanges or in securities markets.

4.5 **Financial Statements.** Seller has delivered to Buyer financial statements as follows: (i) unaudited financial statements (including balance sheet, statements of income, and statement of cash flows) of the Company for the fiscal year ended December 31, 2011 (attached as Schedule 4.5(i)), and (ii) the unaudited 2012 statements (the “Stub Period Financial Statements”) of the Company for the period January 1, 2012 through June 30, 2012 (attached as Schedule 4.5(ii)). (All items in (i) and (ii), collectively, are referred to as the “*Financial Statements*”). The Financial Statements fairly present the financial condition and results of operations of the Company as of the respective dates thereof and for the periods therein referred to, all in accordance with generally accepted accounting principles; the Financial Statements reflect the consistent application of such accounting principles throughout the periods involved. Except as reflected in the balance sheet, the Company has no actual or contingent debts, Liabilities or obligations of any kind, character or description, whether known or unknown, accrued or unaccrued, absolute or contingent, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise or matured or unmatured, except for Liabilities or obligations of any kind arising in the Ordinary Course of Business, not involving borrowings which are usual and normal in amount, both individually and in the aggregate, and obligations under contracts and commitments accrued in the Ordinary Course of Business and not required under generally accepted accounting principles to be reflected in the Financial Statements. No financial statements of any Person other than the Company are required by GAAP to be included in the Financial Statements of the Company.

4.6 **Books and Records.** The books of account, minute books and other records of the Company, all of which have been made available to Buyer, are complete and correct and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. The minute books of the Company contain accurate and complete records of all meetings held of, and actions taken by, the members of the Company. At the Closing, all of those books and records will be in the possession of the Company. The Company has none of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of the Company.

4.7 **Title to Properties; Encumbrances.** Schedule 4.7 lists all personal property of the Company having a fair market or replacement value in excess of one thousand dollars (\$1,000.00). Except as set forth in Schedule 4.7, Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, the Company owns all of the properties and assets (whether real, personal, or mixed and whether tangible or intangible) that it purports to own, which are reflected as owned in the books and records of the Company, or which are necessary to the conduct of the businesses currently conducted by the Company. As of Closing, all properties and assets shall be owned by the Company free and clear of all Encumbrances and Seller shall own the Interests free and clear of all Encumbrances.

4.8 **Condition and Sufficiency of Assets.** Seller in good faith represents and warrants to Buyer to the extent that Seller has actual knowledge thereof, as of the date hereof and as of the Closing Date, the tangible assets of the Company are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The assets and properties owned by the Company are sufficient for the continued conduct of the Company's businesses after the Closing in substantially the same manner as conducted prior to the Closing, and no other assets are required for the continued conduct thereof.

4.9 **Accounts Receivable.** Schedule 4.9 accurately represents the accounts receivable of the Company as of the date hereof and as the Closing Date (collectively, the "Accounts Receivable"), and represents valid obligations arising from sales actually made or services actually performed in the Ordinary Course of Business. There is no contest, claim, or right of set-off under any contract with any obligor of an Account Receivable relating to the amount or validity of such Accounts Receivable.

4.10 **Taxes.** Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, except as disclosed in Schedule 4.10, the Company has filed or will file on a timely basis all tax returns, reports, and declarations in connection with any foreign, federal, state or local Taxes required to be filed (all of which have been and will be materially correct), and the Company has paid or will pay all Taxes due and payable in accordance with such tax returns, reports and declarations or otherwise required to be paid. All such returns, reports and declarations were, and all such returns, reports and declarations to be filed through the Closing Date will be, correct and complete in all material respects. No agreements, waivers or other arrangements exist providing for the extension of time with respect to payment by, or assessment against, the Company of any Tax for which the Company may be directly or indirectly liable. Except as disclosed in Schedule 4.10, there are no Encumbrances on any of the assets or properties of the Company that arose in connection with any failure (or alleged failure) to pay any Tax. The Company has withheld and paid or collected and remitted all Taxes required to have been withheld and paid in connection with amounts paid or owing to any third party, including any employee, independent, supplier, vendor, creditor or stockholder. The Company has made a valid election (or under applicable state law, an election was made or was deemed to have been made) to be treated as disregarded entity for its 2012 taxable year and has been a valid pass through entity for tax purposes for such year and all subsequent taxable years.

4.11 **Employee Benefits.**

(a) "Benefit Plan" means a plan described in ERISA Section 3(3) and any other plans, benefit arrangements, obligations, customs, or practices to provide benefits as compensation for services rendered to present or former managers, employees, agents, or independent contractors of the Company, including but not limited to employment or consulting agreements, severance agreements or pay policies, bonuses, executive or incentive compensation programs or arrangements, sick leave, vacation pay, deferred compensation, bonus, equity compensation programs, tuition reimbursement or scholarship programs, employee discount programs, meals, travel, or vehicle allowances, any plans subject to Code Section 125 and any plans providing benefits or payments in the event of a change in ownership or control.

(b) Each Benefit Plan has been maintained in accordance with its documents and is in compliance with ERISA, the Code and all other applicable federal or state laws and regulations; all required contributions that are due have been made and a proper accrual has been made for all contributions to become due in the current fiscal year; the Company has properly reserved the right to amend or terminate each Benefit Plan without the consent of any person; no transactions prohibited by Code Section 4975 or ERISA Section 406 and no breaches of fiduciary duty described in ERISA Section 404 have occurred; there are no pending or threatened claims (other than routine benefit claims), assessments, investigations or lawsuits that have been asserted or instituted by, against, or relating to any Benefit Plans.

4.12 **Legal Compliance.** Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, the Company has complied in all material respects with all applicable laws of federal, state, local, and foreign governments and no action, suit, proceeding, hearing or investigation, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply.

4.13 **Litigation.** Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, except as set forth on Schedule 4.13, there is no litigation, action, suit, governmental investigation, arbitration, proceeding (including administrative proceedings) (collectively referred to as "Litigation") presently pending or, to the best knowledge of Seller, presently threatened against or involving the Company or any of its assets or rights or which could affect the performance of this Agreement or the consummation of the Contemplated Transactions and Seller knows of no valid basis for any potential Litigation. Except as disclosed in Schedule 4.13, there are no outstanding judgments, awards, orders or decrees against or involving the Company or its respective assets. Seller has furnished or made available to Buyer copies of all relevant court papers and other documents relating to the matters set forth in Schedule 4.13. The Company is not in default with respect to any order, writ, injunction, or decree of any federal, state, local, or foreign court, department, agency, or instrumentality.

4.14 **Contracts; No Defaults.** Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, Seller has disclosed in Schedule 4.14 and Buyer is in possession of all material contracts, agreements, or commitments in any way related to the Company, including without limitation:

- (A) all guaranties or indemnities;
- (B) all consulting, management service or any other similar type contracts;
- (C) all agreements with any labor union or collective bargaining organization;



(D) all employment agreements, severance agreements, indemnification agreements, executive compensation plans, incentive compensation plans, bonus plans, deferred compensation agreements, employee noncompetition, confidentiality and or secrecy agreements, employee pension plans or retirement plans, employee profit-sharing plans, employee stock purchase and stock option plans, group life insurance, hospitalization and dental insurance, disability insurance, clothing allowance program, service record award program; performance award program, tuition reimbursement program, savings plan, or other plans or arrangements providing for benefits for employees;

(E) all contracts with any brokers, salesmen, advertisers, commissioned agents or sales representatives;

(F) all powers of attorney given by the Company to any person or organization for any purpose;

(G) all agreements limiting the freedom of the Company or its employees to compete in any line of business or in any geographic area or with any person;

(H) all other contracts, series of contracts, leases of personal property, arrangements, understandings or agreements which involve future payments, performance of services or the purchase or sale of goods and/or materials of an individual amount or value in excess of Five Thousand Dollars (\$5,000) or which extends beyond December 31, 2012;

(I) a true and complete list of all tangible assets having a replacement value in excess of \$1,000, other than those specifically referred to elsewhere in this Agreement, and the location of certificates or other evidences of title to these assets;

(J) any agreement, contract or commitment which might reasonably be expected to have a potential Material Adverse Effect on the business or operations of the Company; and

(K) all leases of real property.

Except as set forth in Schedule 4.14, each of the contracts and agreements is in full force and effect, and except as set forth in such Schedule, there exists no event of noncompliance, default or event of default by the Company as a party to such contract or agreement, or to the best of Seller's knowledge, any other party thereto, or any event, occurrence, condition or act (including the Contemplated Transactions), which, with the giving of notice, the lapse of time, or both, would become a default or event of default thereunder, which would constitute an event of noncompliance which would allow a party thereto to require acceleration of performance thereunder by the Company party thereto, or which would result in the creation of any material lien, charge, or encumbrance upon any assets of the Company. The Company has not received notice from any other party that such other party claims the Company to be in noncompliance or default under the contract concerned, or intends, either based on a claimed default by the Company under the contract concerned or based on a claimed right to do so in the absence of default by the Company, to suspend, cancel, or terminate such contract prior to the normal date of expiration set forth therein. All such agreements were entered into on an arm's length basis. Seller has caused to be made available for inspection and copying by Buyer and its advisers true, complete and correct copies of all documents (including all amendments, supplements, extensions and modifications) referred to herein or in any Schedule attached hereto.

4.15 **Employees.** Seller in good faith represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, the Company is in compliance in all material respects with all applicable laws relating to employment and employment practices, workers' compensation, terms and conditions of employment, worker safety, wages and hours and the Worker Adjustment and Retraining Notification Act. There have been no recent claims of harassment, discrimination, retaliatory act or similar actions against any officer, director or employee of the Company and no facts exist that would reasonably be expected to give rise to such claims or actions. The Company has made all required payments to its unemployment compensation reserve accounts with the appropriate governmental departments of the states and provinces where it is required to maintain such accounts, and each of such accounts has a positive balance.

4.16 **Intellectual Property.**

(a) Seller in good faith represents and warrants to Buyer to the extent that Seller has actual knowledge thereof, as of the date hereof and as of the Closing Date, the Company owns or has the right to use pursuant to licenses or sublicenses, all Intellectual Property necessary or desirable for the operation of its respective businesses. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing will be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing. The Company has taken reasonable action to maintain and protect each item of Intellectual Property that it owns.

(b) Seller in good faith represents and warrants to Buyer, as of the date hereof and as of the Closing Date, the Company has not, to Seller's knowledge, interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property of third parties, and the Company has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property of any Third party). To the Seller's knowledge, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property owned by the Company.

(c) Schedule 4.16(c) sets forth a true and complete list of (i) each registration that has been issued to the Company with respect to any of its Intellectual Property, (ii) each outstanding application for registration that the Company has made with respect to any of its Intellectual Property, and (iii) each outstanding license or sublicense that the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). Seller has delivered or made available to Buyer true, correct and complete copies of all such registrations, applications, licenses or sublicenses (as amended to date) and has delivered or made available to Buyer true, correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 4.16(c) also sets forth a true and complete list of each trade name or unregistered trademark now owned by the Company and used in connection with the business of the Company. With respect to each item of Intellectual Property owned by the Company required to be identified in Schedule 4.16(c), except as set forth in such Schedule 4.16(c), the Company:

- (i) possesses all right, title, and interest in and to the item, free and clear of any lien, license or other restriction;
- (ii) the item is not subject to any outstanding order;
- (iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Seller' knowledge, threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and
- (iv) except for any express warranties with respect to products sold, has no outstanding obligations to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

4.17 **Bank Accounts; Powers of Attorney.** Seller has disclosed to Buyer each financial institution in which the Company has an account or safe deposit or lockbox, the account or box number, as the case may be, and each credit card account and the name of every Person authorized to draw thereon, having access thereto or authorized to make charges thereon, and with respect to deposit accounts the approximate balances thereof, all restrictions or limitations as to withdrawal (except for time restrictions applicable to time certificates of deposit), and a list of certificates of deposit and other debt instruments issued by banks, governments or other obligors. There are no outstanding powers of attorney executed and delivered on behalf of the Company.

4.18 **Brokers or Finders.** Company and its agents have incurred no Liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

4.19 **Disclosure.** No representation or warranty of Seller in this Agreement or any certificate delivered pursuant hereto or otherwise in connection with the Contemplated Transactions omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading. There is no fact known to Seller that has specific application to either Seller or the Company (other than general economic or industry conditions) and that has a Materially Adversely Effect or, as far as Seller can reasonably foresee, is likely to have a Materially Adversely Effect on the assets, business, prospects, financial condition, or results of operations of the Company (on a consolidated basis) that has not been set forth in this Agreement or the Schedules hereto.

4.20 **Subsidiaries; Investments.** The Company has no subsidiaries and no investment (debt or equity, but excluding Ordinary Course of Business depository relationships), or legally-binding commitments to make such investments, in any corporation, joint venture, general or limited partnership, other business enterprise, or other Person, except as set forth on Schedule 4. 20.

4.21 **Dealings with Affiliates.** Except as set forth on Schedule 4.21, there are no known outstanding agreements, understandings, contracts or other arrangements of any kind, written or oral, between any Affiliate of Seller or the Company, any Related Person of Seller or any such Affiliate, or any Person in which Seller or an Affiliate has an equity ownership interest or to whom Seller or an Affiliate has loaned money, and the Company that are not disclosed in the financial statements of the Company. Except for any right to receive reimbursement of documented and income tax-deductible travel and entertainment expenses, accrued and unpaid salary, and accrued and unused vacation, sick or personal leave (all accrued in the Ordinary Course of Business and on usual and customary terms), Seller has no knowledge that any Affiliate has and no Person in which an Affiliate has an equity ownership interest or to whom an Affiliate has loaned money has any other claim, cause of action or rights (whether contractual or otherwise) against either the Company which will survive the Closing. No Affiliate is receiving, or after Closing will receive, any commission, override, finder's or service fee or other similar payment from any person contracting with, or providing property, goods or services to the Company.

## **ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF BUYER**

As an inducement to Seller to enter into this Agreement and to consummate the Contemplated Transactions, Buyer hereby represents and warrants to Seller, as of the date hereof and as of the Closing Date, as follows:

5.1 **Organization and Good Standing.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware,

5.2 **Authority; No Conflict.**

**Enforceability.** This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of this Agreement, this Agreement will constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with its respective terms. Buyer has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

**No Conflict.** Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the Contemplated Transactions by Buyer will give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to: any provision of Buyer Organizational Documents; any resolution adopted by the board of directors or the stockholders of Buyer; any legal requirement or order to which Buyer may be subject; or any contract to which Buyer is a party or by which Buyer may be bound.

5.3 **Consents.** Buyer is not and will not be required to obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions, except that Buyer shall receive consent from its parent company, Focus Venture Partners, Inc. to enter into the transactions contemplated by this Agreement. Buyer shall receive consent from its parent company, Focus Venture Partners, Inc., to guarantee the obligations of Buyer herein.

5.4 **Investment Intent.** Buyer is acquiring the Interest for its own account and not with a view to their distribution within the meaning of the Securities Act. Buyer has had access to and received all information of Seller and the Company that it has requested to determine whether to enter into this Agreement and has had the opportunity to review such information with counsel and advisors of its choice.

5.5 **Certain Proceedings.** As of the date hereof, there is no pending proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Buyer's knowledge, no such proceeding has been threatened as of the date hereof.

5.6 **Brokers or Finders.** Buyer and its officers and agents have incurred no liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

5.7 **Sufficiency of Funds.** Subject to the provisions of Section 7.7 of this Agreement, Buyer has sufficient cash on hand or other sources of immediately available funds to enable Buyer to make payment of the Purchase Price and other payments set forth in Section 2.2 and to consummate the Closing.

## **ARTICLE 6. COVENANTS**

### **6.1 Indebtedness; Liens; Retained Liabilities.**

Seller shall obtain a release of all Liens and Encumbrances on the Interests and on the assets and properties of the Company prior to or at Closing.

### **6.2 Covenant Not to Solicit.** From and after Closing, Seller covenants and agrees as follows:

**Non-Solicitation.** In order to allow Buyer to realize the full benefit of its bargain in connection with the purchase of the Interests, Seller will not, directly or indirectly, acting alone or as a holder of any security of any class, or as an employee, consultant to or representative of, any corporation or other business entity:

- (i) For a two (2) year period after the Closing Date solicit any customers of the Company for purposes of offering products and services that are competitive with the products or services offered by the Company, as of the Closing Date, or hire, offer to hire, or solicit for employment any then current employee of the Company until such employee has been separated from employment by the Company for at least one year after such employee's termination of employment with the Company.;

For purposes of this Section, the term "Company" includes the Company, and any successor to the business of the Company, whether by merger or sale of all or substantially all of its assets.

Severability; Reformation; Equitable Relief. Seller acknowledges that if the scope of the covenant set forth in this Section 6.2 is deemed to be too broad in any court proceeding, the court may reduce the scope as it deems reasonable under the circumstances. Buyer would not have any adequate remedy at law for the breach or threatened breach by Seller of the covenants and agreements set forth in this Section 6.2 and, accordingly, Buyer and the Company may, in addition to the other remedies that may be available to it hereunder, file suit in equity to enjoin Seller from such breach or threatened breach and Seller consent to the issuance of injunctive relief hereunder. The act of Buyer in entering into this Agreement, and Buyer's covenants and payments hereunder, constitute sufficient consideration for Seller to agree not to compete against the Company as set out in this Section 6.2.

6.3 **Further Assurances.** The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

6.4 **Assistance and Cooperation.** After the Closing Date, Seller shall:

- (a) assist (and cause accountants and tax advisors to assist) Buyer in preparing Returns for the Company;
- (b) cooperate fully in preparing for any audits of, or disputes with taxing authorities regarding, any Returns of the Company or its Subsidiaries;
- (c) make available to Buyer and to any taxing authority, as reasonably requested, all information, records, and documents relating to Taxes of the Company or its Subsidiaries (including information necessary to file extensions and make estimated Tax payments);
- (d) provide timely notice in writing to Buyer of any pending or threatened tax audits or assessments of the Company or its Subsidiaries for taxable periods for which Buyer may have a liability under this Article 6; and
- (e) furnish Buyer with copies of all correspondence received from any taxing authority in connection with any Tax audit or information request with respect to any such taxable period.

6.5 **Operation in Usual Manner.** From and after the date of this Agreement until the Closing, except to the extent Buyer consents in writing:

Seller will not sell, pledge, convey, transfer or encumber or enter into any agreement for the transfer or sale of the Company or any of the Company's property or assets.

Seller will conduct the business of the Company in the usual and customary manner and not dispose of any material property or assets, or incur any material obligation, and will use reasonable commercial efforts (without making any commitments on behalf of Buyer) to preserve the goodwill of the business.

Seller will not enter into any contract or commitment, incur any liability or engage in any transaction on behalf of, or relating to the business of the Company, requiring an expenditure in excess of \$1,000, other than in the Ordinary Course of Business and consistent with past practices, or which is reasonably necessary for the consummation of the transactions contemplated by this Agreement and then only with the prior written consent of Buyer.

Seller will notify Buyer promptly in writing of any claim, lawsuit, action or proceeding that may be asserted, commenced or threatened (where Seller has knowledge of such threat and has reason to believe that such threat is likely to result in any such action or proceeding) against Seller or Company.

Seller will notify Buyer promptly in writing of any fact or occurrence which causes or, as of the Closing Date, would cause any of Seller's representations and warranties to be false, inaccurate or misleading.

6.6 **Access to Information.** From and after the date of this Agreement, Seller shall give Buyer, its counsel, accountants and other representatives, full access during Seller's normal business hours, subject to reasonable security measures and reasonable prior notice, to all of the Assets and all books, records, agreements and commitments relating to the Company, and shall furnish or cause to be furnished to Buyer's representatives during such period all such information concerning the Company as Buyer may reasonably request, subject to the provisions of Section 10.2 hereof.

6.7 **Compliance with Laws.** Seller will comply with all material applicable laws, rules and regulations of any Governmental Body relating to the Company or the business of the Company or required to be complied with by Seller in the performance of this Agreement and for the consummation of the Contemplated Transactions.

6.8 **Shares of Common Stock.** All shares of capital stock of Buyer's Parent, Focus Venture Partners, Inc. to be issued in connection with the transaction contemplated by this Agreement as set forth in Section 2.2 will, when issued, (i) be duly authorized, (ii) be validly issued, (iii) be fully paid, (iv) be nonassessable, (v) be free and clear of all liens, and (vi) not be subject to preemptive rights.

## **ARTICLE 7.**

### **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE**

Buyer's obligation to purchase the Interest and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

7.1 **Accuracy of Representations.** The representations and warranties of Seller set forth in this Agreement shall be true and correct as of Closing in all material respects, in good faith and to the extent Seller has knowledge thereof.

7.2 **Seller's Performance.**

**Covenants; Etc.** All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been duly performed and complied with in all material respects.

Documents, Etc. Each document required to be delivered by Seller pursuant to Section 3.2 must have been delivered.

7.3 **Consents.** Each of the required consents must have been obtained and must be in full force and effect.

7.4 **No Proceedings.** Since the date of this Agreement, there must not have been commenced or threatened against the Company, or against any Person affiliated with the Company, any legal proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

7.5 **No Claim Regarding Ownership.** There must not have been made or threatened by any Person any claim asserting that such Person is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any voting, equity, or ownership interest in the Company.

7.6 **No Prohibition.** Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly, materially contravene, conflict with, or result in a material violation of, or cause Buyer or any Person affiliated with Buyer to suffer any Material Adverse Consequence under, (a) any applicable legal requirement or order, or (b) any legal requirement or order that has been published, introduced, or otherwise proposed by or before any Governmental Body.

7.7 **Financing Contingency.** Buyer's obligations hereunder shall be contingent upon Buyer's written confirmation of financing by a lender acceptable to Buyer in a sum not less than that acceptable to Buyer.

7.8 **Lease Assignment.** Buyer's obligations hereunder shall be contingent upon the continued obligation of Lessor regarding any Lease Agreement attached hereto as Schedule 7.8.

7.9 **Company Liabilities.** All Liabilities appearing in Schedule 4.5 shall be paid prior to Closing or from sale proceeds at Closing.

## **ARTICLE 8.**

### **CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE**

Seller's obligation to sell the Interests and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction of each of the following conditions (any of which may be waived by Seller, in whole or in part):

8.1 **Accuracy of Representations.** The representations and warranties of Buyer set forth in this Agreement shall be true and correct as of Closing in all material respects



## 8.2 **Buyer's Performance.**

Covenants, etc. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been performed and complied with in all material respects.

Documents, etc. Buyer must have delivered each of the documents required to be delivered by Buyer pursuant to Section 3.2 and must be prepared to make the cash payments required to be made by Buyer pursuant thereto.

8.3 **No Injunction.** There must not be in effect any legal requirement or any injunction or other order that prohibits the sale of the Interest by Seller to Buyer.

8.4 **Corporate Guarantee.** Buyer's parent company, Focus Venture Partners, Inc. shall provide a written guarantee, in a form satisfactory to Seller, to the Buyer's obligations under this Agreement and the Promissory Note described in Section 2.2 hereof.

## ARTICLE 9. INDEMNIFICATION

9.1 **Seller's Indemnity.** Seller agrees to indemnify, defend, and hold Buyer and the Company and each of their respective officers, managers, employees, successors, Affiliates and permitted assigns(collectively, the "Buyer Indemnitees") harmless from and against any and all losses, Liability, obligations, claims, demands, lawsuits, actions, assessments, damages ( including punitive, exemplary, lost profits, and business interruption), or expenses whatsoever (including interest, penalties, fines, attorneys' fees and expenses (including those incurred to enforce rights to indemnification hereunder, and consultant's fees and other costs of defense or investigation), and interest on amounts payable as a result of any of the foregoing (collectively, "Damages") which may be asserted against, imposed upon or incurred by any of the Buyer Indemnitees by reason of, resulting from, or in connection (directly or indirectly) with the following:

- (a) any inaccuracy in or breach of any representation or warranty of Seller contained in this Agreement;
- (b) any breach of any covenant or agreement contained in, made, or to be performed by Seller pursuant to this Agreement;
- (c) Damages arising by reason of (A) goods and services provided and sold by the Company prior to the Closing Date; (B) negligent acts or omissions of the Company and its employees occurring prior to the Closing Date, and (C) Damages arising with respect to the Litigation disclosed in Schedule 4.13); and
- (d) any Tax Losses resulting from acts of omissions of Company prior to Closing Date.

Since following the Closing the Company will be owned by the Buyer, Seller acknowledges and agrees that any Damages sustained by the Buyer Indemnitees, or any of them, with respect to a matter subject to indemnification pursuant to this Section may be recoverable against Seller by either the Company or Buyer and that in no such case shall Seller have any right of reimbursement or contribution, by subrogation or otherwise, against the Company. Further, Damages suffered by Buyer Indemnitees by reason of breaches of representations, warranties, covenants, or agreements of Seller contained in or made pursuant to this Agreement shall be specifically actionable by the Company (as well as by Buyer) to the same extent as if the Company was party to this Agreement.

## 9.2 Limitations on Seller's Indemnity

- Indemnity Threshold.** With respect to any Damages to which Buyer may be entitled to indemnification under Section 9.1, Seller shall not be obligated to indemnify Buyer for Damages unless and until the accumulation of indemnifiable Losses or Damages exceed the sum of fifty thousand dollars (\$50,000.00) ("Indemnity Threshold"), in which event Seller shall be required to pay or be liable for all such Damages that exceed the Indemnity Threshold. The limitations set forth in this Section 9.2(a) shall not apply to or limit the recoveries of the Buyer with respect to any willful misrepresentation or willful breach of warranty by the Seller, as set forth in Article 4 of this Agreement.
- a.

- Cap.** The aggregate maximum amount of all losses for which the Seller shall be liable to pursuant to Article 9.1, shall not exceed one million dollars (\$1,000,000.00) in the aggregate and any loss or Damages related to the Litigation instituted against the Company by Michael L. Martin and Paris G. Arey in the Commonwealth of Kentucky and currently docketed at Case No. 12CI05572, except that Buyer agrees to pay all attorneys' fees and costs related to the defense of Seller relating to this Litigation, which amount, even if it exceeds the Indemnity Threshold set forth in Section 9.2 a, shall not be the responsibility of the Seller and Seller shall retain the sole discretion to approve any settlement of this Litigation, which approval shall not be unreasonably withheld. The limitations set forth in this Section 9.2(b) shall not apply to or limit the recoveries of the Buyer with respect to (i) any willful misrepresentation or willful breach of warranty by the Sellers, as set forth in Article 4 of this Agreement.
- b.

- Exceptions to Threshold and Cap.** Except as set forth above in Section 9.2 b, regarding attorneys' fees and costs relating to the Litigation, neither the provisions relating to the Indemnity Threshold or the Indemnity Cap shall apply to the Litigation instituted against the Company by Michael L. Martin and Paris G. Arey in the Commonwealth of Kentucky and currently docketed at Case No. 12CI05572, for which Seller shall retain all obligation to indemnify Buyer.
- c.

**9.3. Buyer's Indemnity.** Buyer agrees to indemnify, defend, and hold harmless Seller from and against any and all losses, liabilities, damages, costs, and expenses (including court costs and reasonable attorneys' fees) (collectively, "Damages") incurred by Seller to the extent arising from or attributable to: (a) the breach of any representation or warranty of Buyer contained in this Agreement; (b) any breach of any covenant or agreement of Buyer contained in this Agreement; and (c) the operation of the Company after the Closing Date (including but not limited to Damages arising by reason of (A) goods and services provided and sold by the Company after the Closing Date; and (B) acts or omissions of the Company and its employees occurring after the Closing Date).

**9.4 Survival.** Except for those representations and warranties referenced in Sections 4.1, 4.4 and 4.20, which shall survive this Agreement and shall be perpetual, all representations and warranties of any party contained in this Agreement shall survive the execution and delivery of this Agreement and the consummation of the Contemplated Transactions, but shall be extinguished and be of no further force or effect eighteen (18) months after the Closing Date, provided that with respect to any "Tax Claim" (as herein defined), such representations and warranties shall terminate on the date upon which the Liability to which any such Tax Loss may relate is barred by all applicable statutes of limitation; and any Damages (excluding attorneys' fees and costs as set forth in Section 9.2 b) relating to suit filed against the Company by Michael L. Martin and Paris G. Arey in the Commonwealth of Kentucky, shall be perpetual.

**9.5 Procedure for Indemnification.**

(a) Promptly after receipt by an indemnified party of notice of the commencement of any proceeding against it by a third party, such indemnified party will, if a claim is to be made against any indemnifying party with respect to such action, give notice to the indemnifying party of the commencement of such claim.

(b) The indemnifying party will be entitled to participate in such proceeding and to the extent that it wishes to assume the defense of such proceeding with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party for any fees of other counsel or any other expenses with respect to the defense of such proceeding subsequently incurred by the indemnified party in connection with the defense of such proceeding. In connection with any indemnification, the indemnified party will cooperate with all reasonable requests of the indemnifying party. A claim for indemnification for any matter not involving a third party claim may be asserted by prompt written notice to the party from whom indemnification is sought, subject to any limitations contained in this Article 9.

(c) The indemnifying party shall have ten (10) days to object to any notice of claim or loss made by an indemnified party. If the indemnifying party objects to such notice of claim or loss, or fails to respond in such time period, the parties shall endeavor in good faith to settle the dispute through negotiation. If the dispute cannot be resolved through negotiation, or another mutually agreeable dispute resolution mechanism, either of the parties has the right to request non-binding mediation.

**ARTICLE 10.**  
**GENERAL PROVISIONS**

10.1 **Notices.** Notices and other communications required by this Agreement will be in writing and delivered by any courier or telecopy (facsimile). All notices will be addressed as follows:

*If to Seller:* Mike Traina  
105 Montgomery Ave. suite 1053  
Lansdale, PA 19446

*With Copy to:* Joey C. Guarino, Esq.  
17757 US 19 N., Suite 660  
Clearwater, Florida 33764

*If to Buyer:* Christopher Ferguson  
Optos Capital Partners, LLC  
1866 Leithsville Road, Suite 225  
Hellertown, PA 18055

*With copy to:* Thomas A. Archer, Esquire  
Mette, Evans & Woodside  
3401 North Front Street  
Harrisburg, PA 17110

or such address as shall be furnished by such notice to the other parties or to such other addresses as may be designated by a proper notice. Notices will be deemed to be effective upon receipt (or refusal thereof) if sent by recognized overnight delivery service and upon electronically verified transmission, if such delivery is by facsimile or telecopy transmittal, provided that any such facsimile or telecopy transmittal is confirmed by sending, within twenty-four (24) hours, a copy of such transmittal by overnight delivery service for next-day delivery.

10.2 **Confidentiality.** Buyer and Seller will maintain in confidence, and will cause the officers, employees, agents, and advisors of Buyer and the Company to maintain in confidence, any written, oral, or other information obtained in confidence from another party or the Company in connection with this Agreement or the Contemplated Transactions, unless (a) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions, or (c) the furnishing or use of such information is required by legal proceedings. If the Contemplated Transactions are not consummated, each party will return or destroy as much of such written information as the other party may reasonably request.

10.3 **Binding Agreement: Assignment.** This Agreement and the right of the parties hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, estates and legal representatives. This Agreement shall not be assigned by either party without the express written consent of the other party, which consent shall not be unreasonably withheld or delayed.

10.4 **Entire Agreement: Amendment.** This Agreement and the Exhibits and Schedules attached hereto constitute the entire Agreement and understanding between the parties hereto and supersede and revoke any prior agreement or understanding relating to the subject matter of this Agreement. No change, amendment, termination, or attempted waiver of any of the provisions hereof shall be binding upon the other party unless reduced to writing and signed by the party against whom such change, amendment, termination, or waiver is sought to be enforced.

10.5 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Receipt of telecopied or scanned and emailed signature pages shall have the same legal effect as the receipt of original signature pages.

10.6 **Expenses.** The parties hereto will each pay their own attorneys and accountant fees, expenses and disbursements in connection with the negotiation and preparation of this Agreement and the other Contemplated Transactions and all other costs and expenses incurred in performing and complying with all conditions to be performed under this Agreement and the other Contemplated Transactions,

10.7 **Further Assurances.** Upon reasonable request from time to time, the parties hereto will deliver and/or execute such further instruments as are necessary or appropriate to the consummation of the transactions contemplated by this Agreement.

10.8 **Construction.** Within this Agreement, the singular shall include the plural and the plural shall include the singular, and any gender shall include the other genders, all as the meaning in the context of this Agreement shall require. Nothing in this Agreement shall be construed against the draftsperson solely on the basis of drafting alone, given that both parties fully reviewed and negotiated this Agreement with their counsel. The captions used in this Agreement are inserted for convenience only and shall not constitute a part hereof.

10.9 **Exhibits and Schedules.** All Exhibits and Schedules attached to this Agreement are by this reference incorporated herein and made an essential part hereof.

10.10 **Governing Law.** This Agreement shall be governed and regulated and the rights and liabilities of all parties hereto shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts or choice of laws rules. The parties agree that the Courts of Common Pleas within Lehigh County, Pennsylvania or the Eastern District Court of Pennsylvania shall maintain sole jurisdiction over any legal proceedings brought in connection with this Agreement, except for proceedings for injunctive relief pursuant to Section 6.2, which may be brought in any court of competent jurisdiction.

10.11 **No Third-Party Beneficiaries.** This Agreement is not intended, and shall not be deemed, to confer upon or give any Person except the parties hereto and their respective successors and assigns any remedy, claim, liability, reimbursement, cause of action or other right under or by reason of this Agreement.

10.12 **Time of Essence.** Time is of the essence for this Agreement.

**[Signatures are on the next page]**

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement as of the date first set forth above, intending to be legally bound.

**BUYER:**

Optos Capital Partners, LLC

By: /s/ Chris Ferguson  
Chris Ferguson, Manager

**SELLER:**

Michael D. Traina

By: /s/ Michael D. Traina  
Michael D. Traina

**List of Exhibits and Schedules**

<b>Exhibit 2.2</b>	<b>Promissory Note</b>
<b>Schedule 4.3-</b>	<b>Seller's Required Consents</b>
<b>Schedule 4.5(i)-</b>	<b>Financial Statements [full years]</b>
<b>Schedule 4.5(ii)-</b>	<b>Financial Statements [stub period]</b>
<b>Schedule 4.7-</b>	<b>Assets</b>
<b>Schedule 4.9-</b>	<b>Accounts Receivable</b>
<b>Schedule 4.10-</b>	<b>Tax Matters</b>
<b>Schedule 4.13-</b>	<b>Litigation</b>
<b>Schedule 4.14-</b>	<b>Contracts &amp; Property</b>
<b>Schedule 4.16(c)-</b>	<b>List of Intellectual Property</b>
<b>Schedule 4.20</b>	<b>Proposed European Subsidiaries</b>
<b>Schedule 4.21-</b>	<b>Dealings with Affiliates</b>



**Exhibit 2.2**  
**Promissory Term Note**

- 28 -

---

**Schedule 4.3**

**Seller's Required Consents**

**NONE**

**Schedule 4.5 (i)**

**Financial Statements [full years]**

**See attached.**

**Schedule 4.5 (ii)**

**Financial Statements [stub period]**

**See attached.**

**Schedule 4.7-**

**Assets**

**See Attached**

- 32 -

---

**Schedule 4.9**

**Accounts Receivable**

**See attached.**

**Schedule 4.10**

**Tax Matters**

**NONE**

- 34 -

---

## Schedule 4.13

### Litigation

Beacon Enterprise Solutions Group, Inc. v. MDT Labor, LLC, U.S.D.C. for the Western District of Kentucky, No. 3-12-cv-759-H

This case derives from the Asset Purchase Agreement between MDT and Beacon Enterprise Solutions Group, Inc., dated September 5, 2012. Pursuant to the APA, certain Value Added Tax refunds due to Beacon were to be remitted to Beacon upon receipt by MDT. However, because it was determined that the representations made by Beacon on its schedule of Accounts Receivable being purchased by MDT contained material misstatements of fact, MDT has asserted its right of set-off under the APA regarding approximately \$136,000.00 in VAT refunds received. Additional claims by Beacon relate to allegations that MDT has failed in its obligations under the APA to make lease payments on leases entered into by Beacon and that MDT has been improperly using Beacon's federal EIN, Kentucky employer's withholding account number and Kentucky unemployment insurance account number. Beacon has asserted claims for breach of contract, conversion and seeks a declaratory judgment as to the parties obligations under the APA. Beacon also seeks a preliminary injunction compelling MDT to turn over the VAT refunds, and in support claims it will suffer "financial ruin" if the injunction is not granted. As set forth above, MDT has asserted its contractual right of set-off as a result of Beacon's material misstatements in the APA. The Court has scheduled a telephone conference on Beacon's request for injunction for December 4, 2012 at 11:00 a.m. MDT will be filing a response to the injunction petition, in which it refutes Beacon's claims of "financial ruin" by appending Beacon's filed Form 8-K filed on September 11, 2012 with the United States Securities and Exchange Commission, in which Beacon represented that the transaction with MDT "will result in [Beacon] ceasing its current business operations going forward." In addition, Beacon is believed to have existing liabilities of approximately \$3-\$4 million, thus rendering MDT's possession of \$136,000.00 immaterial to its financial sustainability. Based on these two facts, it is asserted that Beacon will be unable to establish the requisite irreparable harm to justify the issuance of a preliminary injunction

Michael Martin, et al. v. MDT Labor, LLC, et al., Case No. 12-cl-5572, Jefferson Circuit Court, Division Four, Kentucky:

This case derives from the Asset Purchase Agreement between MDT and Beacon Enterprise Solutions Group, Inc., dated September 5, 2012. Pursuant to the APA, as amended, MDT had the right but not the obligation, to assume certain contracts entered into by Beacon. Michael Martin and Paris Arey, two employees of Beacon, claim that their respective employment agreements were assumed by MDT, either expressly or impliedly by the actions of MDT subsequent to the date of the APA. Plaintiffs have brought claims against both MDT and Beacon for: breach of contract; breach of contract based on third party beneficiary status; breach of implied contract; promissory estoppel; wage claim under Kentucky statute; and fraud. MDT denies the Plaintiffs' claims, and asserts that it has never expressly or impliedly assumed the contracts, which would be required under the terms of the APA. MDT further denies the remaining claims of Plaintiffs. Based on the express language of the APA, Schedule 2, that MDT had no obligation to assume Plaintiffs' contracts, MDT intends to file Motion to Dismiss all, or part, of Plaintiffs' claims by the court extended deadline of December 17, 2012. Additional legal defenses exist to Plaintiffs' additional claims, including their classification as exempt from coverage under the Kentucky Wage Claim statute. Plaintiff, Paris Arey, seeks contractual damages in excess of \$300,000, together with other damages under the Kentucky Wage Claim statute, including a request punitive damages (despite being excluded by his employment agreement, and which will be subject to the Motion to Dismiss). Mr. Martin seeks contractual damages in excess of \$270,000 together with other damages under the Kentucky Wage Claim statute, including a request punitive damages (despite being excluded by his employment agreement, and which will be subject to the Motion to Dismiss).



**Schedule 4.14**

**Contracts & Property**

- A. None**
- B. See attached**
- C. None**
- D. See attached**
- E. None**
- F. None**
- G. None**
- H. See attached**
- I. See Schedule 4.7**
- K. See attached**

**Schedule 4.14 B**

**Contracts & Property**

Fresnak and Associates, LLP  
Author Cox, Ireland  
PRK Partners s.r.o.

## **Schedule 4.14 D**

### **EU. Employment Agreements**

Cornelia Ghetu  
David Rosypal- Appendix to Contract  
David Rosypal  
Fernando Prieta Barcia  
Ian Johnson  
James Croker- Amendment to Contract  
James Croker  
Kraig Darnell- Amendment to Contract  
Kraig Darnell  
Martin Hanzlik  
Nick Keating  
PJ Hegarty- Amendment  
PJ Hegarty  
Mike Boyle - Employment Agreement  
Kraig James Darnell-Employment Agreement  
Scott Fitzpatrick

### **Benefits**

Fashion Advantage Gold Option I Benefits  
PPO Blue Benefit Summary  
MDT 401 K Summary Plan  
UCCI MDT Labor, LLC

### **Incentive Plan Agreement:**

Bill Cagney 2H FY 2012 and FY 2013 Incentive Program  
Bill Fuller 2H FY 2012 Incentive Program  
Frank Zumpano-2H FY 2012 Incentive Program  
George Fant- 2H FY 2012 Incentive Program  
Joe Navarra- 2H FY 2012 Incentive Program  
Justin Caulfield- 2H FY 2012 Incentive Program  
Kevin Cserr- 2H FY 2012 Incentive Program  
MDT Estimated Commissions Plan  
Raritan Incentive Program  
Shane Caulfield- 2H FY 2012 Incentive Program  
Shawn Morinvil- 2H FY 2012 Incentive Program  
Terry Foster- 2H FY 2012 Incentive Program

## **Schedule 4.14 H**

### **Client Contracts:**

ACS State and Local Solutions  
Administrative Office of Pennsylvania Courts (AOPC)  
Blue Cross and Blue Shield of Delaware  
Blue Cross and Blue Shield of Kansas  
Blue Cross and Blue Shield Association  
Blue Cross and Blue Shield Delaware  
Comcast  
De Lage Landen Operational Services, LLC  
Empathy Lab  
Franklin and Marshall College  
J.C. General Services  
J.C. General Services- Amendment  
Johnson and Johnson Services, Inc.- Master from CETCON  
Johnson and Johnson Services, Inc- Extension  
Kroger Agreement  
Merck Master Service Agreement  
Mindteck  
Miria Systems  
Nityo Infotech Corporation  
TE Connectivity  
Toyota Motor Sales  
Versatile  
W.L. Gore & Associates  
Yellowbook

### **Vendor Contracts:**

Bullhorn  
Dice Contract  
Monster

#### **Schedule 4.14 K**

Brandywine Operating Partnership, LP  
Cognis IT Advisors, LLC  
Cognis IT Advisors, LLC Extension-Sublease  
Spectrum Office Tower, LLC  
Williams Holding Group, LLC  
IPC Louisville Properties, LLC

## **Schedule 4.20**

### **Proposed European Subsidiaries**

**MDT Labor, LLC is currently in the primary stages of establishing an entity in Dublin, Ireland with the proposed name of MDT Infrastructure Solutions Limited, s.r.o., to conduct its business and service its European based clients.**

**MDT Labor, LLC is currently in the primary stages of establishing a subsidiary in Prague, which is proposed to be owned 90% by the Dublin entity, MDT Infrastructure Solutions Limited, s.r.o., and 10% by MDT Labor, LLC.**

**Schedule 4.21**  
**Dealings with Affiliates**

NONE

- 42 -

---

## GUARANTY AGREEMENT

This GUARANTY (this "**Agreement**"), dated as of the 3rd day in December 2012, is entered into by Focus Venture Partners, Inc., a Nevada corporation "**Guarantor**") by and between and in favor of Michael D. Traina an individual residing at 2 Mercer Gate Drive, Doylestown, Pennsylvania 18901 ("**Lender**").

### RECITALS

**WHEREAS**, Optos Capital Partners, LLC, a Delaware limited liability company (the "**Borrower**"), entered into an Interest Purchase Agreement for the purchase of 100% of the membership interest of MDT Labor, LLC of even date herewith; and

**WHEREAS**, in as part of the purchase price Borrower executed and delivered a Promissory Note in the amount of four million dollars (\$4,000,000.00) of even date herewith to Lender; and

**WHEREAS**, Borrower agreed to comply with the terms, covenant, conditions and obligations under the Interest Purchase Agreement and the Promissory Term Note, (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions) hereinafter collectively referred to as the "**Loan Agreements**" (capitalized terms used herein without definition shall have the meanings ascribed thereto in the Loan Agreements); and

**WHEREAS**, it is a condition precedent to Lender entering into the Interest Purchase Agreement and making the loans under the Loan Agreements, that Guarantor shall have executed and delivered this Agreement to Lender.

**WHEREAS**, Borrower is the wholly owned subsidiary of Guarantor and as the parent company of Borrower, Guarantor will derive substantial direct and indirect benefit from the Loan Agreements; and

**NOW THEREFORE**, in consideration of the premises and in order to induce the Lender to make loans under the Loan Agreements, Guarantor hereby agrees as follows:

### ARTICLE I DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"**Bankruptcy Code**" means Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

Guaranty Agreement –Focus Venture Partners, Inc.

---



**"Change in Law"** means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law, regardless of the date enacted, adopted or issued.

**"Governmental Authority"** means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

**"Guarantor"** has the meaning set forth in the Preamble hereof.

**"Lender"** has the meaning set forth in the Preamble hereof.

**"Borrower"** has the meaning set forth in the Preamble hereof.

## **ARTICLE II**

### **AGREEMENT TO GUARANTEE OBLIGATIONS**

**Section 2.01 Guaranty.** Guarantor, hereby absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety,

(a) all obligations and payments by the Borrower of:

(i) the principal of and premium, if any, and interest at the rate specified in the Loan Agreements (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding ("**Post-Petition Interest**") under the Loan Agreements (including any reimbursement obligation for disbursements and interest (including Post-Petition Interest) when and as due, whether at scheduled maturity, date set for prepayment, by acceleration or otherwise, and

(ii) the prompt performance of all covenants, agreements, obligations and liabilities of the Borrower to the Lender under or in respect of the Loan Agreements, when and as due, including fees, costs, expenses (including, without limitation, reasonable fees and expenses of counsel incurred by the Lender in enforcing any rights under this Agreement or the Loan Agreements, contract causes of action and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding); and

Guaranty Agreement –Focus Venture Partners, Inc.

(b) all such obligations in subsection (a), whether now or hereafter existing, being referred to collectively as the "**Obligations**". Guarantor further agrees that all or part of the Obligations may be increased, extended, substituted, amended, renewed or otherwise modified without notice to or consent from such Guarantor and such actions shall not affect the liability of such Guarantor hereunder. Without limiting the generality of the foregoing, Guarantor's liability shall extend to all amounts that constitute part of the Obligations and would be owed to the Lender under or in respect of the Loan Agreements, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Borrower.

**Section 2.02 Reinstatement.** Guarantor agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is rescinded or must otherwise be returned by the Lender or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower.

### **ARTICLE III**

#### **GUARANTY ABSOLUTE AND UNCONDITIONAL; WAIVERS**

**Section 3.01 Guaranty Absolute and Unconditional; No Waiver of Obligations.** Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Loan Agreements, regardless of any law, regulation or order of any Governmental Authority now or hereafter in effect. The Obligations of Guarantor hereunder are independent of the Obligations under the Loan Agreements. A separate action may be brought against Guarantor to enforce this Agreement, whether or not any action is brought against the Borrower or whether or not the Borrower is joined in any such action. The liability of Guarantor hereunder is irrevocable, continuing, absolute and unconditional and the Obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise effected by, and Guarantor hereby irrevocably waives any defenses to enforcement it may have now or in the future by reason of:

- (a) any illegality or lack of validity or enforceability of any Obligation or any Loan Agreements or any related agreement or instrument;
- (b) any change in the time, place or manner of payment of, or in any other term of, the Obligations under the Loan Agreements, or any rescission, waiver, amendment or other modification of the Loan Agreements, including any increase in the Obligations resulting from any extension of additional loans or otherwise;
- (c) any default, failure or delay, willful or otherwise, in the performance of the Obligations;
- (d) any change, restructuring or termination of the corporate structure, ownership or existence of the Borrower, any of its subsidiaries or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or its assets or any resulting release or discharge of any Obligation;

Guaranty Agreement –Focus Venture Partners, Inc.

(e) the failure of the Lender to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Loan Agreements or otherwise; or

(f) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Borrower against the Lender.

### **Section 3.02 Waivers and Acknowledgements.**

(a) Guarantor hereby unconditionally and irrevocably waives any right to revoke this Agreement and acknowledges that this Agreement is continuing in nature and applies to all presently existing and future Obligations.

(b) Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Agreement and any requirement that the Lender protect, secure, perfect or insure any Lien or any property subject thereto.

(c) Guarantor hereby unconditionally and irrevocably waives any defense based on any right of set-off or recoupment or counterclaim against or in respect of the Obligations of such Guarantor hereunder.

## **ARTICLE IV GUARANTOR RIGHTS OF SUBROGATION, ETC.**

### **Section 4.01 Agreement to Pay.**

(a) Without limiting any other right that the Lender has at law or in equity against Guarantor, if the Borrower fails to pay any Obligation when and as due, whether at maturity, by acceleration, after notice of prepayment or otherwise, Guarantor agrees to promptly pay the amount of such unpaid Obligations to the Lender. Upon payment by any Guarantor of any sums to the Lender as provided herein, all of such Guarantor's rights of subrogation, exoneration, contribution, reimbursement, indemnity or otherwise arising therefrom against the Borrower shall be subordinate and junior in right of payment to the prior indefeasible payment in full of all Obligations.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES; COVENANTS**

**Section 5.01 Representations and Warranties.** Guarantor represents and warrants as to itself that all representations and warranties relating to it contained in the Loan Agreements are true and correct. Guarantor further represents and warrants that:

Guaranty Agreement –Focus Venture Partners, Inc.

(a) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(b) Such Guarantor has, independently and without reliance upon the Lender and based on such Agreement and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and has established adequate procedures for continually obtaining information pertaining to, and is now and at all times will be completely familiar with, the business, condition (financial or otherwise), operations, performance, properties and prospects of the Borrower.

**Section 5.02 Covenants.** Guarantor covenants and agrees that, until the Termination Date, such Guarantor will perform and observe, and cause Borrower to perform and observe, all of the terms, covenants and agreements set forth in the Loan Agreements that are required to be, or that the Borrower has agreed to cause to be, performed or observed.

## **ARTICLE VI MISCELLANEOUS**

**Section 6.01 Amendments.** No term or provision of this Agreement may be waived, amended, supplemented or otherwise modified except in a writing signed by each Guarantor and Lender.

**Section 6.02 Indemnification.** Guarantor hereby agrees to indemnify and hold harmless the Lender ("**Indemnitee**") from any losses, damages, liabilities, claims and related expenses (including the fees and reasonable expenses of any counsel for any Indemnitee) incurred by Indemnitee or asserted against any Indemnitee arising out of, in connection with or resulting from this Agreement (including, without limitation, enforcement of this Agreement) or any failure of any Obligations to be the legal, valid, and binding obligations of Borrower in accordance with their terms, whether brought by a third party or by such Guarantor, and regardless of whether any Indemnitee is a party thereto.

Guaranty Agreement –Focus Venture Partners, Inc.

### Section 6.03 Notices.

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (or by e-mail as provided in paragraph (b) below), all notices and other communications provided for herein shall be made in writing and mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by facsimile as follows:

(i) **If to Guarantor, to it at:**

969 Postal Road, Suite 100 Allentown, PA 18109  
Attention of Christopher Furgeson  
Facsimile No. (610) 672-9999;  
E-mail: cferguson@focusfiber.com

(ii) **If to the Lender, to it at**

2 Mercer Gate Drive Doylestown, PA 18901,  
Attention of Mike D. Traina  
Facsimile No. 727-773-1821;  
E-mail: traina@ilabornetwork.com

Notices mailed by certified or registered mail or sent by hand or overnight courier service shall be deemed to have been given when received. Notices sent by facsimile during the recipient's normal business hours shall be deemed to have been given when sent with successful delivery confirmation (and if sent after normal business hours shall be deemed to have been given at the opening of the recipient's business on the next business day).

(b) **Change of Address, Etc.** Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

**Section 6.04 Continuing Guaranty; Assignments Under the Loan Agreements.** This Agreement is a continuing guaranty and shall (i) remain in full force and effect until the latest of (x) the payment in full of the Obligations and all other amounts payable under the Loan Agreements, (y) the Maturity Date (as defined in the Loan Agreements), and (z) the date of expiration or termination of all Obligations, covenants and warrants under the Loan Agreements, (ii) be binding on Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by the Lender and its successors and assigns. The Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan Agreements to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Lender herein or otherwise. Guarantor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender.

**Section 6.05 Counterparts; Integration; Effectiveness; Electronic Execution.** This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This Agreement and the Loan Agreements constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall become effective when the Lender shall have received counterparts hereof that together bear the signatures of the other party hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Guaranty Agreement –Focus Venture Partners, Inc.

## **Section 6.06 Governing Law; Jurisdiction; Etc.**

(a) **Governing Law.** This Agreement and the other Loan Agreements and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

(b) **Submission to Jurisdiction.** Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind whatsoever, whether in law or equity, or whether in contract or tort or otherwise, against the Lender, relating to this Agreement or the transactions contemplated hereby, in any forum other than the courts of the Commonwealth of Pennsylvania or the Eastern District Court of Pennsylvania and each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees that any such action, litigation or proceeding may be brought in any such state court or, to the fullest extent permitted by applicable law, in such federal court.

(c) **Waiver of Venue.** Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Guaranty Agreement –Focus Venture Partners, Inc.

**Section 6.07 Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY. EACH PARTY HERETO (A) CERTIFIES THAT NO AGENT, ATTORNEY, REPRESENTATIVE OR ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF LITIGATION, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**[SIGNATURES ON FOLLOWING PAGE]**

Guaranty Agreement –Focus Venture Partners, Inc.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Guaranty Agreement as of the date first set forth above, intending to be legally bound.

**Focus Venture Partners, Inc.**

By/s/ Chris Ferguson  
Name: Chris Ferguson  
Title: President

**Mike D. Traina**

/s/ **Mike D. Traina**

Guaranty Agreement –Focus Venture Partners, Inc.



Exhibit 21.1 List of Subsidiaries

Optos Capital Partners, LLC, a Delaware limited liability company

Focus Fiber Solutions, LLC, a Delaware limited liability company

Jus-Com, Inc., an Indiana corporation

MDT Labor, LLC, a Delaware limited liability company

---

Office Locations

Las Vegas, NV  
New York, NY  
Pune, India  
Beijing, China



**De Joya Griffith**  
*Certified Public Accountants and Consultants*

January 8, 2013

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

U.S. Securities and Exchange Commission  
Washington, DC 20549

Ladies and Gentlemen:

We hereby consent to the incorporation and use in this Registration Statement of Focus Venture Partners, Inc. on Form S-1/A of our audit report, dated September 5, 2012 relating to the accompanying balance sheets of Optos Capital Partner, LLC and Jus-Com, Inc, as of December 31, 2011 and 2010 and the statements of operations, stockholders' equity, and cash flows for the years then ended, which appears in such Registration Statement.

We also consent to the reference to our Firm under the title "Interests of Named Experts and Counsel" in the Registration Statement and this Prospectus.

De Joya Griffith, LLC

/s/ De Joya Griffith, LLC  
Henderson, NV  
January 8, 2013

## CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM

U.S. Securities and Exchange Commission  
Washington, DC 20549

Ladies and Gentlemen:

We hereby consent to the incorporation and use in this Registration Statement of Focus Venture Partners, Inc. on Form S-1/A of our audit report, dated October 19, 2012, relating to the accompanying balance sheet of MDT Labor, LLC, as of December 31, 2011 and the statements of income and members' equity, and cash flows, for the period March 18, 2011 (inception) to December 31, 2011, which appears in such Registration Statement.

We also consent to the reference to our Firm under the title "Interests of Named Experts and Counsel" in the Registration Statement and this Prospectus.

G3 of PA LLC

Jenkintown, Pennsylvania  
January 8, 2013